Press Release

Steady Momentum: EADS Reports Solid Half-Year (H1) Results 2012

- EADS improves guidance due to strong underlying performance
- Revenues increase by 14 percent to € 24.9 billion
- EBIT* before one-off up 89 percent: € 1.4 billion
- Net Income* before one-off(4) increases to € 814 million;
  Net Income increases to € 594 million
- Free Cash Flow of € -1.8 billion reflects production ramp-up-related inventory increase and back-loaded deliveries
- New hedge contracts of $ 19 billion enhance financial stability
- A350 XWB Entry-into-Service moving into H2 2014; € 124 million charge booked which accounts for the actual delay of around three months

Leiden, 27 July 2012 – EADS (stock exchange symbol: EAD) achieved solid financial results in the first half of 2012, exceeding expectations. Order intake(5) in the first six months reached € 28.2 billion driven by solid order activity at Eurocopter, Astrium, Cassidian and Airbus Military and ongoing commercial momentum at Airbus. At the end of June, EADS' order book(5) stood at a record level of € 551.7 billion providing stability and visibility in the current macro environment. Revenues amounted to € 24.9 billion. The EBIT* before one-off of around € 1.4 billion benefited from strong underlying performance. The reported EBIT* amounted to € 1.1 billion, significantly above the 2011 level. The Net Cash position amounted to € 9.7 billion.

"The Group performed well in the first six months and our financial results demonstrate steady momentum. The new management is united in pursuing improved profitability through a clear focus on programme execution. Another focus of our efforts is to further integrate and globalise EADS. One important step into this direction is our decision to build a Final Assembly Line for Airbus aircraft in the US", said Tom Enders, CEO of EADS. "Our key programmes, particularly at Airbus, continue to command our utmost attention. On A350 especially, maturity of sections delivered to the final assembly is of key importance to us as we prepare for a robust production ramp-up."

In the first six months of 2012, EADS' **revenues** increased 14 percent to € 24.9 billion (H1 2011: € 21.9 billion) driven by growth across all Divisions. The newly acquired companies in 2011 contributed by around € 800 million to this growth. Until the end of June, physical deliveries continued to be at a high level with 279 aircraft at Airbus Commercial and 198 helicopters at Eurocopter. In July, Astrium achieved the 49th consecutive successful Ariane 5 launch.

EBIT* before one-off – an indicator capturing the underlying business margin by excluding non-recurring charges or profits caused by movements in provisions or foreign exchange impacts – stood at around € 1.4 billion (H1 2011: around € 0.7 billion) for EADS and at around € 830 million for Airbus (H1 2011: around € 310 million). The increase compared to the same period last year is driven by improved performance at Airbus Commercial, Eurocopter and Astrium. Operational improvement at Airbus Commercial includes favourable volume and better pricing. Eurocopter performance reflects volume and mix effects from commercial and support activity while at Astrium the increase is driven by productivity improvements and the integration of Vizada.

During the first half of 2012, EADS accelerated its hedge activity and implemented $ 19.2 billion of new hedge contracts at an average rate of € 1 = $ 1.31, which enhances stability of the Group's financial performance. At the end of June, EADS' total hedge portfolio stood at $ 84.1 billion.

EADS' **reported EBIT*** increased by 91 percent to € 1,078 million (H1 2011: € 563 million), driven by the improvement of the EBIT* before one-off.

In the first half of 2012, the dollar mismatch and balance sheet revaluation had a positive impact on the EBIT* of around € 20 million.

This quarter, with the A350 XWB Entry-into-Service moving into H2 2014, Airbus Commercial booked a charge of € 124 million to account for the actual delay of around three months.

The A380 wing rib technical fix is under development. For the A380s already delivered, the total charges recorded in the first half of 2012 amounted to € 181 million, of which € 23 million were booked in the second quarter.

Net Income rose significantly to € 594 million (H1 2011: € 109 million), or earnings per share of € 0.73 (earnings per share H1 2011: € 0.13). The Net Income* before one-off(4) increased to € 814 million (H1 2011: € 389 million) in line with the strong underlying performance.

The finance result amounts to € -239 million (H1 2011: € -366 million). The interest result of € -143 million (H1 2011: € -97 million) deteriorated compared to the 2011 level, mainly due to lower interest income related to the lower average cash balance and interest rates compared to last year.

Meanwhile, the other financial result of € -96 million (H1 2011: € -269 million) includes an improved impact from a foreign exchange revaluation compared to H1 2011. This line also includes the unwinding of discounted provisions

Self-financed Research & Development (R&D) expenses remained roughly stable at € 1,425 million (H1 2011: € 1,409 million).

Free Cash Flow before customer financing amounted to € -1,671 million (H1 2011: € -286 million). The improvement of the operational performance is weighed down by a deterioration of the working capital. This is mainly due to a strong increase of inventory as EADS continues to ramp up production while deliveries and milestone achievements are back-loaded in the year, especially on A380. However, the main deterioration at Airbus was related to the first quarter of 2012.

In the first half of 2012, low customer financing support of € -80 million had been provided.

The level of capital expenditure increased compared to last year, mainly at Airbus and Eurocopter.

Free Cash Flow after customer financing stood at € -1,751 million (H1 2011: € -184 million).

The **Net Cash position** of EADS amounted to € 9.7 billion (year-end 2011: € 11.7 billion), also reflecting a cash contribution to pension assets of € 320 million as well as the dividend payment of around € 370 million.

EADS' **order intake**(5) amounted to € 28.2 billion (H1 2011: € 58.1 billion). The order intake was driven by solid order activity at Eurocopter, Astrium, Cassidian and Airbus Military and ongoing commercial momentum at Airbus Commercial.

At the end of June 2012, the Group's **order book**(5) stood at a record level of € 551.7 billion (year-end 2011: € 541.0 billion), providing stability and visibility in the current macro environment.

The Airbus Commercial backlog was improved by a positive revaluation impact of around € 12 billion due to the appreciation of the US dollar closing spot rate since the year-end 2011.

The defence order book stood stable at € 51.9 billion (year-end 2011: € 52.8 billion).

At the end of June 2012, EADS' workforce consisted of 135,634 **employees**, (year-end 2011: 133,115).

Outlook

As the basis for EADS 2012 guidance the Group expects the world economy and air traffic to grow in line with prevailing independent forecasts and assumes no major disruption due to the current euro crisis.

EADS' results of the first six months confirm the Group's growth and improvement trend. These positive dynamics lead EADS to improve its 2012 guidance.

In 2012, Airbus should deliver around 580 commercial aircraft, including 30 targeted A380 deliveries.

Gross orders should be above the number of deliveries, in the range of 600 to 650 aircraft.

Based on an assumption of € 1 = $ 1.35, EADS 2012 revenues should continue to grow at around 10 percent.

Based on the solid H1 performance, especially at Airbus, Eurocopter and Astrium, EADS expects 2012 Group EBIT* before one-off to be around €2.7bn.

As a result and with an expected tax rate for the full year of slightly below 30 percent, the EADS 2012 EPS* before one-off(4) should now be around € 1.95 (FY 2011: € 1.39).

Going forward, the reported EBIT* and EPS* performance of EADS will be dependent on the Group’s ability to execute on its complex programmes such as A400M, A380 and A350 XWB, in line with the commitments made to customers.

Based on the targeted 30 A380 deliveries, EADS should continue to generate a positive Free Cash Flow after customer financing and before acquisitions.

EADS Divisions: Ongoing commercial momentum at Airbus Commercial, solid order activity at Eurocopter, Astrium and Cassidian

Airbus consolidated revenues increased by 13 percent to € 17,246 million (H1 2011: € 15,312 million). The Airbus consolidated EBIT* rose by 174 percent to € 553 million (H1 2011: € 202 million).

Airbus Commercial revenues amounted to € 16,585 million (H1 2011: € 14,464 million). Compared to one year ago Airbus Commercial revenues benefited from favourable volume and pricing effects. 278 deliveries were booked with revenue recognition compared to the 279 physical deliveries as 1 aircraft was placed on operating lease.

Airbus Commercial EBIT* before one-off increased to € 830 million (H1 2011: around € 330 million), benefiting from better operational performance including favourable volume and pricing, net of escalation. There was a small temporary headwind from the deterioration of the US dollar rate from the Group’s maturing hedges in the first half of 2012 and R&D was stable with the H1 2011 level.

Airbus Commercial reported EBIT* also improved significantly to € 548 million (H1 2011: € 223 million). It includes the charge booked for the A350 XWB as well as the update of the A380 wing rib feet provision.

Revenues at Airbus Military of € 843 million decreased compared to last year (H1 2011: € 1,112 million) mainly driven by lower revenue recognition on the A400M as well as lower Tanker revenues.

EBIT* of Airbus Military nearly stable with € 2 million (H1 2011: € 3 million), reflecting the lower volume in the period which was not fully compensated by lower R&D expenses.

At the end of June, Airbus Commercial booked 230 net orders (H1 2011: 640 net orders). H1 2011 included the bookings made at Le Bourget Air Show last year where Airbus achieved a record level of orders, driven by the A320 new engine option (neo).

Activity at Farnborough Air Show this year was encouraging and included important orders for the A330 and the A320 current engine option (ceo). Furthermore, the improved A350-1000 design received an important endorsement from Cathay Pacific. Airbus has also announced it will offer a further enhanced version of the A330 by offering longer range and increased payload, providing greater access to longer range routes.

Airbus is making progress on the A350 XWB programme. The assembly of the static test aircraft is on-going and the fully-equipped front fuselage section of the first flying aircraft has been delivered to the Final Assembly Line. Entry-into-Service has moved into H2 2014 mainly due to the time taken for the implementation of the automated drilling process for the wings. A charge of € 124 million has been booked in the second quarter which accounts for the actual delay of around three months. The A350 XWB remains a challenging programme and any further delays would lead to higher rates of charges.

In the first half of 2012, Airbus Military booked 21 orders, including 15 C295 MT aircraft for Oman, Poland, Egypt and Kazakhstan. 7 Medium and Light aircraft were delivered in the first half-year. The Airbus Military book-to-bill was above 1 for the first half of 2012 driven by growth in export markets.

The A400M programme continues its test flight programme which has accumulated more than 3,525 flight hours by the end of June. Due to the engine technical issues, the Initial Operating Capability (IOC) will be delayed but Airbus Military is preparing for the first aircraft acceptance by the French Air Force, which is contractually due in Q1 2013.

At the end of June 2012, Airbus' consolidated order book was valued at € 506.1 billion (year-end 2011: € 495.5 billion).

The Airbus Commercial backlog amounted to € 485.7 billion (year-end 2011: € 475.5 billion), which comprises 4,388 units (year-end 2011: 4,437 aircraft). It was improved by a positive revaluation impact from foreign exchange of around € 12 billion due to the appreciation of the US dollar closing spot rate since the year-end 2011.

Airbus Military's order book amounted to 231 aircraft, equalling € 21.7 billion (year-end 2011: € 21.3 billion).

Revenues at **Eurocopter** increased 28 percent to € 2,771 million (H1 2011: € 2,171 million). Deliveries reached 198 helicopters (H1 2011: 205 helicopters).

The Division's EBIT* grew by 112 percent to € 199 million (H1 2011: € 94 million). The significant revenue and EBIT* growth is driven mainly by a favourable mix effect with more Super Puma deliveries and higher repair and overhaul support activities. It also includes a contribution from the Vector Aerospace business consolidation. The H1 2011 EBIT* included a net charge of € 60 million.

The H1 2012 net order intake has improved compared to H1 2011 with 195 new net orders this year and the level of cancellations with 2 helicopters is clearly back to pre-crisis level. The order value increased significantly compared to last year, mainly due to a favourable mix on EC175 and Super Puma and the first time consolidation of Vector Aerospace.

In the second quarter, the Division secured important orders from Kazakhstan, including 8 additional EC145 orders and a letter of intent to acquire 20 EC725 multi-role helicopters. A contract was signed with Indonesian Aerospace for the supply and customisation of 6 EC725 helicopters.

The Division underlined its innovation strategy with the roll-out of the enhanced EC130T2 which has seen a successful market introduction. Eurocopter also further strengthened its services portfolio with the acquisition of an 80 percent stake in Spain's Sabadell Helicopters Service Centre.

The Division is continuing challenging discussions with the German government on the future of its key defence programmes, the outcome of which is still open.

The Portuguese government has recently announced its intention to enter into discussions with NAHEMA regarding termination of a contract for 10 NH90.

The Division's order book decreased slightly to € 13.5 billion (year-end 2011: € 13.8 billion) comprising 1,073 helicopters (year-end 2011: 1,076 helicopters).

Astrium revenues in the first half of 2012 increased 13 percent to € 2,661 million (H1 2011: € 2,347 million), mainly due to the inclusion of the acquired Vizada group into the Astrium perimeter.

EBIT* increased by 26 percent to € 130 million (H1 2011: € 103 million), resulting from the positive Vizada contribution and margin improvements thanks to the AGILE transformation programme with increased efficiency and productivity. It was partly reduced by front-loaded R&D investment.

Order intake for the first half year reached € 2.2 billion (H1 2011: € 1.7 billion), which represents an increase of 29 percent compared to the previous year.

In addition to the Vizada integration, second quarter orders also included an order for the Phase 1 of Solar Orbiter mission that will perform close-up observations of the sun. A US contract for governmental communication services across the Skynet 5 fleet of satellites was also booked in Q2, confirming globalization and export activities already initiated in Q1.

The European Space Agency (ESA) Ministerial Council, due to take place in late 2012, is expected to provide clear perspectives on the future direction of European space programmes.

In July, Ariane 5 recorded its 49^{th} successful consecutive launch, marking a world record in terms of reliability for a commercial launcher. Astrium successfully passed ESA's in-orbit acceptance tests for its first and second Galileo satellites, confirming full qualification and performance and successfully delivered the Yahsat 1B satellite into orbit.

At the end of June 2012, the order book of Astrium amounted to € 14.3 billion (year-end 2011: € 14.7 billion).

Cassidian revenues increased slightly to € 2,186 million (H1 2011: € 2,133 million). EBIT* stood stable at € 88 million (H1 2011: € 89 million). Revenues and EBIT* are in line with the previous year's level, as expected. The decrease in self-funded R&D was offset by continuing investments in globalisation and transformation.

Following the successful completion of the complex METEOR development guided firing programme, MBDA is on track to complete qualification and make first production deliveries by year-end.

Cassidian extended its portfolio with the finalisation of strategic alliances. The agreement with Rheinmetall on UAS (Unmanned Aerial Systems) activities has been completed. This new entity will continue to support the German armed forces in Afghanistan by providing unmanned airborne reconnaissance services. The Division also signed a purchase agreement for 75.1 percent of shares in the Carl Zeiss Optronics business, which enables Cassidian to develop a future-oriented "sensor house". The 2011 combined revenues of both acquired businesses are around € 230 million and encompass a workforce of approximately 940.

Cassidian generated a significant order intake, which at € 2.8 billion for the first six months was above last year's level (H1 2011: € 1.8 billion), despite on-going macro-economic volatility and flat defence budgets.

The order activity was mainly driven by Eurofighter, missiles export and a contract within the Alliance Ground Surveillance (AGS) programme. The latter contract, awarded by NATO prime contractor Northrop Grumman, is for the supply of the mobile ground segments for surveillance from high altitude unmanned aerial systems.

Cassidian continues to explore closely export opportunities for Eurofighter in the Middle East and Asia.

At the end of June 2012, the Cassidian order book rose to € 16.3 billion (year-end 2011: € 15.5 billion).

Headquarters and Other Businesses (not belonging to any Division)

Revenues of Other Businesses rose 38 percent to € 721 million (H1 2011: € 524 million), driven by volume increases in EADS North America and ATR.

EBIT* of Other Businesses improved to € 13 million (H1 2011: € 12 million) due to profitability improvements at Sogerma. The H1 2011 EBIT* included a € 10 million gain from the divestiture of Defense Security and System Solutions – DS3 – in EADS North America.

ATR received 11 firm orders in the first half (H1 2011: 84) and delivered 22 aircraft (H1 2011: 17). The ATR backlog stood at 213 aircraft. In the second quarter, ATR celebrated the delivery of its 1,000th aircraft, an ATR 72-600 to Spanish airline Air Nostrum. Furthermore, the ATR 42-600 obtained certification from the European Aviation Safety Agency (EASA). This turboprop 50-seater aircraft will make ATR the only manufacturer in this market.

At EADS North America, the US Army's fleet of 219 UH-72A Lakota helicopters completed the 100,000 flight hour milestone in May, underscoring the programme's continued success.

At the end of June 2012, the order book of Other Businesses stood at € 2.8 billion (year-end 2011: € 3.0 billion).

* EADS uses **EBIT pre-goodwill impairment and exceptionals** as a key indicator of its economic performance. The term "exceptionals" refers to such items as depreciation expenses of fair value adjustments relating to the EADS merger, the Airbus Combination and the formation of MBDA, as well as impairment charges thereon.

EADS is a global leader in aerospace, defence and related services. In 2011, the Group – comprising Airbus, Astrium, Cassidian and Eurocopter – generated revenues of € 49.1 billion and employed a workforce of over 133,000.

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Note to editors:

Live-Transmission EADS Analysts Conference Call on the Internet

You may listen to the **Analysts Conference Call** today at 10:00 a.m. CET with Chief Executive Officer Tom Enders and Chief Financial Officer Harald Wilhelm on the EADS website www.eads.com.

Please click on the front page banner. A recording of the call will be available later on.

EADS – Half-Year (H1) Results 2012
(Amounts in euro)

EADS Group	H1 2012	H1 2011	Change
Revenues, in millions	**24,934**	21,936	+14%
thereof defence, in millions	**4,837**	4,924	-2%
EBITDA (1), in millions	**1,972**	1,344	+47%
EBIT (2), in millions	**1,078**	563	+91%
Research & Development expenses, in millions	**1,425**	1,409	+1%
Net Income (3), in millions	**594**	109	+445%
Earnings Per Share (EPS) (3)	**0.73**	0.13	+0.60 €
Free Cash Flow (FCF), in millions	**-1,751**	-184	-
Free Cash Flow before Customer Financing, in millions	**-1,671**	-286	-
Order Intake (5), in millions	**28,248**	58,099	-51%

EADS Group	30 June 2012	31 Dec 2011	Change
Order Book (5), in millions	**551,711**	540,978	+2%
thereof defence, in millions	**51,909**	52,775	-2%
Net Cash position, in millions	**9,705**	11,681	-17%
Employees	**135,634**	133,115	+2%

For footnotes please refer to page 13.

by Division	Revenues			EBIT [2]		
(Amounts in millions of Euro)	**H1 2012**	H1 2011	Change	**H1 2012**	H1 2011	Change
Airbus Division [6]	**17,246**	15,312	+13%	**553**	202	+174%
Airbus Commercial	**16,585**	14,464	+15%	**548**	223	+146%
Airbus Military	**843**	1,112	-24%	**2**	3	-33%
Eurocopter	**2,771**	2,171	+28%	**199**	94	+112%
Astrium	**2,661**	2,347	+13%	**130**	103	+26%
Cassidian	**2,186**	2,133	+2%	**88**	89	-1%
Headquarters / Consolidation	**-651**	-551	-	**95**	63	-
Other Businesses	**721**	524	+38%	**13**	12	+8%
Total	**24,934**	21,936	+14%	**1,078**	563	+91%

by Division	Order Intake [5]			Order Book [5]		
(Amounts in millions of Euro)	**H1 2012**	H1 2011	Change	**30 June 2012**	31 Dec 2011	Change
Airbus Division [6]	**20,955**	52,394	-60%	**506,120**	495,513	+2%
Airbus Commercial	**19,782**	52,086	-62%	**485,682**	475,477	+2%
Airbus Military	**1,271**	319	+298%	**21,661**	21,315	+2%
Eurocopter	**2,448**	1,736	+41%	**13,491**	13,814	-2%
Astrium	**2,198**	1,701	+29%	**14,317**	14,666	-2%
Cassidian	**2,766**	1,825	+52%	**16,326**	15,469	+6%
Headquarters/ Consolidation	**-576**	-545	-	**-1,360**	-1,467	-
Other Businesses	**457**	988	-54%	**2,817**	2,983	-6%
Total	**28,248**	58,099	-51%	**551,711**	540,978	+2%

For footnotes please refer to page 13.

EADS – Second Quarter Results (Q2) 2012

EADS Group	**Q2 2012**	Q2 2011	Change
Revenues, in millions	**13,530**	12,082	+12%
EBIT (2), in millions	**735**	371	+98%
Net Income (3), in millions	**461**	121	+281%
Earnings Per Share (EPS) (3)	**0.56**	0.15	+0.41 €

by Division	**Revenues**			**EBIT** (2)		
(Amounts in millions of Euro)	**Q2 2012**	Q2 2011	Change	**Q2 2012**	Q2 2011	Change
Airbus Division (6)	**9,337**	8,299	+13%	**370**	87	+325%
Airbus Commercial	**9,086**	7,757	+17%	**402**	98	+310%
Airbus Military	**418**	678	-38%	**-9**	2	-
Eurocopter	**1,572**	1,348	+17%	**134**	63	+113%
Astrium	**1,336**	1,176	+14%	**65**	51	+27%
Cassidian	**1,261**	1,255	0%	**80**	81	-1%
Headquarters/ Consolidation	**-336**	-274	-	**67**	74	-
Other Businesses	**360**	278	+29%	**19**	15	+27%
Total	**13,530**	12,082	+12%	**735**	371	+98%

Q2 2012 revenues increased 12 percent compared to Q2 2011, driven mainly by higher volume and a favourable foreign exchange impact at Airbus Commercial as well as the integration of Vector Aerospace in Eurocopter and Vizada in Astrium.

Q2 EBIT* improved 98 percent to € 735 million, mainly driven by Airbus Commercial and Eurocopter.

At Airbus Commercial, strong underlying performance and lower R&D more than compensated programme charges for the A350 XWB and the A380.

At Eurocopter, the Q2 2011 included a negative charge of € 60 million. This year, Eurocopter benefited from a favourable mix on commercial deliveries and support activities.

For footnotes please refer to page 13.

Footnotes:

1) Earnings before interest, taxes, depreciation, amortisation and exceptionals.
2) Earnings before interest and taxes, pre goodwill impairment and exceptionals.
3) EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity owners of the parent as defined by IFRS Rules.
4) Net Income before one-off is the Net Income stripped of the EBIT* one-offs. It excludes other financial result (except the unwinding of discount on provisions) and all tax effects on the mentioned items. Net Income* before one-off is the Net Income before one-off pre-goodwill and exceptionals net of tax. Accordingly, EPS* before one-off is EPS based on Net Income* before one-off.
5) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.
6) The reportable Segments Airbus Commercial and Airbus Military form the Airbus Division. Eliminations are treated at the Division level.