Unaudited Condensed IFRS Consolidated Financial Information of EADS N.V. for the nine-month period ended 30 September 2011

Unaudited Condensed IFRS Consolidated Income Statements

	1 January - 30 September 2011		1 January - 30 September 2010		Deviation
	M €	%	M €	%	M €
Revenues	32,687	100	31,554	100	1,133
Cost of sales	-28,256	-86	-27,256	-86	-1,000
Gross margin	**4,431**	**14**	**4,298**	**14**	**133**
Selling, administrative & other expenses	-1,817	-5	-1,739	-6	-78
Research and development expenses	-2,151	-7	-2,038	-6	-113
Other income	286	1	113	0	173
Share of profit from associates under the equity method and other income from investments	84	0	117	0	-33
Profit before finance result and income taxes	**833**	**3**	**751**	**2**	**82**
Interest income	321	1	259	1	62
Interest expense	-330	-1	-435	-1	105
Other financial result	-203	-1	-276	-1	73
Finance result	**-212**	**-1**	**-452**	**-1**	**240**
Income taxes	-198	-1	-96	0	-102
Profit for the period	**423**	**1**	**203**	**1**	**220**
Attributable to:					
Equity owners of the parent **(Net income)**	**421**	**1**	**198**	**1**	**223**
Non-controlling interests	2	0	5	0	-3
Earnings per share	€		€		€
Basic and diluted	0.52		0.24		0.28

Unaudited Condensed IFRS Consolidated Income Statements for the third quarter of 2011 and 2010

	1 July - 30 September 2011		1 July - 30 September 2010		Deviation
	M €	%	M €	%	M €
Revenues	10,751	100	11,246	100	-495
Cost of sales	-9,356	-87	-9,630	-86	274
Gross margin	**1,395**	**13**	**1,616**	**14**	**-221**
Selling, administrative & other expenses	-603	-5	-593	-5	-10
Research and development expenses	-742	-7	-737	-6	-5
Other income	219	2	24	0	195
Share of profit from associates under the equity method and other income from investments	43	0	57	0	-14
Profit before finance result and income taxes	**312**	**3**	**367**	**3**	**-55**
Interest income	136	1	93	1	43
Interest expense	-48	0	-155	-2	107
Other financial result	66	0	-281	-2	347
Finance result	**154**	**1**	**-343**	**-3**	**497**
Income taxes	-153	-1	-8	0	-145
Profit for the period	**313**	**3**	**16**	**0**	**297**
Attributable to:					
Equity owners of the parent **(Net income)**	**312**	**3**	**13**	**0**	**299**
Non-controlling interests	1	0	3	0	-2

Earnings per share	€	€	€
Basic and diluted	0.38	0.02	0.36

Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income

in M €	1 January - 30 September 2011	1 January - 30 September 2010
Profit for the period	**423**	**203**
Foreign currency translation differences for foreign operations [1)]	-33	77
Net change in fair value of cash flow hedges [1)]	390	-2,371
Net change in fair value of available-for-sale financial assets [1)]	-53	49
Actuarial losses on defined benefit plans	-330	-550
Unrealized changes from investments accounted for using the equity method [1)]	137	-144
Tax on income and expense recognized directly in equity	-17	877
Other comprehensive income, net of tax	**94**	**-2,062**
Total comprehensive income of the period	**517**	**-1,859**
Attributable to:		
Equity owners of the parent	512	-1,865
Non-controlling interests	5	6
Total comprehensive income of the period	**517**	**-1,859**

[1)] Other comprehensive income recognized for investments accounted for using the equity method is presented separately. Comparative information has been adjusted accordingly.

Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income for the third quarter 2011 and 2010

in M €	1 July - 30 September 2011	1 July - 30 September 2010
Profit for the period	**313**	**16**
Foreign currency translation differences for foreign operations [1]	26	-102
Net change in fair value of cash flow hedges [1]	-2,934	5,081
Net change in fair value of available-for-sale financial assets [1]	-198	272
Actuarial losses on defined benefit plans	-330	0
Unrealized changes from investments accounted for using the equity method [1]	21	-179
Tax on income and expense recognized directly in equity	1,002	-1,584
Other comprehensive income, net of tax	**-2,413**	**3,488**
Total comprehensive income of the period	**-2,100**	**3,504**
Attributable to:		
Equity owners of the parent	-2,106	3,497
Non-controlling interests	6	7
Total comprehensive income of the period	**-2,100**	**3,504**

[1] Other comprehensive income recognized for investments accounted for using the equity method is presented separately. Comparative information has been adjusted accordingly.

Unaudited Condensed IFRS Consolidated Statements of Financial Position

	30 September 2011		31 December 2010		Deviation	
	M €	%	M €	%	M €	%
Non-current assets						
Intangible assets	11,577	13	11,299	14	278	2
Property, plant and equipment	13,579	15	13,504	17	75	1
Investments in associates under the equity method	2,587	3	2,451	3	136	6
Other investments and long-term financial assets	2,375	3	2,386	3	-11	0
Other non-current assets	1,945	2	1,975	2	-30	-2
Deferred tax assets	4,124	5	4,250	5	-126	-3
Non-current securities	6,280	7	5,332	6	948	18
	42,467	48	41,197	50	1,270	3
Current assets						
Inventories	24,166	28	20,862	25	3,304	16
Trade receivables	6,767	8	6,632	8	135	2
Other current assets	4,763	5	3,632	4	1,131	31
Current securities	4,718	5	5,834	7	-1,116	-19
Cash and cash equivalents	5,117	6	5,030	6	87	2
Non-current assets / disposal groups classified as held for sale	0	0	0	0	0	
	45,531	52	41,990	50	3,541	8
Total assets	**87,998**	**100**	**83,187**	**100**	**4,811**	**6**
Total equity						
Equity attributable to equity owners of the parent						
Capital stock	820	1	816	1	4	0
Reserves	7,707	8	7,691	9	16	0
Accumulated other comprehensive income	787	1	446	1	341	76
Treasury shares	-113	0	-112	0	-1	1
	9,201	10	8,841	11	360	4
Non-controlling interests	29	0	95	0	-66	-69
	9,230	10	8,936	11	294	3
Non-current liabilities						
Non-current provisions	8,427	10	8,213	10	214	3
Long-term financing liabilities	3,532	4	2,870	3	662	23
Deferred tax liabilities	1,237	1	1,195	2	42	4
Other non-current liabilities	18,130	21	18,203	22	-73	0
	31,326	36	30,481	37	845	3
Current liabilities						
Current provisions	5,862	7	5,766	7	96	2
Short-term financing liabilities	1,184	1	1,408	2	-224	-16
Trade liabilities	9,310	11	8,546	10	764	9
Current tax liabilities	226	0	254	0	-28	-11
Other current liabilities	30,860	35	27,796	33	3,064	11
	47,442	54	43,770	52	3,672	8
Total liabilities	78,768	90	74,251	89	4,517	6
Total equity and liabilities	**87,998**	**100**	**83,187**	**100**	**4,811**	**6**

Unaudited Condensed IFRS Consolidated Statements of Cash Flows

	1 January - 30 September 2011	1 January - 30 September 2010
	M€	M€
Profit for the period attributable to equity owners of the parent (Net income)	**421**	**198**
Profit for the period attributable to non-controlling interests	2	5
Adjustments to reconcile profit for the period to cash provided by operating activities		
Depreciation and amortization	1,192	1,149
Valuation adjustments	-91	31
Deferred tax expense (income)	112	-51
Change in income tax assets, income tax liabilities and provisions for income tax	-73	72
Results on disposals of non-current assets	-17	-18
Results of companies accounted for by the equity method	-60	-83
Change in current and non-current provisions	357	250
Change in other operating assets and liabilities	84	531
Cash provided by operating activities	**1,927**	**2,084**
Investments:		
- Purchase of intangible assets, PPE	-1,333	-1,307
- Proceeds from disposals of intangible assets, PPE	65	18
- Acquisitions of subsidiaries and joint ventures (net of cash)	-439	0
- Proceeds from disposals of subsidiaries (net of cash)	18	0
- Payments for investments in associates and other investments and long-term financial assets	-179	-114
- Proceeds from disposals of associates and other investments and long-term financial assets	46	69
- Dividends paid by companies valued at equity	50	41
Change in securities	23	-1,831
Contribution to plan assets for pensions	-300	-323
Cash (used for) investing activities	**-2,049**	**-3,447**
Change in long-term and short-term financing liabilities	478	-881
Cash distribution to EADS N.V. shareholders	-178	0
Dividends paid to non-controlling interests	-4	-6
Change in capital and non-controlling interests	-57	-25
Change in treasury shares	-1	-14
Cash provided by (used for) financing activities	**238**	**-926**
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	-29	42
Net increase (decrease) in cash and cash equivalents	**87**	**-2,247**
Cash and cash equivalents at beginning of period	**5,030**	**7,038**
Cash and cash equivalents at end of period	**5,117**	**4,791**

As of 30 September 2011, EADS' cash position (stated as cash and cash equivalents in the Unaudited Condensed IFRS Consolidated Statements of Cash Flows) includes 638 M € (735 M € as of 31 December 2010), which represents EADS' share in MBDA's cash and cash equivalents deposited at other shareholders. These funds are available for EADS upon demand.

Unaudited Condensed IFRS Consolidated Statements of Changes in Equity

in M €	Equity attributable to equity owners of the parent	Non-controlling interests	total
Balance at 1 January 2010	**10,535**	**106**	**10,641**
Profit for the period	198	5	203
Other comprehensive income	-2,063	1	-2,062
Dividends to non-controlling interests	0	-6	-6
Capital decrease	-20	-6	-26
Change in treasury shares	-14	0	-14
Others	8	-6	2
Balance at 30 September 2010	**8,644**	**94**	**8,738**
Balance at 1 January 2011	**8,841**	**95**	**8,936**
Profit for the period	421	2	423
Other comprehensive income	91	3	94
Cash distribution to shareholders / dividends to non-controlling interests	-178	-4	-182
Capital increase	57	4	61
Change in treasury shares	-1	0	-1
Equity transaction (IAS 27)	-45	-70	-115
Others	15	-1	14
Balance at 30 September 2011	**9,201**	**29**	**9,230**

Explanatory notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at 30 September 2011

1. The Company

The accompanying Unaudited Condensed Consolidated Financial Statements present the operations of **European Aeronautic Defence and Space Company EADS N.V.** and its subsidiaries ("EADS" or the "Group"), a Dutch public limited liability company (Naamloze Vennootschap) legally seated in Amsterdam (current registered office at Mendelweg 30, 2333 CS Leiden, The Netherlands), and are prepared and reported in Euros ("€"). EADS' core business is the manufacturing of commercial aircraft, civil and military helicopters, commercial space launch vehicles, missiles, military aircraft, satellites, defence systems and defence electronics and rendering of services related to these activities. The Unaudited Condensed IFRS Consolidated Financial Statements for the nine-month period ended 30 September 2011 were authorized for issue by EADS' Board of Directors on 9 November 2011.

2. Accounting policies

These Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting (amended 2010) as adopted by the European Union (EU). EADS' Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as endorsed by the European Union (EU) as at 30 September 2011 and Part 9 of Book 2 of the Netherlands Civil Code. They comprise (i) IFRS, (ii) International Accounting Standards ("IAS") and (iii) Interpretations originated by the IFRS Interpretations Committee ("IFRIC") or former Standards Interpretation Committee ("SIC").

These Unaudited Condensed IFRS Interim Consolidated Financial Statements should be read in conjunction with EADS' Consolidated Financial Statements as of 31 December 2010. Except for the revised or amended Standards to be applied for the first time in the first nine months 2011 (mentioned below in the next section), EADS' accounting policies and techniques are unchanged compared to 31 December 2010.

Financial reporting rules applied for the first time in the first nine months 2011

The following revised or amended Standards were applied for the first time in the first nine months 2011 and are effective for EADS as of 1 January 2011. If not otherwise stated, they do not have a material impact on EADS' Consolidated Financial Statements as well as its basic and diluted earnings per share.

The IASB issued a revised version of **IAS 24** "Related Party Disclosures" that simplifies the disclosure requirements for government related entities and clarifies the definition of a related party.

The amendment to IAS 32 "Classification of Rights Issues – **Amendment to IAS 32** Financial Instruments: Presentation" addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. In particular, when the amendment is retrospectively applied, rights (and similar derivatives) to acquire a fixed number of an entity's own equity instruments for a fixed price stated in a currency other than the entity's functional currency would be equity instruments, provided the entity offers the rights pro rata to all of its existing owners of the same class of its own non derivative equity instruments.

The third **omnibus of amendments to IFRS Standards (2010)** includes amendments to 8 IFRS Standards and 1 Interpretation. The amendments refer to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 21, IAS 28, IAS 31, IAS 34 and IFRIC 13. Most of the amendments are mandatory for annual periods beginning on or after 1 January 2011 with separate transition provisions for each amendment.

To correct an unintended consequence of IFRIC 14, the IASB issued **amendments to IFRIC 14** "Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14)". Without these amendments in some circumstances entities are not permitted to recognise some voluntary prepayments for minimum funding contributions as an asset. This was not intended when IFRIC 14 was issued, and the amendments correct this issue.

3. Changes in the consolidation perimeter of EADS

On 30 June 2011, Eurocopter Holding S.A.S., a subsidiary of EADS N.V., acquired 98.32% of Vector Aerospace Corporation, Toronto (Canada), (hereafter referred to as “Vector”) an independent global provider of OEM approved maintenance, repair and overhaul aviation services (MRO services) for aircraft and helicopter operators following a CAD 13.00 / share cash offer for all of the outstanding common shares of Vector, including all shares that may be issued on the exercise of options granted under Vector’s share option plan. As the purchase price allocation of this transaction is not finalized yet, EADS refers to the Vector-related notes disclosures provided for its six-month period ended June 30, 2011 for further details of this transaction.

On 30 July 2011, Astrium Holding SAS entered into an agreement with Apax Partners, a French Private Equity Fund, to acquire Vizada Group, a leading independent provider of global satellite-based mobility communication services for 960 M USD. Closing of the transaction is subject to customary regulatory approvals.

Apart from these transactions, other acquisitions or disposals by the Group that occurred in the first nine months of 2011 or 2010, respectively, are not material.

4. Segment information

The Group operates in five reportable segments which reflect the internal organizational and management structure according to the nature of the products and services provided.

- *Airbus Commercial* — Development, manufacturing, marketing and sale of commercial jet aircraft of more than 100 seats and related services; aircraft conversion.
- *Airbus Military* — Development, manufacturing, marketing and sale of military transport aircraft and special mission aircraft and related services.

The reportable segments Airbus Commercial and Airbus Military form the Airbus Division.

- *Eurocopter* — Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.
- *Astrium* — Development, manufacturing, marketing and sale of satellites, orbital infrastructures and launchers; provision of space services.
- *Cassidian* — Development, manufacturing, marketing and sale of missiles systems, military combat aircraft and training aircraft; provision of defence electronics and of global security market solutions such as integrated systems for global border security and secure communications solutions and logistics; training, testing, engineering and other related services.

The following table presents information with respect to the Group’s business segments. “Other Businesses” mainly comprises the development, manufacturing, marketing and sale of regional turboprop aircraft, aircraft components as well as the Group’s activities managed in the US. Consolidation effects, the holding function of EADS Headquarters and other activities not allocable to the reportable segments are disclosed in the column “HQ / Conso.”.

in M €	Airbus Commer-cial	Airbus Military	Euro-copter	Astrium	Cassidian	Other Busines-ses	Total segments	HQ/ Conso.	**Consoli-dated**
Nine-month period ended 30 September 2011									
Revenues	21,120	1,747	3,458	3,440	3,419	833	34,017	-1,330	**32,687**
Research and development expenses	-1,690	-15	-154	-60	-174	-7	-2,100	-51	**-2,151**
Profit before finance result and income taxes	286	4	156	162	153	10	771	62	**833**
EBIT pre-goodwill imp. and exceptionals (see definition below)	306	5	157	165	170	20	823	62	**885**
Nine-month period ended 30 September 2010									
Revenues	20,446	1,540	3,085	3,226	3,470	805	32,572	-1,018	**31,554**
Research and development expenses	-1,607	-6	-135	-50	-181	-6	-1,985	-53	**-2,038**
Profit (loss) before finance result and income taxes	308	-36	120	155	199	-6	740	11	**751**
EBIT pre-goodwill imp. and exceptionals (see definition below)	328	-35	121	158	204	-6	770	14	**784**

5. EBIT pre-goodwill impairment and exceptionals

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. It also comprises disposal impacts related to goodwill and fair value adjustments from these transactions. EBIT pre-goodwill impairment and exceptionals is treated by management as a key indicator to measure the segments’ economic performances.

The reconciliation from profit before finance result and income taxes to EBIT pre-goodwill impairment and exceptionals is set forth in the following table (in M €):

in M €	1 January - 30 September 2011	1 January - 30 September 2010
Profit before finance result and income taxes	**833**	**751**
Goodwill and exceptionals:		
Disposal of goodwill	22	0
Exceptional depreciation (fixed assets in cost of sales)	30	33
EBIT pre-goodwill impairment and exceptionals	**885**	**784**

6. Significant income statement items

Revenues of 32,687 M € (first nine months 2010: 31,554 M €) increase by +1,133 M €, mainly at Airbus Commercial (+674 M €) and Eurocopter (+373 M €). Airbus Military includes revenues related to the A400M programme of 635 M € recognized under the percentage of completion method based on milestones (first nine months 2010: 515 M €). Moreover, Astrium also contributes to the increase of revenues whereas Cassidian revenues decrease slightly.

Gross margin increases by +133 M € to 4,431 M € compared to 4,298 M € in the first nine months of 2010. This improvement is mainly related to better performance of legacy programmes at Airbus Commercial. The operational improvement at Airbus including favorable phasing, Eurocopter and Astrium is partly compensated by unfavorable foreign exchange rate effects at Airbus Commercial.

Research and development expenses increase by -113 M € to -2,151 M € (first nine months 2010: -2,038 M €) principally reflecting an increase for the Airbus A350XWB.

Other income increases by +173 M € to 286 M € (first nine months 2010: 113 M €) mainly due to a release of refundable advances of +192 M € (please refer to ”other non-current liabilities” in note 7 “Significant items of the statements of financial position”).

Share of profit from associates under the equity method and other income from investments of 84 M € (first nine months 2010: 117 M €) mainly consists of the consistently estimated share of the result of Dassault Aviation of 67 M € (first nine months 2010: 100 M €). The Dassault Aviation equity accounted-for income in the first nine months 2011 includes a negative catch-up on 2010 results amounting to -3 M € (first nine months 2010: +3 M € positive catch-up on 2009 results).

Finance result amounts to -212 M € (first nine months 2010: -452 M €) comprising interest result of -9 M € (first nine months 2010: -176 M €). The improvement is mainly due to a positive impact of +120 M € related to a release of refundable advances (please refer to ”other non-current liabilities” in note 7 “Significant items of the statements of financial position”). Other financial result amounts to -203 M € (first nine months 2010: -276 M €) and mainly includes charges from the negative revaluation of financial instruments (-54 M €, first nine months 2010: -180 M €), the positive impact from foreign exchange valuation of monetary items (37 M €, first nine months 2010: 72 M €) and the unwinding of discounted provisions (-108 M €, first nine months 2010: -174 M €).

The **income tax** expense of -198 M € (first nine months 2010: -96 M €) corresponds to an effective income tax rate of 32% (first nine months 2010: 32%).

7. Significant items of the statements of financial position

Non-current assets

Intangible assets of 11,577 M € (prior year-end: 11,299 M €) include 9,994 M € (prior year-end: 9,809 M €) of goodwill, which is mainly allocated to Airbus Commercial (6,425 M €), Cassidian (2,536 M €), Astrium (643 M €) and Eurocopter (299 M €). The increase of goodwill primarily relates to the acquisition of Vector (please refer to note 3 “Changes in the consolidation perimeter of EADS”). The last annual impairment tests, which were performed in the fourth quarter of 2010, did not lead to any impairment charges.

Eliminating foreign exchange-rate effects of -32 M €, **property, plant and equipment** increase by +107 M € to 13,579 M € (prior year-end: 13,504 M €), including leased assets of 577 M € (prior year-end: 759 M €). Property, plant and equipment also comprise “Investment property” amounting to 74 M € (prior year-end: 77 M €).

Investments in associates under the equity method of 2,587 M € (prior year-end: 2,451 M €) mainly reflect the increase in the value of the equity investment in Dassault Aviation, amounting to 2,474 M € (prior year-end: 2,318 M €).

Other investments and other long-term financial assets of 2,375 M € (prior year-end: 2,386 M €) are related to Airbus for an amount of 1,597 M € (prior year-end: 1,765 M €), mainly concerning the non-current portion of aircraft financing.

Other non-current assets mainly comprise non-current derivative financial instruments and non-current prepaid expenses. The decrease by -30 M € to 1,945 M € (prior year-end: 1,975 M €) is mainly caused by the decrease of paid option premiums (-50 M €).

Deferred tax assets of 4,124 M € (prior year-end: 4,250 M €) are presented as non-current assets as required by IAS 1. The decrease is mainly due to the positive variation of fair values of derivative financial instruments.

The fair values of **derivative financial instruments** are included in other non-current assets (595 M €, prior year-end: 602 M €), in other current assets (625 M €, prior year-end: 364 M €), in other non-current liabilities (1,878 M €, prior year-end: 2,109 M €) and in other current liabilities (675 M €, prior year-end: 821 M €) which corresponds to a total net fair value of -1,333 M € (prior year-end: -1,964 M €). The volume of hedged US dollar-contracts increases from 70.2 billion US dollar as at 31 December 2010 to 71.8 billion US dollar as at 30 September 2011. The US dollar spot rate became less favorable (USD / € spot rate of 1.35 at 30 September, 2011 vs. 1.34 at 31 December 2010). The average US dollar hedge rate for the hedge portfolio of the Group remains stable at 1.38 USD / € as at 30 September 2011 and at 31 December 2010.

Current assets

Inventories of 24,166 M € (prior year-end: 20,862 M €) increase by +3,304 M €. This is partly driven by higher unfinished goods and services for Airbus (+664 M €), Eurocopter (+550 M €), Cassidian (+350 M €) and Astrium (+252 M €) programmes. Moreover, there are also increases in finished goods (+692 M €) and higher advance payments made (+416 M €) for the Group.

Trade receivables increase by +135 M € to 6,767 M € (prior year-end: 6,632 M €), mainly caused by Eurocopter (+394 M €) and Astrium (+153 M €), partly compensated by a decrease at Airbus (-319 M €) and Cassidian (-69 M €).

Other current assets include “Current portion of other long-term financial assets”, “Current other financial assets”, “Current other assets” and “Current tax assets”. The increase of +1,131 M € to 4,763 M € (prior year-end: 3,632 M €) mainly relates to “current other financial assets” (+642 M €) and “current other assets” (+318 M €).

Cash and cash equivalents slightly increase from 5,030 M € to 5,117 M € (see also note 8 “Significant cash flow items”).

Total equity

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to 9,201 M € (prior year-end: 8,841 M €). The increase in equity is mainly due to total comprehensive income for the period of +512 M €, mainly due to the profit for the period and change of fair values in cash flow hedges, partly compensated by actuarial losses on defined benefit plans. The cash distribution to EADS NV shareholders of -178 M € further reduces equity.

Non-controlling interests decrease by -66 M € to 29 M € (prior year-end: 95 M €), mainly due to the purchase of the remaining 25% of DADC Luft- und Raumfahrt Beteiligungs AG, Munich by EADS.

Non-current liabilities

Non-current provisions of 8,427 M € (prior year-end: 8,213 M €) comprise the non-current portion of pension provisions with an increase of +215 M € to 5,252 M € (prior year-end: 5,037 M €) mainly resulting from actuarial losses on defined benefit plans, partly compensated by contributions to plan assets.

Moreover, other provisions, which are part of non-current provisions, remain stable at 3,175 M € (prior year-end: 3,176 M €). The decrease in provisions for aircraft financing activities (-108 M €), mainly due to reclassifications to current provision, is counterbalanced by an increase in loss making provisions (+147 M €). Included in the increase are 200 M € which are related to the A350XWB programme reflecting the start of its Final Assembly Line now scheduled for early 2012 and Entry-into-Service now scheduled for the first half-year 2014.

Long-term financing liabilities, mainly comprising bonds, increase by +662 M € to 3,532 M € (prior year-end: 2,870 M €). This increase is mainly related to new loans of 752 M € in total, which are granted by the European Investment Bank and the Development Bank of Japan.

Other non-current liabilities, comprising "Non-current other financial liabilities", "Non-current other liabilities" and "Non-current deferred income", decrease in total by -73 M € to 18,130 M € (prior year-end: 18,203 M €), due to decreases of fair values for financial instruments and of refundable advances in "non-current other financial liabilities", partly compensated by higher advance payments.

Refundable advances including interest accretion for the total amount of 406 M € representing obligations arising out of contracts associated with the long-range programme in Airbus Commercial have been settled as a result of actions taken by Airbus in the third quarter 2011, due to the termination of the A340 programme. The release of the liabilities has positively affected the consolidated income statement before taxes by 192 M € in other operating income and by 120 M € in interest result and will further result in an associated operating cash outflow of approximately 94 M € in the fourth quarter 2011.

Current liabilities

Current provisions increase by +96 M € to 5,862 M € (prior year-end: 5,766 M €) and comprise the current portion of pension provisions (153 M €) and of other provisions (5,709 M €). An increase of provisions for outstanding costs (+200 M €) and of provisions for aircraft financing (+82 M €) is partly compensated by a decrease in provisions for loss making costs (-152 M €). The provisions for loss making contracts include provisions for the A400M programme of 2,159 M € (prior year-end: 2,344 M €).

Other current liabilities include "Current other financial liabilities", "Current other liabilities" and "Current deferred income". They increase by +3,064 M € to 30,860 M € (prior year-end: 27,796 M €). Other current liabilities mainly comprise current customer advance payments of 26,203 M € (prior year-end: 23,285 M €), increasing by +2,918 M €.

8. Significant cash flow items

Cash provided by operating activities decreases by -157 M € to +1,927 M € (first nine months 2010: +2,084 M €). Gross cash flow from operations (before changes in other operating assets and liabilities) of +1,843 M € improves compared to the prior period's level (first nine months 2010: +1,553 M €). Changes in other operating assets and liabilities amount to +84 M € (first nine months 2010: +531 M €), mainly reflecting a higher level of advance payments received and trade liabilities, partly compensated by an increase in inventories.

Cash used for investing activities amounts to -2,049 M € (first nine months 2010: -3,447 M €). This mainly comprises purchases of intangible assets and property, plant and equipment of -1,333 M € (first nine months 2010: -1,307 M €), namely in Airbus division, acquisitions of subsidiaries and joint ventures of -439 M € (first nine months 2010: 0 M €), primarily due to the purchase of Vector Aerospace, and contributions to plan assets for pensions of -300 M € (first nine months 2010: -323 M €).

Cash provided by/ used for financing activities improves by +1,164 M € to +238 M € (first nine months 2010: -926 M €). While the outflow in the first nine months 2010 primarily comprised the repayment of the first tranche of the EMTN bond (1 billion €) (included in change in long-term and short-term financing liabilities), the cash distribution to shareholders of -178 M € as well as the purchase of the remaining 25% of the DADC Luft- und Raumfahrt Beteiligungs AG (shown in changes in capital and non-controlling interests) are included in the first nine months 2011. Moreover, in the first nine months 2011 new loans were granted to EADS by the European Investment Bank and the Development Bank of Japan in the amount of 752 M € in total.

9. Number of shares

The total number of shares outstanding is 814,822,229 and 810,461,129 as of September 30, 2011 and 2010, respectively. EADS' shares are exclusively ordinary shares with a par value of 1.00 €.

During the first nine months 2011, the number of treasury shares held by EADS decreased from 5,341,084 as of 31 December 2010 to 5,319,337 as of 30 September 2011.

In the first nine months of 2011, EADS issued 1,372,167 new shares (in the first nine months of 2010: 221,200 new shares) as a result of the exercise of stock options in compliance with the implemented stock option plans. Under the 2011 Employee Stock Ownership Plan, which was granted in June 2011, 2,445,527 shares were issued in July 2011. During the first nine months 2010, no Employee Stock Ownership Plan was implemented.

10. Earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to equity owners of the parent (Net income) by the weighted average number of issued ordinary shares during the period, excluding ordinary shares purchased by the Group and held as treasury shares:

	1 January to 30 September 2011	1 January to 30 September 2010
Net income attributable to equity owners of the parent	421 M €	198 M €
Weighted average number of ordinary shares outstanding	811,713,726	810,745,035
Basic earnings per share	0.52 €	0.24 €

For calculation of the **diluted earnings per share**, the weighted average number of ordinary shares is adjusted to assume conversion of all potential ordinary shares. After the end of the vesting period for the performance and restricted shares, the Group's only remaining category of dilutive potential ordinary shares is stock options. Since the average price of EADS shares exceeded the exercise price of the 4th and the 5th stock option plan in the first nine months of 2011 (in the first nine months of 2010: the 5th stock option plan), 1,257,453 potential shares (in the first nine months 2010: 125,934 shares) were considered in the calculation of diluted earnings per share.

	1 January to 30 September 2011	1 January to 30 September 2010
Net income attributable to equity owners of the parent	421 M €	198 M €
Weighted average number of ordinary shares outstanding (diluted)	812,971,179	810,870,969
Diluted earnings per share	0.52 €	0.24 €

11. Related party transactions

The Group has entered into various transactions with related companies in the first nine months of 2011 and 2010 that have all been carried out in the normal course of business. As it is the Group's policy, all related party transactions have to be carried out at arm's length. Transactions with related parties include the French State, Daimler AG, Lagardère and SEPI (Spanish State). Except for the transactions with the French State and SEPI and the aforementioned transaction with the Daimler AG, such transactions are not considered material to the Group either individually or on aggregate. The transactions with the French State include mainly sales from the Eurocopter, Astrium and Cassidian divisions. The transactions with SEPI include mainly sales from Airbus Military and Cassidian. The French and Spanish State are also customers of the A400M programme.

In the first nine months of 2011, EADS purchased the remaining 25% of DADC Luft- und Raumfahrt Beteiligungs AG, Munich from Daimler AG for a consideration of 110 M €.

12. Number of employees

The number of employees as at 30 September 2011 is 128,038 as compared to 121,691 as at 31 December 2010.

13. Litigation and claims

The following supplements and amends the discussion set forth under note 32 "Litigation and claims" in the notes to the consolidated financial statements for the year ended 31 December 2010:

WTO Proceedings - On 31 March 2011, the final report was published in the case brought by the EU concerning subsidies to Boeing and has been appealed. On 18 May 2011, the WTO Appellate Body published its final report in the case brought by the US assessing funding to Airbus from European governments. Exact timing of further steps in the WTO litigation process is subject to further rulings and to negotiations between the US and the EU. Unless a settlement, which is currently not under discussion, is reached between the parties, the litigation is expected to continue for several years.

EPI Arbitration - On 26 April 2011, Airbus Military SL (AMSL) and Europrop International GmbH (EPI) agreed to terminate the stayed arbitration proceedings before the International Chamber of Commerce (ICC), following signing of an amendment to the engine agreement related to the A400M aircraft programme.

Guardia di Finanza Proceedings – In September 2011, Astrium and Italian tax authorities agreed on a settlement to terminate their respective claims. Astrium will therefore argue for a dismissal of the pending proceedings against its legal representatives.

14. Subsequent events

On 5 October 2011, Airbus S.A.S., a subsidiary of EADS N.V., acquired 96.7 % of Satair A/S, Copenhagen, Denmark ("Satair") via its subsidiary Airbus Denmark Holding ApS following a public voluntary conditional tender offer of DKr 580 / share for all of the outstanding shares of Satair, including an offer of DKr 378.66 / warrant for or each warrant holder.

Satair is a Danish Group listed on the NASDAQ OMX Copenhagen and a premier independent distributor of aircraft parts and services specialised in expendables and components. The acquisition will facilitate the growth of Airbus' material management business and offers an opportunity to develop new services both in civil and governmental markets.

During Satair´s fiscal year 2010/2011 until June 2011 Satair realised 296 M € revenues equally distributed in Europe/ Middle East/ Africa (EMEA), Asia Pacific and North/South America, an EBIT of 22 M € and a net profit of 15 M € from continuing activities as well as a profit from discontinued operations of 49 M €.

The following table provides an overview of the consideration transferred, the preliminary estimate of the fair value of the identifiable assets acquired and liabilities assumed as at the date of acquisition determined based on Satair's YE 2010/2011 financial statements as of 30 June 2011 published on 14 September 2011.

in M €	**Preliminary fair value recognised on acquisition**
Intangible assets	58
Property, plant and equipment	8
Other non-current assets	4
Inventories	81
Trade receivables	50
Securities	39
Cash and cash equivalents	14
	254
Provisions	0
Financing liabilities	45
Trade liabilities	42
Tax liabilities	3
Other liabilities	31
	121
Preliminary net assets acquired	**133**
Preliminary goodwill arising on acquisition	210
Preliminary total consideration	**343**

The preliminary total consideration includes the amount paid in cash for the acquisition of 96.7% of Satair's shares and 100% of warrants (331 M €) at the beginning of October 2011 as well as the expected amount of approximately 12 M € to be paid to the remaining non-controlling interest shareholders within the upcoming squeeze out procedures.

Intangible assets to be identified in a purchase price allocation are currently expected to include primarily supplier relationships and a brand name. The preliminary goodwill before purchase price allocation exercise of 210 M € includes a control premium reflecting the expected synergies arising from the combination.

At the acquisition date the trade and other receivables comprise gross contractual amounts due of 51 M € of which approximately 1 M € were expected to be uncollectible resulting in a fair value of the trade receivables portfolio of approximately 50 M €.

As this acquisition took place on 5 October 2011, Satair has not contributed to the revenues and to the profit of the first three quarters of 2011 of EADS Group. Had this business combination been effected at the beginning of the year, EADS' year to date revenues / EBIT / net earnings for the first half year 2011 are expected to have been approximately 151 M € / 11 M € / 8 M € higher. EADS considers these 'pro-forma' figures to represent an initial approximate measure of the performance of the combined Group on an annualised basis and to provide an initial reference point for comparisons in future periods – but only based on the latest available IFRS figures of Satair as of 30 June 2011 and without considering unwinding effects on EBIT and net earnings from the purchase price allocation.

Acquisition related costs amounting to 5.5 M € year to date have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the other expenses' line item in the consolidated income statement.

On 20 October 2011, Airbus Operations GmbH, a subsidiary of EADS N.V., acquired the majority of the shares and voting rights of PFW Aerospace AG ("PFW"), Speyer, Germany. PFW is a specialised producer of tube and duct systems, aircraft on-board cargo loading systems as well as structural and assembly components.

Airbus’ investment is intended to stabilise PFW´s financial position and operational set up during its current turnaround situation. EADS and Airbus are currently assessing the implications of this transaction for EADS' financial reporting. PFW reported revenues of 214 M € for the year 2010.