

Unaudited Condensed IFRS Consolidated Financial Information of EADS N.V. for the three-month period ended 31 March 2012

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Unaudited Condensed IFRS Consolidated Income Statements

	1 January - 31 March 2012		1 January - 31 March 2011		Deviation
	M €	%	M €	%	M €
Revenues	11,404	100	9,854	100	1,550
Cost of sales	-9,740	-85	-8,515	-86	-1,225
Gross margin	1,664	15	1,339	14	325
Selling, administrative & other expenses	-685	-6	-589	-6	-96
Research and development expenses	-726	-6	-650	-6	-76
Other income	44	0	48	0	-4
Share of profit from associates under the equity method and other income from investments	36	0	33	0	3
Profit before finance result and income taxes	333	3	181	2	152
Interest income	80	1	99	1	-19
Interest expense	-153	-1	-146	-1	-7
Other financial result	-70	-1	-150	-2	80
Finance result	-143	-1	-197	-2	54
Income taxes	-55	-1	5	0	-60
Profit (loss) for the period	135	1	-11	0	146
Attributable to:					
Equity owners of the parent					
(Net income (loss))	133	1	-12	0	145
Non-controlling interests	2	0	1	0	1
Earnings per share	€		€		€
Basic and diluted	0.16		-0.01		0.17

Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income

in M €	1 January - 31 March 2012	1 January - 31 March 2011
Profit (loss) for the period	135	-11
Foreign currency translation differences for foreign operations	-46	-54
Net change in fair value of cash flow hedges	1,673	2,616
Net change in fair value of available-for-sale financial assets	139	10
Unrealized changes from investments accounted for using the equity method	-102	120
Tax on income and expense recognized directly in equity	-549	-808
Other comprehensive income, net of tax	1,115	1,884
Total comprehensive income of the period	1,250	1,873
Attributable to:		
Equity owners of the parent	1,249	1,873
Non-controlling interests	1	0
Total comprehensive income of the period	1,250	1,873

Unaudited Condensed IFRS Consolidated Statements of Financial Position

	31 March 2012		31 December 2011		Deviation	
	M €	%	M €	%	M €	%
Non-current assets						
Intangible assets	12,734	14	12,745	14	-11	0
Property, plant and equipment	14,233	16	14,233	16	0	0
Investments in associates under the equity method	2,600	3	2,677	3	-77	-3
Other investments and long-term financial assets	2,390	3	2,378	3	12	1
Other non-current assets	2,119	2	1,884	2	235	12
Deferred tax assets	3,969	4	4,309	5	-340	-8
Non-current securities	7,954	9	7,229	8	725	10
	45,999	51	45,455	51	544	1
Current assets						
Inventories	24,506	29	22,563	26	1,943	9
Trade receivables	5,626	6	6,399	7	-773	-12
Other current assets	5,001	6	4,503	5	498	11
Current securities	3,018	3	4,272	5	-1,254	-29
Cash and cash equivalents	4,580	5	5,284	6	-704	-13
	42,731	49	43,021	49	-290	-1
Total assets	88,730	100	88,476	100	254	0
Total equity						
Equity attributable to equity owners of the parent						
Capital stock	824	1	820	1	4	0
Reserves	8,171	9	7,990	9	181	2
Accumulated other comprehensive income	1,284	2	153	0	1,131	739
Treasury shares	-119	0	-113	0	-6	5
	10,160	12	8,850	10	1,310	15
Non-controlling interests	20	0	20	0	0	0
	10,180	12	8,870	10	1,310	15
Non-current liabilities						
Non-current provisions	9,145	10	9,125	10	20	0
Long-term financing liabilities	3,472	4	3,628	4	-156	-4
Deferred tax liabilities	1,288	1	1,050	1	238	23
Other non-current liabilities	17,333	20	18,297	21	-964	-5
	31,238	35	32,100	36	-862	-3
Current liabilities						
Current provisions	5,883	6	5,860	7	23	0
Short-term financing liabilities	1,406	2	1,476	2	-70	-5
Trade liabilities	9,100	10	9,630	11	-530	-6
Current tax liabilities	334	0	308	0	26	8
Other current liabilities	30,589	35	30,232	34	357	1
	47,312	53	47,506	54	-194	0
Total liabilities	78,550	88	79,606	90	-1,056	-1
Total equity and liabilities	88,730	100	88,476	100	254	0

Unaudited Condensed IFRS Consolidated Statements of Cash Flows

	1 January - 31 March 2012	1 January - 31 March 2011 ^{*)}
	M €	M €
Profit (loss) for the period attributable to equity owners of the parent (Net income (loss))	133	-12
Profit for the period attributable to non-controlling interests	2	1
<i>Adjustments to reconcile profit (loss) for the period to cash (used for) provided by operating activities</i>		
Depreciation and amortization	443	408
Valuation adjustments	301	199
Deferred tax expense (income)	9	-45
Change in income tax assets, income tax liabilities and provisions for income tax	-41	-35
Results on disposals of non-current assets	-14	0
Results of companies accounted for by the equity method	-27	-31
Change in current and non-current provisions ^{*)}	264	75
Change in other operating assets and liabilities	-1,853	112
Cash (used for) provided by operating activities	-783	672
<i>Investments:</i>		
- Purchases of intangible assets, PPE	-496	-367
- Proceeds from disposals of intangible assets, PPE	36	3
- Acquisitions of subsidiaries and joint ventures (net of cash)	-5	0
- Payments for investments in associates and other investments and long-term financial assets	-17	-22
- Proceeds from disposals of associates and other investments and long-term financial assets	22	15
Change of securities	731	-371
Cash provided by (used for) investing activities	271	-742
Change in long-term and short-term financing liabilities	-236	44
Dividends paid to non-controlling interests	-1	0
Changes in capital and non-controlling interests	67	7
Change in treasury shares	-6	-14
Cash (used for) provided by financing activities	-176	37
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	-16	-39
Net (decrease) in cash and cash equivalents	-704	-72
Cash and cash equivalents at beginning of period	5,284	5,030
Cash and cash equivalents at end of period	4,580	4,958

^{*)} In the first three months of 2012, "contribution to plan assets for pensions" is shown in "change in current and non-current provisions" within cash (used for) provided by operating activities. Previously, "contribution to plan assets for pensions" was disclosed in cash provided by (used for) investing activities. It amounts in the first three months of 2012 to -5 M € (first three months 2011: -8 M €).

As of 31 March 2012, EADS' cash position (stated as cash and cash equivalents in the Unaudited Condensed IFRS Consolidated Statements of Cash Flows) includes 737 M € (710 M € as of 31 December 2011), 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 2011	8,841	95	8,936
Profit (loss) for the period	-12	1	-11
Other comprehensive income	1,885	-1	1,884
Capital increase	7	0	7
Change in treasury shares	-14	0	-14
Balance at 31 March 2011	10,707	95	10,802
Balance at 1 January 2012	8,850	20	8,870
Profit for the period	133	2	135
Other comprehensive income	1,116	-1	1,115
Dividends	0	-1	-1
Capital increase	67	0	67
Change in treasury shares	-6	0	-6
Balance at 31 March 2012	10,160	20	10,180

Explanatory notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at 31 March 2012

1. The Company

The accompanying Unaudited Condensed IFRS 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 three-month period ended 31 March 2012 were authorized for issue by EADS' Board of Directors on 15 May 2012.

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 31 March 2012 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 2011. Except for the amended Standards to be applied for the first time in the first three months 2012 (mentioned below in the next section), EADS' accounting policies and techniques are unchanged compared to 31 December 2011.

Financial reporting rules applied for the first time in the first three months 2012

The following amended Standard was applied for the first time in the first three months 2012 and is effective for EADS as of 1 January 2012. If not otherwise stated, it does not have a material impact on EADS' Consolidated Financial Statements as well as its basic and diluted earnings per share.

The IASB issued amendments to IFRS 7 "Financial Instruments: Disclosures" as part of its comprehensive review of off balance sheet activities relating to transfers of financial assets. The amendments shall help users of financial statements evaluating the risk exposures relating to such transfers and the effect of those risks on an entity's financial position and require additional disclosures.

3. 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; aircraft conversion and related services.
- *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 related 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 Commercial	Airbus Military	Euro-copter	Astrium	Cassidian	Other Businesses	Total segments	HQ/ Conso.	Consolidated
Three-month period ended 31 March 2012									
Revenues	7,499	425	1,199	1,325	925	361	11,734	-330	11,404
Research and development expenses	-587	0	-61	-22	-55	-4	-729	3	-726
Profit (loss) before finance result and income taxes	140	11	65	64	6	-6	280	53	333
EBIT pre-goodwill imp. and exceptionals (see definition below)	146	11	65	65	8	-6	289	54	343
Three-month period ended 31 March 2011									
Revenues	6,707	434	823	1,171	878	246	10,259	-405	9,854
Research and development expenses	-516	-9	-44	-13	-53	-2	-637	-13	-650
Profit (loss) before finance result and income taxes	118	1	31	51	6	-3	204	-23	181
EBIT pre-goodwill imp. and exceptionals (see definition below)	125	1	31	52	8	-3	214	-22	192

4. 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 - 31 March 2012	1 January - 31 March 2011
Profit before finance result and income taxes	333	181
Goodwill and exceptionals:		
Exceptional depreciation (fixed assets in cost of sales)	10	11
EBIT pre-goodwill impairment and exceptionals	343	192

5. Significant income statement items

Revenues of 11,404 M € (first quarter 2011: 9,854 M €) increase by +1,550 M €, mainly at Airbus Commercial (+792 M €) and Eurocopter (+376 M €). All segments, except for Airbus Military, contributed positively to the increase of revenues. Airbus Military includes revenues related to the A400M programme of 75 M € (first quarter 2011: 165 M €). New consolidated companies contributed to revenues by 405 M €.

The **Gross Margin** increases by +325 M € to 1,664 M € compared to 1,339 M € in the first quarter of 2011. This improvement is mainly related to better performance of legacy programmes (including better pricing and positive volume effects) and a favorable phasing of costs at Airbus Commercial as well as increases at Eurocopter and Astrium. Based on an updated technical solution concept to fix the retrofit of the A380 wing rib issue, an additional amount of -158 M € is recognized in the first three months 2012.

Research and development expenses increase by -76 M € to -726 M € (first quarter 2011: -650 M €) mainly reflecting an increase for the Airbus A350XWB.

Share of profit from associates under the equity method and other income from investments of 36 M € (first quarter 2011: 33 M €) mainly consists of the consistently estimated share of the result of Dassault Aviation of 21 M € (first quarter 2011: 30 M €). The Dassault Aviation equity accounted-for income in the first quarter 2012 includes an insignificant positive catch-up on 2011 results.

Finance result amounts to -143 M € (first quarter 2011: -197 M €) comprising interest result of -73 M € (first quarter 2011: -47 M €). Other financial result amounts to -70 M € (first quarter 2011: -150 M €) and mainly includes charges from the unwinding of discounted provisions (-41 M €, first quarter 2011: -37 M €), the negative revaluation of financial instruments (-21 M €, first quarter 2011: -56 M €) and the positive impact from foreign exchange valuation of monetary items (+4 M €, first quarter 2011: a negative impact of -47 M €).

The **income tax** expense of -55 M € (first quarter 2011: an income tax benefit of 5 M €) corresponds to an effective income tax rate of 29% (first quarter 2011: 31%).

6. Significant items of the statement of financial position

Non-current assets

Intangible assets of 12,734 M € (prior year-end: 12,745 M €) include 10,756 M € (prior year-end: 10,760 M €) of goodwill. This mainly relates to Airbus Commercial (6,657 M €), Cassidian

(2,546 M €), Astrium (1,171 M €) and Eurocopter (322 M €). Except for an impairment charge in Other Businesses of -20 M €, the last annual impairment tests, which were performed in the fourth quarter of 2011, did not lead to any impairment charges.

Property, plant and equipment remain stable at 14,233 M € (prior year-end: 14,233 M €), including leased assets of 529 M € (prior year-end: 574 M €). Property, plant and equipment also comprise "Investment property" amounting to 75 M € (prior year-end: 74 M €).

Investments in associates under the equity method of 2,600 M € (prior year-end: 2,677 M €) mainly reflect the decrease in the value of the equity investment in Dassault Aviation, amounting to 2,471 M € (prior year-end: 2,552 M €). The change in Dassault Aviation is mainly affected by the recognition of a negative catch-up of 2011 other comprehensive income of -103 M €.

Other investments and other long-term financial assets of 2,390 M € (prior year-end: 2,378 M €) are related to Airbus for an amount of 1,610 M € (prior year-end: 1,659 M €), mainly concerning the non-current portion of aircraft financing activities.

Other non-current assets mainly comprise non-current derivative financial instruments and non-current prepaid expenses. The increase by +235 M € to 2,119 M € (prior year-end: 1,884 M €) is mainly caused by the positive variation of the non-current portion of fair values of derivative financial instruments (+240 M €).

Deferred tax assets of 3,969 M € (prior year-end: 4,309 M €) are presented as non-current assets as required by IAS 1. The decrease is mainly due to the variation of fair values of derivative financial instruments.

The fair values of **derivative financial instruments** are included in other non-current assets (726 M €, prior year-end: 486 M €), in other current assets (429 M €, prior year-end: 404 M €), in other non-current liabilities (1,407 M €, prior year-end: 2,140 M €) and in other current liabilities (704 M €, prior year-end: 995 M €) which corresponds to a total net fair value of -956 M € (prior year-end: -2,245 M €). The volume of hedged US dollar-contracts increases from 75.1 billion US dollar as at 31 December 2011 to 80.3 billion US dollar as at 31 March 2012. The US dollar spot rate weakened against the € (USD / € spot rate of 1.34 at 31 March 2012 vs. 1.29 at 31 December 2011). The average US dollar hedge rate for the hedge portfolio of the Group improves from 1.37 USD as at 31 December 2011 to 1.36 USD as at 31 March 2012.

Current assets

Inventories of 24,506 M € (prior year-end: 22,563 M €) increase by +1,943 M €. This is mainly driven by the phasing of unfinished goods and services for Airbus (+1,199 M €), Eurocopter (+252 M €), Cassidian (+220 M €) and Astrium (+115 M €) programmes. Airbus also records higher finished goods (+132 M €).

Trade receivables decrease by -773 M € to 5,626 M € (prior year-end: 6,399 M €), mainly caused by Astrium (-343 M €), Cassidian (-247 M €) and Eurocopter (-246 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 +498 M € to 5,001 M € (prior year-end: 4,503 M €) comprises among others an increase of +174 M € in receivables from related parties, of +119 M € in VAT receivables, of +75 M € in current prepaid expenses and of +25 M € in positive fair values of derivative financial instruments.

Cash and cash equivalents decrease from 5,284 M € to 4,580 M € (see also note 7 “Significant cash flow items”).

Total equity

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to 10,160 M € (prior year-end: 8,850 M €). The increase in equity is mainly due to other comprehensive income for the period of +1,116 M €, mainly due to the change of fair values in cash flow hedges.

Non-controlling interests remain unchanged at 20 M € (prior year-end: 20 M €).

Non-current liabilities

Non-current provisions of 9,145 M € (prior year-end: 9,125 M €) comprise the non-current portion of pension provisions with an increase of +40 M € to 5,668 M € (prior year-end: 5,628 M €).

Moreover, other provisions are included in non-current provisions, which decrease by -20 M € to 3,477 M €.

Long-term financing liabilities, mainly comprising bonds, decrease by -156 M € to 3,472 M € (prior year-end: 3,628 M €).

Other non-current liabilities, comprising “Non-current other financial liabilities”, “Non-current other liabilities” and “Non-current deferred income”, decrease in total by -964 M € to 17,333 M € (prior year-end: 18,297 M €), due to the non-current portion of liabilities for derivative financial instruments (-733 M €).

Current liabilities

Current provisions increase slightly by +23 M € to 5,883 M € (prior year-end: 5,860 M €) and comprise the current portions of pensions (193 M €) and of other provisions (5,690 M €).

Trade liabilities decrease by -530 M € to 9,100 M € (prior year-end: 9,630 M €), mainly at Airbus (-446 M €) and Cassidian (-139 M €).

Other current liabilities include “Current other financial liabilities”, “Current other liabilities” and “Current deferred income”. They increase by +357 M € to 30,589 M € (prior year-end: 30,232 M €). Other current liabilities mainly comprise current customer advance payments of 25,207 M € (prior year-end: 25,006 M €), increasing by +201 M €.

7. Significant cash flow items

Cash (used for) provided by operating activities decreases by -1,455 M € to -783 M € (first three months 2011 adjusted by -8 M € to +672 M €). Gross cash flow from operations (before changes in other operating assets and liabilities) of +1,070 M € improves compared to the prior period’s level (first three months 2011 adjusted by -8 M € to +560 M €). Changes in other operating assets and liabilities amount to -1,853 M € (first three months 2011: +112 M €), mainly reflecting back-loaded deliveries and a strong increase in inventories across most divisions related to the production ramp-up, partly compensated by customer advance payments received

Cash provided by (used for) investing activities amounts to +271 M € (first three months 2011 adjusted by +8 M € to -742 M €). This mainly comprises a change in securities of +731 M € (first three months 2011: -371 M €) and purchases of intangible assets and property, plant and equipment of -496 M € (first three months 2011: -367 M €), namely in Airbus.

Cash (used for) provided by financing activities decreases by -213 M € to -176 M € (first three months 2011: +37 M €). Changes in long-term and short-term financing liabilities of -236 M € (first three months 2011: +44 M €) are partly compensated by changes in capital and non-controlling interests of +67 M € (first three months 2011: +7 M €) related to the issuance of new shares due to the exercise of stock options.

8. Number of shares

The total number of shares outstanding is 818,026,970 and 810,835,530 as of 31 March 2012 and 2011, respectively. EADS' shares are exclusively ordinary shares with a par value of 1.00 €.

During the first three months of 2012, the number of treasury shares held by EADS increased from 5,585,780 as of 31 December 2011 to 5,778,092 as of 31 March 2012.

In the first three months 2012, EADS issued 3,322,771 new shares (in the first three months 2011: 444,687 new shares).

9. Earnings per share

Basic earnings per share are calculated by dividing profit (loss) for the period attributable to equity owners of the parent (Net income (loss)) 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 31 March 2012	1 January to 31 March 2011
Net income (loss) attributable to equity owners of the parent	133 M €	-12 M €
Weighted average number of ordinary shares outstanding	815,957,338	810,699,249
Basic earnings per share	0.16 €	-0.01 €

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. The Group's only category of dilutive potential ordinary shares is stock options. Since the average price of EADS shares exceeded the exercise price of the 4th, 5th, 6th and 8th stock option plan in the first three months of 2012 (in the first three months of 2011: the 4th and the 5th stock option plan), 1,718,636 potential shares (in the first three months 2011: 1,255,698 shares) were considered in the calculation of diluted earnings per share.

	1 January to 31 March 2012	1 January to 31 March 2011
Net income (loss) attributable to equity owners of the parent	133 M €	-12 M €
Weighted average number of ordinary shares outstanding (diluted)	817,675,974	811,954,947
Diluted earnings per share	0.16 €	-0.01 €

10. Related party transactions

The Group has entered into various transactions with related companies in the first three months of 2012 and 2011 that have all been carried out in the normal course of business. As it is the Group's policy, related party transactions have to be carried out at arm's length. Transactions with related parties include the French government and its related entities, Daimler AG, Lagardère group and the Spanish government (SEPI). Except for the transactions with the French and Spanish government, such transactions are not considered material to the Group either individually or on aggregate. The transactions with the French government include mainly sales from Eurocopter, Astrium, Cassidian and Airbus Military. The transactions with the Spanish government include mainly sales from Airbus Military and Cassidian. The French and Spanish government are also customers of the A400M programme.

11. Number of employees

The number of employees as at 31 March 2012 is 134,614 as compared to 133,115 as at 31 December 2011.

12. Litigation and claims

EADS is involved from time to time in various legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, EADS is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during a period covering at least the previous twelve months which may have, or have had in the recent past significant effects on EADS' or the Group's financial position or profitability.

WTO - Although EADS is not a party, EADS is supporting the European Commission in litigation before the WTO. Following its unilateral withdrawal from the 1992 EU-US Agreement on Trade in Large Civil Aircraft, the US lodged a request on 6 October 2004 to initiate proceedings before the WTO. On the same day, the EU launched a parallel WTO case against the US in relation to its subsidies to Boeing. On 1 June 2011, the WTO adopted the final report in the case brought by the

US assessing funding to Airbus from European governments. On 1 December 2011, the EU informed the WTO that it had taken appropriate steps to bring its measures fully into conformity with its WTO obligations, and to comply with the WTO's recommendations and rulings. Because the US did not agree, the matter has now been referred to arbitration under WTO rules. On 23 March 2012, the WTO adopted the Appellate Body's final report in the case brought by the EU concerning subsidies to Boeing. The US has until 23 September 2012 to implement the findings. 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.

Securities litigation - Following the dismissal of charges brought by the French Autorité des marchés financiers for alleged breaches of market regulations and insider trading rules with respect primarily to the A380 delays announced in 2006, proceedings initiated in other jurisdictions have also been terminated. Nevertheless, following criminal complaints filed by several shareholders in 2006 (including civil claims for damages), a French investigating judge is still carrying out an investigation based on the same facts.

CNIM - On 30 July 2010, Constructions Industrielles de la Méditerranée ("CNIM") brought an action against EADS and certain of its subsidiaries before the commercial court of Paris, alleging anti-competitive practices, breach of long-term contractual relationships and improper termination of pre-contractual discussions. CNIM is seeking approximately €115 million in damages on a joint and several basis. On 12 January 2012, the court rejected all of CNIM's claims, following which CNIM filed for appeal.

GPT - EADS has commissioned an independent investigation into compliance allegations made in connection with one of its subsidiaries, GPT Special Project Management Ltd. The independent investigation remains ongoing.

Regarding EADS' provisions policy, EADS recognises provisions for litigation and claims when (i) it has a present obligation from legal actions, governmental investigations, proceedings and other claims resulting from past events that are pending or may be instituted or asserted in the future against the Group, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and (iii) a reliable estimate of the amount of such obligation can be made. EADS believes that it has made adequate provisions to cover current or contemplated general and specific litigation risks.