Press Release

**Strong Commercial Momentum: EADS Reports Half-Year Results 2011**

- Order intake up 89 percent to € 58.1 billion
- Key success: American Airlines endorses A320 and A320neo families
- Revenues up 8 percent: € 21.9 billion
- EBIT* before one-off: € 720 million
- Free Cash Flow before acquisition of Vector Aerospace of around € 250 million
- Net Income: € 109 million

Leiden, 29 July 2011 – EADS (stock exchange symbol: EAD) publishes solid results for the half year 2011 in an environment of continuing strong commercial momentum. In the first six months of 2011, the order intake[4] amounted to € 58.1 billion. EADS' order book of more than € 453 billion remains a solid platform for future deliveries. Revenues amounted to € 21.9 billion. The EBIT* before one-off of around € 720 million benefited from good underlying performance, especially at Airbus Commercial. The reported EBIT* amounted to € 563 million. Net Cash stood at € 11.0 billion. Large programme developments, budget pressure in institutional markets, helicopters and defence as well as currency volatility are being monitored.

"Our results for the first half of 2011 mirror the strong demand in the commercial aviation sector. In terms of orders, Paris Air Show was record-breaking for us, particularly thanks to the A320neo. The recent historic order by American Airlines adds to this remarkable success story as the strong commercial momentum continues beyond Le Bourget. Meanwhile, we have extended our services portfolio and global footing by closing the acquisition of Vector Aerospace and launching an offer to acquire Satair A/S in Denmark", said Louis Gallois, CEO of EADS. "Clearly, our large programme developments deserve our utmost management attention, especially the A350 XWB."

In the first six months, EADS' **revenues** increased 8 percent to € 21.9 billion (H1 2010: € 20.3 billion). This growth is mainly driven by volume effects at

Airbus Commercial and Astrium. Deliveries remained at a high level with 258 aircraft at Airbus Commercial, 205 helicopters at Eurocopter and the 44th consecutive successful Ariane 5 launch. In the first six months, Airbus Military recorded revenues for the A400M programme of € 412 million.

**EBIT* before one-off (adjusted EBIT*)** – 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 € 720 million (H1 2010: around € 640 million) for EADS and at around € 310 million for Airbus (H1 2010: around € 260 million). It benefited from good underlying performance in Airbus legacy programmes and at Eurocopter. It also included an unchanged A380 impact compared to last year.

EADS' **reported EBIT*** stood at € 563 million (H1 2010: € 406 million).

**Net Income** amounted to € 109 million (H1 2010: € 185 million), or earnings per share of € 0.13 (earnings per share H1 2010: € 0.23). It benefited from the good EBIT* performance but was dragged down by accounting revaluations on foreign exchange. The finance result amounts to € -366 million (H1 2010: € -109 million). The interest result of € -97 million (H1 2010: € -114 million) improved thanks to a better average cash balance. Meanwhile, the other financial result deteriorated considerably to € -269 million (H1 2010: € 5 million). The main change comes from the negative revaluation of US dollar and GBP cash assets due to the deterioration of the closing spot rate at the end of June compared to the end of December 2010. On the other hand, the net change in fair value of cash-flow hedges had a positive impact of € 2.3 billion on EADS equity.

**Self-financed Research & Development (R&D)** expenses increased to € 1,409 million (H1 2010: € 1,301 million), driven mainly by development on the A350 XWB at Airbus.

**Free Cash Flow** before customer financing improved to € -286 million (H1 2010: € -470 million), thanks to better operational performance despite unfavourable phasing at Eurocopter and Cassidian. The improvement is driven by the working capital. A higher level of customer advances received, particularly at Airbus and improved working capital management is partially reduced by a ramp-up in inventories, particularly at Airbus and Astrium. The level of capital expenditure is in line with the 2010 level. Customer financing generated cash of around € 100 million in the first six months as the lessor and banking market appetite continues to be active. Free Cash Flow after customer financing stood at € -184 million (H1 2010: € -737 million). Before the acquisition of Vector Aerospace, Free Cash Flow is positive at around € 250 million.

EADS' **Net Cash position** amounted to € 11.0 billion (year-end 2010: € 11.9 billion), remaining a solid foundation for the Group's operational needs as well as future growth. It also reflects a cash contribution to pension assets of

€ 300 million and a cash purchase of minority shares in Dornier/ DADC. EADS purchased these minority shares from Daimler AG.

The Group's **order intake**(4) of € 58.1 billion (H1 2010: € 30.8 billion) primarily benefited from an environment of continued strong passenger traffic combined with the strength of EADS' enhanced product portfolio. By the end of June 2011, EADS' **order book**(4) stood at € 453.8 billion (year-end 2010: € 448.5 billion), providing a solid platform for future growth. The Airbus Commercial backlog has been reduced by a negative revaluation impact of around € 28 billion due to the deterioration of the US dollar closing spot rate since the year-end 2010. The defence order book stood at € 55.6 billion (year-end 2010: € 58.3 billion).

At the end of June 2011, EADS' workforce consisted of 123,975 **employees** (year-end 2010: 121,691).

**Outlook**

EADS confirms or improves the various components of its 2011 guidance based on an assumption of € 1 = $ 1.35 for the year-end closing spot rate. In 2011, Airbus should deliver 520 to 530 commercial aircraft. Thanks to the ongoing commercial momentum, Airbus now expects its gross orders to be above 1,000. EADS' 2011 revenues should be above the 2010 revenues.

EADS still expects 2011 EBIT* before one-off to remain stable compared to the 2010 level, at around € 1.3 billion. H2 EBIT* before one-off at Airbus will be clearly positive but lower than in H1 due to higher R&D expenses and a less favourable mix.

Going forward, reported EBIT* and Earnings Per Share (EPS) performance of EADS will be dependent on the Group's ability to execute on the A400M, A380 and A350 XWB programmes, in line with the commitments made to its customers.

Reported EBIT* and EPS also depend on exchange rate fluctuations. At € 1 = $ 1.35, EADS expects 2011 EPS to be above the 2010 level of € 0.68; it may be below the 2010 level at € 1 = $ 1.45.

EADS is increasing its Free Cash Flow guidance. Free Cash Flow is now expected to be around € 1 billion before any investment for acquisitions.

In 2012, the Group expects a significant improvement in its EBIT* before one-off thanks to higher volume, better pricing and improvement of A380 performance at Airbus.

**EADS Divisions: Strong Commercial Momentum, Slow Recovery in Helicopters, Usual Seasonality Pattern on Institutional Business**

**Airbus** consolidated revenues of € 15,312 million show an increase of 11 percent compared to the same period last year (H1 2010: € 13,853 million). The Airbus consolidated EBIT* improved to € 202 million (H1 2010: € 104 million).

Airbus Commercial revenues amounted to € 14,464 million (H1 2010: € 12,965 million). Deliveries of 258 commercial aircraft (H1 2010: 250 aircraft, of which 5 Single Aisle aircraft without revenue recognition) included ten A380. Compared to one year ago, Airbus Commercial revenues benefited from favourable volume and pricing effects. Airbus Commercial reported EBIT* decreased to € 223 million (H1 2010: € 241 million). In comparison to one year ago, the Airbus Commercial EBIT* before one-off of around € 330 million (H1 2010: around € 270 million) benefited from favourable volume and pricing net of escalation. The improvement year-on-year is partially reduced by a hedge rate deterioration of around € 160 million and higher R&D expenses, particularly on the A350 XWB.

Airbus Military revenues increased 10 percent to € 1,112 million (H1 2010: € 1,007 million), driven by higher A400M revenue recognition this year. Airbus Military EBIT* improved to € 3 million (H1 2010: € -161 million). In the first half of 2010, results had been impacted by a negative foreign exchange impact linked to the revaluation of the A400M loss making contract provision as well as some under recovery of fixed costs.

Until the end of June 2011, Airbus Commercial booked 777 gross orders. In the same period, 137 cancellations were registered bringing total net orders to 640 aircraft. Airbus achieved a new record at the Paris Air Show 2011 with orders and commitments for 730 commercial aircraft. Of these, 667 were for the A320neo (new engine option), making it the fastest selling airliner ever with more than 1,000 aircraft sold since its launch in December 2010. Furthermore, American Airlines has since endorsed both the A320 and A320neo families with its latest, record commercial aircraft order.

Airbus is advancing on the A350 XWB programme. Manufacturing and pre-assembly of the A350-900 is ongoing. The Entry-into-Service (EIS) is still targeted for the end of 2013, which remains a challenging time schedule.

Following customer feedback, Airbus and Rolls Royce are now jointly developing an enhanced A350-1000 with more powerful Trent XWB engines. EIS is set for mid-2017. At the same time, as more A350-800 customers are migrating towards the bigger -900 version, the EIS for the -800 is consequently adjusted to mid-2016, allowing a clear focus on the two bigger models as per market demand.

In the first six months, Airbus Military delivered five medium and light aircraft as well as the first two A330 Multi-Role Tanker Transport aircraft to the Royal Australian Air Force. The A400M programme continues its flight test programme and had accumulated more than 1,800 flight hours by the end of June. The recent engine incidents are under investigation.

As of 30 June 2011, Airbus' consolidated order book was valued at € 407.1 billion (year-end 2010: € 400.4 billion). The Airbus Commercial backlog amounted to € 386.1 billion (year-end 2010: € 378.9 billion) which comprises 3,934 units representing around seven years of full production (year-end 2010: 3,552 aircraft). It was reduced by a negative revaluation impact of around € 28 billion due to the deterioration of the US dollar closing spot rate since the year-end 2010. Airbus Military recorded one new order for a CN235, bringing the order book to 235 aircraft. The order book of Airbus Military stood roughly stable at € 22.1 billion (year-end 2010: € 22.8 billion).

In the first half year of 2011, revenues at **Eurocopter** amounted to € 2,171 million (H1 2010: € 2,109 million). Deliveries totalled 205 helicopters (H1 2010: 249 helicopters). The Division's EBIT* increased by 32 percent to € 94 million (H1 2010: € 71 million). The increase in revenues and EBIT* results from a favourable mix effect in commercial deliveries and support activities. In the second quarter, a net charge of 60 million euros (Q2 2010: € 70 million) was booked relating to a cost at completion review on the NH90 as well as a charge linked to the SHAPE transformation programme.

Two important milestones were achieved in the second quarter to increase Eurocopter's global footprint. The acquisition of Canada-based Vector Aerospace Corporation for around € 460 million was completed on 30 June. In line with the Group's Vision 2020 strategy, this acquisition will support the growth of Support and Services activities in both civil and governmental markets as well as increase EADS' presence in North America and the United Kingdom. In addition, a cooperation and distribution agreement between Eurocopter and Kazakhstan was signed to formalise the industrial and commercial scope for assembly and customisation of EC145 helicopters.

A contract to upgrade 12 German Armed Forces NH90 Tactical Transport Helicopters for quick-change medical transport missions was booked in the second quarter and the NH90 naval version's initial delivery to Italy was accomplished, making it the third NATO Frigate Helicopter operator.

In the first six months, the net order trend has improved with 192 helicopters compared to 140 net orders one year ago. The light helicopter and US markets are now in recovery. Eurocopter's order book slightly decreased to € 14.1 billion (year-end 2010: € 14.6 billion) with 1,109 helicopters (year-end 2010: 1,122 helicopters).

**Astrium** revenues in the first six months of 2011 increased 11 percent to € 2,347 million (H1 2010: € 2,110 million) due to higher activity in launchers and satellites despite lower volume in services. EBIT* slightly decreased to € 103 million (H1 2010: € 106 million), as the higher volume and productivity in launchers and satellites was more than offset by lower services activity.

During the second quarter, Ariane 5 recorded its 44th consecutive successful launch, taking more than ten tonnes into geostationary orbit for the first time. Astrium continues to work on its transformation programme, AGILE, to increase efficiency. The implementation will trigger some non-recurring costs and higher R&D in the second half.

Order intake reached € 1.7 billion for the half year (H1 2010: € 2.7 billion). Second quarter orders included a telecommunication satellite for the Malaysian operator MEASAT. In earth observation, Astrium has been selected as prime contractor for the Sentinel 4 optical satellite as part of the GMES programme to provide information on atmospheric variables. In addition, Astrium was also awarded the prime contractorship for the Galileo Full Operational Capability Ground Control Segment (GCS), which covers the provision of GCS facilities for the operation of Europe's global navigation satellite system. At the end of June 2011, the order book of Astrium amounted to € 15.0 billion (year-end 2010: € 15.8 billion).

**Cassidian** generated revenues of € 2,133 million in the first six months (H1 2010: € 2,183 million). EBIT* decreased to € 89 million (H1 2010: € 110 million). Cassidian is feeling the first pressure from a changing business environment. Revenues and EBIT* in the first half year reflect a changing business mix. The revenue and EBIT* trend is in line with expectations. R&D expenses are mainly focused on Unmanned Aerial Systems (UAS) and Secure Communications.

Preparations of the transformation programme are well underway and on track to become effective in the second half year with related non-recurring costs. A new organisation should be announced shortly.

Continuously underlining its commitment to the European Talarion next-generation Unmanned Aerial System (UAS), Cassidian signed an agreement with Turkish Aerospace Industries to establish close cooperation in the programme. The French Defence Procurement Agency (DGA) has confirmed additional orders for the DRAC system for the French Army. In the second quarter, MBDA recorded the first submarine launch of the SCALP Naval cruise missile, which was carried out by the DGA.

The order intake stood stable at € 1.8 billion (H1 2010: € 1.9 billion). The Division's order book, at the end of June 2011, remained solid at € 16.5 billion (year-end 2010: € 16.9 billion).

**Headquarters and Other Businesses (not belonging to any Division)**

Revenues of Other Businesses amounted to € 524 million (H1 2010: € 554 million) as higher activity at Sogerma was more than offset by lower deliveries at ATR which are back-loaded this year. EBIT* of Other Businesses reached € 12 million (H1 2010: € 0 million), including a gain from disposal in EADS North America.

ATR enjoyed a historic Paris Air Show with the announcement of 60 new orders and 37 options, confirming the success of the upgraded product range, particularly in a high oil price and eco-sensitive environment. The latest commercial achievements bring total firm orders to 84 aircraft in the first half (H1 2010: 11 aircraft orders). The backlog stands at 226 aircraft. In the first six months, ATR delivered 17 aircraft (H1 2010: 27 aircraft). In May, EADS North America delivered the first of six UH-72A Lakota helicopters to the South Dakota Army National Guard. Through the end of June, EADS North America had delivered 175 Lakota helicopters to the US Army, National Guard and Navy.

Until the end of June 2011, the order book of Other Businesses increased 13 percent to € 2.8 billion (year-end 2010: € 2.5 billion).

The improvement in EADS' Headquarters EBIT* includes some favourable cost phasing that will reverse in the second half.

* 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 2010, the Group – comprising Airbus, Astrium, Cassidian and Eurocopter – generated revenues of € 45.8 billion and employed a workforce of nearly 122,000.

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A **dossier** on EADS' financial results is available at www.eads.com/press-dossiers-financials.

Further information on EADS – photo, video, sound bites, background documents – is available at www.eads.com/press and www.eads.com/broadcast-room.

**Note to editors:**

**Live-Transmission EADS Analysts Conference Call on the Internet**

You may listen to the **Analysts Conference Call** today at 11:00 a.m. CET with Chief Executive Officer Louis Gallois and Chief Financial Officer Hans Peter Ring 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 – H1 2011 Results (reviewed)**
(Amounts in euro)

| EADS Group | H1 2011 | H1 2010 | Change |
|---|---|---|---|
| **Revenues**, in millions | **21,936** | 20,308 | +8% |
| thereof defence, in millions | **4,924** | 5,120 | -4% |
| **EBITDA** [(1)], in millions | **1,344** | 1,148 | +17% |
| **EBIT** [(2)], in millions | **563** | 406 | +39% |
| **Research & Development expenses**, in millions | **1,409** | 1,301 | +8% |
| **Net Income** [(3)], in millions | **109** | 185 | -41% |
| **Earnings Per Share (EPS)** [(3)] | **0.13** | 0.23 | -0.10€ |
| **Free Cash Flow (FCF)**, in millions | **-184** | -737 | - |
| **Free Cash Flow before Customer Financing**, in millions | **-286** | -470 | - |
| **Order Intake** [(4)], in millions | **58,099** | 30,768 | +89% |

| EADS Group | 30 June 2011 | 31 Dec 2010 | Change |
|---|---|---|---|
| **Order Book** [(4)], in millions | **453,834** | 448,493 | +1% |
| thereof defence, in millions | **55,579** | 58,257 | -5% |
| **Net Cash position**, in millions | **11,040** | 11,918 | -7% |
| **Employees** | **123,975** | 121,691 | +2% |

For footnotes please refer to page 11.

| by Division | Revenues | | | EBIT [2] | | |
|---|---|---|---|---|---|---|
| (Amounts in millions of Euro) | **H1 2011** | H1 2010 | Change | **H1 2011** | H1 2010 | Change |
| Airbus Division [5] | **15,312** | 13,853 | +11% | **202** | 104 | +94% |
| Airbus Commercial | **14,464** | 12,965 | +12% | **223** | 241 | -7% |
| Airbus Military | **1,112** | 1,007 | +10% | **3** | -161 | - |
| Eurocopter | **2,171** | 2,109 | +3% | **94** | 71 | +32% |
| Astrium | **2,347** | 2,110 | +11% | **103** | 106 | -3% |
| Cassidian | **2,133** | 2,183 | -2% | **89** | 110 | -19% |
| Headquarters / Consolidations | **-551** | -501 | - | **63** | 15 | - |
| Other Businesses | **524** | 554 | -5% | **12** | 0 | - |
| **Total** | **21,936** | 20,308 | +8% | **563** | 406 | +39% |

| by Division | Order Intake [4] | | | Order Book [4] | | |
|---|---|---|---|---|---|---|
| (Amounts in millions of Euro) | **H1 2011** | H1 2010 | Change | **30 June 2011** | 31 Dec 2010 | Change |
| Airbus Division [5] | **52,394** | 24,542 | +113% | **407,094** | 400,400 | +2% |
| Airbus Commercial | **52,086** | 24,302 | +114% | **386,101** | 378,907 | +2% |
| Airbus Military | **319** | 285 | +12% | **22,061** | 22,819 | -3% |
| Eurocopter | **1,736** | 1,785 | -3% | **14,116** | 14,550 | -3% |
| Astrium | **1,701** | 2,667 | -36% | **14,967** | 15,760 | -5% |
| Cassidian | **1,825** | 1,856 | -2% | **16,457** | 16,903 | -3% |
| Headquarters / Consolidations | **-545** | -454 | - | **-1,640** | -1,639 | - |
| Other Businesses | **988** | 372 | +166% | **2,840** | 2,519 | +13% |
| **Total** | **58,099** | 30,768 | +89% | **453,834** | 448,493 | +1% |

For footnotes please refer to page 11.

**EADS – Second Quarter Results (Q2) 2011**
(Amounts in euro)

| EADS Group | Q2 2011 | Q2 2010 | Change |
|---|---|---|---|
| **Revenues**, in millions | **12,082** | 11,358 | +6% |
| **EBIT** (2), in millions | **371** | 323 | +15% |
| **Net Income** (3), in millions | **121** | 82 | +48% |
| **Earnings Per Share (EPS)** (3) | **0.15** | 0.10 | 0.05€ |

| by Division | Revenues | | | EBIT (2) | | |
|---|---|---|---|---|---|---|
| (Amounts in millions of Euro) | **Q2 2011** | Q2 2010 | Change | **Q2 2011** | Q2 2010 | Change |
| Airbus Division (5) | **8,299** | 7,589 | +9% | **87** | 97 | -10% |
| Airbus Commercial | **7,757** | 6,976 | +11% | **98** | 235 | -58% |
| Airbus Military | **678** | 623 | +9% | **2** | -162 | - |
| Eurocopter | **1,348** | 1,311 | +3% | **63** | 45 | +40% |
| Astrium | **1,176** | 1,186 | -1% | **51** | 65 | -22% |
| Cassidian | **1,255** | 1,255 | 0% | **81** | 89 | -9% |
| Headquarters / Consolidations | **-274** | -291 | - | **74** | 26 | - |
| Other Businesses | **278** | 308 | -10% | **15** | 1 | +1,400% |
| **Total** | **12,082** | 11,358 | +6% | **371** | 323 | +15% |

For footnotes please refer to page 11.

**Q2 2011 revenues** increased 6 percent compared to Q2 2010 driven by higher deliveries at Airbus Commercial.

**Q2 2011 EBIT*** improved 15 percent to € 371 million. Q2 EBIT* at Airbus Commercial was weighed down by more net negative one-off items compared to Q2 2010. Airbus Commercial EBIT* before one-off was weighed down by the hedge rate deterioration and higher R&D, partly offset by operational improvement. Airbus Military EBIT* improved to € 2 million in Q2 2011. Q2 2010 results had been impacted by a negative foreign exchange impact linked to the revaluation of the A400M loss making contract provision as well as some under-recovery of fixed costs.

Eurocopter benefited from favourable mix; Astrium earnings were weighed down by lower services activities.

Q2 Headquarters EBIT* included favourable phasing which will reverse later in the year.

## 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) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.
5) Following integration of former Military Transport Aircraft Division into Airbus Division, Airbus is reporting in two segments: Airbus Commercial and Airbus Military. The Airbus Commercial perimeter includes EFW and aerostructures but excludes the A400M activity. Airbus Military includes the former Military Transport Aircraft Division as well as all A400M activity. Eliminations are treated at the Division level.

**Safe Harbour Statement:**

Certain statements contained in this press release 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 EADS' 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 press release, words such as "anticipate", "believe", "estimate", "expect", "may", "intend", "plan to" and "project" are intended to identify forward-looking statements.

This forward looking information is based upon a number of assumptions including without limitation: assumption regarding demand, current and future markets for EADS' products and services, internal performance, customer financing, customer, supplier and subcontractor performance or contracts 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, North America and Asia, legal, financial and governmental risk related to international transactions, the cyclical nature of some of EADS' 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 "registration document" dated 19 April 2011. For more information, please refer to www.eads.com.