



News Release

EADS' Q1 2008 results reflect ongoing solid underlying performance and favourable seasonal effects

- Revenues up 10 percent to Group total of € 9.9 billion – growth across all Divisions
- EBIT* grew to € 769 million despite burden of declining US dollar – improvement in all five Divisions
- Free Cash Flow before customer financing increased to € 1.1 billion
- Order intake up to € 39.3 billion thanks to Airbus and Military Transport Aircraft Division

Amsterdam, 14 May 2008 – EADS (stock exchange symbol: EAD) can rely on robust fundamentals and continued solidity in its underlying performance, but is still facing challenges on its recovery path. Despite a difficult economic environment and a weak US dollar, the Group continued to experience strong business momentum in the first quarter of 2008. The remarkable order intake reflects the capabilities of EADS' product portfolio on the global market, in particular at Airbus and Military Transport Aircraft Division. The Q1 2008 EBIT* development was supported by a temporary excess volume of matured hedges compared to the economic exposure. For the full year 2008, the Group confirms its EBIT* guidance of € 1.8 billion.

"Though many serious challenges have been overcome there remains much to do in order to secure the significant and lasting improvement in operational performance we are targeting. But first quarter results are encouraging in that respect," said EADS CEO Louis Gallois. "Implementation and execution of Power8 is underway and we will look into further measures beyond. With regard to our long-term strategic plan Vision 2020, we have achieved first tangible successes: The US tanker selection and our recent acquisition in the US support us in our aim to balance both our global footprint and our business portfolio. We are determined to build on that encouraging start and are looking to make further advances in transforming our business."

Airbus continued to ramp-up aircraft deliveries, mainly for the A320 Family. Singapore Airlines received further A380s. The Military Transport Aircraft Division achieved the A400M Power-On milestone. Eurocopter increased its deliveries, successfully unveiled its new EC175 transport helicopter and further expanded its international presence by opening an NH90 assembly line in Australia. The EADS Astrium-built Automated Transfer Vehicle

successfully completed its mission to supply the International Space Station ISS. The Defence & Security Division enlarged its secure communications business through new orders and the acquisition of the North American emergency response solution provider PlantCML.

Revenues grew by 10 percent to € 9.9 billion (Q1 2007: € 8.9 billion), fuelled by higher Airbus deliveries (123 units incl. two A380s versus 115 aircraft in the same period of the previous year) and increased volumes at Eurocopter, EADS Astrium and Defence & Security. The Military Transport Aircraft Division contributed significantly to the growth thanks to a milestone revenue recognition in the A400M programme, which had been shifted from 2007.

EADS' **EBIT*** (pre goodwill and exceptionals) for the first quarter 2008 reached € 769 million (Q1 2007: € 88 million). It benefited from improvements across all Divisions. Thanks to a strong operational performance and achievement of Power8 targets, Airbus and Defence & Security secured the largest EBIT* growth compared to the first quarter of 2007 when Airbus' EBIT* in particular was heavily burdened by Power8 restructuring. Additionally, in the first three months of 2008, Group EBIT* benefited from a temporary excess volume of matured hedges compared to the economic exposure, overcompensating a less favourable hedge rate compared to the same period of the previous year. The reverse effect will impact the upcoming quarters. In Q1 2008, a US dollar impact of around € -500 million on loss-making contract provisions put pressure on the Group's EBIT*, partly balanced out by a gain of around € 200 million from revaluations on liabilities. Compared to Q1 2007, the US dollar effects impacted EBIT* by € -360 million.

In line with the Group's EBIT* development, EADS improved its **Net Income** to € 285 million (Net Loss Q1 2007: € 10 million), or earnings per share of € 0.35 (loss per share Q1 2007: € 0.01). **Self-financed R&D** expenses remained roughly stable at € 534 million (Q1 2007: € 549 million), but are expected to grow over the full year mainly in the context of Airbus' aircraft development programmes, especially for the A350 XWB.

Free Cash Flow before customer financing increased to € 1,059 million (Q1 2007: € -785 million) driven by improved cash flow from operations and reduced capital expenditure. The improvement in operating cash flow was mainly related to a stronger inflow of customer advance payments and additionally benefiting from a much lower build-up of inventories. Consequently, Free Cash Flow including customer financing improved to € 1,116 million (Q1 2007: € -822 million) including a stronger net contribution from sell-down of customer financing assets compared to a cash-out in the first quarter of 2007. In the first quarter of 2008, Cash Flow is significantly less impacted by capital expenditure, settlement payments and restructuring expenses than it will be over the rest of the year. At the end of March, the **Net Cash Position** reached € 8.3 billion (year-end 2007: € 7.0 billion).

In the first three months of 2008, EADS raised its **order intake** to € 39.3 billion (Q1 2007: € 10.5 billion) thanks to strong orders at Airbus and – with finalisation of the UK tanker programme FSTA and a tanker order from Saudi-Arabia – at Military Transport Aircraft. The Group benefited from a continuing demand for EADS' excellent products, mainly from Asia-Pacific and legacy carriers.

Up to the end of March 2008, the Group's **order book** remained on a record level of € 351.5 billion (year-end 2007: € 339.5 billion). This growth was achieved despite a € -17 billion revaluation due to the weaker US dollar at the end of the first quarter. Orders within the commercial aircraft business are based on list prices. The Group further expanded its defence order book mainly thanks to its Military Transport Aircraft Division; defence order book closed the first quarter at € 58.0 billion (year-end 2007: € 54.5 billion). At the end of March, EADS had 116,375 **employees** (year-end 2007: 116,493).

Outlook

EADS confirms the guidance for 2008 that was published on 11 March 2008.

The EADS guidance is based on a closing spot rate at year-end 2008 of € 1 = US\$ 1.45.

EADS expects Airbus to capture above 700 aircraft orders in 2008.

EADS revenues are expected to exceed € 40 billion in 2008, with about 470 aircraft deliveries for the full year.

EADS expects its 2008 EBIT* at € 1.8 billion. While, in the first quarter, the strong underlying performance across businesses, particularly at Airbus, shows a satisfactory trend, EADS needs to balance it with challenges on key programmes this year.

The weakening of closing spot rate at year-end 2008 could have negative impacts on earnings linked to the revaluation at a deteriorated US dollar rate of some Airbus balance sheet items, including loss-making contract provisions.

Before the impact of customer financing, EADS expects 2008 Free Cash Flow at € 500 million (keeping in mind it is the most volatile item to predict). This includes the cash consideration for the acquisitions EADS announced lately. If the positive trend of the first quarter is confirmed, upside to this number is possible.

For the 2008 EBIT* guidance as well as for the mid-term outlook, any potential financial impact of the new A380 delivery schedule has not been determined so far.

Divisions: Strong underlying business performance

The **Airbus** Division's revenues increased to € 7,057 million (Q1 2007: € 6,606 million) driven by high volumes, A400M revenue recognition (reflecting Airbus' internal work share) and despite a negative US dollar impact. In the quarter under review, Airbus delivered 123 aircraft (Q1 2007: 115 aircraft) – with a new monthly record of 48 aircraft being handed over to customers in March. Four A380s are to date in service with Singapore Airlines. EBIT* recovered to € 628 million compared to € -69 million in the first quarter of the previous year, when it was burdened by exceptional restructuring charges. The higher EBIT* came despite the pressure resulting from loss-making contract provisions and price deterioration in aircraft delivered compared to the same period of the previous year. Supporting impact came from an excellent delivery performance for single-aisle and A330 aircraft. In addition, Airbus' EBIT* benefited from strong seasonal effects. Future quarters of 2008 will be more strongly impacted by customer financing, less hedges maturing in front of the economic exposure and increased R&D spending.

The **Power8** restructuring programme is progressing. Despite the discontinuation of the negotiations with former preferred bidders in France and Germany, the plan to sell the plants which are now being carved out remains in place. Airbus expects to conclude the divestments in Filton (UK) and in Laupheim (Germany) in the next few weeks. This is still subject to a decision of the EADS Board of Directors. Given the progress and prospects registered on the Power8 programme so far, EADS and Airbus maintain the EBIT* and Cash Power8 savings targets previously communicated.

In the first three months of 2008, Airbus received 395 net orders (420 gross orders), with a significant contribution from the best-selling A320 Family (290 aircraft), 102 aircraft in the long-range segment and three A380s. The A350XWB received net orders for 64 aircraft in the first quarter, pushing the aircraft's order book by the end of the first quarter 2008 to a total of 356 units ordered by 21 customers. As of 31 March, the Airbus order book amounted to € 291.1 billion (year-end 2007: € 283.8 billion) based on list prices. In terms of units the order book further increased to a total of 3,693 aircraft (year-end 2007: 3,421 aircraft).

The **Military Transport Aircraft** Division's revenues grew in the first quarter of 2008 to € 636 million (Q1 2007: € 133 million) thanks to A400M Power-On milestone revenue recognition – shifted from 2007 and worth around € 400 million – compared to no revenue recognition in the first quarter of 2007. The Division's EBIT* stood at € -1 million (Q1 2007: € -13 million), also mainly driven by the A400M milestone achievement.

Selection by the forces of five nations confirms the A330 MRTT as the most advanced and capable tanker aircraft on the market. The Division was awarded an order for delivery and servicing of 14 A330 MRTT tanker aircraft for the UK forces. The so-called FSTA programme is the world's largest ever defence Private Finance Initiative and EADS' revenue share amounts to about € 3 billion. The A400M programme is progressing according to the revised plan with first flight scheduled for summer 2008. The static tests for the complete A400M structure are underway. In the medium-light turboprop range, the Division received new orders for two CN-235s. Until the end of March 2008, the order book of the Military Transport Aircraft Division increased to € 23.1 billion (year-end 2007: € 19.9 billion), not yet including any contribution from US Air Force's tanker programme.

Eurocopter's revenues further increased by 9 percent to € 732 million (Q1 2007: € 671 million). This came from ongoing delivery ramp-up in serial helicopters and higher development activities. Customer services make up about 37 percent of the Division's business and will remain a growing source of revenues in the long term. EBIT* improved to € 37 million (Q1 2007: € 33 million) reflecting a favourable product mix and higher volume. Growth was achieved despite an unfavourable US dollar impact. In the first three months of 2008, 102 helicopters were handed over to customers compared to 74 units in the same period of the previous year. These included six NH90s to Italy, Germany and Finland bringing the total number of deliveries for this type to 17 units. The production line for the UH-72A in Columbus, Mississippi, is progressing as planned. In the first quarter 2008, Eurocopter delivered eight of these helicopters (in total 26 units) – all on or ahead of schedule.

The Division further grew its international industrial presence with an NH90 assembly line in Australia becoming operative. The new civil transport helicopter EC175, which Eurocopter is jointly developing with Chinese partners, received vigorous market interest at its unveiling in February. From January to March 2008, Eurocopter in total received new orders for 299 helicopters (Q1 2007: 287), bringing the order book to a total of 1,585 helicopters (year-end 2007: 1,388) or a value of € 14.5 billion (year-end 2007: € 13.5 billion).

Astrium continued to increase its revenues, which amounted to € 751 million (Q1 2007: € 629 million). This was mainly driven by the ramp-up of Paradigm services and an increased Ariane 5 production rate. Thanks to volume effects, de-risking of the Galileo development programme and operational improvements EBIT* more than tripled to € 33 million (Q1 2007: € 10 million).

In addition to the successful docking of the Columbus space laboratory to the International Space Station (ISS), the successful launch on Ariane 5 and – a world first – the perfect automatic docking of the Automated Transfer Vehicle to the ISS as well as the launch of the second Galileo test satellite Giove-B

end of April, Astrium also achieved major market successes: The Mercury probe BepiColumbo was contracted as well as a further hi-power commercial telecommunications satellite. By the end of March, the Division's order book stood at €12.7 billion (year-end 2007: €12.9 billion).

The revenues of the **Defence & Security** Division rose to € 990 million, compared to € 905 million for the same period of 2007. The growth was mainly driven by stronger contributions from the defence electronics and the missiles business. The Division's EBIT* surged to € 33 million (Q1 2007: € -5 million) thanks to higher volumes and lower structural costs. In the context of the MBDA consolidation change, Q1 2007 figures have been adjusted taking MBDA into account at 37.5 percent.

In the Eurofighter programme, the final Tranche 1 aircraft was delivered and production of Tranche 2 is underway. So far, 146 Eurofighter have been handed over to customers, among them seven export aircraft to Austria. To address new defence markets the Defence & Security Division inked a partnership with India's Tata Group to bid for the Indian army's tactical communications system. The Division's order intake benefited from new orders in the missile business, the continuing success of secure networks, including contracts from Brazil, China and Spain, as well as from the promising global security business, including the latest maritime security order from Morocco. The Division's order book slightly improved to € 18.0 billion (year-end 2007: € 17.8 billion). In April, the Defence & Security Division expanded its secure communications footprint by acquiring PlantCML, a leading provider of emergency response solutions in North America, which will be consolidated within the Defence & Security Division.

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

Other Businesses' (ATR, EADS EFW, EADS Socata, EADS Sogerma and EADS North America) revenues stood at € 297 million (Q1 2007: € 311 million). In line with revenues development, Other Businesses achieved an EBIT* of € 19 million in the first quarter of 2008 (Q1 2007: € 20 million). EADS North America, which encompasses the prime contractorship of key US programmes and those activities managed in the US, is now consolidated within Other Businesses, not within the Defence & Security Division anymore. The figures for Q1 2007 are adjusted accordingly. EADS' Divisions will continue to report their work share in the various programmes within their figures. In the first quarter of 2008, EADS North America's revenues mainly include revenues linked to the prime contractorship of the LUH programme.

In the first three months of 2008, regional aircraft manufacturer ATR delivered eight aircraft (compared to eight units in Q1 2007) and received new orders for three aircraft. This led to a total order book of 190 aircraft by the end of March.

EADS EFW was burdened by an unfavourable product mix caused by lower deliveries of converted freighters but a stronger aerostructures business compared to the same period of the previous year. EADS Socata handed over six TBM 850s to customers and has an order book of 58 aircraft. On 31 March 2008, the order book of Other Businesses stood at € 3.0 billion (year-end 2007: € 2.7 billion). Headquarters/Consolidation EBIT* contracted compared to the same period of the previous year, when it benefited from the sale of EADS' stake in Embraer and corporate real estate sales.

EADS is a global leader in aerospace, defence and related services. In 2007, EADS generated revenues of € 39.1 billion and employed a workforce of about 116,000. 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 through its Military Transport Aircraft Division, and holds a stake in the joint venture MBDA, the international leader in missile systems.

* 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.

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Notes to the editors:

Live-Transmission EADS Analysts Conference Call on the Internet

You may listen to the **Analysts Conference Call** today at 11.00 a.m. CET with EADS CEO 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.

Further material for the media

Further information on EADS – photo, video, sound bites, background documents – is available at www.medianewsnet.com.

EADS – First Quarter Results (Q1) 2008
(Amounts in Euro)

EADS Group	Q1 2008	Q1 2007	% Change
Revenues⁽¹⁾ , in millions	8,023	8,934	+10%
thereof defence, in millions	1,025	1,480	+37%
EBITDA⁽¹⁾⁽²⁾ , in millions	577	523	+125%
EBIT⁽¹⁾⁽³⁾ , in millions	266	88	+774%
Research and Development expenses⁽¹⁾ , in millions	534	549	-3%
Net Income⁽⁴⁾ , in millions	285	-10	-
Earnings Per Share (EPS)⁽⁴⁾	0.33	-0.01	-
Free Cash Flow (FCF)⁽¹⁾ , in millions	1,126	-822	-
Free Cash Flow before Customer Financing⁽¹⁾ , in millions	1,458	-785	-
Order Intake⁽¹⁾⁽⁵⁾ , in millions	39,388	10,460	+275%

EADS Group	Q1 2008	Q1 2007	% Change
Order Book⁽⁵⁾ , in millions	339,532	339,532	+4%
thereof defence, in millions	54,472	54,472	+6%
Net Cash position , in millions	7,024	7,024	+19%
Employees	116,493	116,493	-0%

- 1) In the context of the MBDA consolidation change Q1 2007 figures have been adjusted taking MBDA into account at 37.5 percent.
- 2) Earnings before interest, taxes, depreciation, amortization and exceptionals
- 3) Earnings before interest and taxes, pre goodwill impairment and exceptionals
- 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.
- 5) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices

by Division	Revenues			EBIT		
	Q1 2007	Q1 2007	Change	Q1 2007	Q1 2007	Change
(Amounts in millions of Euro)						
Airbus	6,606	6,606	+7%	-69	-69	-
Military Transport Aircraft	133	133	+378%	-13	-13	-
Eurocopter	671	671	+9%	33	33	+12%
Astrium	629	629	+19%	10	10	+230%
Defence & Security ^{(1) (2)}	905	905	+9%	-5	-5	-
Headquarters / Consolidation	-321	-321	-	112 ⁽⁴⁾	112 ⁽⁴⁾	-
Other Businesses ^{(2) (5)}	311	311	-5%	20	20	-5%
Total	8,334	8,334	+10%	78	78	+10%

by Division	Order Intake			31 Dec 2007	
	Q1 2007	Q1 2007	Change	31 Dec 2007	Change
(Amounts in millions of Euro)					
Airbus	5,464	5,464	+476%	283,829	+3%
Military Transport Aircraft	123	123	+3,019%	19,932	+16%
Eurocopter	2,604	2,604	-33%	13,455	+7%
Astrium	963	963	-9%	12,895	-1%
Defence & Security ^{(1) (2)}	1,237	1,237	+6%	17,836	+1%
Headquarters/ Consolidation	-245	-245	-	-11,155	-
Other Businesses ^{(2) (5)}	314	314	+/-0%	2,740	+9%
Total	8,334	8,334	+10%	305,647	+3%

- 1) In the context of the MBDA consolidation change Q1 2007 figures have been adjusted taking MBDA into account at 37.5 percent
- 2) As of 1 January 2008, the consolidation of EADS North America was changed by transferring parts from Defence & Security Division to Other Businesses. Nevertheless, the lead of material business elements remains within the respective Divisions. The figures for Q1 2007 and 31 December 2007 are adjusted accordingly.
- 3) Earnings before Interest and taxes, pre goodwill impairment and exceptionals
- 4) Headquarters/Consolidation EBIT* contains the contribution from Dassault; in Q1 2007 the Headquarters/Consolidation EBIT* additionally included the gain from the sale of EADS' stake in Embraer and a corporate real estate sale.
- 5) ATR, EADS EFW, EADS Socata, EADS Sogerma and EADS North America are allocated to Other Businesses which is not a stand-alone EADS Division.
- 6) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices

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 24 April 2008.