



News Release

EADS delivers strong 9-month performance and raises earnings guidance for 2005

• EBIT*	€ 2.1 billion	up 41 percent
• Revenues	€ 23.4 billion	up 9 percent
• Net Income	€ 1.0 billion	up 74 percent
• Order intake	€ 38.8 billion	up 88 percent

Amsterdam, 9 November 2005 – EADS (stock exchange symbol: EAD), a global leader in aerospace, defence and related services, continues to deliver strong operational and financial performance. EADS achieved an EBIT* of € 2.1 billion in the first nine months of 2005, 41 percent higher than for the same period of 2004 (9/2004: € 1.5 billion). The EBIT* margin has increased from seven percent to nine percent.

These robust earnings have allowed EADS to raise its 2005 EBIT* target to € 2.75 billion (FY 2004: € 2.43 billion**) and its earnings per share (EPS) to around € 1.65 for the full year 2005 (FY 2004: € 1.27**). EADS also expects its revenues to grow to more than € 33 billion and its Free Cash Flow to remain robust. EADS published its nine months results on Wednesday.

The strong EADS performance is due to the further increase in Airbus deliveries, high revenues and earnings in its defence businesses as well as continued profitability improvement in its Space Division.

CEOs Enders and Forgeard: “EADS is set to deliver strong 2005 performance.”

The EADS CEOs Tom Enders and Noël Forgeard said: “Order intake momentum was extremely robust for Airbus and defence businesses confirming EADS’ strong potential to continue growth and expansion. The excellent results achieved in the first nine months of 2005 have allowed us to

raise further our earnings targets for the full year. We expect Airbus to be again Number 1 in aircraft deliveries and Eurocopter to reinforce its global leadership in helicopters. We are thus set to deliver a strong 2005 performance.”

In the third quarter 2005, EADS has examined its global engineering and manufacturing across the Group to enhance the flexibility of its industrial resources and to mobilize further synergies between EADS business units and external resources. Airbus is currently hiring 100-120 engineers per month. “We are giving customer satisfaction and delivery on our promises the first priority and have instructed the management not to compromise in this respect,” the EADS CEOs announced.

Strong EBIT* improvement

The strong EBIT* improvement was mainly driven by Airbus which benefited mainly from higher aircraft deliveries (271 in the first nine months of 2005, compared to 224 in the same period of 2004) and increased cost savings from the Route06 programme. The EBIT* increase also benefits from better results of the Defence & Security Systems and the Space Division as well as from a higher contribution from EADS' 46.30 percent stake in Dassault Aviation. EBIT* grew in spite of a less favourable first nine month average hedge rate of € 1 = US\$ 1.04 (9/2004: € 1 = US\$ 0.99).

The self-financed R&D charge has decreased to € 1.4 billion in the first nine months of 2005 (9/2004: € 1.6 billion). This is in large part due to the A380 passenger version moving from development to production and the increase of R&D capitalisation for the A380 in relation to the certification process. R&D expenses are expected to increase again in the following quarters when the development phase of the A380 freighter and A350 programme ramps up.

Net Cash remains robust

Free Cash Flow before customer financing amounted to € 1.4 billion in the first nine months (9/2004: € 147 million). The strong cash generation from strong profits and customer pre-delivery payments has largely levelled the build-up of inventories driven by the industrialisation of the A380 and the production ramp-up.

EADS' Net Cash position was slightly higher than at the end of H1 2005 and amounted to € 4.7 billion (year-end 2004: € 4.1 billion).

Net income of € 1.025 billion – Earnings per share € 1.29

EADS recorded a 9-month Net Income of € 1.025 billion (9/2004: € 588 million), or € 1.29 per share (9/2004: € 0.73) thanks to strong EBIT* increase and finance result improvement.

EADS CFO Hans Peter Ring said: "The impressive 77 percent EPS increase in the first nine months reflects the good quality of our results. Based on this, we expect EPS to be around € 1.65 for the full year 2005."

EADS revenues increased by nine percent to € 23.4 billion (9/2004: € 21.5 billion) during the first nine months. This revenues increase results from growth across all divisions except the Military Transport Aircraft Division, whose revenue development mainly follows the large revenue milestones of the A400M programme. EADS' defence business posted a combined revenue growth of 15 percent to € 4.9 billion, thus confirming the strong potential for organic growth.

EADS order intake up 88 percent

The EADS order intake from January to September 2005 grew significantly by 88 percent to € 38.8 billion (9/2004: € 20.6 billion), reflecting a strong increase of aircraft orders across the Airbus product portfolio as well as a 65 percent growth in defence order intake. At € 210.4 billion, the EADS order book continued to grow (year-end 2004: € 184.3 billion). To date, EADS' order book is the strongest in the global aerospace and defence industry. At the end of September, the Group's defence order book stood at € 51.8 billion (year-end 2004: € 49.1 billion).

At the end of September 2005, EADS had 112,184 employees (year-end 2004: 110,662).

Divisions:

The **Airbus** Division 9-month EBIT* surged 34 percent to € 1,854 million (9/2004: € 1,379 million) despite a less favourable US dollar impact. The result is mainly driven by higher aircraft deliveries (271 versus 224), and benefits from the Route06 cost savings programme and a lower R&D charge. Revenues grew by eleven percent to € 16,033 million (9/2004: € 14,415 million).

The EBIT* margin improved from 9.6 percent to 11.6 percent, and the EBIT* margin pre-R&D amounted to 18.9 percent (same as in 9/2004).

Airbus booked 417 gross orders in the first nine months 2005, more than double compared to the same period of the previous year (9/2004: 189). This strong order intake indicates the ongoing market upturn in commercial aviation. While receiving major orders from existing and new European and Asian customers, Airbus is further strengthening its customer base. 43 percent of Airbus' 9-month order intake was received from Asia-Pacific.

The Airbus order book amounted to € 158.5 billion at the end of September 2005, representing a total of 1,636 commercial aircraft.

The encouraging customer response to the all-new A350, industrially launched on 6th October, is impressively demonstrated by 143 commitments from ten customers to date. This strong market support for the A350 is not yet included in the order book. Airbus only counts firm orders and expects to receive 200 commitments for the A350 by the end of 2005.

For the A380, Airbus has received 159 firm orders and commitments from 16 customers to date. In 2005, three new customers have so far committed to the A380 and Airbus has already successfully completed more than 120 test flights with its three flying A380s. The world's largest passenger aircraft recently successfully demonstrated its airport readiness at Frankfurt airport and will shortly undertake similar exercises at different Asia-Pacific hubs.

EADS' institutional, military and security businesses are subject to strong seasonal influences. Their revenues and earnings are usually strongest in the last quarter of the year.

The **Military Transport Aircraft** Division recorded an EBIT* of € 1 million in the first nine months (9/2004: € 5 million). EBIT* was affected in the first nine months by a less favourable business mix and a slight decrease in revenues. Revenues amounted to € 504 million (9/2004: € 539 million). The next significant revenue milestone for the A400M programme is expected for the next months. The production phase for the 188 firmly ordered A400M aircraft has started and the construction of the final assembly line in Seville, Spain is in progress. The order book amounted to € 21.1 billion at the end of September. In anticipation of a US tanker competition, EADS has recently partnered with Northrop Grumman to supply the most advanced tanker aircraft to the US Air Force. For the tender on the US Future Cargo Aircraft (FCA) programme, EADS has teamed with Raytheon.

As already indicated at the time of the H1 2005 results, EADS' Aeronautics Division was dissolved in June 2005. The newly established Eurocopter Division only accounts for the Eurocopter results.

The **Eurocopter** 9-month EBIT* slightly grew to € 105 million (9/2004: € 101 million) while revenues increased by 17 percent to € 2,021 million (9/2004: € 1,732 million). The higher revenues were mainly due to the first time consolidation of Australian Aerospace; the lower EBIT* margin followed a less favourable business mix. At the end of September 2005, the Eurocopter order book amounted to € 9.8 billion. To further expand its footprint in the US, Eurocopter teamed with Sikorsky Aircraft for the US Army's Light Utility Helicopter (LUH) programme.

The **Space** Division recorded an EBIT* of € 10 million in the first nine months of 2005 (9/2004: € -6 million). This improvement clearly indicates that the Division is reaping the benefits of its restructuring. Revenues amounted to € 1,670 million (9/2004: € 1,646 million). The divisional results were driven by the delivery of telecommunication satellites and the Ariane 5 production ramp up. The order book stood at € 11.2 billion. The Space division continues its successful turnaround and is on track to reach its profitability targets in 2005.

The EBIT* of the **Defence & Security Systems** Division improved compared to the same period in 2004 and stood at € 10 million (9/2004: € -77 million), mostly driven by MBDA's missile programmes and the Eurofighter ramp up

as well as lower restructuring and R&D charge. Revenues increased to € 3,419 million. EADS booked an order from the Spanish government for the Taurus missile. Contracts for the Eurofighter self-protection and A400M missile warning systems have also been signed. The order book amounted to € 18.6 billion as of 30 September 2005.

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 contribution grew to € 157 million in the first nine months of 2005 from € 51 million in the same period of 2004.

Other Businesses: Since the dissolving of the former Aeronautics division at the end of June 2005, the Business Units ATR, EADS EFW, EADS Socata and EADS Sogerma Services are no longer part of any division, but come directly under the responsibility of Gustav Humbert (EADS EFW and EADS Sogerma Services) and Hans Peter Ring (ATR and EADS Socata). In the adapted segment reporting, EADS allocates the four respective Business Units among 'Other Businesses'.

The 9-month EBIT* of the Business Units ATR, EADS EFW, EADS Socata and EADS Sogerma Services accounted for € -56 million (9/2004: € 12 million) with positive contributions from ATR and EADS EFW. EADS Socata's EBIT* was around breakeven. In the first nine months 2005, EADS Sogerma Services faces a higher loss than in the same period of 2004. EADS management is implementing actions to restore the profitability in this Business Unit. Other Businesses achieved revenues of € 783 million (9/2004: € 809 million). At the end of September, the order book of Other Businesses was stated at € 1.5 billion.

Outlook

For the full year 2005, EADS raises its EBIT* target to € 2.75 billion, from a previous target of "more than € 2.6 billion".

The change in EBIT* outlook reflects Airbus delivery increase to 370 aircraft in 2005, most of the growth occurring in the single-aisle category. It also incorporates higher than expected losses at EADS Sogerma Services and additional charges in the Defence & Security Systems Division related to two Unmanned Aerial Vehicle (UAV) programmes in the last quarter of 2005.

EADS expects its 2005 revenues to grow to more than € 33 billion. In 2004, EADS achieved revenues of € 31.8 billion. EADS' group-wide defence revenues should increase by 10 percent during the course of the year to € 8.5 billion.

Continuing the strong cash flow generation in 2004, Free Cash Flow before Customer Financing is expected to remain robust in 2005.

2005 EPS are expected to grow to around € 1.65, based on an expected average of around 800 million shares. This EPS target is partly dependent on the 2005 US dollar closing rate. The previous EPS target was "more than € 1.50" for the full year 2005. The updated EPS guidance reflects mostly the higher EBIT* target.

EADS – Nine Months Results 2005
(Amounts in Euro)

EADS Group	01-09 2005	01-09 2004	Change
Revenues , in millions	23,446	21,459	+9%
thereof defence, in millions	4,877	4,228	+15%
EBITDA⁽¹⁾ , in millions	3,370	2,604 ⁽³⁾	+29%
EBIT⁽²⁾ , in millions	2,099	1,491 ⁽³⁾	+41%
Research and Development costs , in millions	1,431	1,612	-11%
Net Income⁽⁴⁾ , in millions	1,025	588 ⁽³⁾	+74%
Earnings Per Share (EPS)	1.29	0.73 ⁽³⁾	+0.56 €
Free Cash Flow before Customer Financing , in millions	1,419	147	+865%
Order Intake , in millions	38,802	20,603	+88%

- 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 (€ -9 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.

EADS Group	30 Sept 2005	31 Dec 2004	Change
Order Book , in millions	210,374	184,288	+14%
thereof defence, in millions	51,840	49,075	+6%
Net Cash position , in millions	4,715	4,058	+16%
Employees	112,184	110,662	+1%

by Division (Amounts in millions of Euro)	EBIT ⁽¹⁾			Revenues		
	01-09 2005	01-09 2004	Change	01-09 2005	01-09 2004	Change
Airbus	1,854	1,379	+34%	16,033	14,415	+11%
Military Transport Aircraft	1	5	-80%	504	539	-6%
Eurocopter	105	101	+4%	2,021	1,732	+17%
Space	10	-6	-	1,670	1,646	+1%
Defence & Security Systems	10	-77	-	3,419	3,204	+7%
Headquarters / Consolidation	175	77	-	-984	-886	-
Other Businesses ⁽²⁾	-56	12	-	783	809	-3%
Total	2,099	1,491⁽³⁾	+41%	23,446	21,459	+9%

by Division (Amounts in millions of Euro)	Order Intake			Order Book		
	01-09 2005	01-09 2004	Change	30.09. 2005	31.12. 2004	Change
Airbus ⁽⁴⁾	28,565	10,547	+171%	158,542	136,022	+17%
Military Transport Aircraft	1,650	342	+382%	21,053	19,897	+6%
Eurocopter	2,043	2,335	-13%	9,791	9,117	+7%
Space	1,494	4,289	-65%	11,186	11,311	-1%
Defence & Security Systems	4,842	2,975	+63%	18,641	17,276	+8%
Headquarters / Consolidation	-987	-731	-	-10,332	-10,414	-
Other Businesses ⁽²⁾	1,195	846	+41%	1,493	1,079	+38%
Total	38,802	20,603	+88%	210,374	184,288	+14%

1) Earnings before interest and taxes, pre-goodwill impairment and exceptionals

2) In line with the IFRS standards 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 (€ -9 million for EADS group) according to first time application of IFRS 2

4) Order Intake and Order Book based on catalogue prices

EADS – Third Quarter Results (Q3) 2005
(Amounts in Euro)

EADS Group	Q3 2005	Q3 2004	Change
Revenues , in millions	7,426	6,892	+8%
EBIT⁽¹⁾ , in millions	559	512 ⁽³⁾	+9%
Net Income⁽²⁾ , in millions	209	207 ⁽³⁾	+1%
Earnings Per Share (EPS)	0.26	0.26 ⁽³⁾	0.00 €

- 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) Previous year restated by stock options expense (€ -3 million for EADS Group) according to first time application of IFRS 2

by Division (Amounts in millions of Euro)	EBIT⁽¹⁾			Revenues		
	Q3 2005	Q3 2004	Change	Q3 2005	Q3 2004	Change
Airbus	410	399	+3%	4,771	4,391	+9%
Military Transport Aircraft	15	15	+/- 0%	178	305	-42%
Eurocopter	45	58	-22%	755	640	+18%
Space	3	6	-50%	510	556	-8%
Defence & Security Systems	29	6	+383%	1,247	1,085	+15%
Headquarters / Consolidation	69	27	-	-290	-338	-
Other Businesses ⁽²⁾	-12	1	-	255	253	+1%
Total	559	512 ⁽³⁾	+9%	7,426	6,892	+8%

- 1) Earnings before interest and taxes, pre-goodwill impairment and exceptionals
- 2) In line with the IFRS standards 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 (€ -3 million for EADS Group) according to first time application of IFRS 2

* 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.

** Previous year restated by stock options expense according to first time application of IFRS 2

Highlights July to November 2005

EADS working in partnership globally:

- In September, EADS supplied relief aid for victims of hurricane Katrina in the United States. Cash donations, helicopter rescue missions and airlift flights with its Airbus' mega-freighter Beluga and a delivered mobile hospital unit totalling a more than € 1.8 million contribution.
- At MAKS air show in August, EADS confirmed its intention for a strategic investment in the Russian plane manufacturer Irkut. Moreover, the two companies set up a Joint Venture to give a further boost to the joint marketing of the Be-200 amphibious aircraft.

A350 industrial launch tops strong Airbus performance:

- On 6th October, the EADS Board of Directors gave the go ahead for Airbus to launch the industrial programme for a new A350 airliner family. The A350 is a key part of EADS' internationalization strategy. Airbus has 143 firm commitments from ten Airbus customers to date.
- Also in October, LAN Airlines ordered up to 40 A320 family aircraft. The Chilean airline has signed a contract with Airbus for the acquisition of 25 A320 family aircraft plus 15 options.
- In August, CIT ordered five A350s and added a repeat order for 24 A320 aircraft. In September, Wizz Air became a new Airbus customer by placing an order for 12 aircraft of the A320 Family. China Southern Airlines jointly ordered with CASGC ten additional A330s.
- With its three already flying A380s, Airbus has successfully completed more than 120 test flights, adding up to 450 flight hours. The test phase began with the A380 first flight in April. The second A380 joined the flight test campaign in October, the third one in November.

EADS enlarges its US activities:

- EADS North America expanded the industrial team for its UH-145 advanced helicopter with the addition of Sikorsky Aircraft in October. The U.S. Army is planning to acquire more than 300 Light Utility Helicopter (LUH) platforms to replace ageing UH-1 and OH-58 aircraft.
- In September, EADS joined Northrop Grumman as team mate and principal subcontractor on the KC-30 advanced tanker bid for the US Air Force's next generation of aerial refuelling aircraft.

Further progress in defence businesses:

- The Spanish government placed the contract for 43 Taurus missiles destined for the F-18 and Eurofighter aircraft of the Spanish Air Force.
- In September, EADS and ThyssenKrupp Technologies agreed to form a bidding consortium for Atlas Elektronik, a subsidiary of BAE Systems.
- In July, EADS signed a contract with the Vietnamese government for the turnkey delivery of a complete environmental and natural resources monitoring system.
- The German Armed Forces have procured mobile radio systems from EADS in September. The contract covers 10,000 terminal devices, accessories and a training facility.
- In the third quarter, EADS first teamed up with Siemens for the German BOSnet bid, then expanded its professional mobile radio (PMR) business through the acquisition of Nokia's PMR activities and simultaneously founded a new business line Secure Networks.

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 leading international missile producer in the global market. 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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Note to Editors:

*You may dial in to the
EADS Analysts Conference Call with CFO Hans Peter Ring
(listen-in only, no possibility to ask questions)*

today, Wednesday, 9th November 2005, at 1:30 pm CET

*under Telephone number +44 (0) 207 190 1596
website for presentation: www.finance.eads.net*

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.