

H1 2006 Earnings



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Safe Harbor Statement



Certain of the statements contained in this document 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 Company's 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 document, words such as "anticipate", "believe", "estimate", "expect", "may", "intend", "plan to" and "project" are intended to identify forward-looking statements. Such forward-looking statements include, without limitation, projections for improvements in process and operations, new business opportunities, revenues and revenues growth, operating margin growth, cash flow, deliveries, launches, compliance with delivery schedules, performance against Company targets, new products, current and future markets for the Company products and other trend projections.

This forward looking information is based upon a number of assumptions including without limitation:

- Assumption regarding demand
- Current and future markets for the Company's products and services
- Internal performance including the ability to successfully integrate EADS' activities to control costs and maintain quality
- Customer financing
- Customer, supplier and subcontractor performance or contract 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 and North America,
- Legal, financial and governmental risk related to international transactions
- The Cyclical nature of some of the Company's 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

The Company disclaims any intention or obligation to update these forward-looking statements. Consequently the Company is not responsible for any consequences from using any of the below statements.

Additional information regarding these factors is contained in the Company's "registration document" dated 26th April 2006.

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- **Business Highlights & Key Issues**
- Group Financials
- Divisional Performance

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Key Business News



Airbus

- 117 orders, 219 deliveries in H1
- Farnborough announcement: 182 new orders and commitments

Military Transport Aircraft

- “Main Component Assembly” milestone achieved in June

Eurocopter

- Light Utility Helicopter: Breakthrough selection for 322 helicopters (+30 options), business potential for a/c deliveries of up to \$1.75 bn
- Additional 34 MRH-90 ordered by Australia
- Further orders in Switzerland, US, China

Space

- German MilSatCom contract in July
- Q2 Eutelsat & Arabsat orders, 5 communication satellites ordered in H1
- Streamlining of Space division legal structure

Defence & Security Systems

- Over 10 new Professional Mobile Radio contracts since Jan. 2006
- German PARS 3 contract: 680 missiles

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M&A, Partnerships & Internationalisation



Internationalisation

- A320 Final Assembly Line in China: Tianjin site selection, feasibility study concluded in H2; engineering centre works on A350 design
- Defence: MoU signed on an Indian joint development programme for a missile warning system in July

M&A-Acquisitions

- Atlas Elektronik ownership : ThyssenKrupp Technologies 51% and EADS 49%, for a joint enterprise of equal partners
- Sofrelog: key player in the area of sea traffic surveillance systems
- LFK : DBD stake called by Diehl

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New Management's Priorities



Group-wide

- Lean management: functional integration, transparency
- Improvement (programme, risk management), innovation, internationalisation

Airbus

- A380: certification, industrial recovery
- A350XWB: management assessment & board decision
- Competitiveness programme

Other divisions

- Maintain momentum of growth and programme performance

→ **Regain Stakeholders' confidence**

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Sogerma



Scenario

- Partial sale of selected Sogerma industrial activities considered
- TAT would take over the maintenance activities of Merignac with about 500 people,
- Merignac aerostructure activities , about 150 employees, would remain in EADS Sogerma Services
- Mobility and early retirement plan for about 350 people (tbc)

Financial impact

- H1 EBIT: Operating loss -48 m€
 Asset impairment -117 m€
- Restructuring, warranties & social package charges in H2

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A380 Ramp-up



A380 delay

- Industrial issue: bottlenecks in definition, manufacturing & installation of electrical systems & harnesses
- Complexity due to novelty, number of versions, feed-back from testing and management of interdependencies
- Customers express and display commitment to the programme

Negative impact on EBIT & Cash

- €500m of annual impact on EBIT from 2007 till 2010
- Free cash flow impacts relative to original plan

Path to recovery

- EADS review of A380 underway through summer
- Goal: Establish a sound and reliable industrial process
- Detailed recovery action plan by Airbus CEO, by Sept. / Oct. 2006

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A350



Situation

- Positive customer reception of the A350 XWB aircraft family
- Wider cross-section for flexibility, new wing sweep for speed, increased range, more advanced materials, extensive A380 technology use, lower noise, lower emissions
- Designed to confront B787 and B777
- Product specification complete, currently detailing milestones for development & manufacturing phases
- Transition of supplier commitments

Calendar

- Industrial assessment & business case
- Board decision early fall in view of launch
- All existing contracts will be reviewed with customer

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BAE Systems Airbus Stake



Process

- BAE Systems triggered put option
- No agreement on price of 20% stake in Airbus leads to price determination by Rothschild: "black box", strict guidelines
- Subject to BAE Systems shareholders' approval

Accounting Treatment

- Put option liability valued at €2.75 bn in H1 2006 accounts, in accordance with the expert's valuation
- Initial value of €3.5 bn (recorded in FY 2005 accounts) adjusted by dividend payment
- Difference appears as reduction of goodwill, no P&L impact

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H1 2006 Financial Highlights



in €m	H1 2006	H1 2005	change
Revenues	18,980	16,020	+18 %
<i>of which Defence</i>	4,127	3,051	+ 35 %
EBIT*	1,632	1,540	+6%
EBITDA	2,405	2,240	+7%
Self-financed R&D**	1,139	950	+20%
Order intake	14,153	25,424	-44%
in €bn	June 2006	Dec. 2005	change
Total Order book	234.5	253.2	-7.4%
<i>of which Defence</i>	51.1	52.4	-2.4%

* pre goodwill impairment and exceptionals

** IAS 38: €164 m capitalised during H1 2006; €116 m during H1 2005

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H1 2006 Financial Highlights



	H1 2006		H1 2005	
	€m	in % of Revenues	€m	in % of Revenues
EBIT*	1,632	8.6%	1,540	9.6%
self-financed R&D	1,139	6.0%	950	5.9%
EBIT* before R&D	2,771	14.6%	2,490	15.5%
Interest result	(56)	(0.3%)	(77)	(0.5%)
Other financial result	(89)	(0.5%)	103	0.6%
Taxes	(431)	(2.3%)	(511)	(3.2%)
Net income**	1,043	5.5%	992	6.2%
EPS (1)**	1.31 €		1.25 €	

(1) Average number of shares outstanding: 798,747,495 in H1 2006 and 794,012,149 in H1 2005

* pre goodwill impairment and exceptionals

** based on new IAS 32 requirement, no P&L impact from BAE Systems' minority interests in Airbus. BAE Systems' minority interests in Airbus would amount to € 181 m in H1 2006; € 176 m in H1 2005.

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Development of Net Cash



in €m	H1 2006	H1 2005***
Net cash position at the beginning of the period	5,489	3,961
Gross Cash Flow from Operations*	1,802	1,917
Change in working capital	(1,219)	849
Cash used for investing activities**	(264)	(1,185)
of which Industrial Capex (additions)	(1,118)	(1,198)
of which Customer Financing	535	104
of which Others	319	(91)
Free Cash Flow**	319	1,581
Free Cash Flow before customer financing	(216)	1,477
Capital increase	82	15
Share buyback	(41)	(205)
Dividend	(520)	(402)
Payments for liability for puttable instruments	(129)	(93)
Others	51	(182)
Net cash position at the end of the period	5,251	4,675

* gross cash flow from operations, excl. working capital change

** excl. change in securities, consolidation changes

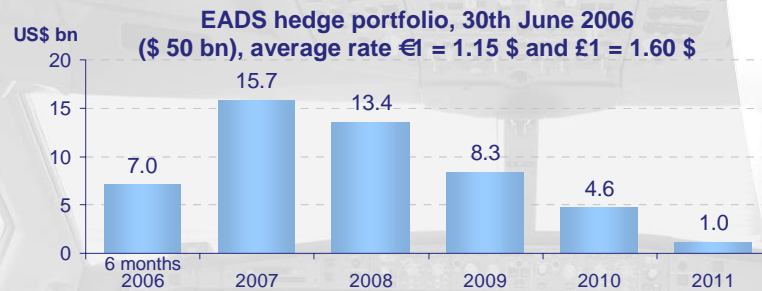
*** Adjusted by (€97m) for IFRIC 4

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Hedge Policy



- Approx. half of EADS US\$ revenues naturally hedged by US\$ procurement.
- In H1 hedges of \$ 7.7 bn* matured at an average hedge rate of 1€ = 1.08 \$
- In H1, new hedges of \$10.7 bn* were added at an average rate of 1€ = 1.26\$
- H1 hedge rates more favorable than H2 hedge rates (see slide no. 28)



€ vs \$	1.15	1.14	1.14	1.17	1.22	1.22
£ vs \$	1.62	1.57	1.57	1.61	1.69	1.69

Mark-to-market value = €5.0 bn
 (excluding swap instruments)

* Total hedge amount containing as well \$/ £ hedges

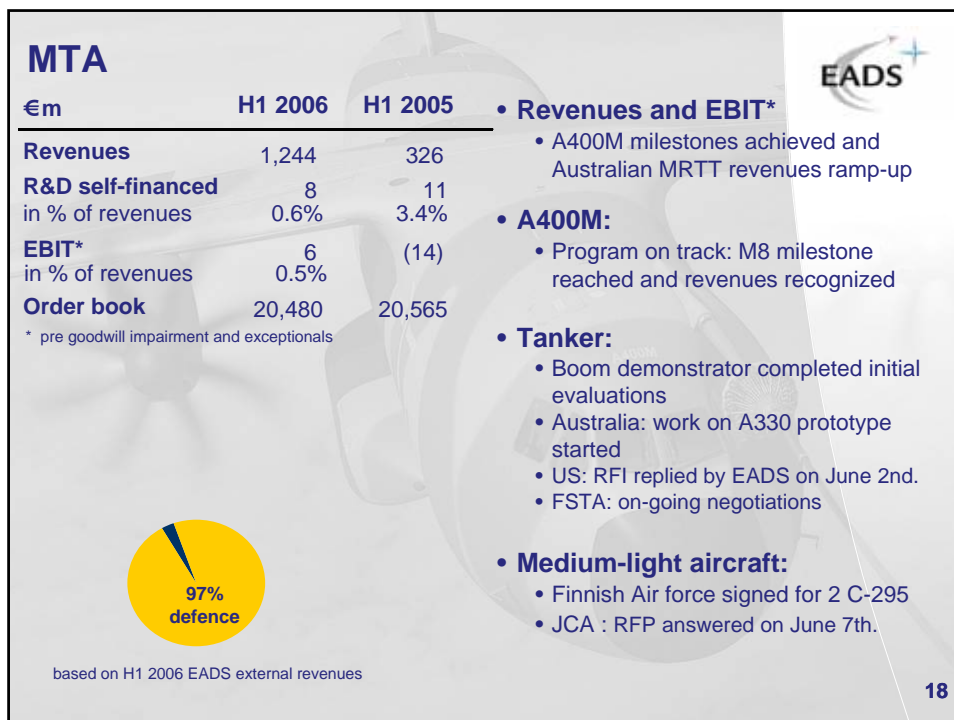
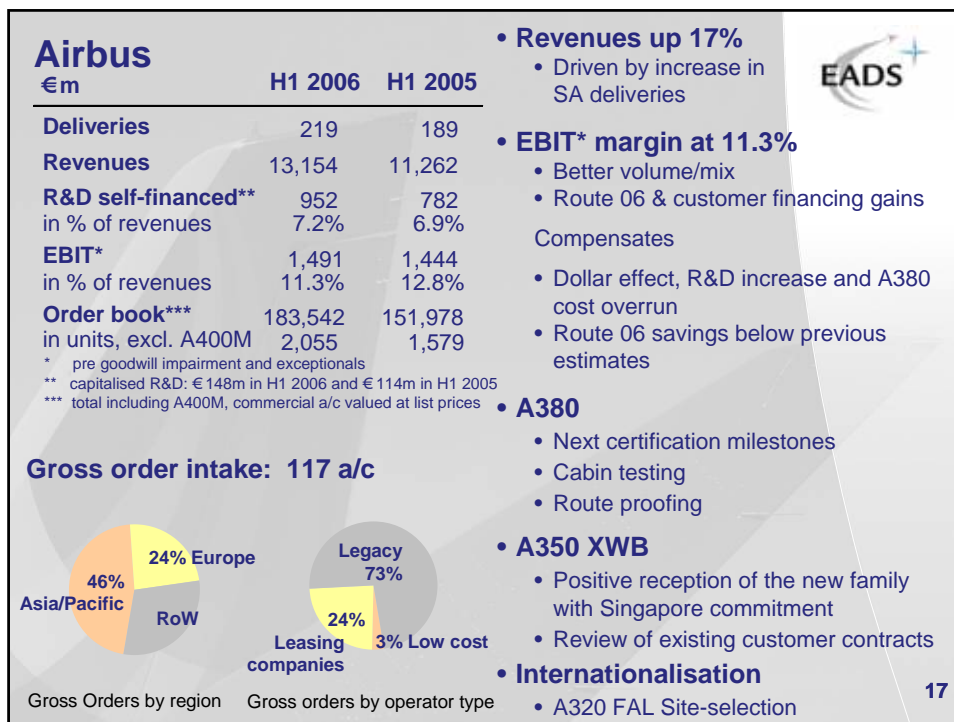
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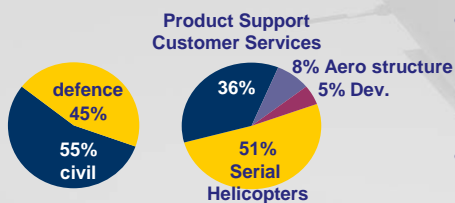


Eurocopter

€m

	H1 2006	H1 2005
Revenues	1,473	1,266
R&D self-financed	35	31
in % of revenues	2.4%	2.4%
EBIT*	84	60
in % of revenues	5.7%	4.7%
Order book	10,209	9,589
in units	961	786

* pre goodwill impairment and exceptionals



based on H1 2006 EADS external revenues



• Revenues up 16%:

- Ramp-up of light helicopters (+36% in units)

• EBIT* margin develops

- Strong improvement of commercial helicopters mitigated by higher selling expenses, and dollar impact

• Order intake +59%

- Including Switzerland, Bulgaria and Spain

• Additional recent win

- LUH Selection in US: 322 a/c
- Australia additional 34 MRH-90

• NH90:

- First delivery in H2 2006, qualifications & ramp up (~11 units) to 5 customers

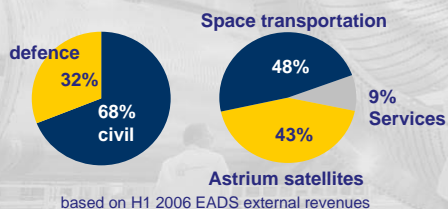
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Space

€m

	H1 2006	H1 2005
Revenues	1,273	1,160
R&D self-financed	31	24
in % of revenues	2.4%	2.1%
EBIT*	36	7
in % of revenues	2.8%	0.6%
Order book	11,868	11,393

* pre goodwill impairment and exceptionals



based on H1 2006 EADS external revenues



• Revenues and EBIT*:

- Ramp up of Paradigm and Ariane 5
- EBIT increase driven mainly by Paradigm / Skynet V

• Order intake doubled

- Telecom satellites (e.g. Arabsat, Eutelsat)
- Science missions (GAIA from ESA)
- M51 development

• Launchers:

- 2nd successful Ariane 5 launched in May
- Next Ariane 5 launch planned in Q3
- Increase in launch cadences in H2

• Satellites:

- 10 satellites in backlog

• Strong German contribution

- TanDeM-X
- SatComBW

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Defence & Security Systems



€m	H1 2006	H1 2005
Revenues	2,274	2,172
R&D self-financed	91	82
in % of revenues	4.0%	3.8%
EBIT*	96	(19)
in % of revenues	4.2%	
Order book	17,150	19,100

* pre goodwill impairment and exceptionals

• Revenues +4.7%

- Improving missiles and defence electronic businesses

• EBIT*:

- Capital gain € 123m
- Restructuring add. (€41m) vs. H1 2005
- Better operational performance

• Military Air Systems:

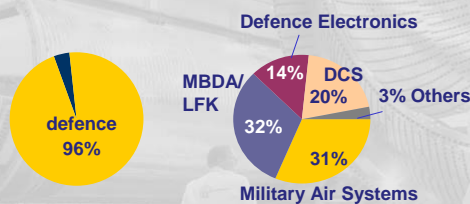
- First flight of the UAV technology demonstrator
- Maintenance frame contract for Germany's P-3C Orion

• Defence and Comm. Systems:

- German BOSnet: Next step in Bidding process passed
- Contract win of Brazilian railway company

• Missiles:

- PARS 3 contract
- Milestones of various development contracts reached
e.g. VL MICA, Meteor



based on H1 2006 EADS external revenues

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Other Businesses



€m	H1 2006	H1 2005
Revenues	660	528
R&D self-financed	3	4
in % of revenues	0.5%	0.8%
EBIT*	(143)	(44)
Order book	2,165	1,517

* pre goodwill impairment and exceptionals

• ATR:

- Market still booming
- 47 new orders mainly from Asia and Africa

• EFW:

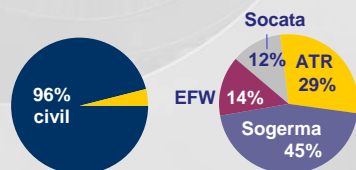
- Preliminary cooperation agreement for freighter conversion signed with Irkut
- Growth in freighter conversion and Aerostructure

• Socata:

- Award of French maintenance contract for TBM fleet
- Contract for the management of the French Air Force training fleet

• Sogerma:

- On-going negotiations with work councils after TAT group offer



based on H1 2006 EADS external revenues

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2006 Guidance



- Airbus deliveries in 2006: ~430
- Revenues above € 37bn
- EADS EBIT* 2006 target ~€3.2bn
- EPS** ~2.35 €
- FCF pre-customer financing positive

* Pre goodwill impairment and exceptionals

** Based on assumed closing rate of €1 = \$1.2

- **Includes:** A380 delivery delays, assumed charges for the possible partial disposal of Sogerma
- **Does not include:** probable non recurring charges tied to launch of the A350-XWB, to review of the A380 ramp-up recovery, to initiation of a new Airbus competitiveness campaign.

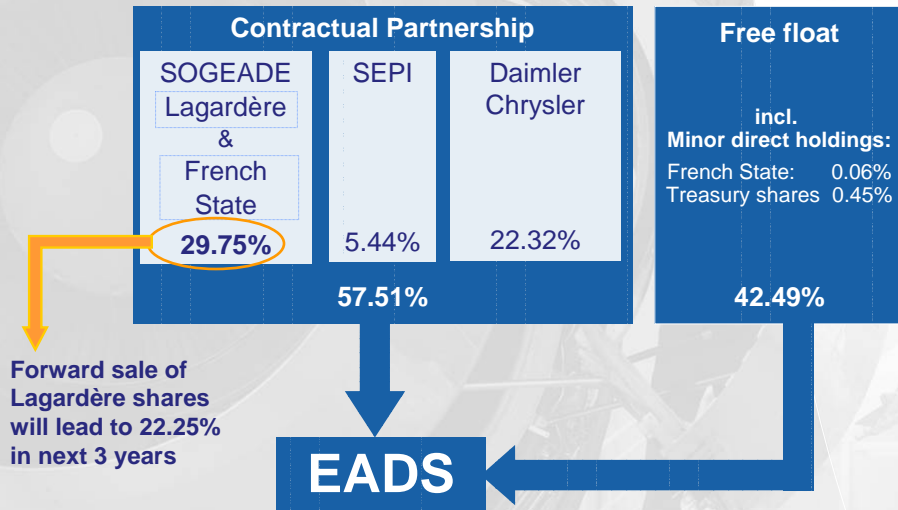
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New shareholding structure as of 11th April 2006



Balance of control in corporate governance remains unchanged
Increased free float improves liquidity on stock markets

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Profit & Loss Highlights



	H1 2006		H1 2005		FY 2005	
	€m	in % of Revenues	€m	in % of Revenues	€m	in % of Revenues
Revenues	18,980		16,020		34,206	
self-financed R&D**	1,139	6.0%	950	5.9%	2,075	6.1%
EBITDA	2,405	12.7%	2,240	14.0%	4,365	12.8%
EBIT*	1,632	8.6%	1,540	9.6%	2,852	8.3%
EBIT* before R&D	2,771	14.6%	2,490	15.5%	4,927	14.4%
Interest result	(56)	(0.3%)	(77)	(0.5%)	(155)	(0.5%)
Other financial result	(89)	(0.5%)	103	0.6%	(22)	(0.1%)
Taxes	(431)	(2.3%)	(511)	(3.2%)	(825)	(2.4%)
Net income***	1,043	5.5%	992	6.2%	1,676	4.9%
EPS (1)	1.31 €		1.25 €		2.11 €	

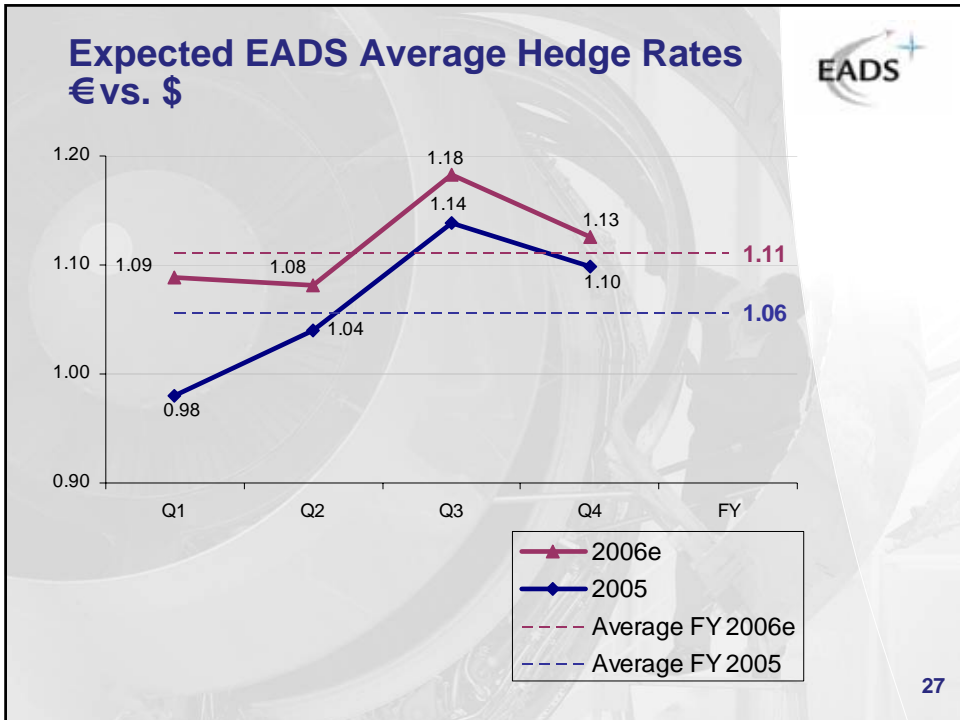
* pre goodwill impairment and exceptionals

** IAS 38: €164 m capitalised during H1 2006; €116m during H1 2005; €293m during FY 2005

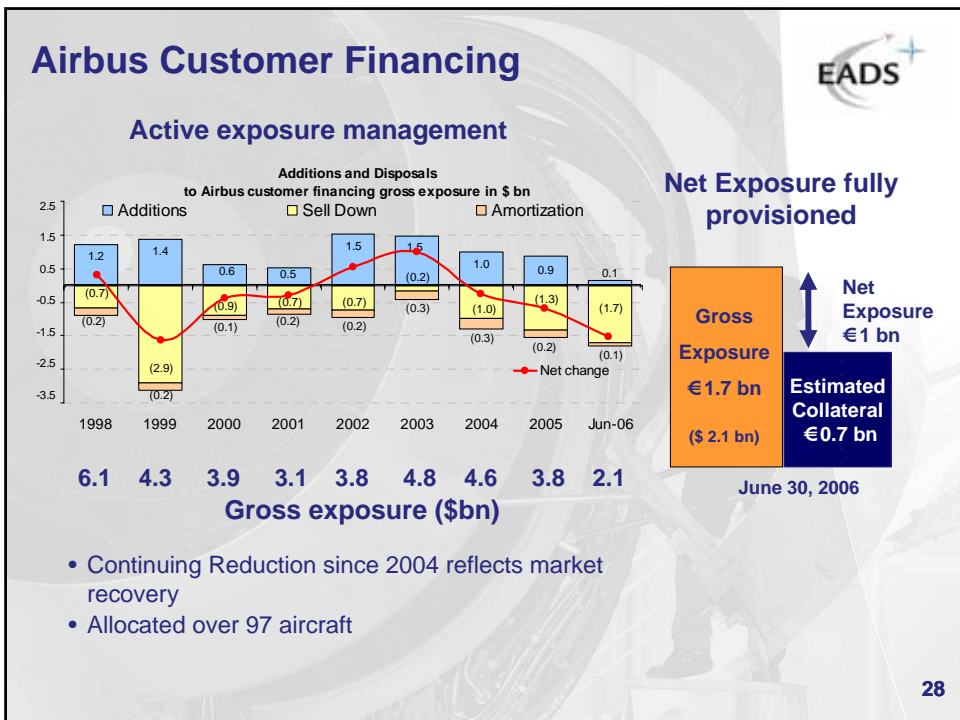
*** based on new IAS 32 requirement, no P&L impact from BAE Systems' minority interests in Airbus; BAE Systems' minority interests in Airbus would amount to €181 m in H1 2006; €176 m in H1 2005

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(1) Average number of shares outstanding: 798,747,495 in H1 2006 and 794,012,149 in H1 2005 and 794,734,220 in FY2005



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Customer Financing Exposure



€ millions	June 2006	Dec. 2005
closing rate 1 € =	\$ 1.27	\$ 1.18
100% AIRBUS		
Total Gross exposure	1,682	3,218
<i>of which off-balance sheet</i>	515	602
Estimated value of collateral	(680)	(1,819)
Net exposure	1,002	1,399
Provision and asset impairment	(1,002)	(1,399)
AIRBUS Net exposure after provision	0	0
50% ATR		
Total Gross exposure	316	348
<i>which off-balance sheet</i>	58	42
Estimate value of collateral	(289)	(314)
Net exposure	27	34
Provision	(27)	(34)
ATR Net exposure after provision	0	0

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Q2 2006 Key Figures



in € m	Q2 2006	Q2 2005		
Revenues	9,897	9,015		
EBIT*	852	883		
FCF before cust. financing**	(149)	773		
New orders	3,655	16,517		
	Revenues		EBIT*	
	Q2 2006	change	Q2 2006	Q2 2005
Airbus	6.8 € bn	8%	810 € m	816 € m
MTA	0.4 € bn	94%	(3 € m)	(8 € m)
Eurocopter	0.8 € bn	9%	58 € m	47 € m
Space	0.8 € bn	21%	36 € m	13 € m
DS	1.3 € bn	2%	61 € m	16 € m
HQ & others	(0.2 € bn)	(64%)	(110 € m)	(1 € m)
Of which other businesses	0.3 € bn	11%	(139 € m)	(42 € m)
Of which HQ & eliminations	(0.5 € bn)	(26%)	29 € m	41 € m
Total EADS	9.9 € bn	10%	852 € m	883 € m

* pre goodwill and exceptionals

** excl. investments in medium term securities and consolidation changes

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EBIT* Calculation



in €m	H1 2006	H1 2005
Profit before finance cost and income taxes	1,600	1,476
Exceptionals:		
Fair value adjustment	32	64
EBIT*	1,632	1,540

* pre goodwill impairment and exceptionals

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Restructuring, write-off and disposal items included in EBIT*



in €m	H1 2006	H1 2005
EBIT*	1,632	1,540
EBIT* margin (% of revenues)	8.6%	9.6%

EADS EBIT* includes the following items

DS	Restructuring	(55)	(14)
Other Businesses	Restructuring (Sogerma)	(117)	(21)

* pre goodwill impairment and exceptionals

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Net Income pre-exceptionals



in €m	H1 2006	H1 2005
Net Income	1,043	992
EPS (1)	1.31 €	1.25 €
Exceptionals:		
Depreciation of fair values	32	64
Related Tax impact	(12)	(22)
Net Income*	1,063	1,034
EPS* (1)	1.33 €	1.30 €

* pre goodwill impairment and exceptionals; the term "exceptionals" refers to such items as depreciation expenses of fair value adjustments relating to the EADS merger, the Airbus creation and the formation of MBDA.

(1) Average number of shares outstanding: 798,747,495 in H1 2006 and 794,012,149 in H1 2005

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Net Cash Position



in €m	June 2006	June 2005	Dec. 2005
Gross cash	10,672	10,480	10,586
Financial Debts			
<i>Short-term Financial Debts</i>	<i>(1,585)</i>	<i>(726)</i>	<i>(908)</i>
<i>Long-term Financial Debts</i>	<i>(3,836)</i>	<i>(5,079)</i>	<i>(4,189)</i>
Reported Net cash	5,251	4,675	5,489
non-recourse debt	1,111	1,324	1,247
Net cash excl. non-recourse	6,362	5,999	6,736
Main minority impact*	(438)	(422)	(407)
Airbus 20% non-recourse debt	(222)	(265)	(249)
Net cash position net of minority and non-recourse	5,702	5,312	6,080

* Mostly 20% in Airbus debt and cash as well as 12.5% in MBDA cash

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Balance Sheet Highlights: Assets



in €m	June 2006	Dec. 2005
Non-current Assets	35,904	36,027
of which Intangible & Goodwill	10,573	11,052
of which Property, plant & equipment	13,694	13,817
of which Investments & Financial assets	3,682	3,846
of which positive hedge mark-to-market	3,309	2,762
of which Non-current securities	1,342	1,011
Current Assets	35,315	33,477
of which Inventory	17,054	15,425
of which Cash	9,307	9,546
of which positive hedge mark-to-market	1,831	1,191
Non-current Assets classified as held for sale	0	881
Total Assets	71,219	70,385
Closing rate €/€	1.27	1.18

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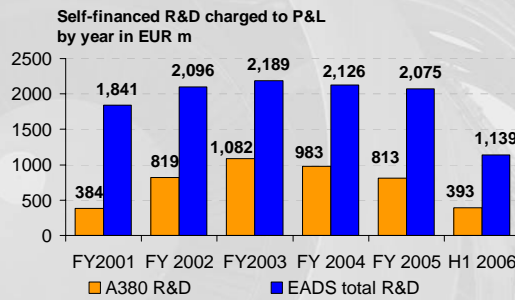
Balance Sheet Highlights: Liabilities



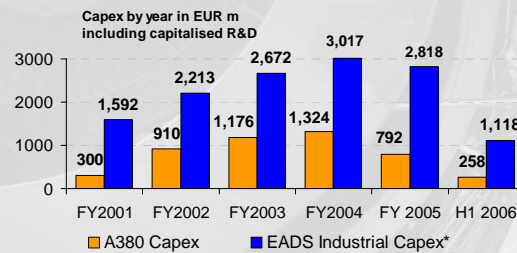
in €m	June 2006	Dec. 2005
Total Equity	15,372	13,902
of which OCI (Other Comprehensive Income)	4,883	3,982
of which Minority interests	161	176
Total Non-current liabilities	24,521	24,739
of which pensions	3,821	3,900
of which negative hedge mark-to-market	252	472
of which other provisions	2,267	2,507
of which financial debts	3,836	4,189
of which European gvts refundable advances	5,138	4,950
of which Customer advances	4,803	4,911
Total Current liabilities	31,326	31,682
of which negative hedge mark-to-market	154	449
of which other provisions	2,310	2,278
of which financial debts	1,585	908
of which liabilities for puttable instruments	2,750	3,500
of which European gvts refundable advances	278	343
of which Customer advances	14,444	14,078
Liabilities associated with assets held for sale	0	62
Total Liabilities and Equity	71,219	70,385
Closing rate €/€	1.27	1.18

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A380: Flight Testing



Cumulative
A380 R&D
= 4.5 €bn



Cumulative
A380 Capex
= 4.8 €bn

* excluding leased aircraft (2001: € 604 m; 2002: € 101 m; 2003: € 279 m; 2004: € 656 m; 2005: € 40 m; H1 2006: € 6 m)

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Quarterly Revenues Breakdown (cumulative)



in €m	Q1		H1		9m		FY	
	2006	2005	2006	2005	2006	2005	2006	2005
Airbus	6,362	4,989	13,154	11,262		16,033		22,179
MTA	822	108	1,244	326		504		763
Eurocopter	656	519	1,473	1,266		2,021		3,211
Space	493	516	1,273	1,160		1,670		2,698
DS	1,000	925	2,274	2,172		3,419		5,636
HQ & others	(250)	(52)	(438)	(166)		(201)		(281)
<i>of which other BUs*</i>	330	231	660	528		783		1,155
<i>of which HQ & elim.</i>	(580)	(283)	(1,098)	(694)		(984)		(1,436)
Total EADS	9,083	7,005	18,980	16,020		23,446		34,206

* BUs: ATR, EFW, Socata and Sogerma

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Quarterly EBIT* Breakdown (cumulative)



in €m	Q1		H1		9m		FY	
	2006	2005	2006	2005	2006	2005	2006	2005
Airbus	681	628	1,491	1,444		1,854		2,307
MTA	9	(6)	6	(14)		1		48
Eurocopter	26	13	84	60		105		212
Space	0	(6)	36	7		10		58
DS	35	(35)	96	(19)		10		201
HQ & others	29	63	(81)	62		119		26
of which other BUs**	(4)	(2)	(143)	(44)		(56)		(171)
of which HQ & Elim.	33	65	62	106		175		197
Total EADS	780	657	1,632	1,540		2,099		2,852

* pre goodwill impairment and exceptionals
** BUs: ATR, EFW, Socata and Sogerma

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Quarterly Order-intake Breakdown (cumulative)



in €m	Q1		H1		9m		FY	
	2006	2005	2006	2005	2006	2005	2006	2005
Airbus	6,596	6,654	7,905	17,958		28,565		78,254
MTA	641	59	751	989		1,650		1,840
Eurocopter	946	447	1,722	1,086		2,043		3,522
Space	1,571	640	2,223	1,130		1,494		2,322
DS	834	935	1,694	4,134		4,842		6,673
HQ & others	(90)	172	(142)	127		208		(60)
of which other BUs*	414	446	762	938		1,195		1,871
of which HQ & Elim.	(504)	(274)	(904)	(811)		(987)		(1,931)
Total EADS	10,498	8,907	14,153	25,424		38,802		92,551

* BUs: ATR, EFW, Socata and Sogerma

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Quarterly Order-book Breakdown



in €m	March		June		Sept.		Dec.	
	2006	2005	2006	2005	2006	2005	2006	2005
Airbus	197,033	141,143	183,542	151,978		158,542		201,963
MTA	20,786	19,850	20,480	20,565		21,053		20,961
Eurocopter	10,251	9,697	10,209	9,589		9,791		9,960
Space	11,909	11,394	11,868	11,393		11,186		10,931
DS	17,523	17,262	17,150	19,100		18,641		18,509
HQ & others	(8,879)	(8,935)	(8,767)	(8,931)		(8,839)		(9,089)
<i>of which other BUs*</i>	2,213	1,311	2,165	1,517		1,493		2,128
<i>of which HQ & Elim.</i>	(11,092)	(10,246)	(10,932)	(10,448)		(10,332)		(11,217)
Total EADS	248,623	190,411	234,482	203,694		210,374		253,235

* BUs: ATR, EFW, Socata and Sogerma