

Annual General Meeting 2011

26 May 2011

Bodo Uebber

Chairman of the EADS Board of Directors



AIRBUS



ASTRIUM



CASSIDIAN



EUROCOPTER

EADS

Introduction

- ▶ Presentation of the Members of the Board of Directors
- ▶ 10 Years EADS – A successful Decade



Board of Directors

- ▶▶ Board Activities 2010
- ▶▶ Strategic Committee
- ▶▶ Audit Committee
 - ▶▶ Enterprise Risk Management
 - ▶▶ Compliance
- ▶▶ Remuneration and Nomination Committee
- ▶▶ Board Evaluation
- ▶▶ Corporate Responsibility & Sustainability



New Dutch Regulations

- ▶ Impact on EADS'
Articles of Association



Remuneration Policy

- ▶ Target Setting
- ▶ Variable Pay Structure
- ▶ Long Term Incentive Plan



Remuneration Policy

- ▶▶ **Target Setting**
- ▶▶ Variable Pay Structure
- ▶▶ Long Term Incentive Plan



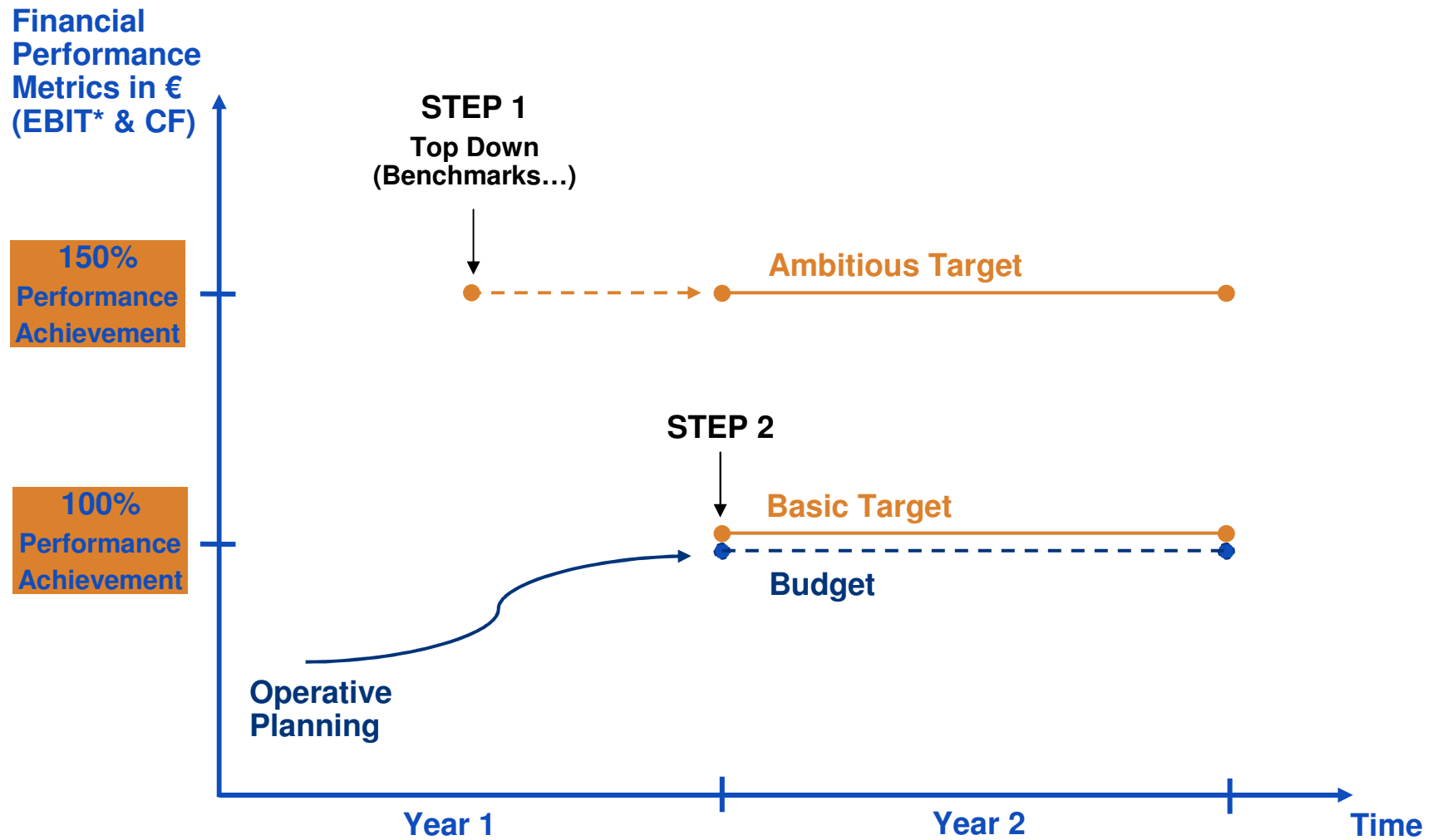
FINANCIAL TARGET SETTING

- ▶ Agreement on collective financial targets for Annual variable pay and LTIP for EADS Group and Divisions (EBIT*, Free Cash Flow and Earning per Share) are based on a common dedicated annual *Financial Target Setting Process*

INDIVIDUAL TARGET SETTING

* Pre-goodwill impairment and exceptionals

Remuneration Policy: Financial Target Setting



* Pre-goodwill impairment and exceptionals

FINANCIAL TARGET SETTING

INDIVIDUAL TARGET SETTING

- » Agreement on individual (operational or behavioral) targets are done and documented in an Individual Target Agreement which is part of the *Annual Interview* and the *EADS Performance & Development Cycle*

Remuneration Policy: Variable Pay Structure

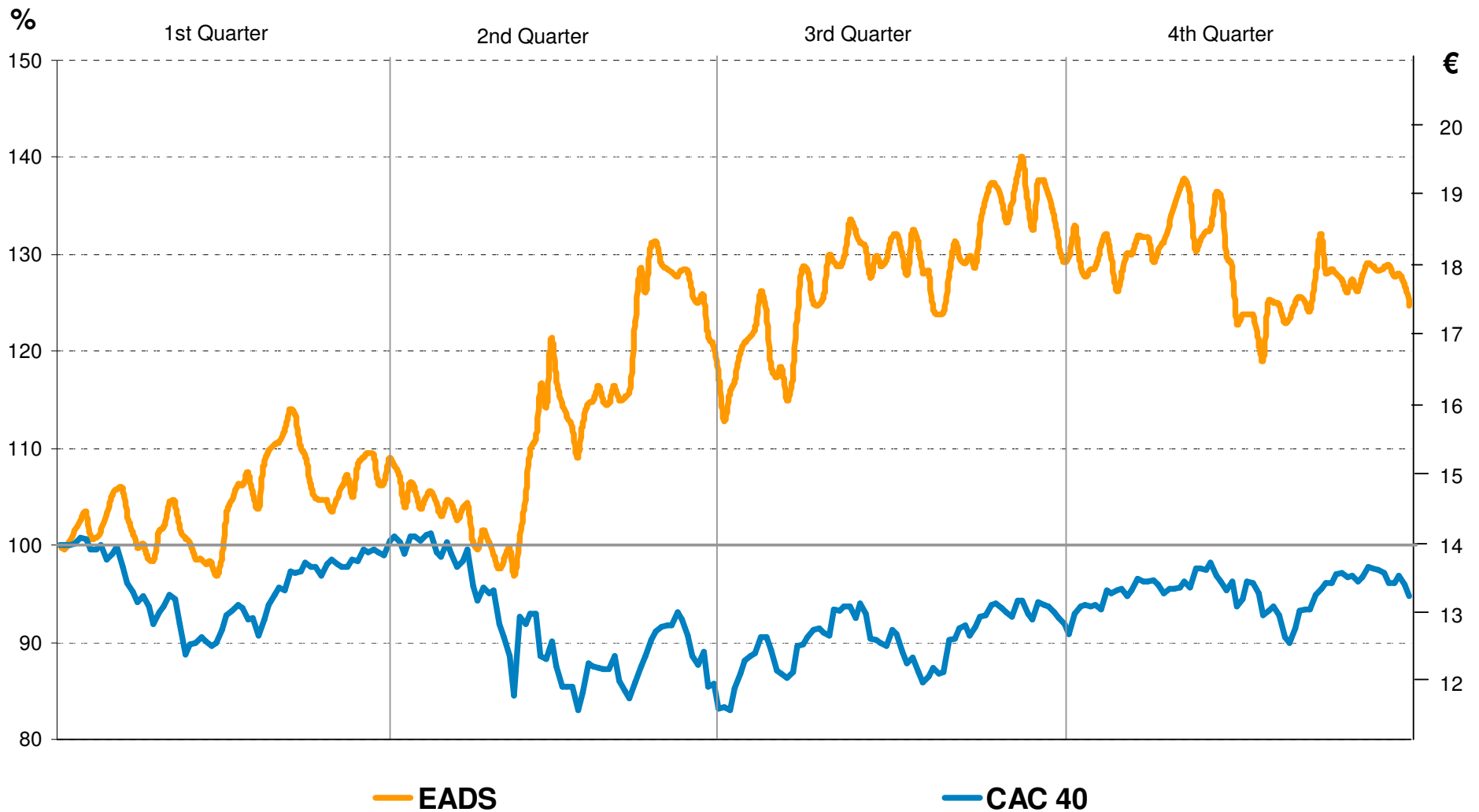


- Pre-goodwill impairment and exceptionals

Remuneration Policy

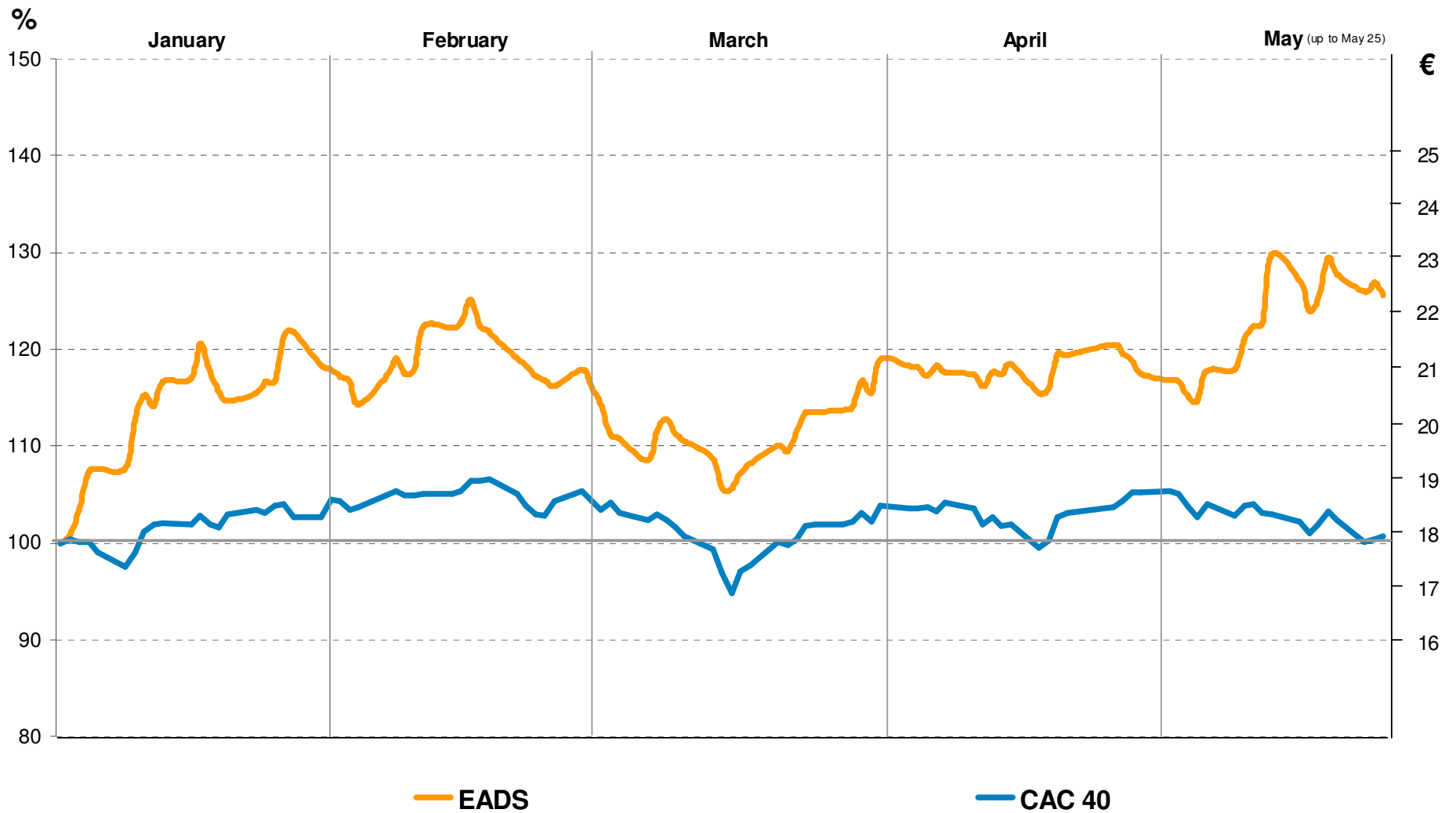
- ▶ Target Setting
- ▶ Variable Pay Structure
- ▶ **Long Term Incentive Plan**

Share Price Evolution in 2010



4 January 2010: Base 100

Share Price Evolution in 2011 (until 25 May)



3 January 2011: Base 100

Dividend

- ▶▶ 0.68 € Earning per Share (EPS)
- ▶▶ 0.22 € Dividend Proposal
- ▶▶ Payout Ratio: 32%
- ▶▶ Record Date: 3 June 2011
- ▶▶ Payout Date: 6 June 2011

Board Priorities for 2011

- ▶ New Procedures and Processes
- ▶ Strategic Initiatives for Global Growth
- ▶ Financial Progress towards Benchmark Profitability
- ▶ Management and Governance Transition 2012



Conclusion



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Louis Gallois

Chief Executive Officer



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Safe Harbour Statement

Disclaimer

This presentation includes forward-looking statements. Words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements made about strategy, ramp-up and delivery schedules, introduction of new products and services and market expectations, as well as statements regarding future performance and outlook. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

These factors include but are not limited to:

- ▶ Changes in general economic, political or market conditions, including the cyclical nature of some of EADS’ businesses;
- ▶ Significant disruptions in air travel (including as a result of terrorist attacks);
- ▶ Currency exchange rate fluctuations, in particular between the Euro and the U.S. dollar;
- ▶ The successful execution of internal performance plans, including cost reduction and productivity efforts;
- ▶ Product performance risks, as well as programme development and management risks;
- ▶ Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- ▶ Competition and consolidation in the aerospace and defence industry;
- ▶ Significant collective bargaining labour disputes;
- ▶ The outcome of political and legal processes, including the availability of government financing for certain programmes and the size of defence and space procurement budgets;
- ▶ Research and development costs in connection with new products;
- ▶ Legal, financial and governmental risks related to international transactions;
- ▶ Legal and investigatory proceedings and other economic, political and technological risks and uncertainties.

As a result, EADS’ actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see EADS’ “Registration Document” dated 19 April 2011.

Any forward-looking statement contained in this presentation speaks as of the date of this presentation. EADS undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Group Highlights

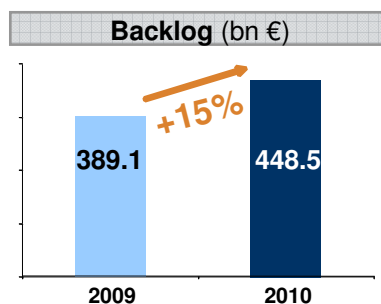
Financial Highlights

Divisional Performance

Guidance

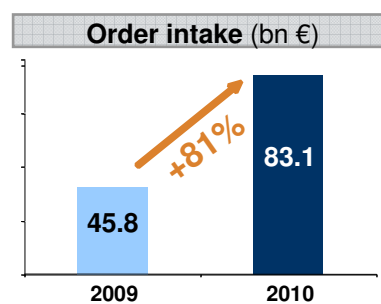


From resilience to growth



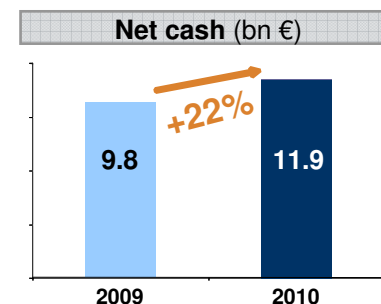
Further profit potential, foundation for future growth:

- ▶ Innovative product portfolio
- ▶ Progress on programme development:
 - ▶ Significant de-risking: A400M, A380
 - ▶ A350 XWB: Time schedule challenging



Poised to benefit from the commercial up-cycle:

- ▶ Regional balance, robust market opportunities
- ▶ Increase of production rates



Flexibility and fuel for growth:

- ▶ Strategic flexibility through high liquidity
- ▶ Strong Cash Flow
- ▶ Ability to finance our ambitions

Divisional highlights:

- **Airbus:** Successful introduction of NEO
- **Eurocopter:** Keeping the course and seeing the first signs of recovery for civil orders
- **Cassidian:** Transformation initiative underway as defence environment gets more global
- **Astrium:** Robust execution translates into good financial performance

Group Highlights

Financial Highlights

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Financial Highlights

	in € bn	Q1 2011	FY 2010	FY 2009
Revenues		9.9	45.8	42.8
<i>of which Defence</i>		2.0	12.3	10.8
EBIT* before one-off		0.23	1.3	2.2
EBIT*		0.19	1.2	(0.3)
Order intake		6.3	83.1	45.8
	in € bn	Mar. 2011	Dec. 2010	Dec. 2009
Total Order book**		422.4	448.5	389.1
<i>of which Defence</i>		57.0	58.3	57.3

- ▶ Strong delivery patterns across all businesses
- ▶ Order intake significantly increased; high level of commercial aircraft orders
- ▶ Decrease in EBIT* before one-off mainly due to hedge rate deterioration
- ▶ A380 continues to weigh substantially on EBIT* before one-off

* Pre-goodwill impairment and exceptionals

** Commercial order book based on list prices

Profit & Loss Highlights

	Q1 2011		FY 2010		FY 2009	
	€ m	in % of Revenues	€ m	in % of Revenues	€ m	in % of Revenues
EBIT*	192	1.9%	1,231	2.7%	(322)	(0.8%)
Self-financed R&D**	650	6.6%	2,939	6.4%	2,825	6.6%
EBIT* before R&D	842	8.5%	4,170	9.1%	2,503	5.8%
Interest result	(47)	(0.5%)	(99)	(0.2%)	(147)	(0.3%)
Other financial result	(150)	(1.5%)	(272)	(0.6%)	(445)	(1.0%)
Taxes	5	0.1%	(244)	(0.5%)	220	0.5%
Net income (loss)	(12)	(0.1%)	553	1.2%	(763)	(1.8%)
EPS***	€ (0.01)		€ 0.68		€ (0.94)	

* Pre-goodwill impairment and exceptionals

** IAS 38: € 23 m capitalised during Q1 2011; € 145 m capitalised during FY 2010

*** Average number of shares outstanding: 810,699,249 in Q1 2011; 810,693,339 in FY 2010

Free Cash Flow

in € m	Q1 2011	FY 2010	FY 2009
Net cash position at the beginning of the period	11,918	9,797	9,193
Gross Cash Flow from Operations*	568	2,177	2,423
Change in working capital	112	2,819	15
of which Customer Financing	101	63	(406)
Cash used for investing activities**	(371)	(2,289)	(1,853)
of which Industrial Capex (additions)	(367)	(2,250)	(1,957)
of which Others	(4)	(39)	104
Free Cash Flow**	309	2,707	585
Net cash position at the end of the period	12,172	11,918	9,797

* Gross cash flow from operations, excluding working capital change

** Excluding change in securities and contribution to plan assets of pension schemes

Group Highlights

Financial Highlights

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2010 Divisional Highlights

	 AIRBUS		 EUROCOPTER	 ASTRIUM	 CASSIDIAN	Other Businesses
	 					
in € bn	Airbus Commercial	Airbus Military				
Order intake**	68.2	0.15	4.3	6.0	4.3	1.7
Order book**	378.9	22.8	14.6	15.8	16.9	2.5
Revenues	27.7	2.7	4.8	5.0	5.9	1.2
EBIT*	0.3	0.02	0.2	0.3	0.5	0.02

2010 EADS revenues: € 45.8 bn

2010 EADS EBIT*: € 1.2 bn

- Pre-goodwill impairment and exceptionals
- ** Commercial order book based on list prices

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2011 guidance is based on €:\$ 1.35

Airbus orders and deliveries:

Airbus deliveries : 520 – 530 commercial aircraft; Book to bill > 1

Revenues:

EADS revenues above the 2010 level

EBIT* before one-off:

EADS expects 2011 EBIT* before one-off to remain stable compared to the 2010 level, at around €1.3bn. Increasing volume and price improvement at Airbus Commercial are roughly compensated by the deterioration of hedge rates, increasing R&D and less favourable mix of activities at Cassidian

EBIT*/EPS:

- Going forward, the reported EBIT* and 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

Free Cash Flow:

Free Cash Flow is expected to be positive

2012 EBIT* before one-off:

Should materially improve, thanks to Airbus, with volume increase, better pricing and A380 improvement

* Pre-goodwill impairment and exceptionals

Conclusion



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