



**Q3 2002 results :**

**On-track for Year-End  
Profitability and Cash targets**

**Analysts conference call - Hans-Peter Ring, CFO  
November 14<sup>th</sup>, 2002**

# Welcome from new CFO and new Head of IR



**Hans-Peter Ring**

EADS CFO

and Executive Committee member



**Pierre de Bausset**

EADS Investor Relations,  
Senior Vice-President

# Business Highlights from June 2002



- **Airbus:** 219 delivered aircraft at Sept; on track for 300 at YE  
43 new orders in Q3; 2 new clients  
EasyJet MOU in October for 120 a/c + options
- **Defence:** Taurus contract on Q3 with Germany : € 0.5 bn  
MTA selected in November with Brazil : € 0.6 bn  
Continuing delays in A400M, Meteor contracts  
Possible Slippage in Eurofighter first deliveries
- **Space :** Continuing market difficulties

# easyJet deal : Key financial features



- **Cash** transaction : no customer financing
- Progressive and significant **customer advance payment** schedule
- **Short-term deliveries:** starting already in 2003
- **Enhance EBIT margin** from the first deliveries
- 2 additional aircraft in production per month from 2004 represents **an increase of 10% to current A320 family rate**
- **Buy-back risk** on 10 B737 (4 old generation + 6 NG) is fully priced

**Enhance cash and EBIT margin  
at any point of the contract**

# 9-month 2002 Financial Milestones



- **Revenues at €20 bn** on track with plan (-3.3 % from 2001 reflecting lower deliveries and weakened dollar)
- **EBIT and R&D : in line with plan;** 2002 EBIT enhanced guidance confirmed at €1.4 bn
- **Cash management :** on track for year-end guidance with positive net cash position
- **Customer financing** exposure stable on 9 months
- **Order-book** at € 177 bn represents over 5 times of annual revenues; Brazil and EasyJet deals not included

# 9-month 2002 Financial Highlights



€m	9-mth 2002	9-mth 2001	Change
Revenues	19,996	20,685	(3%)
<b>EBIT*</b>	<b>1,013</b>	<b>1,123</b>	<b>(10%)</b>
EPS*	€0.61	€0.79	(23%)
<b>Free Cash Flow**</b>	<b>(622)</b>	<b>445</b>	
	Sept 30, 2002	Dec 31, 01	Change
<b>Net Cash position</b>	<b>670</b>	<b>1,533</b>	<b>(56%)</b>
Total Order-Book	176,569	183,256	(4%)

\* pre-goodwill and exceptional

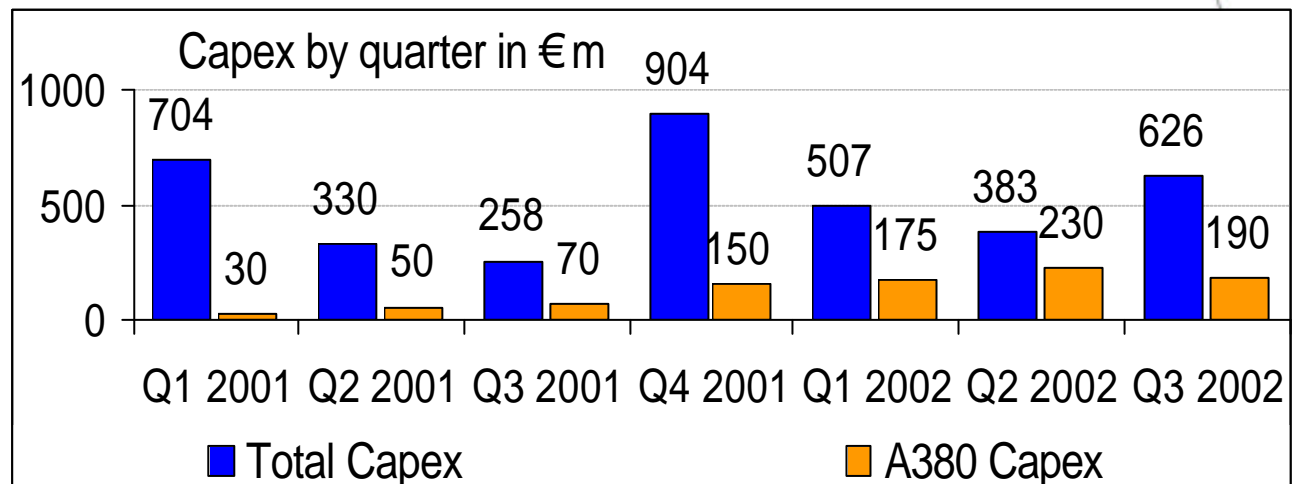
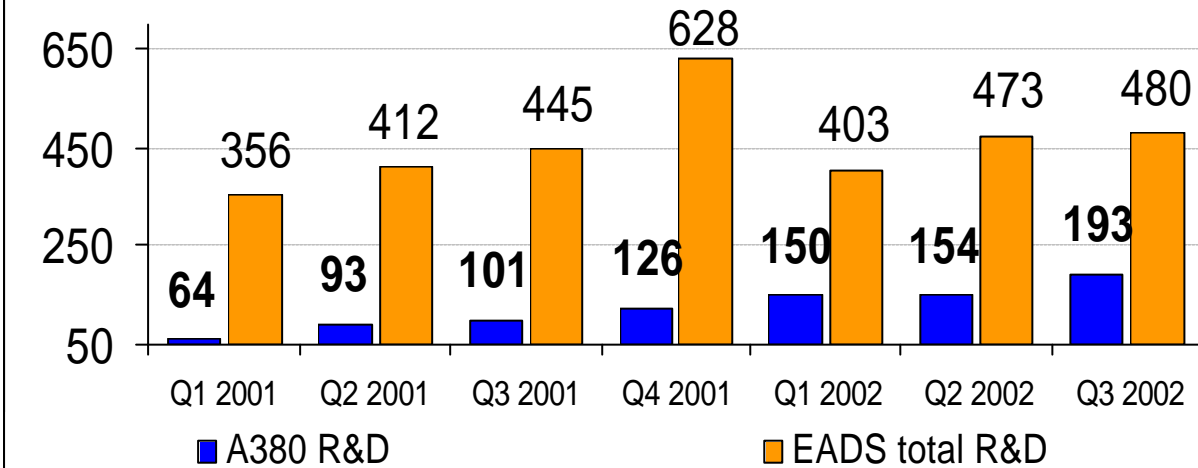
\*\* including customer financing cash impact, excluding change in securities

**Resilience to the downturn while A380 ramp up...**

# A380 ramp up



Self-financed R&D expensed by quarter in € m



... On Track

# 9-month 2002 Order intake and Order-Book



in €m	Order Intake		Order-Book	
	9-mth 2002	from Sept 01	9-mth 2002	from Dec. 01
Airbus	15,446	(62%)	148,898	(5%)
MTA	290	(64%)	1,258	(5%)
Aeronautics	3,171	(11%)	13,529	(1%)
Space	1,068	27%	3,445	(9%)
DCS	2,720	41%	9,953	9%
HQ/Eliminations	(354)		(514)	
<b>Total EADS</b>	<b>22,341</b>	<b>(53%)</b>	<b>176,569</b>	<b>(4%)</b>

**Order-Book will be further enhanced by easyJet deal**



# 9-month 2002 Revenues and EBIT



€m	Revenues		EBIT*	
	9-mth 2002	from 01	9-mth 2002	9-mth 2001
Airbus	13,750	(5)%	1,072	1,131
MTA	310	1%	(79)	(12)
Aeronautics	3,363	6%	132	144
Space	1,389	(10)%	(101)	(8)
DCS	1,874	(8)%	(91)	(163)
HQ/Eliminations	(690)	14%	80	31
<b>Total EADS</b>	<b>19,996</b>	<b>(3)%</b>	<b>1,013</b>	<b>1,123</b>

\* pre-goodwill and exceptional depreciation of fair value

**On Track despite continued weak economic climate**

# Restructuring, write-off and disposal items included in EBIT\*



€m	9-mth 2002	9-mth 2001
<b>EADS EBIT*</b>	<b>1,013</b>	<b>1,123</b>
EBIT* margin (% of revenues)	5.1%	5.4%

## EADS EBIT\* includes the following items

<b>Airbus</b> Aircelle disposal gain	63	
<b>MTA</b> Inventory depreciation	(54)	
<b>Space</b> Risk program provision	(101)	
Asset depreciation	(42)	(20)
Restructuring		(38)

\* pre-goodwill and exceptional depreciation of fair value

# Profit & loss highlights



	9-mth 2002		9-mth 2001	
	€ m	% Revenues	€ m	% Revenues
<b>Revenues</b>	<b>19,996</b>		<b>20,685</b>	
Self-Financed R&D	1,356	6,8%	1,213	5,9%
EBITDA*	2,134	10,7%	2,245	10,9%
<b>EBIT*</b>	<b>1,013</b>	<b>5,1%</b>	<b>1,123</b>	<b>5,4%</b>
Interest	(77)	(0,4%)	68	0,3%
<b>Net Income*</b>	<b>493</b>	<b>2,5%</b>	<b>638</b>	<b>3,1%</b>
Net Income	23	0,1%	2,282	11,0%

\* pre-goodwill and exceptional depreciation of fair value

# Development of net cash over 9-month



€ million	9-mth 2002	9-mth 2001
<b>Net Cash position as of Dec. 31st</b>	<b>1,533</b>	<b>2,143</b>
Consolidation effect AIC	0	-838
<b>Net Cash position as of January 1st</b>	<b>1,533</b>	<b>1,305</b>
Gross Cash Flow from Operations *	1,207	1,469
Change in working capital	(78)	(562)
Cash used for investing activities**	(1,751)	(462)
Of which Capital expenditures	(1,414)	(989)
Of which Customer Financing net additions	(418)	315
<b>Free Cash Flow**</b>	<b>(622)</b>	<b>445</b>
Dividend payments (including Airbus 100%)	(506)	(405)
Capital increase	0	0
Others	265	52
<b>Net Cash position as of Sept. 30th</b>	<b>670</b>	<b>1,397</b>

\* gross cash flow from operations, excluding working capital change

\*\* including customer financing cash impact, excluding change in securities

# Balance Sheet



<b>€million</b>	<b>Sept. 2002</b>	<b>Dec. 2001</b>
<b>Total Assets</b>	<b>46,238</b>	<b>48,715</b>
of which goodwill	10,034	10,442
of which cash & equivalents, securities	5,929	8,033
of which <b>positive hedge mark-to-market</b>	<b>964</b>	<b>54</b>
<b>Shareholders' Equity</b>	<b>11,510</b>	<b>9,877</b>
of which OCI	886	(1,278)
<b>Minority interest</b>	<b>996</b>	<b>559</b>
<b>Total provisions</b>	<b>8,907</b>	<b>11,918</b>
of which pensions	3,324	3,176
of which <b>negative hedge mark-to-market</b>	<b>860</b>	<b>3,673</b>
of which other provisions	4,723	5,069
<b>Liabilities</b>	<b>20,898</b>	<b>22,597</b>
of which financial debts	5,259	6,500
of which European gvts refundable advances	4,204	3,469
<b>Net cash position</b>	<b>670</b>	<b>1,533</b>

# 2002 Outlook



- **2002 guidance reiterated**
  - Revenues close to € 30 bn
  - FY02 EBIT\* at € 1.4 bn
  - Positive net cash position at year-end
  
- **Reduce the customer financing budget below € 1 bn of net addition for the rest of the year**

\* pre-goodwill and exceptional depreciation of fair value

# 2004 Outlook



- A stable economic and diplomatic situation underlies **2004 10% EBIT\* margin milestone, ....**
- **... Current market conditions :**
  - Air traffic recovery reversal
  - Space market over-capacity
  - Budgetary priorities impact on major defense orders
- **Double-digit EBIT\* margin target achieved after 2004**

\* pre-goodwill and exceptional depreciation of fair value



# Appendixes



# EPS pre-goodwill and exceptional



€ m	9-mth 2002	9-mth 2001
<b>Published Net Profit</b>	<b>23</b>	<b>2,282</b>
Airbus UK dilution gain	0	(2,537)
Goodwill amortisation	431	475
Fair value on fixed assets	163	185
Fair value on inventory	9	262
Tax impact on fair value	(62)	(150)
Tax on non-operational	(71)	223
Others	(71)	(102)
<b>Net Income*</b>	<b>493</b>	<b>638</b>
<i>Average number of shares</i>	<i>805.4 mio</i>	<i>807.2 mio</i>
<b>EPS*</b>	<b>€0.61</b>	<b>€0.79</b>

\* pre-goodwill and exceptional depreciation of fair value

# Airbus

## Nine -month 2002 Performance and Key Drivers



€ m	9-mth 2002	9-mth 2001
<i>Deliveries in units</i>	219	236
<b>Revenues</b>	<b>13,750</b>	<b>14,431</b>
<b>R&amp;D**</b>	<b>1,071</b>	<b>935</b>
<i>In % of revenues</i>	7.8%	6.5%
<b>EBIT*</b>	<b>1,072</b>	<b>1,131</b>
<i>in % of revenues</i>	7.8%	7.8%
<b>Order book</b>	<b>148,898</b>	<b>154,683</b>
<i>in units</i>	1492	1665

- **Revenues** down 5% from 2001, down 3% with constant \$.
- **R&D on track with plan**; A380 R&D increased from 258 in 9-mth 2001 to 497 in 9-mth 2002
- **Performance improvement** : EBIT margin pre-R&D increased from 14.3% to 15.6% despite decrease in deliveries
- **Order-book** : represents 55% world-wide market share;
- **43 new orders on Q3** of which 2 new clients; easyJet order will add 120 units to order-book

\*pre- goodwill and exceptional depreciation of fair value

\*\* excluding J&T depreciation

# Military Transport Aircraft

## Nine -month 2002 Performance and Key Drivers



€ m	9-mth 2002	9-mth 2001
<b>Revenues</b>	<b>310</b>	<b>306</b>
<b>EBIT*</b>	<b>(79)</b>	<b>(12)</b>
<b>Order book</b>	<b>1,258</b>	<b>1,362</b>

\* pre-goodwill and exceptional depreciation of fair value

- **EBIT impacted** by the €54 m charge from asset write-off, following the Fairchild Dornier insolvency
- selected in November by **Brazil** for mission aircraft contract worth €0.6 bn
- € 18 bn **A400M** contract delay

# Aeronautics

## Nine -month 2002 Performance and Key Drivers



€ m	9-mth 2002	9-mth 2001
<b>Revenues</b>	<b>3,363</b>	<b>3,161</b>
<b>EBIT*</b>	<b>132</b>	<b>144</b>
<i>in % of revenues</i>	<i>3.9%</i>	<i>4.6%</i>
<b>R&amp;D</b>	<b>101</b>	<b>86</b>
<i>in % of revenues</i>	<i>3.0%</i>	<i>2.7%</i>
<b>Order book</b>	<b>13,529</b>	<b>13,826</b>

- **Revenues growth** driven by Eurocopter,
- **EBIT** reduced following slowdown in commercial aviation aerostructure and maintenance businesses and increased R&D;
- **Eurofighter** :Roll-Out and successful flight of the first production A/C ; possible slippage in Eurofighter delivery schedule

\* pre-goodwill and exceptional depreciation of fair value

# Space

## Nine -month 2002 Performance and Key Drivers



€ m	9-mth 2002	9-mth 2001
<b>Revenues</b>	<b>1,389</b>	<b>1,543</b>
<b>EBIT*</b>	<b>(101)</b>	<b>(8)</b>
<b>Order book</b>	<b>3,445</b>	<b>4,042</b>

\* pre-goodwill and exceptional depreciation of fair value

- **Revenues** contracted due to continued weak commercial satellite market
- **EBIT impacted by** programs provisions, asset depreciation; restructuring expected in Q4
- Signature of **Skynet 5** expected end of 2002
- **Galileo** program approved by EU
- Successful Ariane5 launch of Astrium Envisat

# Defence and Civil Systems

## Nine -month 2002 Performance and Key Drivers



€ m	9-mth 2002	9-mth 2001
<b>Revenues</b>	<b>1,874</b>	<b>2,044</b>
<b>EBIT*</b>	<b>(91)</b>	<b>(163)</b>
<b>Order book</b>	<b>9,953</b>	<b>9,426</b>

\* pre-goodwill and exceptional depreciation of fair value

- **Seasonality** effect on revenues and profitability; on track for EBIT breakeven+ on full year
- Decrease in **revenues** mostly due to the consolidation effect from 100% ASM missiles to 50% MBDA
- **Order-Book** of MBDA represents over 4 years of revenues
- **Meteor** contract delay

# Customer financing exposure

all figures in € m

<b><u>Figures for 100% Airbus</u></b>	<b><u>Sept 30, 2002</u></b>	<b><u>Dec. 31, 2001</u></b>
closing \$ rate versus €	0.986	0.881
<b>Total Gross exposure*</b>	<b>3,388</b>	<b>3,505</b>
<i>of which off-balance sheet</i>	985	1,236
Estimate value of collateral	(1,863)	(1,988)
<b>Net exposure</b>	<b>1,525</b>	<b>1,517</b>
Provision	(1,525)	(1,517)
<b>AIRBUS Net exposure after provision</b>	<b>0</b>	<b>0</b>
<b><u>Figures for 50% ATR</u></b>	<b><u>June, 30 , 2002</u></b>	<b><u>Dec.31, 2002</u></b>
<b>Total Gross exposure</b>	<b>681</b>	<b>828</b>
<i>of which off-balance sheet</i>	203	174
Estimate value of collateral	(597)	(710)
<b>Net exposure</b>	<b>84</b>	<b>118</b>
Provision	(84)	(118)
<b>ATR Net exposure after provision</b>	<b>0</b>	<b>0</b>

\* after adjustments and excluding stipulated losses

# Hedging portfolio strategy : protecting the future



## Status as of Sept 30, 2002

Total hedging portfolio: \$ 43.5 bn

100% micro

of which £ hedge : \$ 7.5 bn

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006-10</b>
	3 months				
<b>Volume hedged (\$bn)</b>	<b>3.3</b>	<b>10.5</b>	<b>8.3</b>	<b>5.9</b>	<b>15.5</b>
average EBIT \$ rate/€	0.96	0.96	0.94	0.94	0.95
average EBIT \$ rate/£	1.55	1.53	1.53	1.46	1.46

**Locked-in attractive dollar rates to secure future earnings**



# Quarterly revenues breakdown (cumulative)



in €m	Q1		Q2		Q3		Q4	
	2002	2001	2002	2001	2002	2001	2002	2001
Airbus	4,646	4,600	9,870	9,982	13,750	14,431		20,549
MTA	101	70	234	195	310	306		547
Aeronautics	936	883	2,226	2,020	3,363	3,161		5,065
Space	426	402	882	1,054	1,389	1,543		2,439
DCS	539	589	1,245	1,358	1,874	2,044		3,345
HQ/Elim.	(240)	(268)	(483)	(566)	(690)	(800)		(1,147)
<b>Total EADS</b>	<b>6,408</b>	<b>6,276</b>	<b>13,974</b>	<b>14,043</b>	<b>19,996</b>	<b>20,685</b>		<b>30,798</b>

# Quarterly EBIT breakdown (cumulative)



in €m	Q1		Q2		Q3		Q4	
	2002	2001	2002	2001	2002	2001	2002	2001
Airbus	396	427	874	797	1,072	1,131		1,655
MTA	(12)	(12)	(72)	(21)	(79)	(12)		1
Aeronautics	16	19	63	85	132	144		308
Space	(33)	2	(85)	29	(101)	(8)		(222)
DCS	(72)	(87)	(71)	(128)	(91)	(163)		(79)
HQ/Elim.	20	(39)	66	2	80	31		31
<b>Total EADS</b>	<b>315</b>	<b>310</b>	<b>775</b>	<b>764</b>	<b>1,013</b>	<b>1,123</b>		<b>1,694</b>