First quarter 2008 Report

Unaudited Condensed Consolidated Financial Information of EADS N.V. for the three-month period ended March 31, 2008

Unaudited Condensed IFRS Consolidated Income Statements

	January 1 - March 31, 2008		January 1 - March 31, 2007		Deviation	
	M €	%	M €	%	M €	%
Revenues	9,853	100	8,934	100	919	10
Cost of sales	-8,145	-83	-7,825	-88	-320	4
Gross margin	**1,708**	**17**	**1,109**	**12**	**599**	**54**
Selling, administrative & other expenses	-485	-5	-619	-7	134	-22
Research and development expenses	-534	-5	-549	-6	15	-3
Other income	25	0	44	1	-19	-43
Share of profit from associates under the equity method and other income from investments	44	1	91	1	-47	-52
Profit before finance costs and income taxes	**758**	**8**	**76**	**1**	**682**	**897**
Interest income	147	1	102	1	45	44
Interest expenses	-154	-2	-135	-1	-19	14
Other financial result	-333	-3	-69	-1	-264	383
Total finance costs	**-340**	**-4**	**-102**	**-1**	**-238**	**233**
Income taxes	-125	-1	17	0	-142	-835
Profit (loss) for the period	**293**	**3**	**-9**	**0**	**302**	**-3,356**
Attributable to:						
Equity holders of the parent **(Net income (loss))**	**285**	**3**	**-10**	**0**	**295**	**-2,950**
Minority interests	8	0	1	0	7	700

Earnings per share	€	€	€
Basic and diluted	0.35	-0.01	0.36

Note: For retrospective adjustments concerning the first quarter 2007 please refer to Note 3 “Changes in the consolidation perimeter of EADS”.

Unaudited Condensed IFRS Consolidated Balance Sheets

	March 31, 2008		December 31, 2007		Deviation	
	M €	%	M €	%	M €	%
Non-current assets						
Intangible assets	10,781	14	10,832	14	-51	0
Property, Plant and Equipment	12,821	17	13,489	18	-668	-5
Investments in associates under the equity method	2,282	3	2,238	3	44	2
Other investments and other long-term financial assets	1,508	2	1,553	2	-45	-3
Non-current other assets	4,155	5	3,543	5	612	17
Deferred tax assets	2,838	4	2,705	4	133	5
Non-current securities	2,662	3	2,691	3	-29	-1
	37,047	48	37,051	49	-4	0
Current assets						
Inventories	19,310	25	18,906	25	404	2
Trade receivables	4,239	6	4,639	6	-400	-9
Other current assets	5,824	8	5,713	8	111	2
Current securities	3,548	5	1,598	2	1,950	122
Cash and cash equivalents	6,400	8	7,549	10	-1,149	-15
	39,321	52	38,405	51	916	2
Total assets	**76,368**	**100**	**75,456**	**100**	**912**	**1**
Total equity						
Equity attributable to equity holders of the parent						
Capital Stock	814	1	814	1	0	0
Reserves	7,698	10	7,406	9	292	4
Accumulated other comprehensive income	5,552	7	5,076	7	476	9
Treasury shares	-180	0	-206	0	26	-13
	13,884	18	13,090	17	794	6
Minority interests	93	0	85	0	8	9
	13,977	18	13,175	17	802	6
Non-current liabilities						
Non-current provisions	8,201	11	8,055	11	146	2
Long-term financing liabilities	2,975	4	3,090	4	-115	-4
Deferred tax liabilities	2,706	4	2,188	3	518	24
Other non-current liabilities	14,796	19	14,880	20	-84	-1
	28,678	38	28,213	38	465	2
Current liabilities						
Current provisions	4,155	5	4,378	6	-223	-5
Short-term financing liabilities	1,303	2	1,724	2	-421	-24
Trade liabilities	6,721	9	7,398	10	-677	-9
Current tax liabilities	236	0	179	0	57	32
Other current liabilities	21,298	28	20,389	27	909	4
	33,713	44	34,068	45	-355	-1
Total liabilities	62,391	82	62,281	83	110	0
Total equity and liabilities	**76,368**	**100**	**75,456**	**100**	**912**	**1**

Unaudited Condensed IFRS Consolidated Cash Flow Statements

	January 1 - March 31, 2008	January 1 - March 31, 2007
	M €	M €
Profit (loss) for the period attributable to equity holders of the parent **(Net income (loss))**	**285**	**-10**
Profit attributable to minority interests	8	1
Adjustments to reconcile profit (loss) for the period (net income (loss)) to cash provided by (used for) operating activities		
Depreciation and amortization	420	447
Valuation adjustments	518	102
Deferred tax expense (income)	107	-42
Change in income tax assets, income tax liabilities and provisions for actual income tax	11	-57
Results of disposal of non-current assets	-13	-86
Results of companies accounted for by the equity method	-43	-48
Change in current and non-current provisions	22	839
Change in other operating assets and liabilities	81	-1,611
Cash provided by used for operating activities	**1,396**	**-465**
- Purchase of intangible assets, PPE	-326	-500
- Proceeds from disposals of intangible assets, PPE	0	36
- Proceeds from disposals of subsidiaries (net of cash)	0	30
- Payments for investments in associates and other investments and long-term financial assets	-63	-203
- Proceeds from disposals of associates and other investments and long-term financial assets	21	150
- Proceeds from disposals of leased assets	45	32
- Increase in finance lease receivables	0	-6
- Decrease in finance lease receivables	43	77
Disposals of non-current assets / disposal groups classified as held for sale and liabilities directly associated with non-current assets classified as held for sale	0	27
Change of securities	-1,918	70
Cash used for investing activities	**-2,198**	**-287**
Change in long-term and short-term financing liabilities	-331	-373
Capital increase	0	5
Disposal of treasury shares	26	8
Cash used for financing activities	**-305**	**-360**
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	-42	-4
Net decrease in cash and cash equivalents	**-1,149**	**-1,116**
Cash and cash equivalents at beginning of period	**7,549**	**7,900**
Cash and cash equivalents at end of period	**6,400**	**6,784**

Note: For retrospective adjustments concerning the first quarter 2007 please refer to Note 3 “Changes in the consolidation perimeter of EADS”.

As of March 31, 2008, EADS’ cash position (stated as cash and cash equivalents in the unaudited consolidated cash flow statements) includes 590 M € (602 M € as of December 31, 2007), which represent EADS’ share in MBDA’s cash and cash equivalents deposited at other shareholders. These funds are available for EADS upon demand.

Unaudited Condensed IFRS Consolidated Statements of Recognised Income and Expense

in M €	January 1 - March 31, 2008	January 1 - March 31, 2007
Currency translation adjustments for foreign operations	-68	-29
Changes in fair value of cash flow hedges	826	-431
Change in fair value of available-for-sale financial assets	-25	-45
Changes in actuarial gains and losses	0	-9
Tax on income and expense recognised directly in equity	-256	162
Income and expense recognised directly in equity	477	-352
Profit (loss) for the period	293	-9
Total recognised income and expense of the period	**770**	**-361**
Attributable to:		
Equity holders of the parent	762	-388
Minority interests	8	27
Total recognised income and expense of the period	**770**	**-361**

Note: For retrospective adjustments concerning the first quarter 2007 please refer to Note 3 “Changes in the consolidation perimeter of EADS”.

Additional Information: Unaudited Condensed IFRS Consolidated Reconciliation of Movement in Equity attributable to equity holders of the parent and Minority interests

in M €	Equity attributable to equity holders of the parent	Minority interests	total
Balance at January 1, 2007	**13,015**	**137**	**13,152**
Total recognised income and expense	-388	27	-361
Capital Increase	5	0	5
Sale of treasury shares	8	0	8
Change in minority interests	0	-94	-94
Others	17	0	17
Balance at March 31, 2007	**12,657**	**70**	**12,727**
Balance at January 1, 2008	**13,090**	**85**	**13,175**
Total recognised income and expense	762	8	770
Sale of treasury shares	26	0	26
Others	6	0	6
Balance at March 31, 2008	**13,884**	**93**	**13,977**

Note: For retrospective adjustments concerning the first quarter 2007 please refer to Note 3 “Changes in the consolidation perimeter of EADS”.

Explanatory notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at March 31, 2008

1. The Company

The accompanying Condensed Interim Consolidated Financial Statements (unaudited) present the operations of European Aeronautic Defence and Space Company EADS N.V. and its subsidiaries ("EADS" or the "Group"), a Dutch public limited liability company (Naamloze Vennootschap) legally seated in Amsterdam (Le Carré, Beechavenue 130-132, 1119 PR, Schiphol-Rijk, The Netherlands), and are prepared and reported in Euros ("€"). EADS' core business is the manufacturing of commercial aircraft, civil and military helicopters, commercial space launch vehicles, missiles, military aircraft, satellites, defence systems and defence electronics and rendering of services related to these activities. The Unaudited Condensed IFRS Consolidated Financial Statements for the three-month period ended March 31, 2008 were authorized for issue by EADS' Board of Directors on March 13, 2008.

2. Accounting policies

These Condensed Unaudited Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union (EU). EADS' Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted by the International Accounting Standards Board ("IASB") as endorsed by the EU. They comprise (i) IFRS, (ii) International Accounting Standards ("IAS") and (iii) Interpretations originated by the International Financial Reporting Interpretations Committee ("IFRIC") or former Standards Interpretation Committee ("SIC").

New Interpretations

The following Interpretation has become effective as of January 1, 2008:

IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions" (endorsed June 1, 2007). The application of IFRIC 11 does not have an impact on EADS' Consolidated Financial Statements.

Endorsement by the EU for IFRIC 12 and IFRIC 14 is expected by the end of 2008:

IFRIC 12 "Service Concession Arrangements" (issued November 30, 2006)**.** The application of IFRIC 12 is not expected to have a material impact on EADS' Consolidated Financial Statements.

IFRIC 14 "IAS 19 – The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (issued July 5, 2007). The application of IFRIC 14 is not expected to have an impact on EADS' Consolidated Financial Statements.

The accounting policies used in the preparation of the Condensed Interim Consolidated Financial Statements are consistent with those used for the annual Consolidated Financial Statements for the year ended December 31, 2007, which are disclosed as an integral part of the Group's Annual Report 2007. The annual Consolidated Financial Statements were authorised for issue by EADS' Board of Directors on March 10, 2008.

3. Changes in the consolidation perimeter of EADS

The percentage of the proportionate consolidation of MBDA has changed from 50 % to 37.5 % as of January 1, 2007 reflecting EADS ownership in MBDA. Income statement, cash flow statement, SORIE, reconciliation of movement in equity, segment information and the reconciliation to EBIT pre-goodwill impairment and exceptionals have been adjusted retrospectively for prior period figures published in prior year's condensed quarterly consolidated financial information.

Acquisitions or disposals by the Group that occurred in the first three months of 2008 are not material.

4. Segment information

The Group operates in five divisions (segments) which reflect the internal organizational and management structure according to the nature of the products and services provided.

- *Airbus* — Development, manufacturing, marketing and sale of commercial jet aircraft of more than 100 seats and the development and manufacturing of aircraft for military use.
- *Military Transport Aircraft* — Development, manufacturing, marketing and sale of military transport aircraft and special mission aircraft.
- *Eurocopter* — Development, manufacturing, marketing and sale of civil and military helicopters and maintenance services.
- *Defence & Security* — Development, manufacturing, marketing and sale of missiles systems; military combat and training aircraft; provision of defence electronics, defence-related telecommunications solutions; and logistics, training, testing, engineering and other related services.
- *Astrium* — Development, manufacturing, marketing and sale of satellites, orbital infrastructures and launchers; and provision of space services.

The following table presents information with respect to the Group's business segments. Consolidation effects, the holding function of EADS Headquarters and other activities not allocable to the divisions are disclosed in the column "HQ/ Conso.". "Other Businesses" mainly comprises the development, manufacturing, marketing and sale of regional turboprop aircraft and light commercial aircraft, aircraft components as well as civil and military aircraft conversion and maintenance services.

in M €	Airbus	Military Transport Aircraft	Eurocopter	Defence & Security	Astrium	Other Businesses	HQ/ Conso.	**Consoli-dated**
Three-month period ended March 31, 2008								
Revenues	7,057	636	732	990	751	297	-610	**9,853**
Research and development expenses	-441	-1	-24	-35	-14	-2	-17	**-534**
EBIT pre-goodwill imp. and exceptionals (see definition below)	628	-1	37	33	33	19	20	**769**
Three-month period ended March 31, 2007 *)								
Revenues	6,606	133	671	905	629	311	-321	**8,934**
Research and development expenses	-467	-4	-19	-37	-12	-2	-8	**-549**
EBIT pre-goodwill imp. and exceptionals (see definition below)	-69	-13	33	-5	10	20	112	**88**

*) For change of percentage in proportionate consolidation of MBDA please refer to Note 3 “Changes in the consolidation perimeter of EADS”. Some minor activities have been transferred to “Other Businesses”.

5. EBIT pre-goodwill impairment and exceptionals

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. It also comprises disposal impacts related to goodwill and fair value adjustments from these transactions. EBIT pre-goodwill impairment and exceptionals is treated by management as a key indicator to measure the segments’ economic performances.

A reconciliation from profit before finance costs and income taxes to EBIT pre-goodwill impairment and exceptionals is set forth in the following table (in M €):

in M €	January 1- March 31, 2008	January 1- March 31, 2007
Profit before finance costs and income taxes	**758**	**76**
Goodwill and exceptionals:		
Exceptional depreciation (fixed assets in cost of sales)	11	12
EBIT pre-goodwill impairment and exceptionals	**769**	**88**

Note: For retrospective adjustments concerning the first quarter 2007 please refer to Note 3 “Changes in the consolidation perimeter of EADS”.

6. Significant income statement items

Revenues of 9,853 M € (first quarter 2007 retrospectively changed by -50 M € to 8,934 M €) increase by 10% despite an unfavorable US Dollar impact, supported by a milestone revenue recognition in relation to the A400M program compared to no milestone recognition in the first quarter of 2007. Additionally, Airbus delivers more commercial aircraft (123 units versus 115 in the first quarter 2007) and also EADS Astrium, Defence and Eurocopter report increased volumes.

The **Gross Margin** increases by +599 M € to 1,708 M € compared to 1,109 M € in the retrospectively modified first quarter of 2007. This increase mainly results from Airbus (in particular due to the impact in the first quarter 2007 of accrued Power8 restructuring charges and positive volume effects partly compensated by further A350XWB and A380 charges due to the spot rate deterioration from end of 2007 to end of March 2008). Except for Other Businesses, the divisions also increase gross margins.

Research and development expenses of -534 M € (first quarter 2007: -549 M €) mainly decrease for the Airbus A380-800 partly compensated by an increase for the A350XWB.

Other income decreases by -19 M € to 25 M €. In the first quarter 2007, other income includes among others gains from the sale of land and buildings.

Share of profit from associates under the equity method and other income from investments of 44 M € (first quarter 2007: 91 M €) is mainly influenced by the result of Dassault Aviation of 43 M € (first quarter 2007: 48 M €). The result in the first quarter 2008 of Dassault Aviation Group does not include any IFRS catch-up adjustments (first quarter 2007: +19 M €). Additionally, in the first quarter 2007, the sale of EADS' interest in Embraer resulted in a non-recurring capital gain of 46 M €.

Net **finance costs** amount to -340 M € (first quarter 2007 retrospectively modified: -102 M €) including negative exchange effects and the unwinding of the discounts on A380, A350 and Power8 provisions under IFRS principles.

An **income tax** expense of -125 M € (first quarter 2007: an income tax benefit of +17 M €) results in an effective income tax rate of 30%.

7. Significant balance sheet items

Non-current assets

Intangible assets of 10,781 M € (prior year-end: 10,832 M €) include 9,496 M € (prior year-end: 9,519 M €) of Goodwill. It mainly stems from Airbus (6,374 M €), Defence & Security (2,364 M €), Astrium (566 M €) and Eurocopter (111 M €). The related annual impairment tests, which were performed at the end of the year 2007, did not lead to any impairment charges. Considering the increasing weakness of the USD / € rate during the first three months 2008 an update of the respective sensitivity analysis was performed as at March 31, 2008. The conclusion of this sensitivity analysis, based on the current operating plan assumptions and figures, is that no impairment of the Airbus Goodwill is indicated at the end of the first quarter 2008. The annual Airbus Goodwill impairment test is scheduled to be performed at year-end 2008, based on the then available information. This will take into account, amongst other factors, the then prevailing outlook for USD foreign exchange rates, an updated Airbus operating plan, the Power8 expected achievements as well as impacts from potential further management actions.

Eliminating foreign exchange-rate effects of -295 M €, **property, plant and equipment** decrease by -373 M € to 12,821 M € (prior year-end: 13,489 M €), including leased assets of 1,128 M € (prior year-end: 1,319 M €). Property, plant and equipment comprises "Investment property" amounting to 94 M € (prior year-end: 96 M €).

Investments in associates under the equity method of 2,282 M € (prior year-end: 2,238 M €) increase due to the change in the equity investment in Dassault Aviation, amounting to 2,164 M € (prior year-end: 2,121 M €).

Other investments and other long-term financial assets of 1,508 M € (prior year-end: 1,553 M €) are allocated to Airbus in the amount of 991 M € (prior year-end: 1,013 M €), mainly concerning the non-current portion of aircraft financing activities with a foreign exchange rate effect of -48 M €.

Non-current other assets mainly comprise "Non-current derivative financial instruments" and "Non-current prepaid expenses". The increase by +612 M € to 4,155 M € (prior year-end: 3,543 M €) is mainly caused by the variation of the non-current portion of fair values of derivative financial instruments (+613 M €).

Deferred tax assets of 2,838 M € (prior year-end: 2,705 M €) are presented as non-current assets as required by IAS 1.

The fair values of **derivative financial instruments** are included in non-current other assets with an amount of 3,053 M € (prior year-end: 2,440 M €), in current other assets (3,058 M €, prior year-end: 2,955 M €), in other non-current liabilities (265 M €, prior year-end: 258 M €) and in other current liabilities (149 M €, prior year-end: 36 M €) which corresponds to a total net fair value of 5,697 M € (prior year-end: 5,101 M €). The volume of hedged US dollar-contracts increases from 51.3 billion US dollar as at December 31, 2007 to 53.2 billion US dollar as at March 31, 2008. The US dollar exchange rate became less favourable (USD / € spot rate of 1.58 at March 31, 2008 vs. 1.47 at December 31, 2007). The average US dollar hedge rate for the hedge portfolio of the Group changed from 1.26 as at December 31, 2007 to 1.30 as at March 31, 2008 (US dollar / € rate respectively).

Current assets

Inventories of 19,310 M € (prior year-end: 18,906 M €) increase by +404 M €. This is mainly driven by Eurocopter (+347 M €) due to a ramp-up of commercialized programs (mainly SuperPuma, Dauphin, EC 135 and EC 145) and governmental programs, an increase in unfinished goods and services at Defence & Security (+147 M €) and a higher work in progress at Astrium (+130 M €), boosted by the satellite business. On the other hand, Airbus records a lower level of advance payments paid to suppliers (-139 M €) and decreased unfinished goods and services (-130 M €).

Other current assets include "Current portion of other long-term financial assets", "Current other assets", "Current tax assets" and "Current prepaid expenses". The increase of +111 M € to 5,824 M € (prior year-end: 5,713 M €) comprises among others an increase of +103 M € in positive fair values of derivative financial instruments.

Cash and cash equivalents decrease from 7,549 M € to 6,400 M € (see also note 8 "Significant cash flow items").

Total equity

Equity attributable to equity holders of the parent (including purchased treasury shares) amounts to 13,884 M € (prior year-end: 13,090 M €). The increase is mainly due to income and expense recognised in equity of +762 M €, primarily resulting from positive effects from changes in fair values of derivative financial instruments and the profit for the three-month period.

Minority interests slightly increase to 93 M € (prior year-end: 85 M €) due to the allocation of recognized income and expenses.

Non-current liabilities

Non-current provisions of 8,201 M € (prior year-end: 8,055 M €) comprise the non-current portion of pension provisions with a decrease of -19 M € to 4,363 M € (prior year-end: 4,382 M €).

Moreover, other provisions are included in non-current provisions, which increase by +165 M € to 3,838 M €. A significant part of the increase is dedicated to the provision for the A350XWB due to US dollar deterioration. Other provisions include among others aircraft financing activities with a decrease of -45 M € to 659 M € (thereof foreign exchange effects of -49 M €).

Long-term financing liabilities of 2,975 M € (prior year-end: 3,090 M €), excluding foreign exchange-rate effects of -36 M €, decrease by -79 M € in particular due to Airbus.

Other non-current liabilities comprise “Non-current other liabilities” and “Non-current deferred income” and decrease in total by -84 M € to 14,796 M € (prior year-end: 14,880 M €). They mainly include non-current customer advance payments received of 8,693 M € (prior year-end: 8,420 M €) and the non-current portion of European Government refundable advances amounting to 4,748 M € (prior year-end: 4,854 M €). The main part of non-current deferred income of 540 M € (prior year-end: 753 M €) is linked to deferred revenues of Airbus and ATR according to Residual Value Guarantee clauses. The remaining portfolio, which is included in non-current deferred income, is reversed over the guaranteed period.

Current liabilities

Current provisions decrease by -223 M € to 4,155 M € (prior year-end: 4,378 M €) and comprise the current portions of pensions (286 M €) and other provisions (3,869 M €). The decline mainly reflects a decrease in provisions for loss-at-completion contracts thanks to US dollar deterioration, reflecting consumption and USD exchange rate impacts.

Short-term financing liabilities of 1,303 M € (prior year-end: 1,724 M €), excluding foreign exchange rate effects of -56 M €, decrease by -365 M €.

Trade liabilities decrease by -677 M € to 6,721 M € (prior year-end: 7,398 M €), mainly coming from Airbus (-470 M €) and Astrium (-154 M €).

Other current liabilities include “Current other liabilities” and “Current deferred income”. They increase by +909 M € to 21,298 M € (prior year-end: 20,389 M €). Other current liabilities mainly comprise current customer advance payments of 16,791 M € (prior year-end: 16,214 M €).

8. Significant cash flow items

Cash provided by operating activities increases by +1,861 M € to 1,396 M €. Gross cash flow from operations (excluding working capital change) with 1,315 M € exceeds prior period’s level (first three months 2007: 1,146 M €) as well as changes in other operating assets and liabilities (working capital change) which amount to 81 M € (first three months 2007: -1,611 M €). The improvement mainly results from lower inventories and higher advance payments received.

Cash used for investing activities amounts to -2,198 M € (first three months 2007: -287 M €). This mainly comprises a net purchase of securities of -1,918 M € and purchases of intangible assets and property, plant and equipment of -326 M €, namely in Airbus and Astrium, partly offset by customer financing activities (57 M €), mainly of Airbus.

Cash used for financing activities improves by +55 M € to -305 M € (first three months 2007: -360 M €). The outflow mainly comprises the net repayment of financing liabilities.

9. Number of shares

The total number of shares outstanding is 805,855,052 and 801,577,420 as of March 31, 2008 and 2007, respectively. EADS' shares are exclusively ordinary shares with a par value of 1.00 €.

During the first three months of 2008, the number of treasury shares held by EADS decreased from 9,804,998 as of December 31, 2007 to 8,173,621 as of March 31, 2008.

New shares amounting to 14,200 (in the first three months 2007: 284,210 shares) were issued as a result of the exercise of stock options in compliance with the implemented stock option plans.

10. Earnings per share

Basic earnings per share are calculated by dividing profit (loss) for the period attributable to equity holders of the parent (Net income (loss)) by the weighted average number of issued ordinary shares during the period, excluding ordinary shares purchased by the Group and held as treasury shares:

	January 1 to March 31, 2008	January 1 to March 31, 2007
Net income (loss) attributable to equity holders of the parent	285 M €	-10 M €
Weighted average number of ordinary shares outstanding	804,848,965	801,580,807
Basic earnings per share	0.35 €	-0.01 €

For calculation of the **diluted earnings per share**, the weighted average number of ordinary shares is adjusted to assume conversion of all potential ordinary shares. The Group's only category of dilutive potential ordinary shares is stock options. Since the average price of EADS shares during the first three months of 2008 exceeded the exercise price of the stock options under the 4th and 5th stock option plans (in the first three months of 2007: the 1st, 2nd, 4th and 5th stock option plans) initiated by the Group, the inclusion of the related potential ordinary shares increases the weighted average number of shares. 481,076 shares (in the first three months of 2007: 2,924,113 shares) are considered dilutive according to IAS 33.

	January 1 to March 31, 2008	January 1 to March 31, 2007
Net income (loss) attributable to equity holders of the parent	285 M €	-10 M €
Weighted average number of ordinary shares outstanding (diluted)	805,330,041	804,504,920
Diluted earnings per share	0.35 €	-0.01 €

11. Related party transactions

The Group has entered into various transactions with related companies in the first three months of 2008 and 2007 that have all been carried out in the normal course of business. As is the Group's policy, all related party transactions have to be carried out at arm's length. Transactions with related parties include the French State, Daimler, Lagardère and SEPI (Spanish State). Except for the transactions with the French State and SEPI, such transactions are not considered material to the Group either individually or in the aggregate. The transactions with the French State include mainly sales from the Eurocopter, Defence & Security and Astrium divisions. The transactions with SEPI include mainly sales from MTAD and Defence & Security divisions.

In 2007, Lagardère and the French State through Sogéade had granted to the Group their received dividend in relation with 2006 for an amount of 29 M € as an interest free loan.

12. Number of employees

The number of employees at March 31, 2008 is 116,375 as compared to 116,493 at December 31, 2007.

13. Subsequent events

On May 7, 2008, Airbus and Latécoère have terminated negotiations regarding the sale of the Airbus sites in Méaulte and Saint Nazaire Ville since a viable solution could not be finalised within the required time frame, in particular due to the current difficult financial environment. It should be reminded that on March 27, 2008, Airbus has terminated negotiations with the OHB / MT Aerospace consortium regarding the sale of the Airbus sites in Nordenham, Varel and the EADS site in Augsburg since a viable industrial and financial solution was not achievable.

Airbus will continue searching for other solutions and, in parallel, will proceed with the carve-out of the three German sites and the two French sites.

The negotiations concerning the partial sale of Filton and the sale for Laupheim continue and are still subject to EADS' Board of Directors decision.

On May 13, 2008, Airbus has completed the A380 programme review and is now informing customers about changes to its delivery schedule. The review assessed the programme status at the critical juncture of transitioning from low rate "individual" production to the full serial design and manufacturing process.

As a result, Airbus plans now for 12 (instead of 13) deliveries in 2008 and 21 (instead of 25) in 2009. Details about the new plan and the further ramp-up and delivery slots in 2010 and the following years will be discussed with customers in the coming weeks.

The results of this review do not, at this stage, cover the financial impact., This will take some more time to determine and is therefore not reflected in EADS consolidated financial information for the three month period ended March 31, 2008.

On April 1, 2008, EADS, as well as the concerned EADS and Airbus executives, took notice of the decision of the AMF college to initiate proceedings, respectively for breach of market information duties and for breach of insider trading rules. For the first time, EADS and the persons involved will be able to confront AMF's interpretation with their explanations of the facts of the case. Considering the fact that there is no decision on the substance so far, EADS insists that the principle of presumption of innocence be upheld. EADS considers that the financial risk associated with the procedure against the Group and its possible consequences on EADS is not material. However, it recognizes that these proceedings may have significant consequences on its image and reputation.

On April 22, 2008, the Group announced the acquisition of PlantCML, California / USA, a leading provider of emergency response solutions, from Golden Gate Capital, a San Francisco-based private equity fund, for approximately 350 M USD. Based on the underlying profitability of PlantCML, the acquisition is expected to be earnings per share accretive (on a pre fair value amortization) in the first year. Leveraging the synergies between the companies is expected to create additional value in the following years. The acquisition was made through EADS North America, and will be consolidated in Defence & Security division.