

Q1 2006 Earnings



Hans Peter Ring
Chief Operating Officer for
Finance (CFO)



Earnings Conference Call
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Safe Harbor Statement



Certain of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect the Company's views and assumptions as of the date of the statements and involve known and unknown risk and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

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

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

- Assumption regarding demand
- Current and future markets for the Company's products and services
- Internal performance including the ability to successfully integrate EADS' activities to control costs and maintain quality
- Customer financing
- Customer, supplier and subcontractor performance or contract negotiations
- Favourable outcomes of certain pending sales campaigns

Forward looking statements are subject to uncertainty and actual future results and trends may differ materially depending on variety of factors including without limitation:

- General economic and labour conditions, including in particular economic conditions in Europe and North America,
- Legal, financial and governmental risk related to international transactions
- The Cyclical nature of some of the Company's businesses
- Volatility of the market for certain products and services
- Product performance risks
- Collective bargaining labour disputes
- Factors that result in significant and prolonged disruption to air travel world-wide
- The outcome of political and legal processes, including uncertainty regarding government funding of certain programs
- Consolidation among competitors in the aerospace industry
- The cost of developing, and the commercial success of new products
- Exchange rate and interest rate spread fluctuations between the Euro and the U.S. dollar and other currencies
- Legal proceeding and other economic, political and technological risk and uncertainties

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

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

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- **Group Business & Financial Highlights**
- **Divisional Performance**

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Q1 2006 Key business highlights



Airbus

- 90 gross orders booked, 60% Asia-Pacific
- A380: successful evacuation test on March 26th

Military Transport Aircraft

- Progress in the A400M development, revenue recognition on two milestones

Eurocopter

- Remarkable civil order intake
- Qualification of the German Army NH90 Tactical Transport Helicopter

Space

- Order intake +145% compared to Q1 2005; strong commercial and institutional demand

Defence & Security Systems

- Integration of LFK into MBDA

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Q1 2006 Financial Highlights



in bn€	Q1 2006	Q1 2005	change
Revenues	9.1	7.0	+30%
of which Defence	2.0	1.3	+60 %
EBIT*	0.8	0.7	+19%
EBITDA	1.1	1.0	+13%
self-financed R&D**	0.5	0.4	+27%
Order intake	10.5	8.9	+18%
in bn€	March 2006	Dec. 2005	change
Total Order book	248.6	253.2	-2%
of which Defence	52.0	52.4	-1%

* pre goodwill impairment and exceptionals

** IAS 38: €56 m capitalised during Q1 2006; €52 m during Q1 2005

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Q1 2006 Financial Highlights



	Q1 2006		Q1 2005	
	€m	in % of Revenues	€m	in % of Revenues
EBIT*	780	8.6%	657	9.4%
self-financed R&D	536	5.9%	422	6.0%
EBIT* before R&D	1,316	14.5%	1,079	15.4%
Interest result	(29)	(0.3%)	(57)	(0.8%)
Other financial result	(33)	(0.4%)	55	0.8%
Taxes	(210)	(2.3%)	(212)	(3.0%)
Net income**	516	5.7%	410	5.9%
EPS (1)**	0.65 €		0.52 €	

(1) Average number of shares outstanding: 795,283,531 in Q1 2006 and 795,573,328 in Q1 2005

* pre goodwill impairment and exceptionals

** based on new IAS 32 requirement, no P&L impact from BAE Systems' minority interests in Airbus. BAE Systems' minority interests in Airbus would amount to €84 m in Q1 2006; €82 m in Q1 2005.

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Development of Net Cash



in €m	Q1 2006	Q1 2005***
Net cash position at the beginning of the period	5,489	3,961
Gross Cash Flow from Operations*	835	855
Change in working capital	(603)	459
Cash used for investing activities**	131	(673)
of which Industrial Capex (additions)	(501)	(557)
of which Customer Financing	430	(63)
of which Others	202	(53)
Free Cash Flow**	363	641
Free Cash Flow before customer financing	(67)	704
Capital increase	76	2
Share buyback	(34)	(203)
Others	(2)	(55)
Net cash position at the end of the period	5,892	4,346

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

** excl. change in securities, consolidation changes

*** Adjusted by (€97m) for IFRIC 4

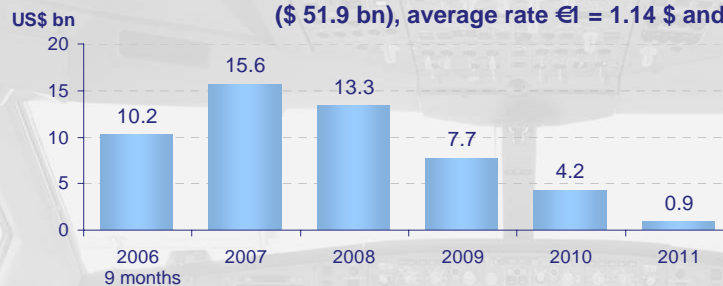
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Hedge Policy



- Approx. half of EADS US\$ revenues naturally hedged by US\$ procurement.
- In Q1 matured hedges of \$ 3.5 bn at an average hedge rate of €1 = 1.09\$.

EADS hedge portfolio, 31st March 2006
(\$ 51.9 bn), average rate €1 = 1.14 \$ and £1 = 1.59 \$



€ vs \$	1.12	1.14	1.14	1.16	1.21	1.22
£ vs \$	1.56	1.57	1.56	1.61	1.67	1.67

Mark-to-market value = €3.7 bn
(excluding swap instruments)

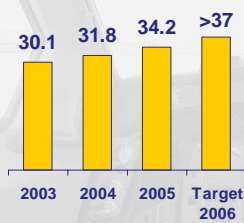
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2006 Guidance

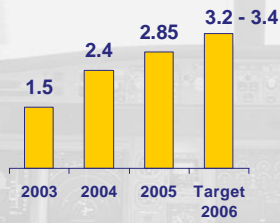


- Airbus deliveries in 2006: over 10% increase vs. 2005
- EADS EBIT* 2006 target between €3.2bn and €3.4bn
- EPS** between 2.35 € and 2.55 € per share
- Revenues above €37bn
- FCF pre-customer financing – still robust

Revenues in €bn



EBIT* in €bn



EPS** in €



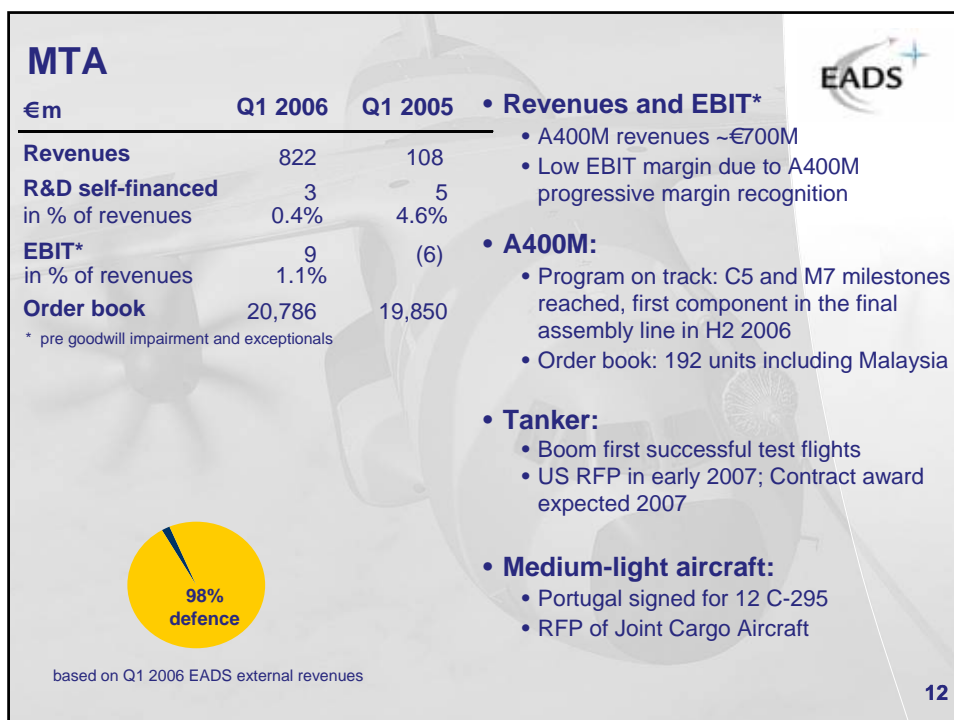
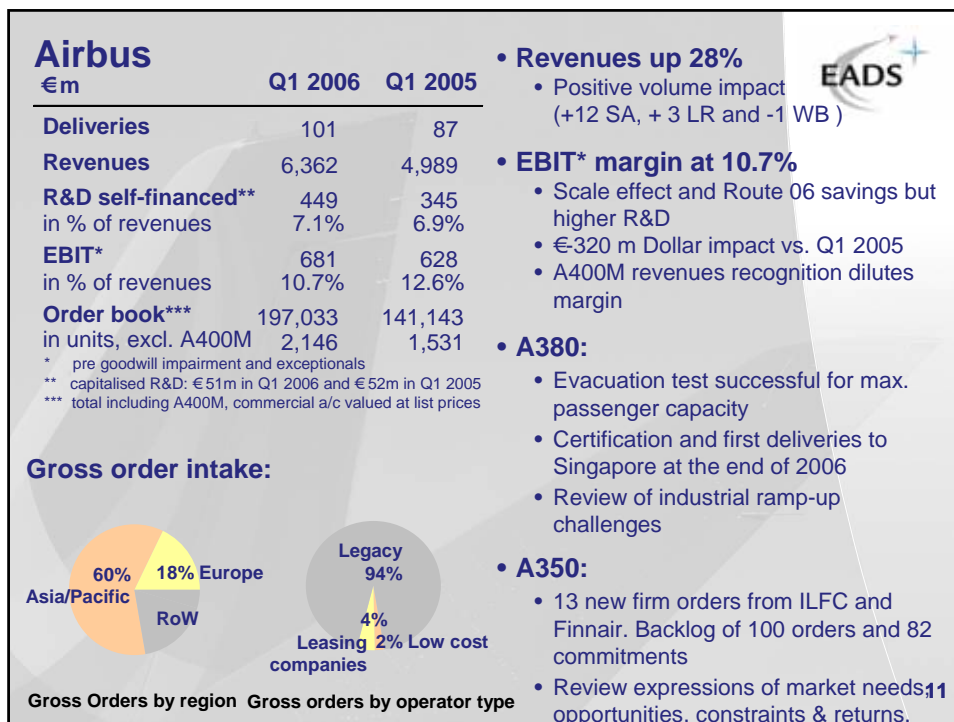
* pre goodwill impairment and exceptionals

** 2006 target based on €/\$ closing spot rate similar to 2005 one.

Content



- Group Financials
- **Divisional Performance**

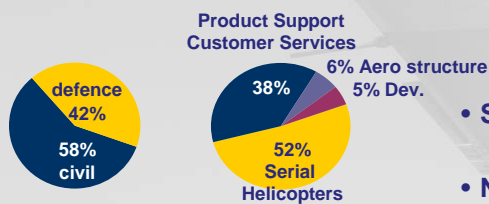


Eurocopter

€m

	Q1 2006	Q1 2005
Revenues	656	519
R&D self-financed	17	16
in % of revenues	2.6%	3.1%
EBIT*	26	13
in % of revenues	4.0%	2.5%
Order book	10,251	9,697
in units	921	787

* pre goodwill impairment and exceptionals



based on Q1 2006 EADS external revenues



• Revenues up 26%:

- Growth driven by the civil side
- 64 units delivered of which 24 Ecureuil

• EBIT* doubling to €26 m:

- Positive volume / mix effect
- SG&A increase / less favourable hedge rate effects

• Order intake: 147 units

- Extendable US Coast Guard order of 10 EC120s
- Bulgaria contract (9 Cougar / 6 Panther)

• Spain 51 EC 135 confirmed

• NH90: Qualification of the German Army NH90 Tactical Transport Helicopter

• Tiger: 2 deliveries

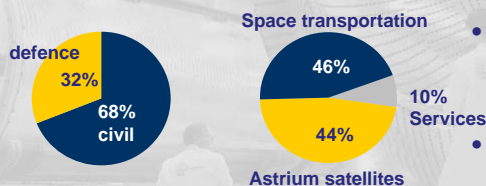
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Space

€m

	Q1 2006	Q1 2005
Revenues	493	516
R&D self-financed	12	9
in % of revenues	2.4%	1.7%
EBIT*	0	(6)
in % of revenues		
Order book	11,909	11,394

* pre goodwill impairment and exceptionals



based on Q1 2006 EADS external revenues



• Revenues and EBIT*:

- Ramp up of Ariane 5 and Paradigm
- Satellites activity lower than strong Q1 2005, but in line with plan

• Strong Order intake: +145%

- Nimiq 4 for Telesat (Canada)
- Eutelsat W2M : 1st with ISRO
- Alsat 2 microsattellites for Algeria
- Galileo In Orbit Validation: space and ground control segment
- M51 development contract : 2nd slice
- GAIA : ESA mission to map the galaxy

• Launchers:

- Ariane ECA launch confirms reliability
- Columbus handed to ESA, May 2nd

• Satellites:

- Venus Express in orbit

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Defence & Security Systems



€m	Q1 2006	Q1 2005
Revenues	1,000	925
R&D self-financed	44	37
in % of revenues	4.4%	4.0%
EBIT*	35	(35)
in % of revenues	3.5%	
Order book	17,523	17,262

* pre goodwill impairment and exceptionals

• Revenues + 8%

- Growth driven by Eurofighter and Stand-off missiles from MBDA

• EBIT*:

- Capital gains + € 106 m
- Increasing restructuring - € 40 m
- Better operational performance

• Military Air Systems:

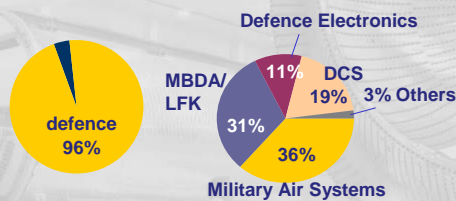
- Eurofighter response to Norway's Request For Information

• Defence and Comm. Systems:

- Preferred bidder for Command & control and weapons deployment system for the F125 frigate
- Successful Nokia PMR acquisition :
 - ✓ Tetra radio infrastructure for Hungary
 - ✓ Preferred bidder in German Bosnet

• Missiles:

- Integration of LFK in MBDA



based on Q1 2006 EADS external revenues

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Other Businesses



€m	Q1 2006	Q1 2005
Revenues	330	231
R&D self-financed	2	2
in % of revenues	0.6%	0.9%
EBIT*	(4)	(2)
Order book	2,213	1,311

* pre goodwill impairment and exceptionals

• ATR:

- Turboprop market still booming, 18 orders from Asia
- 1st delivery to Kingfisher including a new cabin

• EFW:

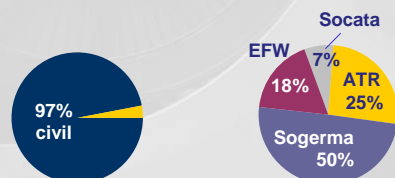
- Overall growth in aerostructure business (+26 shipsets) and freighter conversions (+2)

• Socata:

- Very good customer acceptance after the launch of the TBM 850 (33 a/c in backlog)

• Sogerma:

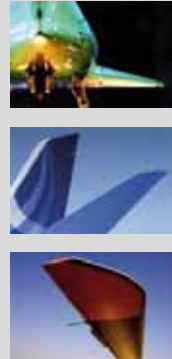
- €21m EBIT loss
- Tough action plan decided
- Break-even in 2007



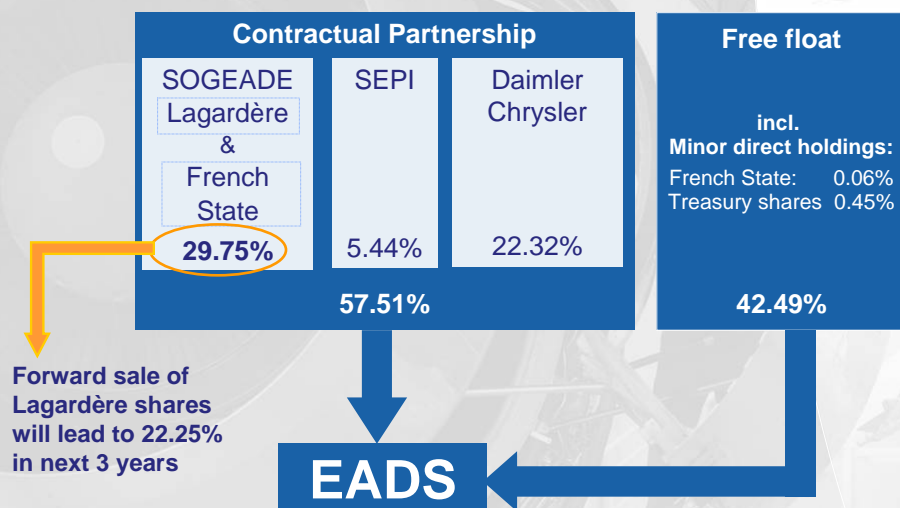
based on Q1 2006 EADS external revenues

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Appendix



New shareholding structure as of 11th April 2006



Balance of control in corporate governance remains unchanged

Increased free float improves liquidity on stock markets

Profit & Loss Highlights



	Q1 2006		Q1 2005		FY 2005	
	€m	in % of Revenues	€m	in % of Revenues	€m	in % of Revenues
Revenues	9,083		7,005		34,206	
self-financed R&D**	536	5.9%	422	6.0%	2,075	6.1%
EBITDA	1,108	12.2%	984	14.0%	4,365	12.8%
EBIT*	780	8.6%	657	9.4%	2,852	8.3%
EBIT* before R&D	1,316	14.5%	1,079	15.4%	4,927	14.4%
Interest result	(29)	(0.3%)	(57)	(0.8%)	(155)	(0.5%)
Other financial result	(33)	(0.4%)	55	0.8%	(22)	(0.1%)
Taxes	(210)	(2.3%)	(212)	(3.0%)	(825)	(2.4%)
Net income***	516	5.7%	410	5.9%	1,676	4.9%
EPS (1)	0.65 €		0.52 €		2.11 €	

* pre goodwill impairment and exceptionals

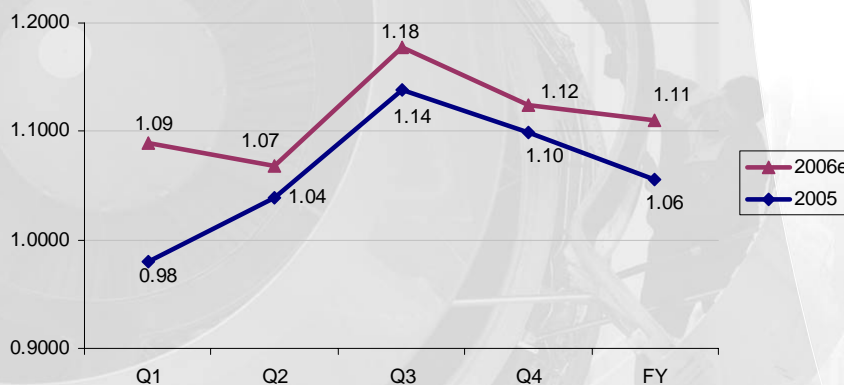
** IAS 38: €56 m capitalised during Q1 2006; €52m during Q1 2005; €293m during FY 2005

*** based on new IAS 32 requirement, no P&L impact from BAE Systems' minority interests in Airbus; BAE Systems' minority interests in Airbus would amount to €84 m in Q1 2006; €82 m in Q1 2005

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(1) Average number of shares outstanding: 795,283,531 in Q1 2006 and 795,573,328 in Q1 2005 and 794,734,220 in FY2005

Expected EADS Average Hedge Rates € vs. \$

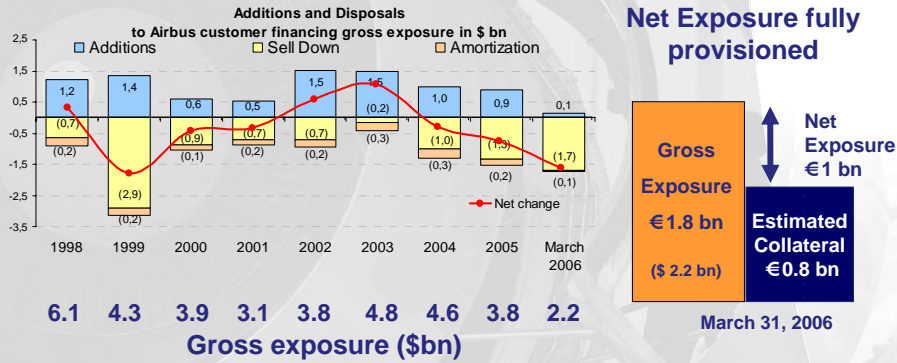


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Airbus Customer Financing



Active exposure management



- Continuing Reduction since 2004 reflects market recovery
- Allocated over 135 aircraft

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Customer Financing Exposure



€millions	March 2006	Dec. 2005
closing rate 1 € =	\$1.21	\$ 1.18
100% AIRBUS		
Total Gross exposure	1,814	3,218
of which off-balance sheet	564	602
Estimated value of collateral	(792)	(1,819)
Net exposure	1,022	1,399
Provision and asset impairment	(1,022)	(1,399)
AIRBUS Net exposure after provision	0	0
50% ATR		
Total Gross exposure	336	348
which off-balance sheet	41	42
Estimate value of collateral	302	314
Net exposure	34	34
Provision	(34)	(34)
ATR Net exposure after provision	0	0

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EBIT* Calculation



in €m	Q1 2006	Q1 2005
Profit before finance cost and income taxes	763	624
Exceptionals:		
Fair value adjustment	17	33
EBIT*	780	657

* pre goodwill impairment and exceptionals

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



in €m	Q1 2006	Q1 2005
EBIT*	780	657
EBIT* margin (% of revenues)	8.6%	9.4%

EADS EBIT* includes the following items

DS	Restructuring	Q1 2006	Q1 2005
		(50)	(11)

* pre goodwill impairment and exceptionals

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Net Income pre-exceptionals



in €m	Q1 2006	Q1 2005
Net Income	516	410
EPS (1)	0.65 €	0.52 €
Exceptionals:		
Depreciation of fair values	17	33
Related Tax impact	(6)	(11)
Net Income*	527	432
EPS* (1)	0.66 €	0.54 €

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

(1) Average number of shares outstanding: 795,283,531 in Q1 2006 and 795,573,328 in Q1 2005

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Net Cash Position



in €m	March 2006	March 2005	Dec. 2005
Gross cash	10,724	9,756	10,586
Financial Debts			
<i>Short-term Financial Debts</i>	<i>(805)</i>	<i>(870)</i>	<i>(908)</i>
<i>Long-term Financial Debts</i>	<i>(4,027)</i>	<i>(4,540)</i>	<i>(4,189)</i>
Reported Net cash	5,892	4,346	5,489
non-recourse debt	1,189	1,093	1,247
Net cash excl. non-recourse	7,081	5,439	6,736
Main minority impact*	(581)	(299)	(407)
Airbus 20% non-recourse debt	(238)	(219)	(249)
Net cash position net of minority and non-recourse	6,262	4,921	6,080

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

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Balance Sheet Highlights: Assets



in €m	March 2006	Dec. 2005
Non-current Assets	35,921	36,027
of which Intangible & Goodwill	11,092	11,052
of which Property, plant & equipment	13,782	13,817
of which Investments & Financial assets	3,665	3,846
of which positive hedge mark-to-market	2,625	2,762
of which Non-current securities	1,239	1,011
Current Assets	35,121	33,477
of which Inventory	16,505	15,425
of which Cash	9,451	9,546
of which positive hedge mark-to-market	1,424	1,191
Non-current Assets classified as held for sale	0	881
Total Assets	71,042	70,385
Closing rate €/€	1.21	1.18

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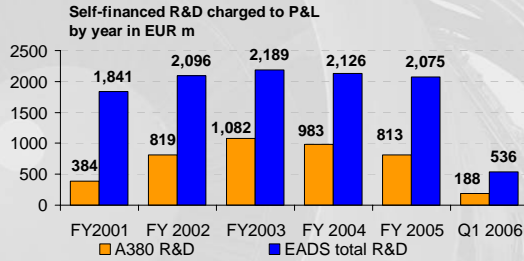
Balance Sheet Highlights: Liabilities



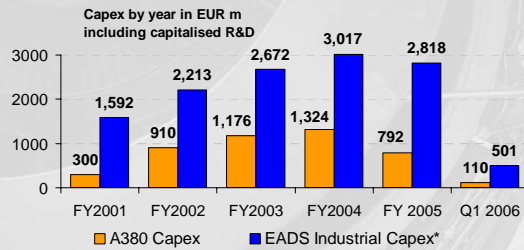
in €m	March 2006	Dec. 2005
Total Equity	14,666	13,902
of which OCI (Other Comprehensive Income)	4,196	3,982
of which Minority interests	158	176
Total Non-current liabilities	24,373	24,739
of which pensions	3,799	3,900
of which negative hedge mark-to-market	277	472
of which other provisions	2,481	2,507
of which financial debts	4,027	4,189
of which European gvts refundable advances	5,118	4,950
of which Customer advances	4,804	4,911
Total Current liabilities	32,003	31,682
of which negative hedge mark-to-market	323	449
of which other provisions	2,288	2,278
of which financial debts	805	908
of which liabilities for puttable instruments	3,500	3,500
of which European gvts refundable advances	361	343
of which Customer advances	14,367	14,078
Liabilities associated with assets held for sale	0	62
Total Liabilities and Equity	71,042	70,385
Closing rate €/€	1.21	1.18

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A380: Flight Testing



Cumulative
A380 R&D
= 4.3 €bn



Cumulative
A380 Capex
= 4.6 €bn

* excluding leased aircraft (2001: € 604 m; 2002: € 101 m; 2003: € 279 m; 2004: € 656 m; 2005: € 40 m; Q1 2006: € 35 m)

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Quarterly Revenues Breakdown (cumulative)



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

* BUs: ATR, EFW, Socata and Sogerma

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Quarterly EBIT* Breakdown (cumulative)



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

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

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Quarterly Order-intake Breakdown (cumulative)



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

* BUs: ATR, EFW, Socata and Sogerma

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Quarterly Order-book Breakdown



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

* BUs: ATR, EFW, Socata and Sogerma