

Q1 2004 Earnings



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Analysts Conference call – May 12, 2004

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

Additional information regarding these factors is contained in the Company's "document de référence" dated 1st April 2004. 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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2. **Operating performance by division**
3. **Financials**
4. **Roadmap**

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Q1 Strong Performance...



- Airbus improves margin on higher deliveries and better mix
- Space on track for breakeven in 2004
- Defence businesses driven by seasonal factors
- Strong Free Cash Flow pre-customer financing
- Customer financing activity: positive cash impact

... confirms 2004 targets

- EBIT* expected at 1.8 €bn (€ 1.5 bn in 2003)
- Revenues in the € 29-30 bn range, based on average market rate of 1 € = 1.20 \$
- Free Cash Flow pre-customer financing positive
- Order-intake higher than revenue level

* pre goodwill and exceptionals

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EADS Extends its International Footprint...



- Asia-Pacific:
- Partnership with Singapore Economic Development Board
 - Enhance cooperation with Japanese & Chinese industry
 - Airbus successes: Air Tahiti, Cathay

- Russia:
- Creation of EADS Russia (OOO EADS)

... and reaches for new level

- Defence
- Transatlantic alliance : EADS / NG team selected for NATO ground surveillance system
 - Airbus derivatives : Australia pre-selects A330 Tanker
 - Eurofighter : integration and new management, tranche2 agreement with German customer

- Airbus
- A380 takes shape with 1st assembly started

- Space
- Towards profitability

We are delivering on our promises

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Q1 2004 Financial Highlights : Overall performance improvement



in m€	Q1 2004	Q1 2003
Revenues	6,031 € m	5,520 € m
<i>Of which Defence</i>	<i>1,083 € m</i>	<i>974 € m</i>
EBIT*	198 € m	130 € m
FCF before cust. financing**	419 € m	(309 € m)
Reported Net Profit**	49 € m	28 € m
New orders	3,411 € m	5,378 € m
in bn€	March 2004	Dec. 2003
Net Cash position	3.4 € bn	3.1 € bn
Total Order book	178.8 € bn	179.3 € bn
<i>of which Defence</i>	<i>45.6 € bn</i>	<i>45.7 € bn</i>

* pre goodwill and exceptionals

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

*** in compliance with IFRS 3, goodwill is not amortized linearly but tested for impairment at least annually; 2003 figure is restated for comparison

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Airbus



€ m	Q1 2004	Q1 2003
Deliveries	67	65
Revenues	4,126	3,775
R&D self-financed	463	445
in % of revenues	11.2%	11.8%
EBIT*	224	166
in % of revenues	5.4%	4.4%
Order book	140,911 **	134,615
in units	1,397	1,476

* pre goodwill and exceptionals
** including workshare on A400M:

- **Revenues** increased 9% or 15% with constant €-\$ rate, thanks to more deliveries and better mix
- **EBIT*** margin increases at 5.4%
- **Orders** from Asia, Middle-East and Low-cost carriers feed the order-book and confirm signs of recovery. 34 orders by April 30th
- **Customer Financing** gross exposure reduced
- **A380** enters final assembly in April, first flight scheduled in Q1 2005 as planned
- **R&D** in line with plan; no impact from capitalisation in Q1

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Reduced Airbus customer financing exposure



in €m	March 2004	Dec. 2003
Total Gross exposure	3,808 € m	3,822 € m
of which off-balance sheet	712 € m	724 € m
Estimated collateral value	(2,222 € m)	(2,229 € m)
Net exposure before provision	1,586 € m	1,593 € m
Provision	(1,586 € m)	(1,593 € m)
Residual Airbus net exposure	0 €m	0 €m

closing rate \$/€

1.22

1.26

* Adjusted for stipulated loss values

Airbus gross customer financing exposure changes in Q1 2004



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MTA



€ m	Q1 2004	Q1 2003
Revenues	101	96
R&D self-financed	7	6
in % of revenues	6.9%	6.3%
EBIT*	(8)	(11)
Order book	19,980	677

* pre goodwill and exceptionals

• **A400M** work continues. No P&L impact in Q1. Next key milestone expected in Q3 2004.

• **Airbus derivatives:**

- A330 Tanker aircraft fully recognised as a global standard;
- FSTA and Australia under negotiation

• **Order-book** includes A400M since May 2003



based on Q1 2004 external revenues

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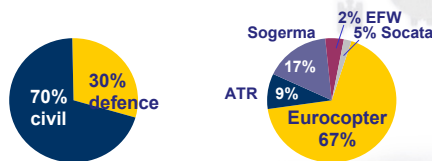
Aeronautics



€ m	Q1 2004	Q1 2003 Pro-forma**
Revenues	645	686
R&D self-financed	18	17
in % of revenues	2.8%	2.5%
EBIT*	10	16
in % of revenues	1.6%	2.3%
Order book	10,021	10,193

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

- **Revenues** decline reflects the slowdown in civil aircraft maintenance and service businesses
- **EBIT** includes some restructuring charge at Sogerma
- **Eurocopter** seasonality: better performance towards the end of the year
- **Tiger** first deliveries planned this year
- **Heli-Expo in the US** reflects a strongly buoyant helicopter market



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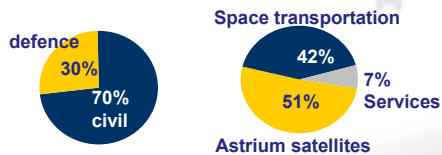
Space



€ m	Q1 2004	Q1 2003
Revenues	457	403
R&D self-financed	8	11
in % of revenues	1.8%	2.7%
EBIT*	(11)	(21)
Order book	8,083	4,401

* pre goodwill and exceptionals

- **Revenues** increase 13% thanks to start of Paradigm services
- **EBIT*** on track to FY breakeven
- **Restructuring** implemented as planned
- **Order-book** includes Paradigm large order since Q4 2003
- Order-book will be further reinforced by : **Anik F3** order intake from Telesat (Canada) in April, Signature of the **€ 3 bn launchers** orders with Arianespace in May
- **Paradigm revenues further potential** with the selection by NATO in May
- **Ariane 5 (10t)** ready for new launch in Q3 2004



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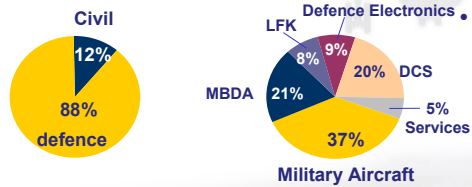
Defence and Security Systems



€ m	Q1 2004	Q1 2003 Pro-forma**
Revenues	932	813
R&D self-financed in % of revenues	40 4.3%	49 6.0%
EBIT*	(51)	(54)
Order book	14,976	13,521

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

- **Revenues** +15% driven by Military aircraft strong business and missiles delivery ramp up.
- **Revenues and EBIT** seasonality: better performance towards the end of the year
- **Costs** associated with Efficiency and restructuring plans to weigh in **Q2 EBIT***



based on Q1 2004 external revenues

- **NATO AGS Downselection** of TIPS consortium (EADS is largest shareholder) to provide A321 platforms and radars

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Goodwill amortisation: Application of IFRS3 “Business Combination” from January 1st 2004



“Amortisation of goodwill with indefinite useful lives is prohibited. Amortisation must be tested for impairment annually, or more frequently if events or changes in circumstance indicate a possible impairment”.

Impact on EADS P&L

2003 goodwill amortisation was € 567 m pre-minority, or € 492 m post-minority impact; From 2004, no further amortisation besides impairment losses

Outstanding goodwill as of March 2004 : € 9.4 bn

Latest impairment tests performed in Dec. 2003 did not trigger any impairment losses

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Profit & loss highlights



	Q1 2004		Q1 2003	
	€ m	in % of Revenues	€ m	in % of Revenues
Revenues	6,031		5,520	
self-financed R&D	535	8.9%	528	9.6%
EBITDA	526	8.7%	389	7.0%
EBIT*	198	3.3%	130	2.4%
EBIT* before R&D	733	12.2%	658	11.9%
Interest result	(59)	(1.0%)	(18)	(0.3%)
Other financial result	15	0.2%	(20)	(0.4%)
Taxes	(42)	(0.7%)	1	0.0%
Net income**	49	0.8%	28	0.5%

* pre goodwill and exceptionals

** compliant with IFRS3 from 2004 (no longer goodwill amortisation); 2003 restated for comparison

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Development of net cash



in € m	Q1 2004	Q1 2003
Net cash at the beginning of the period	3,105	2,370
Gross Cash Flow from Operations*	505	20
Change in working capital	462	102
Cash used for investing activities**	(481)	(510)
of which Industrial Capex (additions)***	(501)	(409)
of which Customer Financing net additions	67	(79)
of which Others	(47)	(22)
Free Cash Flow**	486	(388)
Free Cash Flow before customer financing	419	(309)
Astrium first time 100% consolidation impact		(74)
Others	(147)	(224)
Net cash at the end of the period	3,444	1,684

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

** excl. change in securities and consolidation changes

*** excl. leased assets and financial assets

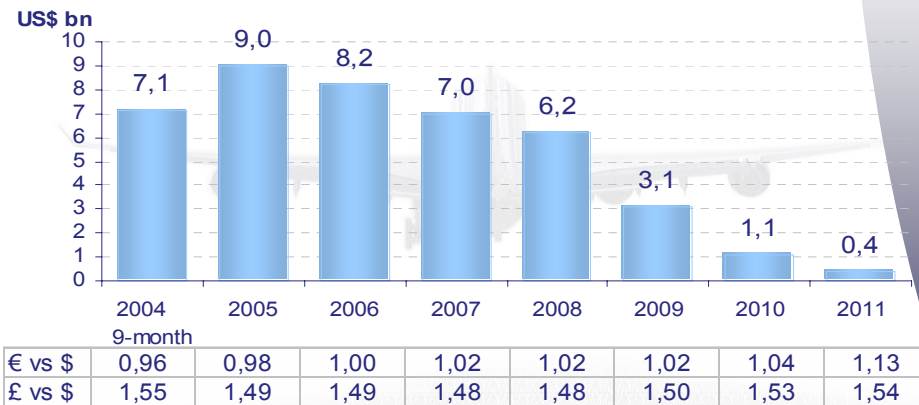
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Hedge Policy is continued



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\$ 42.2 bn) on March, 31st 2004 at an average 1 € = 0.99 \$
Q1 2004: US\$ 1.9 bn gross additions to hedges



Marked-to-market value = € 6.6 bn

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EADS Management confirms 2004 target



2004 Guidance

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

... and sees medium-term strong growth across the board

- Airbus: • Commercial aviation upturn within reach, A380 well on track
- Space: • Set to be profitable; Robust order-book
- Defence: • Deliver the growth embedded in the order-book after effort for efficiency improvement

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Appendix

Balance Sheet Highlights

in € m	March 2004	Dec. 2003
Assets	53,682	54,378
of which Goodwill	9,372	9,372
of which cash & equivalents, securities	8,445	7,872
of which positive hedge mark-to-market	6,796	7,964
Stockholders' equity	15,638	16,149
of which OCI (Other Comprehensive Income)	5,374	5,934
Minority interest	2,051	2,179
Total provisions	8,822	8,726
of which pensions	3,827	3,772
of which negative hedge mark-to-market	187	100
of which other provisions	4,808	4,854
Deferred tax liabilities & income	5,675	6,122
Liabilities	21,496	21,202
of which financial debts	5,001	4,767
of which European gvts refundable advances	5,176	4,851
Total liabilities and stockholders' equity	53,682	54,378
Closing rate €/€	1.22	1.26

EBIT* calculation



in € m	March 2004	March 2003
Income from operating activities	118	(96)
Income from investments **	28	24
Exceptionals:		
Goodwill amortisation**	0	140
Fair value adjustment	52	62
EBIT*	198	130

* pre goodwill and exceptionals

** IAS3 applied from 2004: goodwill only reduced by impairment

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



€m	Q1 2004	Q1 2003
EBIT*	198	130
EBIT* margin (% of revenues)	3.3%	2.4%

EADS EBIT* includes the following items

DS	Restructuring	(4)	(16)
Aero	Restructuring	(5)	-

* pre goodwill and exceptionals

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Net Cash Position



in m€	March 2004	Dec. 2003
Gross cash	8,445	7,872
Financial Debts*	(5,001)	(4,767)
Reported Net cash	3,444	3,105
non-recourse debt	757	679
Net cash excl. non-recourse	4,201	3,784
Main minority impact*	(54)	40
Airbus 20% non-recourse debt	(151)	(136)
Net cash position net of minority and non-recourse	3,996	3,688

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

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Net Income compliant with IFRS3 and pre-exceptionals



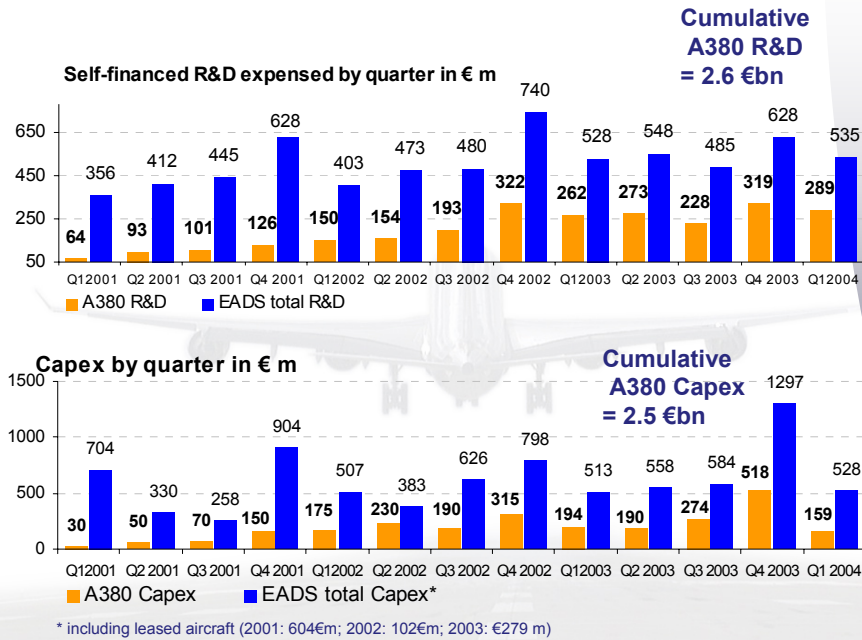
in € m	March 2004	March 2003
Net Income compliant with IFRS3	49	28
Exceptionals:		
Fair value adjustment on fixed assets	52	54
Fair value adjustment on inventories	0	8
Tax impact on exceptional fair value	(19)	(23)
Minorities on exceptional fair value	(5)	(5)
Net Income pre-exceptionals*	77	62
EPS* (1)	0.10 €	0.08 €

* pre exceptionals and compliant with IFRS 3

(1) average number of shares outstanding: 800,957,248 in Q1 2003 and in Q1 2004

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A380 under final assembly



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Customer Financing Exposure



all figures in € m

	March 2004	Dec. 2003
Figures for 100% Airbus	2004	2003
closing rate € - \$	1.22	1.26
Total Gross exposure*	3,808	3,822
of which off-balance sheet	712	724
Estimate value of collateral	(2,222)	(2,229)
Net exposure	1,586	1,593
Provision	(1,586)	(1,593)
AIRBUS Net exposure after provision	0	0
	March 2004	Dec. 2003
Figures for 50% ATR	2004	2003
Total Gross exposure	399	403
of which off-balance sheet	127	126
Estimate value of collateral	(361)	(365)
Net exposure	38	38
Provision	(38)	(38)
ATR Net exposure after provision	0	0

* Adjusted for stipulated loss values

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Quarterly revenues breakdown (cumulative)



in €m	Q1		Q2		Q3		Q4	
	2004	2003	2004	2003	2004	2003	2004	2003
Airbus	4,126	3,775		8,773		12,051		19,048
MTA	101	96		268		410		934
Aeronautics*	645	686		1,613		2,452		3,803
Space	457	403		1,008		1,473		2,424
DS*	932	813		1,902		2,957		5,165
HQ & Elim.	(230)	(253)		(504)		(807)		(1,241)
Total EADS	6,031	5,520		13,060		18,536		30,133

* New format (Military Aircraft Unit included in DS)

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Quarterly EBIT* breakdown (cumulative)



in €m	Q1		Q2		Q3		Q4	
	2004	2003	2004	2003	2004	2003	2004	2003
Airbus	224	166		621		701		1,353
MTA	(8)	(11)		(8)		(7)		30
Aeronautics**	10	16		59		112		217
Space	(11)	(21)		(131)		(184)		(400)
DS**	(51)	(54)		(28)		(18)		171
HQ & Elim.	34	34		79		180		172
Total EADS	198	130		592		784		1,543

* pre goodwill and exceptionals

** New format (Military Aircraft Unit included in DS)

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Quarterly Order-intake breakdown (cumulative)



in €m	Q1		Q2		Q3		Q4	
	2004	2003	2004	2003	2004	2003	2004	2003
Airbus	1,068	3,416		33,174		37,028		39,904
MTA	100	122		20,104		20,195		20,326
Aeronautics*	843	706		1,440		2,213		3,661
Space	238	341		779		1,246		6,062
DS*	1,359	969		1,988		3,239		6,288
HQ & Elim.	(197)	(176)		(14,295)		(14,468)		(15,091)
Total EADS	3,411	5,378		43,190		49,453		61,150

* New format (Military Aircraft Unit included in DS)

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Quarterly Order-book breakdown



in €m	Q1		Q2		Q3		Q4	
	2004	2003	2004	2003	2004	2003	2004	2003
Airbus	140,911	134,615		154,428		153,302		141,836
MTA	19,980	677		20,476		20,429		20,007
Aeronautics*	10,021	10,193		9,828		9,719		9,818
Space	8,083	4,401		4,248		4,243		7,888
DS*	14,976	13,521		13,342		13,527		14,283
HQ & Elim.	(15,212)	(689)		(14,581)		(14,510)		(14,552)
Total EADS	178,759	162,718		187,741		186,710		179,280

* New format (Military Aircraft Unit included in DS)

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