

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

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 Defence

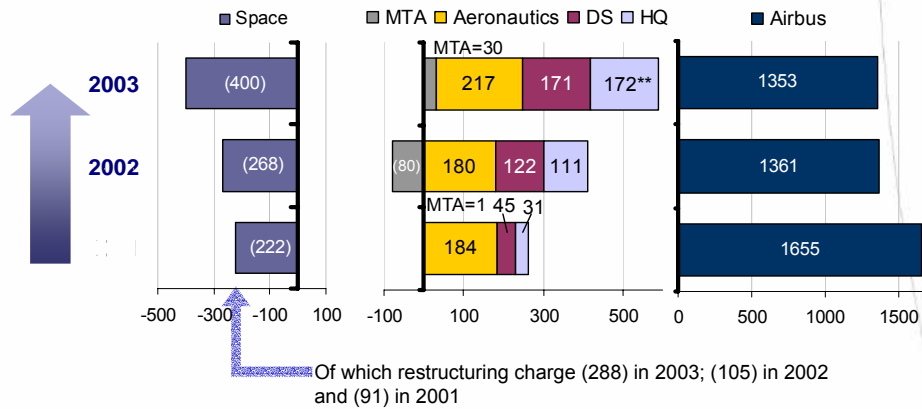
Foundations Laid for Profitable Growth

* pre goodwill and exceptionals

Portfolio Balance and EBIT Growth



EBIT* CONTRIBUTION in €millions over 2001-2003



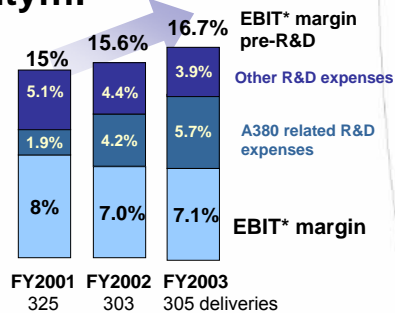
* pre goodwill and exceptionals

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

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

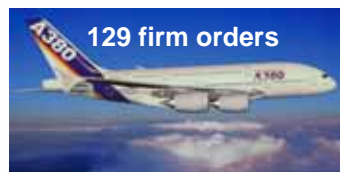


- 305 deliveries in face of war and SARS
- Recent & innovative family of products achieves overall leadership
- Route 06 cost saving plan for long-term economic performance



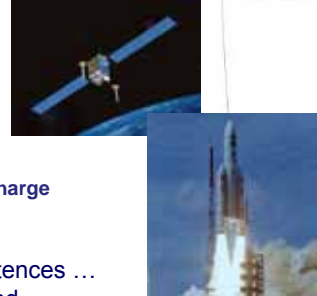
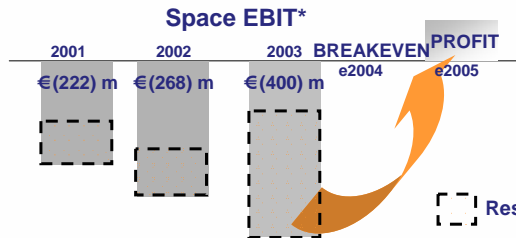
... while preserving focus on A380

- 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:

Be Europe's Focal Point for Space:

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



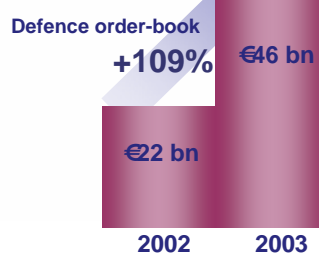
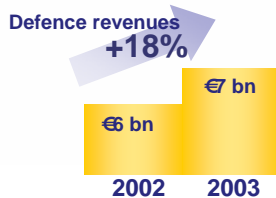
Major Programs secured,...

- **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, NATO AGS down selection
- **Services/PFI:** £ 2.5 bn Skynet 5 order, FSTA & Australia down selection

... will generate real growth



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



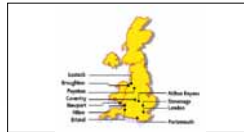
Russia:

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



UK

GBAD
FSTA
Paradigm



Establishing a global industrial strategy



2003 in bn €	North America	Europe	Asia/ RoW
Sales	8.1	14.0	8.1
Backlog	52.5	79.7	47.1
Sourcing	6.5	18.5	0.4
Employees total	2.150	106.000	900

EADS is Global in terms of Sales and Backlog

....but mostly European in Industrial Assets, Sourcing and Employees !

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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

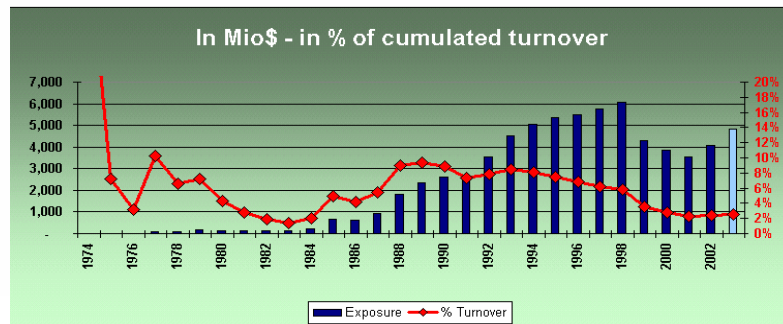
* pre goodwill and exceptionals
 ** including work-share on A400M

- **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

Airbus Customer Financing 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



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)** ; and Australia
- Other **MRTT** opportunities: France, US, ...



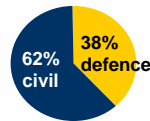
based on FY 2003 external revenues

Aeronautics

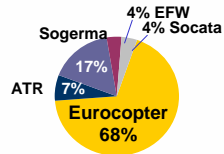


€m	FY 2003	FY 2002 Pro-forma**
Revenues	3,803	3,834
R&D self-financed in % of revenues	62 1.6%	90 2.3%
EBIT* in % of revenues	217 5.7%	180 4.7%
Order book	9,818	10,162

* 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

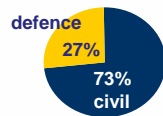
Space

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

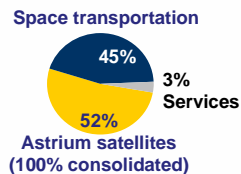


€m	FY 2003	FY 2002
Revenues	2,424	2,216
R&D self-financed in % of revenues	62 2.6%	59 2.7%
EBIT* in % of revenues	(400)	(268)
Order book	7,888	3,895

* pre goodwill and exceptionals



based on FY 2003 external revenues



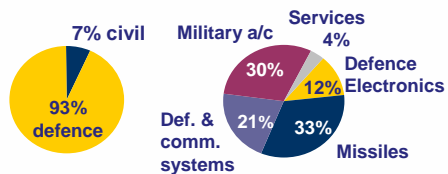
- **Revenues** increase due to first-time Astrium 100% consolidation
- **EBIT includes:**
 - Restructuring charge €288m (2002: €105m)
 - Astrium first-time 100% consolidation impact (€(81)m)
- **Restructuring:** 2004 Breakeven EBIT target confirmed
- **Order-book** +74% excluding impact from change of 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



based on FY 2003 external revenues

- **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, AGS with NATO
- **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

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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

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

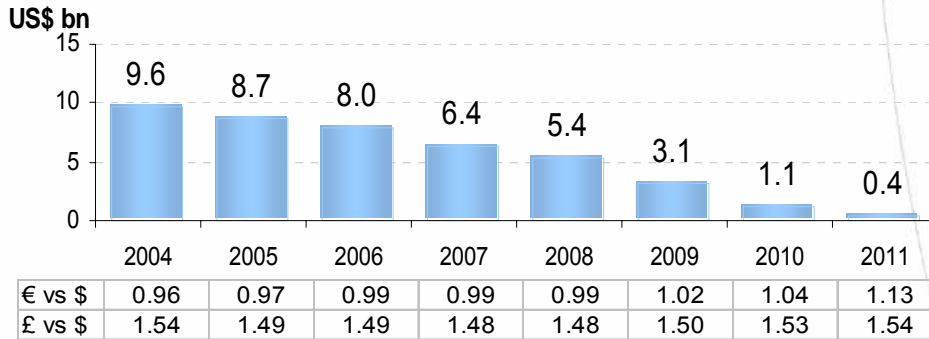
*** excl. leased/financial assets and financial assets concerning commercial aviation customer financing

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

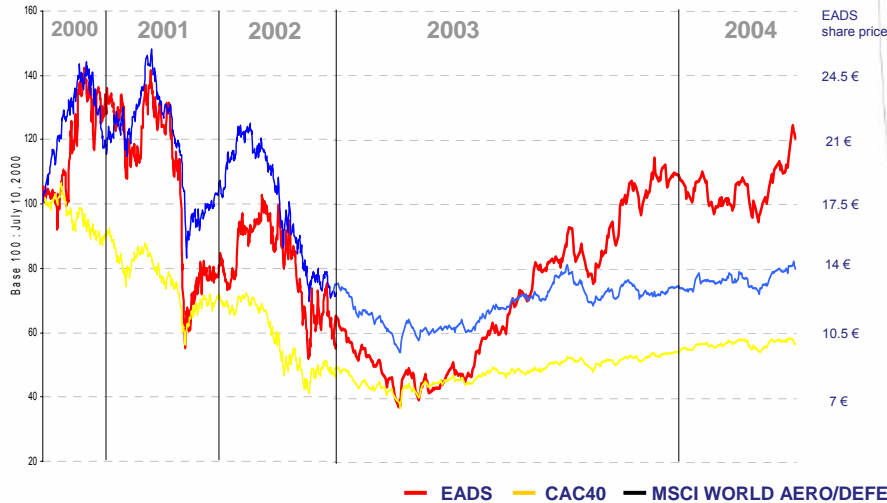
EADS hedge portfolio (US\$ 42.7 bn) on Dec. 31, 2003
Q4 2003: US\$ 1.3 bn gross additions to hedges



(Hedge rates applicable to EBIT)

Marked-to-market value = € bn

Stock performance



**Determination, focus and openness
 establish credibility**

* Adjusted at EUR/USD

Confidence in Future Performance



- Outstanding performance in 2003
- Expected commercial aviation upturn and A380 contribution
- Successful development of the Defence order book, long term profitability growth
- Restructured Space business positive outlook

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

Shareholders Information



For questions or further information please call:

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