

Consolidated Financial Statements

Consolidated Income Statements for the years 2001 and 2000

in €m	Note	2001	2000 pro-forma
Revenues	5, 23	30,798	24,208
Cost of sales	6	(25,235)	(20,072)
Gross margin		5,563	4,136
Selling, administrative and other expenses	6	(2,561)	(2,510)
Research and development expenses		(2,046)	(1,339)
Other income	7	3,024	342
Amortisation of goodwill and related impairment losses	10	(1,466)	(429)
Income before financial result, income taxes and minority interests		2,514	200
Financial result, net	8	(513)	(1,315)
Profit (loss) before income taxes and minority interests		2,001	(1,115)
Income taxes	9	(646)	220
Minority interests		17	(14)
Net income		1,372	(909)

The accompanying notes are an integral part of these Consolidated Financial Statements.

EADS uses EBIT pre-goodwill amortisation and exceptionals as a key indicator of its economic performance. The term "exceptionals" refers to income or expenses of a non-recurring nature, such as amortisation expenses of Fair Value Adjustments relating to the EADS Merger, the Airbus Combination and the formation of MBDA, as well as impairment charges.

in €m	Note	2001	2000 pro-forma
Income before financial income, income taxes and minority interests		2,514	200
Dilution gain Airbus UK, MBDA		(2,794)	–
Goodwill amortisation and related impairment charges		1,466	429
Exceptional depreciation (fixed assets)		260	176
Exceptional depreciation (financial assets)		315	–
Exceptional depreciation (inventories)		275	483
Income from investments		(342)	111
EBIT pre goodwill amortisation and exceptionals		1,694	1,399

Consolidated Balance Sheets at 31st December 2001 and 2000

in €m	Note	2001	2000
Assets			
Intangible assets	10	10,588	8,165
Property, plant and equipment	10	10,050	8,120
Investments and long-term financial assets	11	4,726	4,609
Fixed assets		25,364	20,894
Inventories	12	2,469	2,081
Trade receivables	13	5,183	4,118
Other receivables and other assets	14	2,633	2,624
Securities	15	5,341	4,682
Cash and cash equivalents		2,692	3,240
Non-fixed assets		18,318	16,745
Deferred taxes	9	4,288	3,151
Prepaid expenses		745	654
Total assets		48,715	41,444
Liabilities and stockholders' equity			
Capital stock		809	807
Reserves		10,346	9,359
Accumulated other comprehensive income		(1,278)	84
Stockholders' equity	16	9,877	10,250
Minority interests		559	221
Provisions	17	11,918	8,684
Financial liabilities	18	6,500	5,779
Trade liabilities	19	5,466	4,268
Other liabilities	19	10,631	8,200
Liabilities		22,597	18,247
Deferred taxes	9	806	1,128
Deferred income		2,958	2,914
Total liabilities and equity		48,715	41,444

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continued

Consolidated Statements of Cash Flows for the years 2001 and 2000 pro-forma

in €m	2001	2000 pro-forma
Net income (loss)	1,372	(909)
Income applicable to minority interests	(17)	14
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortisation of fixed assets	3,560	1,540
Valuation adjustments	493	483
Dilution gain Airbus/MBDA	(2,817)	0
Change in deferred taxes	109	(611)
Results of fixed assets/businesses	(71)	30
Change in accrued liabilities	47	1,259
Result of companies accounted for by the equity method	(22)	(107)
Change in other operating assets and liabilities:	2	1,460
– Inventories, net	(655)	(1,201)
– Trade receivables	(894)	252
– Trade liabilities	766	479
– Other assets and liabilities	785	1,930
Cash provided by operating activities	2,656	3,159
Investments:		
– Purchases of fixed assets and increase in equipment of leased assets	(2,196)	(1,351)
– Payments for investments in financial assets and acquisitions of subsidiaries	(1,096)	(600)
– Proceeds from disposal of fixed assets and decrease in equipment of leased assets	402	292
– Proceeds from disposals of financial assets and subsidiaries	850	187
– Change in finance lease receivables	138	(118)
Acquisitions of securities	(390)	0
Cash from changes in consolidation	20	(38)
Cash used for investing activities	(2,272)	(1,628)
Change in financial liabilities	(465)	83
Cash contribution minority	253	0
Dividends paid	(404)	(31)
Repayments to minorities	(52)	0
Capital increase	21	1,540
Others	(30)	43
Cash used for (provided by) financing activities	(677)	1,635
Effect of foreign exchange rate changes on cash and cash equivalents	14	6
Net increase (decrease) in cash and cash equivalents	(279)	3,172
Cash and cash equivalents		
Cash at beginning of period	7,760	4,750
Cash at end of period	7,481	7,760
additional securities medium-term	552	162
Cash and securities as stated in Balance Sheet	8,033	7,922
The following represents supplemental information with respect to cash flows from operating activities:		
Interest paid	(335)	(239)
Income taxes paid	(520)	(206)

The accompanying notes are an integral part of these Consolidated Financial Statements. Cash and cash equivalents also comprise securities.

Consolidated Statements of Changes in Shareholders' Equity for the years 2001 and 2000 pro-forma

in €m	Note	Capital stock	Reserves	Accumulated other comprehensive income	Total
Balance at 1st January 2000 pro-forma		715	8,578	84	9,377
Capital increase		80	1,366		1,446
Capital increase ESOP (incl. discount)		12	193		205
IPO-Costs			(56)		(56)
Net loss			(909)		(909)
Depreciation first half-year goodwill and fair values Dasa/Casa			197		197
Other changes			(10)		(10)
Balance at 31st December 2000		807	9,359	84	10,250
First application of IAS 39	22			(337)	(337)
Balance at 1st January 2001, adjusted		807	9,359	(253)	9,913
Capital increase ESOP	24	2	19		21
Net profit	23		1,372		1,372
Dividend	16		(404)		(404)
Other comprehensive income				(1,025)	(1,025)
thereof changes in fair values of securities	22			(10)	
thereof changes in fair values of hedging instruments	22			(878)	
thereof currency translation adjustment				(137)	
Balance at 31st December 2001		809	10,346	(1,278)	9,877

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