News Release

EADS half-year results 2007 reflect imperative for restructuring

- Record order intake reflects Airbus and Eurocopter harvest at Paris Air Show
- EBIT* of € 367 million, contains Airbus restructuring and programme charges
- Full-year 2007 outlook confirmed, echoes good underlying performance but significant programme challenges
- 2007 Free Cash Flow expected positive
- Management structure simplified by recent nominations

Amsterdam, 26 July 2007 – EADS' (stock exchange symbol: EAD) half-year results reflect the Group's restructuring efforts and charges to move large programmes forward. The recent shareholder decisions on the Group's governance and leadership structure set the stage for better management empowerment, clearer accountability and enhanced decision making ability.

Revenues were € 18.5 billion (H1 2006: € 19.0 billion), supported by strong commercial deliveries at Airbus, Eurocopter and EADS Astrium. Group revenues were lower due to the absence of an A400M milestone in the first half of 2007 and a negative US Dollar impact.

In the first six months of 2007, EADS recorded an **EBIT*** (pre goodwill and exceptionals) of € 367 million compared to € 1,654 million in the same period of the previous year. The EBIT* was mainly impacted by Power8 restructuring and programme charges at Airbus, as well as by a charge in the NH90 programme.

"Airbus' financial performance still shows the signs of well known challenges, but business is brisk and recent orders highlight how competitive our product range is," said EADS CEOs Tom Enders and Louis Gallois. "Ultimately, profitability is the best measure of success. In our new roles and with a leaner structure, we will continue to do what is important for the Group – providing our customers with great products, and turning our vast order book into profits, which entails heightened focus on robust programme management."

EADS registered a **Net Income** of € 71 million (H1 2006: € 1,056 million), or € 0.09 per share (Earnings per share H1 2006: € 1.32).

In the first six months of 2007, **self-financed R&D** expenses increased to € 1,268 million (H1 2006: € 1,139 million). This followed from Airbus' continuing aircraft development programmes and a higher Research & Technology (R&T) effort.

Free Cash Flow including customer financing dropped to € -40 million (H1 2006: € 319 million) reflecting lower contributions from customer financing sell downs and build-up of working capital. Inventories increased across Divisions but were compensated by advance payments received and a better operational performance. Free Cash Flow before customer financing has improved to € -2 million (H1 2006: € -216 million). At the end of June 2007, the **Net Cash Position** remained stable at € 4.2 billion compared to year-end 2006.

Starting in the second half of 2007, EADS will implement a contractual trust arrangement (CTA) following the Board of Directors' decision to fund pension obligations with an amount to be determined each year. Funds transferred into the CTA will only be available to cover spending of EADS' future pension payments. The initial investment will be € 500 million in the second half-year, mirrored by a corresponding decrease of pension provisions.

The market environment for aerospace and defence remains supportive. Through its high-class portfolio EADS benefited from robust demand. The Group's **order intake** was boosted mainly by the market successes of Airbus and Eurocopter and reached € 70.2 billion (H1 2006: € 14.2 billion). The growth was partly curbed by the weaker US Dollar.

At the end of June 2007, EADS' **order book** grew to € 308.2 billion (year-end 2006: € 262.8 billion), despite a € -5.4 billion revaluation due to the weaker US Dollar. Orders of commercial aircraft activities are based on list prices. The Group's defence order book further increased through new contracts for Eurocopter and Defence & Security and stood at € 55.9 billion as of 30 June 2007 (year-end 2006: € 52.9 billion). This strong commercial performance lays a solid foundation for future growth. Per end of June, EADS had 116,848 **employees** (year-end 2006: 116,805).

Outlook

EADS reiterates the revenues and EBIT* guidance for 2007.

2007 revenues are expected to decrease by a low single-digit percentage factor on the basis of a € 1 = US$ 1.35.

2007 EBIT* is expected to remain roughly stable at the level of the previous year. This is based on expected 440 to 450 aircraft deliveries at Airbus. The mix of opportunities and risks underlying the guidance is evolving: While the strong underlying operational performance across businesses, particularly at Airbus, is providing cause for satisfaction, the risk level on certain key programmes would make it imprudent to change guidance in the present context.

Non-Airbus EBIT* should be close to € 1 billion, before any impact from the A400M cost assessment.

EADS' Free Cash Flow is now expected to be positive, thanks to the orders registered at Paris Air Show and to the stronger than expected cash performance achieved so far this year.

Divisions: Major market successes in first half-year 2007

Over the first six months of 2007, the **Airbus** Division delivered 231 aircraft (H1 2006: 219 aircraft). Revenues decreased to € 12,889 million (H1 2006: € 13,154 million), due to the absence of an A400M milestone and a US Dollar impact. First half-year EBIT* stood at € 19 million (H1 2006: € 1,497 million) largely impacted by A350XWB launch charges (€ -500 million) and a Power8 restructuring provision (€ -688 million) taken in the first quarter of 2007. At the same time, the EBIT* was burdened by charges for continuing support for the A380 and higher R&D expenses. A positive volume effect and the impact of a more favourable aircraft mix supported the Division's EBIT*. Airbus' second half year's EBIT* will suffer greater impact than the first half from less favourable €/US Dollar hedge rates, pricing and higher R&D expenses.

Power8 is now up and running in all areas where negotiations are not required with social partners. These discussions on reducing overhead costs are in progress in all four Airbus home nations. For those sites looking for long-term partners Airbus has received various offers which are currently under evaluation, and data rooms have been opened to bidders. Quick-win projects within Power8 are already showing benefits, by reducing costs and saving cash and by improving the overall efficiency of day-to-day work. Especially with regard to the A350XWB, early involvement of suppliers will enable Airbus to reduce its development lead times.

With impressive market successes, especially during the Paris Air Show, Airbus has confirmed its products are attractive to customers. The renewed momentum across its aircraft portfolio is underlined by a total of 680 gross orders by the end of June 2007, of which 392 aircraft belong to the A320 Family. Orders were placed for 279 aircraft in the long-range segment, of which 152 were for the all new A350XWB. Apart from that, the A380 captured nine new orders in the first half of 2007. This brings the total orders for the A380 to 165 aircraft from 14 customers. Delivery to first operator Singapore Airlines will take place in October this year, and production will ramp-up gradually at first, and then steeply in 2009/2010. A further highlight of the period was the signature by Airbus and a Chinese industry consortium of a joint venture contract for the A320 Family final assembly line in Tianjin at the end of June. The assembly of the first aircraft in China will start in August 2008 and it will be delivered in the first half of 2009. As of 30 June, the Airbus order book amounted to € 251.7 billion (year-end 2006: € 210.1 billion) based on list prices, or a total of 2,925 aircraft (year-end 2006: 2,533 aircraft).

The **Military Transport Aircraft** Division recorded revenues of € 307 million (H1 2006: € 1,244 million). The decrease in revenues resulted from the absence of milestone achievement in the A400M programme so far this year, partly offset by the effect from four C-295 aircraft deliveries to Brazil. Accordingly, the Division's EBIT* resulted in € -29 million (H1 2006: € 6 million).

The management of Airbus Military and the A400M programme head within Airbus have been overhauled. The programme contains material risks on the overall time schedule, and system providers continue to face challenges that may infer late design implications. Final assembly of the A400M military transport aircraft is expected to start at the end of August 2007; first flight is expected to occur in the summer of 2008, and the consequence on deliveries and cost is under assessment by the new programme management.

In early June, AirTanker, in which EADS is the major shareholder, launched the financing contest to raise about £ 2 billion capital investment for the Private Finance Initiative (PFI) funding of the UK's Future Strategic Tanker Aircraft (FSTA) programme. Recently, the first fully equipped A330 MRTT for the Australian tanker programme successfully performed its maiden flight, and the capability of the Air Refuelling Boom System was proven in an extensive ground test series. Regarding the competition for the US Air Force's tanker replacement programme EADS and Northrop Grumman have jointly answered the Request for Proposal earlier this year. Over the first six months of 2007, the Division was also awarded orders for five CN-235 maritime patrol aircraft for the US Coast Guard's Deepwater programme. At the end of June 2007, the order book of the Military Transport Aircraft Division stood at € 20.3 billion (year-end 2006: € 20.3 billion).

Eurocopter confirmed its strong commercial performance in the first two quarters of 2007 and increased its revenues to € 1,644 million (H1 2006: € 1,473 million). This development is mainly driven by the delivery ramp-up in serial helicopters. In the first six months of 2007, Eurocopter handed over 209 helicopters to customers (H1 2006: 180). Despite a favourable mix, improvements in volume and cost reduction, the Division's EBIT* reduced to € 35 million (H1 2006: € 88 million) under the impact of a € 105 million cost at completion adjustment in the NH90 programme.

Across its state-of-the-art portfolio, Eurocopter received several major orders from customers around the world. The capabilities of the military transport helicopter NH90 were proven by Germany signing a contract for additional 42 aircraft and an order from Belgium covering eight NH90s. In total, Eurocopter sold 481 helicopters (H1 2006: 302) in the first six months, bringing its order book to 1,346 helicopters (year-end 2006: 1,074). This represents an order book value of € 13.7 billion (year-end 2006: € 11.0 billion).

EADS Astrium had revenues of € 1,420 million, representing a 12 percent growth compared to the same period of the previous year (H1 2006: € 1,273 million). The increase was driven by the ramp-up in Paradigm services, increased Ariane 5 production and the ballistic missiles business. EBIT* amounted to € 47 million (H1 2006: € 38 million) driven by the volume improvements.

During the Paris Air Show, EADS Astrium and Arianespace signed a Memorandum of Understanding (MoU) concerning the production of 35 Ariane 5 ECA launchers. The agreement ensures launcher continuity from 2010 onwards. In the middle of June, the German radar satellite TerraSAR-X was successfully launched and broadcasted first high-resolution images within record time. Including orders for four new telecommunication satellites in the first half-year of 2007, the Division's order book stood at € 13.1 billion at the end of June (year-end 2006: € 12.3 billion).

The revenues of the **Defence & Security** Division remained stable at € 2,235 million compared to € 2,274 million in the first six months of 2006. Higher revenues in secure networks and in mission systems were offset by slightly lower revenues at the missiles business in comparison to the peak experienced in 2006. The Division's EBIT* decreased to € 77 million (H1 2006: € 104 million), due to higher one-time effects (mainly LFK sale to MBDA) in the first half of 2006. Defence and Communications Systems and the Eurofighter programme displayed good operational performance.

In June, the Division was awarded a contract to supply and integrate a Qatar National Security Shield System. The Defence Ministries of France, Germany and Spain announced a technical arrangement for joint development of a modular high-performance unmanned aerial vehicle (UAV). In Hungary a nationwide TETRA radio network was successfully rolled out within record time and the reference platform for German security authorities' digital radio network (BOSNet) has been started and brought into service. Thanks to new contracts in the global security business – including FireControl in the UK – Eurofighter and EuroHawk, the Division's order book amounted to € 18.2 billion at the end of June (year-end 2006: € 17.6 billion).

EADS' institutional, military and security businesses are subject to strong seasonal influences. The early quarters' development of key performance metrics like revenues, EBIT* and Cash Flow is typically not representative for the full year performance in these businesses.

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

Revenues of Other Businesses (ATR, EADS EFW, EADS Socata and EADS Sogerma) amounted to € 608 million (H1 2006: € 660 million). The decrease results mainly from the sale of EADS Sogerma's MRO activities to TAT Group in early 2007 and was partly offset by increased revenues at regional aircraft manufacturer ATR, EADS EFW and EADS Socata. EBIT* surged to € 49 million (H1 2006: € -143 million), reflecting mainly the change at EADS Sogerma and positive contributions from ATR, EADS EFW and EADS Socata.

ATR is further benefiting from the revival of the turboprop market and announced new orders for 48 aircraft in the first half of 2007. This leads to order book of 144 aircraft at the end of June. Furthermore, an agreement with the Chinese aeronautical industry was concluded and covers the production of a rear section of ATR aircraft in China. The cooperation is scheduled to start later in 2007. EADS EFW delivered 11 converted freighters to its customers and grew its aerostructure output due to increased Airbus production rates. The delivery of 17 TBM 850 over the first six months demonstrates the success of EADS Socata's most modern turboprop aircraft, which has a total order book of 31 aircraft. At 30 June 2007, the order book of Other Businesses totalled € 2.1 billion (year-end 2006: € 2.3 billion).

EADS is a global leader in aerospace, defence and related services. In 2006, EADS generated revenues of € 39.4 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.

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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.

EADS – Half-Year Results (H1) 2007
(Amounts in Euro)

EADS Group	H1 2007	H1 2006	Change
Revenues, in millions	**18,493**	18,980	-3%
thereof defence, in millions	3,485	4,127	-16%
EBITDA(1) (4), in millions	**1,153**	2,427	-52%
EBIT(2) (4), in millions	**367**	1,654	-78%
Research and Development expenses, in millions	**1,268**	1,139	+11%
Net Income(3) (4), in millions	**71**	1,056	-93%
Earnings Per Share (EPS)(3) (4)	**0.09**	1.32	-1.23 €
Free Cash Flow (FCF), in millions	**-40**	319	–
Free Cash Flow before Customer Financing, in millions	**-2**	-216	–
Order Intake(5), in millions	**70,219**	14,153	+396%

EADS Group	30 Jun 2007	31 Dec 2006	Change
Order Book(5), in millions	**308,247**	262,810	+17%
thereof defence, in millions	55,921	52,933	+6%
Net Cash position, in millions	**4,197**	4,229	-1%
Employees	**116,848**	116,805	+/-0%

by Division (Amounts in millions of Euro)	Revenues			EBIT[(2) (4)]		
	H1 2007	H1 2006	Change	**H1 2007**	H1 2006	Change
Airbus	**12,889**	13,154	-2%	**19**	1,497	-99%
Military Transport Aircraft	**307**	1,244	-75%	**-29**	6	–
Eurocopter	**1,644**	1,473	+12%	**35**	88	-60%
EADS Astrium	**1,420**	1,273	+12%	**47**	38	+24%
Defence & Security	**2,235**	2,274	-2%	**77**	104	-26%
Headquarters / Consolidation	**-610**	-1,098	–	**169**[(6)]	64	–
Other Businesses[(7)]	**608**	660	-8%	**49**	-143	–
Total	**18,493**	18,980	-3%	**367**	1,654	-78%

by Division (Amounts in millions of Euro)	Order Intake[(5)]			Order Book[(5)]		
	H1 2007	H1 2006	Change	**30 Jun 2007**	31 Dec 2006	Change
Airbus	**60,367**	7,905	+664%	**251,743**	210,115	+20%
Military Transport Aircraft	**250**	751	-67%	**20,256**	20,337	+/-0%
Eurocopter	**4,332**	1,722	+152%	**13,730**	11,042	+24%
EADS Astrium	**2,290**	2,223	+3%	**13,125**	12,263	+7%
Defence & Security	**2,802**	1,694	+65%	**18,164**	17,570	+3%
Headquarters / Consolidation	**-553**	-904	–	**-10,891**	-10,809	–
Other Businesses[(7)]	**731**	762	-4%	**2,120**	2,292	-8%
Total	**70,219**	14,153	+396%	**308,247**	262,810	+17%

EADS – Second Quarter Results (Q2) 2007
(Amounts in Euro)

EADS Group	Q2 2007	Q2 2006	Change
Revenues, in millions	**9,509**	9,897	-4%
EBIT$^{(2)(4)}$, in millions	**278**	863	-68%
Net Income$^{(3)(4)}$, in millions	**81**	534	-85%
Earnings Per Share (EPS)$^{(3)(4)}$	**0.10**	0.67	-0.57 €

by Division	**Revenues**			**EBIT**$^{(2)(4)}$		
(Amounts in millions of Euro)	**Q2 2007**	Q2 2006	Change	**Q2 2007**	Q2 2006	Change
Airbus	**6,283**	6,792	-7%	**88**	813	-89%
Military Transport Aircraft	**174**	422	-59%	**-16**	-3	–
Eurocopter	**973**	817	+19%	**2**	60	-97%
EADS Astrium	**791**	780	+1%	**37**	37	+/-0%
Defence & Security	**1,265**	1,274	-1%	**83**	65	+28%
Headquarters / Consolidation	**-303**	-518	–	**55**	30	–
Other Businesses$^{(7)}$	**326**	330	-1%	**29**	-139	–
Total	**9,509**	9,897	-4%	**278**	863	-68%

The Q2 2007 EBIT* decrease mainly resulted from Airbus (through a provision for A350XWB launch charges and costs for continuing support of the A380 programme), charges for the NH90 and a negative volume effect in the A400M programme due to delays in milestone achievement. This was partly mitigated by an increased EBIT* at EADS Sogerma compared to the same period of the previous year.

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, EBIT* for H1 2006 has been restated by € 22 million (Airbus: € 6 million; Eurocopter: € 4 million; EADS Astrium: € 2 million; Defence & Security: € 8 million; Headquarters: € 2 million). EBIT* for Q2 2006 has been restated by € 11 million (Airbus: € 3 million; Eurocopter: € 2 million; EADS Astrium: € 1 million; Defence & Security: € 4 million; Headquarters: € 1 million)
5) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices
6) Increase in Headquarters EBIT* as a result of the gain from the sale of EADS' stake in Embraer, the sale of the building in Velizy (both realised in the first quarter of 2007) and a higher profit at Dassault
7) ATR, EADS EFW, EADS Socata and EADS Sogerma are allocated to Other Businesses which is not a stand-alone EADS Division.

Notes to the editors:

Live-Transmission of Analysts Conference Call on the Internet

You may listen to the **Analysts Conference Call** today at 08.45 a.m. CET) with 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.

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 25 April 2007.