



News Release

EADS continues to deliver strong underlying performance while proactively tackling challenges

- All five Divisions contributed to 7 percent revenue growth to € 29.4 billion
- Net Cash stood at a record € 9 billion; Free Cash Flow at € 2 billion
- Group EBIT* improved to € 2 billion; EBIT* surged in helicopter, defence and space businesses
- Unresolved issues in the A400M programme challenge 2008 EBIT* outlook
- Increase of 2008 Free Cash Flow outlook to above € 2 billion

Amsterdam, 14 November 2008 – EADS (stock exchange symbol: EAD) delivered encouraging results for the first nine months of 2008, but is facing challenges in critical programmes. The Group continued to show robust underlying performance and benefited from strong market demand. EADS recorded a remarkable order intake across its product portfolio, receiving 737 new aircraft orders at Airbus as well as orders for 605 new helicopters at Eurocopter. Capitalising on continued restructuring efforts in previous years, Astrium displayed both strong top and bottom line growth. The Defence & Security Division achieved an EBIT* growth of 74 percent. The Group is carefully monitoring the development in the financial markets and has started preparing itself to limit negative impact through a variety of measures.

"EADS faces the impacts of the financial crisis in a position of strength. Our large and well diversified order book covers deliveries for several years. A strong Net Cash position ensures stability while giving us flexibility to adapt to a changing economic environment," said EADS CEO Louis Gallois. "The pressure on the A400M programme remains and we are conducting ambitious efforts to tackle both the industrial and commercial challenges in discussion with our customers and suppliers. EADS is more determined than ever to get this complex programme under control."

In the A400M programme, the unavailability of a committed and reliable schedule for the propulsion system, which compounds unresolved issues with certain equipment supplies as well as equipment and systems integration, will lead to further delays. Due to the unavailability of a reliable schedule update in the A400M programme EADS must shift temporarily to the early stage contract accounting methodology and suspend the milestone accounting for this programme.** EADS has started to discuss with its main customers to define next steps. Once a schedule update is achieved, EADS will resume the milestone accounting and further update the A400M charge,

for which € 341 million have been recorded in the third quarter of 2008 and have burdened EBIT* accordingly.

Revenues increased by 7 percent to € 29.4 billion (9m 2007: € 27.6 billion) reflecting growth from operations across all five Divisions. The increase includes € 803 million resulting from the move to the early stage accounting methodology in the A400M programme applied in Q3 2008.

EADS' EBIT* (pre goodwill and exceptionals) for the first nine months of 2008 improved to € 2,018 million compared to € -353 million in the same period of the previous year, when Airbus' EBIT* in particular was burdened by higher exceptional charges (Power8, A400M, A350). The EBIT* growth resulted from improvements across all Divisions. At Airbus, strong operational performance in series programmes, achievement of Power8 cost savings and lower exceptional charges than in the previous year contributed positively to the improvement. In the first nine months of 2008 deterioration of maturing hedge rates was nearly compensated by a positive US dollar spot rate impact of around € 265 million resulting from the revaluation of loss making contracts at closing spot rate.

In line with the Group's EBIT* development, EADS improved its **Net Income** to € 1,082 million (9m 2007: € -705 million), or earnings per share of € 1.34 (earnings per share 9m 2007: € -0.88).

Self-financed R&D expenses decreased slightly to € 1,792 million (9m 2007: € 1,903 million), but are expected to grow more strongly in the fourth quarter mainly in the context of Airbus' A350 programme.

Free Cash Flow before customer financing was significantly higher at € 1,959 million (9m 2007: € 168 million) driven by an improvement in working capital caused by lower additions to inventories and higher advance payments received. Including a low customer financing contribution of € 8 million, Free Cash Flow improved to € 1,967 million (9m 2007: € 111 million). Despite a cash-out for acquisitions and for option hedges, the **Net Cash position** reached a record € 9.0 billion (year-end 2007: € 7.0 billion). This gives EADS a robust liquidity base for the years to come.

In the first nine months of 2008, EADS' **order Intake** reached a remarkable level of € 88.7 billion compared to € 82.4 billion in the same period of the previous year. The order intake was strongly supported by the high order flow at this year's Farnborough air show and the UK tanker order. Up to the end of September 2008, the Group's **order book** reached a record level of € 400.7 billion (year-end 2007: € 339.5 billion). The growth in order book benefited from a favourable US dollar spot rate at the end of September compared to year-end 2007. Orders within the commercial aircraft business are based on list prices. Strong order intake in the defence businesses pushed the Group's defence order book to a record level of € 57.0 billion (year-end 2007: € 54.5 billion). At the end of September, EADS had 118,487 employees (year-end 2007: 116,493).

Due to the **financial crisis**, EADS – especially through the commercial businesses at Airbus, Eurocopter and Astrium – is currently operating in an uncertain market environment. The slowdown in economic growth and the resulting strong decrease in air traffic have overshadowed the recovery of the US dollar versus the euro and the reduction in oil price since the summer period. Thanks to its strong and geographically diversified order book and the record Net Cash position, EADS remains robust against the backdrop of the global financial crisis. Even if EADS has no short-term refinancing needs the Group's credit facility of € 3 billion is fully committed and undrawn. So far, the Group's institutional and government businesses are resilient and growing, benefiting from the highest order book ever.

With weaker anticipated air traffic and more difficult refinancing the commercial aircraft market is expected to slow down with risk of deferrals and even cancellations, but visibility on this is limited. Taking this into account and despite a record order book covering several years' deliveries, Airbus has suspended the production ramp-up of the A320 Family at a level of 36 aircraft per month. Aircraft financing sources have tightened up. So far, there have been limited requests to support customers in closing funding gaps. With the lowest customer financing exposure of the past 20 years and a record Net Cash position EADS is well able to support customers if feasible on a restrictive and discretionary basis as in previous downturns. In any case, Airbus and Eurocopter stay vigilant, ready to adapt themselves to the evolution of the market.

Group-wide **efficiency measures** are on track. The Power8 restructuring programme is progressing well and the divestment strategy is delivering: The sale of the site in Laupheim (Germany) to Diehl/Thales is completed and the negotiations with GKN regarding the divestment in Filton (UK) are concluded, but control has not yet passed. Just recently, EADS and DAHER agreed on the latter acquiring a 70 percent majority stake in EADS Socata. Establishing links between DAHER and EADS Socata will lead to the creation of a major player in the field of aerostructures, business aviation and services. The agreement is subject to approval by the respective authorities. The new French and German aerostructures companies – Aerolia and Premium Aerotec – are progressing. These changes will allow EADS and Airbus to concentrate on core business, whilst creating strong aircraft component suppliers.

Power8 Plus has been launched as a Group-wide initiative to deliver a further annual EBIT* benefit of € 1 billion from across the Group in 2011 to 2012. The full amount will comprise a € 650 million contribution from Airbus and € 350 million contributed by the Eurocopter, Astrium, Defence & Security and Military Transport Aircraft Divisions as well as by EADS Headquarters.

In addition, EADS is currently working on a further integration and cost savings plan called "Future EADS" at a minimum level of € 200 million in 2011-2012. It aims at further integration, improvement of decision making process and cost savings through the Headquarters, the Divisions and the interaction between Headquarters and the Divisions.

Outlook

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

EADS expects Airbus to capture orders for more than 850 new aircraft in 2008.

Forecasted EADS revenues growth to more than € 40 billion in 2008 is unchanged, with over 470 aircraft deliveries for the full year.

With an EBIT* of € 2.0 billion in the first nine months of 2008, EADS should exceed its full-year EBIT* guidance of € 1.8 billion (at € 1 = US\$ 1.45) based on the strong underlying performance. This excludes any additional impact for the A400M, due to the uncertainties of the programme.

The variation of the closing €/US\$ spot rate at year-end relative to that of end of September 2008 could have negative or positive impacts on earnings linked to the revaluation at the closing 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 above € 2 billion while bearing in mind that this is the most volatile item to predict.

Divisions: Robust underlying business

The **Airbus** Division's revenues increased to € 19,445 million (9m 2007: € 18,856 million) driven mainly by higher volumes and a more favourable product mix in delivered aircraft. Deliveries remained at record levels: 349 aircraft including 7 A380s (9m 2007: 330 aircraft). Revenue growth includes an effect from the move to the early stage accounting methodology in the A400M programme reflecting Airbus' internal work share. The overall growth was limited by a negative US dollar impact and price deterioration. EBIT* strongly improved to € 1,501 million (9m 2007: € -677 million) reflecting the excellent delivery performance, underlying profitability in series programmes and progress achieved in the **Power8** programme. EBIT* performance was further supported by lower exceptional charges than in the first nine months of 2007 and an effect resulting from the revaluation of loss-making contract provisions at the US dollar closing spot rate – despite a charge for the A400M recorded in the third quarter 2008 and increased recurring costs for the A380 reflecting the challenges on the ramp-up.

Over the first nine months of 2008, Airbus continued to experience strong demand for new aircraft and achieved a total of 785 gross orders thanks to an efficient product range offering value to customers. Net orders amounted to 737 aircraft with improved pricing. The net order intake led to a market share of 54 percent. The A350 has an impressive order book of 458 aircraft. As of 30 September, the Airbus order book amounted to € 341.6 billion (year-end 2007: € 283.8 billion) based on list prices. In terms of units the overall order book further increased in the period up to 30 September to a record of 3,809 aircraft (year-end 2007: 3,421 aircraft).

With the delivery of its first A380, Qantas joined Singapore Airlines and Emirates as third operator of the industry's all new flagship for the 21st century. In October, the A380 celebrated its first anniversary of commercial entry into service. The aircraft is proving exceptional reliability in its daily operations as shown by the performance of Singapore Airlines' in-service A380 fleet by recording more than 15,000 flight hours with over 700,000 passengers in the first year. In September, Airbus inaugurated its first final assembly line outside Europe in Tianjin, China. A320 assembly is underway and the first aircraft is scheduled to be handed over in mid 2009. The strengthened cooperation with China is a major cornerstone of the Group's strategy to develop industrial presence in the most important markets.

The **Military Transport Aircraft** Division's revenues in the first three quarters of 2008 reached € 1,949 million (9m 2007: € 1,014 million). Revenues benefited from a strong tanker business. The revenues include the A400M Power-On milestone revenue recognition – shifted from 2007 and worth around € 400 million. Additionally, revenues were significantly

increased by the move to the early stage accounting methodology in the A400M programme. The Division's EBIT* improved to € -68 million (9m 2007: € -144 million) despite burdens in the context of the A400M charge.

In the tanker business the development of the air refuelling boom system prototype was successfully completed. In the US, the tanker competition was suspended by the Pentagon. Supported by orders for 20 tanker aircraft over the year so far, the order book of the Military Transport Aircraft Division increased up to the end of September 2008 to € 23 billion (year-end 2007: € 19.9 billion).

Eurocopter is proceeding on its growth track. Revenues further rose by 7 percent to € 2,781 million (9m 2007: € 2,599 million). This was due to the continued ramp-up in deliveries in both medium and light serial helicopters. Eurocopter handed over a total of 404 helicopters to customers compared to 319 units in the same period of the previous year. EBIT* increased to € 164 million compared to € 113 million in the same period of 2007, when it was burdened by an exceptional charge for the NH90. Eurocopter's EBIT* increase reflects the positive volume effect, partially offset by an unfavourable US dollar impact and higher R&D expenses.

Eurocopter further strengthened its service business, which already today counts for about 35 percent of Eurocopter's revenues. In keeping with growth targets, Eurocopter is expanding in the UK with the provision of training services. This initiative forms part of a more general widening of Eurocopter UK's footprint. In its international business Eurocopter underpinned its reliability by delivering 29 UH-72A helicopters out of the production line in Columbus, Mississippi – all on or ahead of schedule and with full operational capability.

In the first three quarters, Eurocopter sold 605 helicopters (9m 2007: 658). This includes 15 EC225 orders from oil and gas customers as well as 31 EC135 from the Bavarian government and Poland. Additionally, the Division received a contract with the US Customs for up to 50 Ecureuil helicopters, emphasizing Eurocopter's US market penetration capabilities. This led to an order book of 1,589 helicopters (year-end 2007: 1,388) or a value of € 14.5 billion (year-end 2007: € 13.5 billion).

Astrium's results in the first nine months of 2008 reflected high levels of innovation, a strong focus on efficiency and reliability leading to a solid competitive positioning. The Division's revenues increased by 25 percent to € 2,749 million (9m 2007: € 2,191 million). This growth was fuelled by contributions from all businesses, mainly by a sales increase in telecom satellites, by an increased Ariane 5 production rate and by the ramp-up of Paradigm services. Additionally, revenues benefited from the first full consolidation of Spot Image. EBIT* nearly doubled and reached € 140 million (9m 2007: € 71 million). This rise is in line with the development of revenues and was further supported by operational improvements compared to the

same period of the previous year. EBIT* doubled despite the unfavourable impact of the declining GB pound against the euro in the Paradigm programme and slightly higher R&D expenses. This demonstrates the significant progress of the Division.

The Automated Transfer Vehicle ATV has successfully completed its final manoeuvre for desorbitation. Astrium was selected as candidate to operate the Galileo space segment and ground control segments. In the area of earth observation the Division was awarded the contract for the SEOSAR satellite financed by the Spanish MoD and the Chilean optical earth observation system. Together with further telecom satellite orders, this led to an Astrium order book of € 12.6 billion at the end of September 2008 (year-end 2007: € 12.9 billion).

Revenues at the **Defence & Security** Division increased by 11 percent to € 3,490 million (9m 2007: € 3,149 million). The growth was driven by stronger contributions mainly from Defence Electronics, in-service support for airborne military systems and the consolidation of PlantCML. Additionally, the increase includes an effect from the move to the early stage accounting methodology in the A400M programme reflecting the Division's internal work share. The Division's EBIT* grew strongly by 74 percent to € 219 million (9m 2007: € 126 million) thanks to operational improvements across all activities driven by maturing programmes in missiles, radar and in-service support for airborne military systems as well as successful cost reduction initiatives. In the context of the MBDA consolidation change, the figures of the first nine months 2007 have been adjusted taking MBDA into account at 37.5 percent.

Proving its capabilities in the US defence business, the Division delivered a target drone system to the US Army. For the Beijing Olympic Games, EADS Defence & Security successfully provided the world's largest city-wide secure radio communications network. In the defence electronics business, the Division continued its success and received naval radar contracts from the US Coast Guard and the German Armed Forces. In the missiles business, MBDA was awarded the UK Air Defence contract. Additionally, EADS has submitted Eurofighter proposals to India and Switzerland. The Division's order book stood at € 17.8 billion (year-end 2007: € 17.8 billion).

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

Other Businesses' (ATR, EADS EFW, EADS Socata, EADS Sogerma and EADS North America) revenues rose to € 1,106 million (9m 2007: € 967 million). Other Businesses' EBIT* slightly decreased to € 63 million in the first nine months of 2008 compared to € 66 million in the same period of the previous year mainly due to a negative US dollar impact.

The regional aircraft manufacturer ATR delivered 37 aircraft (compared to 26 units in 9m 2007) to its customers. By the end of September, the ATR order book stood at 165 aircraft. At EADS EFW, the aerostructures business performance mostly compensated a temporary slow down in the freighter conversion business. Future business will benefit from the co-operation with Lufthansa Technik for the conversion and modification of Airbus aircraft and the link-up with Russian partners for the A320 freighter conversion. EADS Socata delivered 41 TBM 850s to customers and has an order book of 74 aircraft. EADS and DAHER agreed on the latter acquiring a 70 percent majority stake in EADS Socata. The agreement is subject to approval by the respective authorities. At the end of October, EADS Sogerma finalized the sale of its subsidiary Revima. On 30 September 2008, the order book of Other Businesses stood at € 3.0 billion (year-end 2007: € 2.7 billion).

EADS is a global leader in aerospace, defence and related services. EADS generated revenues of € 39.1 billion in 2007 and employs a workforce of about 118,000. 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.

** As the outcome of the A400M construction contract cannot be estimated reliably, EADS can currently not comply with all requirements to account for the contract under the estimate-at-completion accounting methodology. Consequently and in accordance with IAS 11 (Construction Contracts), EADS has suspended the application of estimate at completion methodology accounting ("milestone accounting") and has then recognised contract costs incurred to date as an expense directly in the income statement as well as corresponding revenues as far as such contract costs incurred are expected to be recoverable under the "early stage" method of accounting. The loss-at-completion provision was then updated only to cover additional losses under the contract which EADS was able to estimate reliably.

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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 10.00 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 – Nine Months Results 2008

(Amounts in Euro)

EADS Group	2008	2007	% change
Revenues⁽¹⁾ , in millions	27,551	25,750	+7%
thereof defence, in millions	5,605	4,274	+31%
EBITDA⁽¹⁾⁽²⁾ , in millions	788	605	+29%
EBIT⁽¹⁾⁽³⁾ , in millions	-353	-353	-
Research and Development expenses⁽¹⁾ , in millions	1,903	2,000	-6%
Net Income/Loss⁽⁴⁾ , in millions	-705	-705	-
Earnings Per Share (EPS)⁽⁴⁾	-0.88	-0.90	+2.22€
Free Cash Flow (FCF)⁽¹⁾ , in millions	111	100	+1,672%
Free Cash Flow before Customer Financing⁽¹⁾ , in millions	168	167	+1,066%
Order Intake⁽¹⁾⁽⁷⁾ , in millions	82,422	76,422	+8%

EADS Group	2008	2007	% change
Order Book⁽⁷⁾ , in millions	339,532	290,000	+18%
thereof defence, in millions	54,472	51,000	+5%
Net Cash position , in millions	7,024	5,400	+26%
Employees	116,493	113,000	+2%

For footnotes please refer to page 12

(Amounts in millions of Euro)	01-09 2006	01-09 2007	Change	01-09 2007	Change
Airbus	18,856	18,856	+3%	-677	-
Military Transport Aircraft	1,014	1,014	+92%	-144	-
Eurocopter	2,599	2,599	+7%	113	+45%
Astrium	2,191	2,191	+25%	71	+97%
Defence & Security ^{(1) (5)}	3,149	3,149	+11%	126	+74%
Headquarters / Consolidation	-1,225	-1,225	-	92 ⁽⁶⁾	-
Other Businesses ^{(5) (8)}	967	967	+14%	66	-5%

(Amounts in millions of Euro)	01-09 2007	Change	31 Dec 2007	Change
Airbus	69,667	+8%	283,829	+20%
Military Transport Aircraft	359	+1,321%	19,932	+15%
Eurocopter	5,460	-30%	13,455	+8%
Astrium	2,819	-5%	12,895	-3%
Defence & Security ^{(1) (5)}	3,804	-7%	17,836	-0%
Headquarters/ Consolidation	-902	-	-11,155	-
Other Businesses ^{(5) (8)}	1,215	-18%	2,740	+8%

For footnotes please refer to page 12

EADS – Third Quarter Results (Q3) 2008
(Amounts in Euro)

EBIT*	9,195	+6%
Revenues⁽¹⁾ , in millions	-711	-
EBIT⁽¹⁾⁽³⁾ , in millions	-776	-
Net Income/Loss⁽⁴⁾ , in millions	-0.97	+1.81€
Earnings Per Share (EPS)⁽⁴⁾		

(Amounts in millions of Euro)	Q3 2007	Change	Q3 2007	Change
Airbus	5,967	-2%	-696	-
Military Transport Aircraft	707	+49%	-115	-
Eurocopter	955	+3%	78	-23%
Astrium	771	+36%	24	+117%
Defence & Security ⁽¹⁾⁽⁵⁾	1,086	+22%	56	+52%
Headquarters / Consolidation	-590	-	-79	-
Other Businesses ⁽⁵⁾⁽⁸⁾	299	+40%	21	+33%

For footnotes please refer to page 12

EBIT* strongly increased in Q3 2008 to € 860 million compared to € -711 million in the previous year thanks to stronger contributions from Airbus, Astrium and Defence & Security. At Eurocopter, **EBIT*** decreased due to the weaker US dollar and higher R&D expenses. The growth compared to Q3 2007, when **EBIT*** was more heavily burdened by charges for the A400M and the A350, was supported by an € 965 million effect resulting from the revaluation of loss-making contract provisions at the closing spot rate. **EBIT*** improved despite the A400M charge (€ 341 million) and increasing costs in the A380 programme.

Footnotes for pages 9 to 11:

- 1) In the context of the MBDA consolidation change Q3 2007 and 9-months 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) 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 Q3 2007, 9m 2007 and 31 December 2007 are adjusted accordingly. In the first nine months of 2008, EADS North America's revenues mainly include revenues linked to the prime contractorship of the LUH programme.
- 6) Headquarters/Consolidation EBIT* contains the contribution from Dassault; in 9-months 2007 the Headquarters/Consolidation EBIT* additionally included the gain from the sale of EADS' stake in Embraer and a corporate real estate sale.
- 7) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices
- 8) ATR, EADS EFW, EADS Socata, EADS Sogerma and EADS North America are allocated to Other Businesses which is not a stand-alone EADS Division.

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.