

To New Levels



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Analyst conference call – 8th March 2004

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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
- Favorable 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 labor 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 labor disputes
- Factors that result in significant and prolonged disruption to air travel world-wide
- The outcome of political and legal processes, including uncertainty regarding government funding of certain programs
- Consolidation among competitors in the aerospace industry
- The cost of developing, and the commercial success of new products
- Exchange rate and interest rate spread fluctuations between the Euro and the U.S. dollar and other currencies
- Legal proceeding and other economic, political and technological risk and uncertainties

Additional information regarding these factors is contained in the Company's "document de référence" dated 2nd April 2003. 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 above statements.

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FY2003 Financial Highlights



	FY 2003	FY 2002
Revenues	30.1 € bn	29.9 € bn
<i>of which Defence</i>	7.1 € bn	6.0 € bn
EBIT*	1.5 € bn	1.4 € bn
Net Income*	0.2 € bn	(0.3 € bn)
FCF before cust. financing**	2.1 € bn	0.6 € bn
New orders	61.2 € bn	31.0 € bn
<i>of which Defence</i>	30.8 € bn	7.1 € bn
	Dec. 2003	Dec. 2002
Net Cash position***	3.1 € bn	2.4 € bn
Total Order book	179.3 € bn	168.3 € bn
<i>of which Defence</i>	45.7 € bn	22.0 € bn

* pre goodwill and exceptionals

** excl. change in medium term securities and consolidation changes; before commercial aviation customer financing net additions

**** after netting debt with the related (defeasance) security deposit

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Exceeding Promises... Again



2003 Guidance

Book-to-bill over 1
 EBIT* ~ stable from 2002
 Revenues ~ stable from 2002
 FCF pre-customer financing >0

2003 Achievements

- ✓ 2.0
- ✓ € 1.5 bn (+8.2%)
- ✓ € 30.1 bn(+0.8%)
- ✓ € 2.1 bn

- All Divisions' EBIT growing or stable ...
 ... except Space, due to €288m restructuring charges
- Order-book, Revenues and EBIT* rebalancing towards Defense

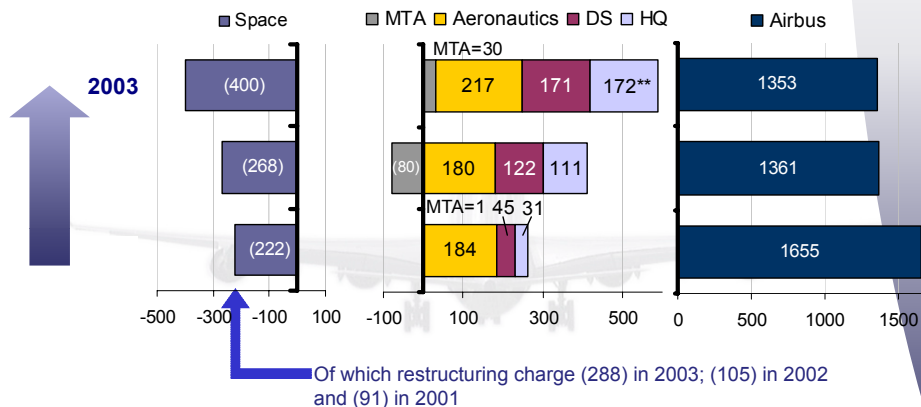
Foundations Laid for Profitable Growth

* pre goodwill and exceptionals

Portfolio Balance and EBIT Growth



EBIT* CONTRIBUTION in € millions over 2001-2003



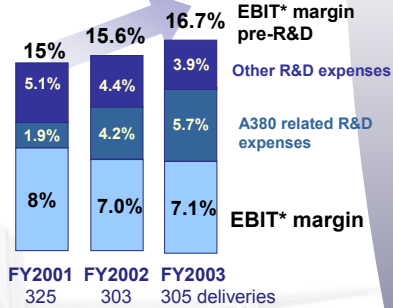
* pre goodwill and exceptionals

** Including Dassault non-recurring accounting impact €77m

No. 1 in Commercial Aviation: Leadership and Profitability....



- 305 deliveries in face of war and SARS
- Recent & innovative family of products achieves overall leadership
- Route 06 cost saving plan for long-term economic performance



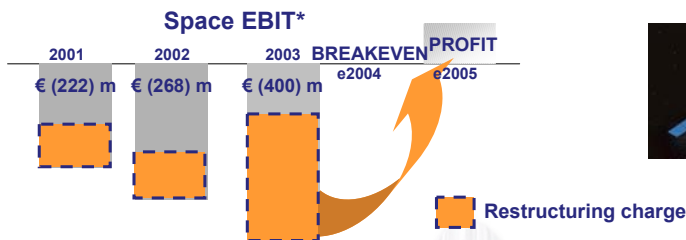
... while preserving focus on A380

- 34 new orders
- R&D at € 1.1 bn
- Capex at € 1.2 bn
- Major subassemblies complete



* pre goodwill and exceptionals

Space: Poised for Profitability



Reach Breakeven in 2004:

- Capacity adaptation, centers of competences ...
- Reduction of 1100 jobs already achieved

Be Europe's Focal Point for Space:

- Ariane V prime contractorship awarded and € 3bn launcher commitment from Arianespace
- European Guaranteed Access to Space (EGAS) decision to fund launch infrastructure
- Go-ahead for Galileo: Test satellite contract awarded, EADS short listed for operation
- Paradigm UK (Skynet5) : £2.5bn contract
- Commercial success in civil Telecom satellites

* pre goodwill and exceptionals

Defence Momentum



Major Programs secured,...

- **Eurofighter** 1st export order from Austria
- **MBDA** Aster order from OCCAR (MBDA 100% share €2.3bn)
- **Eurocopter** Spain 3rd partner in Tiger, NH90 order from Greece
- **MTA** € 20 bn A400M order

... overall expertise proved,

- **Systems:** GBAD demonstrator, Netcos demonstration
- **Services/PFI:** Skynet 5 order : £ 2.5 bn, downselected for FSTA

... will generate real growth

Defence revenues
+18%



Defence order-book

+109% €46 bn



Reaching-out Globally



United States:

EADS North America making imprint
Eurocopter facility, Columbus/MS
Globalhawk/Northrop Grumman
Airbus design center



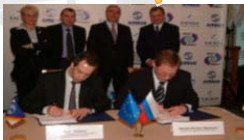
Japan/China:

5 % investment in Avichina and strategic agreement,
Airbus subcontracting in Japan and China



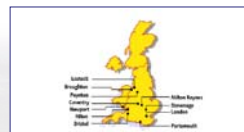
Russia:

Technology and Airbus design centers
Setting-up of EADS Russia
Be200/Irkurt



UK

GBAD
FSTA
Paradigm



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Airbus

€ m	FY 2003	FY 2002
Deliveries	305	303
Revenues	19,048	19,512
R&D self-financed	1,819	1,682
in % of revenues	9.5%	8.6%
EBIT*	1,353	1,361
in % of revenues	7.1%	7.0%
Order book	141,836 **	140,996
in units (commercial)	1,454	1,505

* pre goodwill and exceptionals
** including work-share on A400M

- **Revenues** increased 5% with constant €-\$ rate due to better mix and prices
- **EBIT** margin pre-R&D reaches 16.7% up from 15.6%
- **“Route 06” cost saving plan** implementation
- **A380** enters final assembly in April, first flight in Q1 2005 as planned
- **Order book** increased 14 % with constant €-\$:
 - A400M work-share of €14bn
 - Commercial success (254 net orders) and higher value aircraft → 65% market share value wise



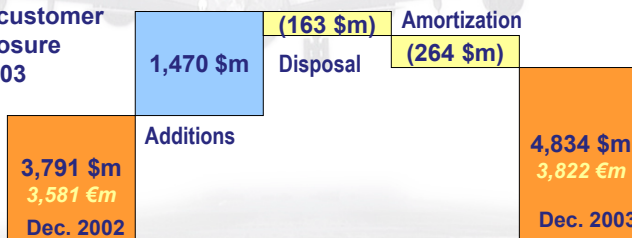
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Airbus Customer Financing Exposure Controlled



in €m	Dec. 2003	Dec. 2002
Total Gross exposure	3,822 € m	3,581 € m
of which off-balance sheet	724 € m	891 € m
Estimated collateral value	(2,229 € m)	(2,061 € m)
Net exposure before provision	1,593 € m	1,520 € m
Provision	(1,593 € m)	(1,520 € m)
Residual Airbus net exposure	0 €m	0 €m
closing rate \$/€	1.26	1.05

Airbus gross customer financing exposure changes in 2003



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MTA



€ m	FY 2003	FY 2002
Revenues	934	524
R&D self-financed	23	40
in % of revenues	2.5%	7.6%
EBIT*	30	(80) **
in % of revenues	3.2%	
Order book	20,007	633

* pre goodwill and exceptionals

** 2002 had included € 54 m charge due to Fairchild Dornier insolvency

- **Revenues (+78%)** include first A400M billing milestone (€296m) and military derivatives growth
- **EBIT** turnaround reflects sounder operations following 2002 write-down.
- **Order intake:**
 - A400M € 20 bn
 - US Coast Guards Deepwater 1st tranche € 63 m (2 CASA CN-235 and mission systems)
- Down-selected for **Royal Air Force's future strategic tanker aircraft (FSTA)** with Airbus platform derivative
- Other **MRTT** opportunities: Australia, France, US, ...



based on FY 2003 external revenues

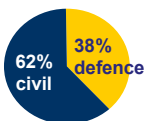
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Aeronautics

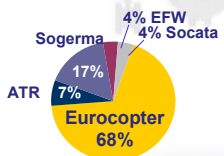


€ m	FY 2003	FY 2002 Pro-forma**
Revenues	3,803	3,834
R&D self-financed	62	90
in % of revenues	1.6%	2.3%
EBIT*	217	180
in % of revenues	5.7%	4.7%
Order book	9,818	10,162

* pre goodwill and exceptionals
 ** excl. military aircraft unit



based on FY 2003 external revenues



based on FY 2003 revenues

- **Revenues:** Eurocopter growth offset by regional aircraft market depression
- **EBIT** margin improved thanks to military helicopter business
- **Export successes**
 - NH90 Greece (€0.7bn booked in 2003)
 - Tiger Spain
- **Global Market share** of Eurocopter civil / parapublic and military amounts to 45% in units
- Enhanced **international footprint** in Asia, US, Finland and Spain

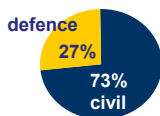
Space



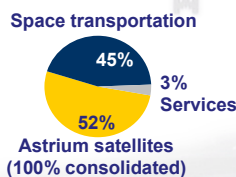
(Astrium 100% consolidated from 2003 and 75% in 2002)

€ m	FY 2003	FY 2002
Revenues	2,424	2,216
R&D self-financed	62	59
in % of revenues	2.6%	2.7%
EBIT*	(400)	(268)
in % of revenues		
Order book	7,888	3,895

* pre goodwill and exceptionals



based on FY 2003 external revenues



- **Revenues** increase due to first-time Astrium 100% consolidation
- **EBIT includes:**
 - Restructuring charge €288m (2002: €105m)
 - Astrium first-time 100% consolidation impact (€(81)m)
- **Restructuring:** 2004 Breakeven EBIT target confirmed
- **Order-book** +74% excluding impact from change of consolidation
 - **Paradigm** order £2.5bn
 - **4 civil satcoms** = 21% market share
 - **Pleiades**
- **Expected orders in 2004:** 30 Ariane 5 Launchers, Galileo full contract for development phase,...

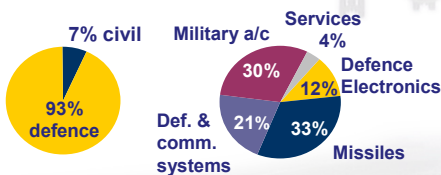
Defence and Security Systems



€ m	FY 2003	FY 2002 Pro-forma**
Revenues	5,165	4,770
R&D self-financed	223	227
in % of revenues	4.3%	4.8%
EBIT*	171	122
in % of revenues	3.3%	2.6%
Order book	14,283	13,406

* pre goodwill and exceptionals
 ** incl. military aircraft unit

- **Revenues +8%** and **EBIT** margin improvement thanks to missiles and Eurofighter deliveries
- **New organisation** effective:
 - Defence focus
 - Eurofighter integration
- **Systems of system competence:** pre-selected for GBAD in UK
- **Order-book** increase with missile business contracts (Aster Phase 3, MICA, Exocet,...), Eurofighter Austria.
- **2004 challenges:**
 - Adapt LFK capacity to German Budget constraints
 - Improve efficiency of Defence and Communication Systems business by procurement cost cutting and overhead streamlining



based on FY 2003 external revenues

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Profit & Loss Highlights



	FY 2003		FY 2002	
	€ m	in % of Revenues	€ m	in % of Revenues
Revenues	30,133		29,901	
self-financed R&D	2,189	7.3%	2,096	7.0%
EBITDA	3,137	10.4%	3,031	10.1%
EBIT*	1,543	5.1%	1,426	4.8%
Interest and other financial result	(55)	(0.2%)	(60)	(0.2%)
Taxes	(474)	(1.6%)	(453)	(1.5%)
Net income	152	0.5%	(299)	(1.0%)
Net Income*	769	2.6%	696	2.3%

* pre goodwill and exceptionals

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Development of Net Cash



in € m	FY 2003	FY 2002
Net cash at the beginning of the period	2,370	2,679
Gross Cash Flow from Operations*	2,690	1,862
Change in working capital	2,019	804
Cash used for investing activities**	(3,659)	(2,953)
of which Industrial Capex (additions)***	(2,672)	(2,213)
of which Customer Financing net additions	(1,093)	(865)
of which Others	106	125
Free Cash Flow**	1,050	(287)
Free Cash Flow before customer financing	2,143	578
Dividend paid	(240)	(403)
Capital increase	21	16
Astrium first time 100% consolidation impact	(74)	0
Others	(22)	365
Net cash at the end of the period	3,105	2,370

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

** excl. change in securities and consolidation changes

*** excl. leased/financial assets and financial assets concerning commercial aviation customer financing

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Continuing Hedge Policy



Approx. 50% of EADS US\$ revenues are naturally hedged by US\$ procurement
 → at around 300 a/c a year, annual net exposure is \$9bn - \$10bn

EADS hedge portfolio (US\$ 42.7 bn) on Dec. 31, 2003
Q4 2003: US\$ 1.3 bn gross additions to hedges



(Hedge rates applicable to EBIT)

Marked-to-market value = €8 bn

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IAS 38 Compliance From 2003 Onwards



Requirements of IAS 38

- **Research** costs are charged to P&L as incurred
- **Development** costs which are solely allocable to the development phase of a program, shall, under certain conditions, be capitalised as internally generated intangible assets and amortised

Impact on EADS Accounts

- Starting during 2004, certain development costs will be capitalised, mainly for A380
- Estimated A380 development costs to be capitalised until completion: ca. € 0.5bn, of which ca. € 0.1bn in 2004
- Minor impact from non-Airbus businesses

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2004 Guidance



Growth in profitability

- Revenues ca. 29 / 30 €bn **
- EBIT* ca. 1.8 €bn***
- Book-to-bill over 1
- FCF before cust.financing positive

Dividend proposal to the 2004 AGM € 0.40 per share (+33% over 2003)

* pre goodwill and exceptionals

** based on a budget rate of € = 1.20 \$ for the part of \$ revenues which is naturally hedged by \$ denominated purchases

*** including impact from compliance with IAS 38 for R&D, estimated at approx. €100m in 2004

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Reaping the Benefits of Sound Management and Innovation



Generating strong EBIT* and cash in 2003...

... while Investing:

- Space restructuring
- A380 R&D

... for Future Growth:

- Civil Market upturn
- A380 launch
- Defence growth
- Space turnaround
- Bulk of order-book hedged at €=0.98\$

* pre goodwill and exceptionals

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Appendix

Balance Sheet Highlights

in € m	Dec. 2003	Dec. 2002
Assets	54,378	46,254
of which Goodwill	9,372	9,586
of which cash & equivalents, securities	7,872	6,200
of which positive hedge mark-to-market	7,964	2,819
Stockholders' equity	16,149	12,765
of which OCI (Other Comprehensive Income)	5,934	2,452
Minority interest	2,179	1,361
Total provisions	8,726	8,248
of which pensions	3,772	3,392
of which negative hedge mark-to-market	100	161
of which other provisions	4,854	4,695
Deferred tax liabilities & income	6,122	4,734
Liabilities	21,202	19,146
of which financial debts	4,767	3,830
of which European gvts refundable advances	4,851	4,265
Total liabilities and stockholders' equity	54,378	46,254
Closing rate €/€	1.26	1.05

EBIT* Calculation



in € m	Dec. 2003	Dec. 2002
Result before financial inc. and income tax	561	160
Income from investments **	186	87
Exceptionals:		
Goodwill amortization	567	936
Fair value adjustment	229	243
EBIT*	1,543	1,426

* pre goodwill and exceptionals

** incl. Dassault-Aviation contribution for € 225m in 2003 (2002: € 111m) included in 2003 an IAS restatement "catch up" impact of € 77 m.

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Restructuring, Write-off and Disposal Items



€m		FY 2003	FY 2002
EBIT*		1,543	1,426
EBIT* margin (% of revenues)		5.1%	4.8%
EADS EBIT* includes the following items			
Airbus	Aircelle disposal	-	63
MTA	Asset depreciation	-	(54)
	Restructuring	(17)	-
Aeronautics	Restructuring	(7)	-
DS	Restructuring	(50)	(31)
Space	Restructuring	(288)	(105)
	Financial Asset Depreciation	(25)	(56)
	Contracts cancellation	-	(62)
HQ	IAS restatement for Dassault	77	-
	Restructuring	-	(25)

* pre goodwill and exceptionals

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Net Cash Position



Financial debts backed by (defeasance) security deposit are netted with their related financial asset from 2003.

in m€	New reporting		Previous reporting
	Dec.2003	Dec. 2002	Dec. 2002
Gross cash	7,872	6,200	6,200
Financial Debts*	(4,767)	(3,830)	(4,976)
Reported Net cash	3,105	2,370	1,224
Debts backed by security deposit			1,146
non-recourse debt	679	749	749
Net cash excl. non-recourse	3,784	3,119	3,119
Main minority impact**	40	(52)	177
Airbus 20% non-recourse debt	(136)	(150)	(379)
Net cash position net of minority and non-recourse	3,688	2,917	2,917

* New reporting : netting debt with related (defeasance) security deposit

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

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Net Income pre Goodwill and Exceptionals



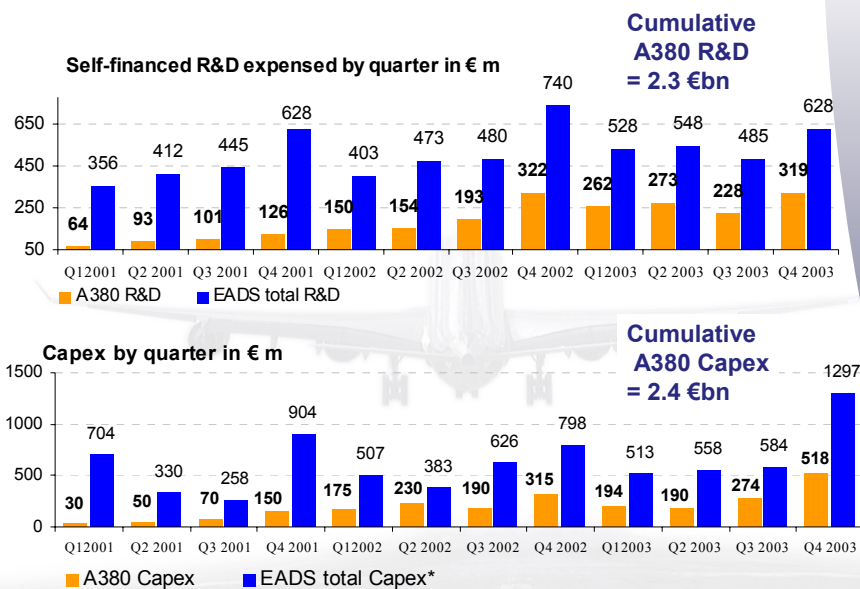
in € m	Dec. 2003	Dec. 2002
Net Income	152	(299)
Goodwill amortization	567	936
Exceptionals:		
Fair value adjustment on fixed assets	214	227
Fair value adjustment on inventories	15	16
Tax impact on exceptional fair value	(83)	(88)
Minorities on exceptional fair value	(96)	(96)
Others	0	0
Net Income*	769	696
EPS* (1)	0.96 €	0.87 €

* pre goodwill and exceptionals

(1) average number of shares outstanding: 800,957,248 in FY 2003 and 804,116,877 in FY 2002

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A380 in Line ...



* including leased aircraft (2001: 604€m; 2002: 102€m; 2003: €279 m)

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Customer Financing Exposure



as of December 31

all figures in € m

Figures for 100% Airbus	2003	2002
closing rate € - \$	1.26	1.05
Total Gross exposure*	3,822	3,581
<i>of which off-balance sheet</i>	724	891
Estimate value of collateral	(2,229)	(2,061)
Net exposure	1,593	1,520
Provision	(1,593)	(1,520)
AIRBUS Net exposure after provision	0	0
Figures for 50% ATR	2003	2002
Total Gross exposure	403	610
<i>of which off-balance sheet</i>	126	156
Estimate value of collateral	(365)	(538)
Net exposure	38	72
Provision	(38)	(72)
ATR Net exposure after provision	0	0

* Adjusted for stipulated loss values

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Quarterly Figures Q4 2003 :



in € bn	Q4 2003	Q4 2002
Revenues	11.6 € bn	9.9 € bn
EBIT*	0.8 € bn	0.4 € bn
FCF before cust. financing**	2.2 € bn	0.8 € bn
New orders	11.7 € bn	8.7 € bn

* pre goodwill and exceptionals

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

	Revenues		EBIT*	
	Q4 2003	change	Q4 2003	Q4 2002
Airbus	7.0 € bn	21%	652 € m	289 € m
MTA	0.5 € bn	145%	37 € m	(1 € m)
Aeronautics***	1.4 € bn	(3%)	105 € m	96 € m
Space	1.0 € bn	15%	(216 € m)	(167 € m)
DS***	2.2 € bn	12%	189 € m	164 € m
HQ/Eliminations	(0.5 € bn)		(8 € m)	32 € m
Total EADS	11.6 € bn	17%	759 € m	413 € m

* pre goodwill and exceptionals

***new format (Military Aircraft incl. in DS)

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Quarterly Revenues Breakdown (Cumulative)



in €m	Q1		Q2		Q3		Q4	
	2003 new format*	2002 new format*	2003	2002 new format*	2003	2002 new format*	2003	2002 new format*
Airbus	3,775	4,646	8,773	9,870	12,051	13,750	19,048	19,512
MTA	96	101	268	234	410	310	934	524
Aeronautics*	686	673	1,613	1,606	2,452	2,440	3,803	3,834
Space	403	426	1,008	882	1,473	1,389	2,424	2,216
DS*	813	801	1,902	1,856	2,957	2,793	5,165	4,770
HQ & Elim.	(253)	(239)	(504)	(474)	(807)	(686)	(1,241)	(955)
Total EADS	5,520	6,408	13,060	13,974	18,536	19,996	30,133	29,901

* new format (Military Aircraft included in DS)

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Quarterly EBIT* Breakdown (Cumulative)



in €m	Q1		Q2		Q3		Q4	
	2003 new format**	2002 new format**	2003	2002 new format**	2003	2002 new format**	2003	2002 new format**
Airbus	166	396	621	874	701	1,072	1,353	1,361
MTA	(11)	(12)	(8)	(72)	(7)	(79)	30	(80)
Aeronautics**	16	5	59	29	112	84	217	180
Space	(21)	(33)	(131)	(85)	(184)	(101)	(400)	(268)
DS**	(54)	(54)	(28)	(37)	(18)	(42)	171	122
HQ & Elim.	34	13	79	66	180	79	172	111
Total EADS	130	315	592	775	784	1,013	1,543	1,426

* pre goodwill and exceptionals

** new format (Military Aircraft included in DS)

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Quarterly Order-intake Breakdown (Cumulative)



in €m	Q1		Q2		Q3		Q4	
	2003 new format*	2002 new format*	2003	2002 new format*	2003	2002 new format*	2003	2002 new format*
Airbus	3,416	1,261	33,174	10,334	37,028	15,446	39,904	19,712
MTA	122	61	20,104	214	20,195	290	20,326	403
Aeronautics*	706	1,286	1,440	1,982	2,213	2,737	3,661	4,095
Space	341	316	779	569	1,246	1,068	6,062	2,145
DS*	969	1,031	1,988	1,918	3,239	3,154	6,288	5,413
HQ & Elim.	(176)	(147)	(14,295)	(226)	(14,468)	(354)	(15,091)	(759)
Total EADS	5,378	3,808	43,190	14,791	49,453	22,341	61,150	31,009

* new format (Military Aircraft included in DS)

A400M contract value of € 20 bn is included in MTA and also in Airbus for about € 14 bn representing its nearly 70% workshare in the programme; this is then eliminated in the line « HQ & elimination ».

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Quarterly Order-book Breakdown



in €m	Q1		Q2		Q3		Q4	
	2003 new format*	2002 new format*	2003	2002 new format*	2003	2002 new format*	2003	2002 new format*
Airbus	134,615	151,794	154,428	145,500	153,302	148,898	141,836	140,996
MTA	677	1,295	20,476	1,283	20,429	1,258	20,007	633
Aeronautics*	10,193	10,560	9,828	10,336	9,719	10,253	9,818	10,162
Space	4,401	3,683	4,248	3,492	4,243	3,445	7,888	3,895
DS*	13,521	12,889	13,342	12,944	13,527	13,229	14,283	13,406
HQ & Elim.	(689)	(677)	(14,581)	(567)	(14,510)	(514)	(14,552)	(753)
Total EADS	162,718	179,544	187,741	172,988	186,710	176,569	179,280	168,339

* new format (Military Aircraft included in DS)