NUMBER 32 – APRIL 2012

aero-notes

LETTER TO SHAREHOLDERS

CONTENTS

Dear Shareholder,

Despite the difficult macro-economic context of 2011 and the pressures on our governmental businesses, EADS full-year results have shown the strong resilience of our Company. In all key indicators we over-achieved on our guidance.

Record deliveries at Airbus and the progressive recovery of the civil helicopter sector in particular contributed to revenues of €49.1 billion, an increase of 7% for the Group. Despite a dollar headwind and higher R&D expenses, the EADS EBIT* before one-off rose 34% to €1.8 billion. The increase was driven mainly by improved performance within Airbus and Eurocopter. Astrium and Cassidian meanwhile continued to make a solid contribution.

We are preparing the future. Our order book has grown to a huge €541 billion, mainly thanks to the record order intake at Airbus Commercial. It is a formidable basis for future business. Our new acquisitions in the services field will help us to develop a more balanced portfolio in the years to come. Even accounting for these strategic acquisitions, we continued to generate significant levels of cash in 2011. Our net cash position at €11.7 billion remains a key asset, supporting the company's manoeuvrability.

We will pursue discussions with our government customers, above all in Germany, on the future of defence procurement programmes. Clearly, our target is to reach an early outcome which is sustainable for all parties.

As ever, we are extremely vigilant on our major development programmes. The A400M is progressing towards first customer delivery. A380 deliveries rose in 2011 to 26 and we are currently addressing the issues relating to rib feet within the wings. The A350 schedule is tightening as we progress towards the next programme milestones, in particular the entry into final assembly. It remains our Company's biggest industrial challenge.

Production rate increases on our established single-aisle and long-range aircraft families are underway. We will boost A330 production to 11 per month in 2014 provided disputes over the EU's emissions trading scheme do not harm our orders.

While risks remain, I feel the stage is set for us to move towards increased profitability. We expect that our EBIT* before one-off will be above €2.5 billion in 2012 and that our free cash flow will be positive before acquisitions. Judging by the progression of our stock price many of you share my optimism. We are pleased to share the good performance with our shareholders through a significantly improved gross dividend of €0.45.

Over the past years I have enjoyed our exchanges and appreciated your feedback on many important topics. I am convinced that the in-coming management team, with its long experience within the EADS Group, will continue to value your commitment and loyalty.

LOUIS GALLOIS
EADS Chief Executive Officer

EADS

The A320neo family alone won 1,226 new firm orders in 2011.

INCREASING GROWTH MOMENTUM

EADS announces better than expected results for the full year 2011. Despite a volatile macro-economic context, EADS in 2011 continued to grow and to improve its financial performance, particularly thanks to strong commercial momentum backed by resilient air traffic figures. Defence markets in the Western world were under pressure, as anticipated.
EADS' **revenues** increased 7 percent to €49.1 billion (FY 2010: €45.8 billion). The overall 2011 revenue contribution from the first consolidation of the major acquisitions was around €300 million, mainly Vector Aerospace and Satair, while the EBIT* impact was insignificant. Physical deliveries remained high with 534 aircraft at Airbus Commercial, 503 helicopters at Eurocopter and the 46th consecutive successful Ariane 5 launch.

EBIT* before one-off (adjusted EBIT) stood at around €1.8 billion (FY 2010: €1.3 billion) Compared to 2010, this represents a significant rise, despite an increase in Research & Development expenses and dollar headwind. It benefited from good performance in Airbus legacy programmes thanks to volume, mix and price improvements. Also, Airbus Military and especially Eurocopter contributed to the performance improvement, the latter mainly from its commercial series and services activity. The Headquarters EBIT* before one-off improved in 2011, mainly due to an increased allocation of management fees to Divisions and positive impacts from Group eliminations in the fourth quarter.

EADS' **reported EBIT*** stood at €1,696 million (FY 2010: €1,231 million).

Net Income increased by 87 percent to €1,033 million (FY 2010: €553 million), or earnings per share of €1.27 (earnings per share FY 2010: €0.68).

Based on an Earnings per Share (EPS) of €1.27, the Board of Directors proposes payment of a gross dividend of €0.45 per share to the Annual General Meeting of shareholders (FY 2010: €0.22 per share). "I am pleased we can share the good performance and growth with our shareholders through a significantly increased dividend based on a pay-out ratio converging towards sector and industry peers", said Hans Peter Ring, CFO of EADS. "As the Group matures, this dividend policy shall serve as the orientation for the future."

"In 2011, EADS achieved financials above expectation and demonstrated that it is a healthy growth story. The order intake in commercial aircraft has elevated our order book to record levels and I am pleased that the civilian helicopter market has also significantly gained momentum. Our strong cash generation protects the company and allowed us to secure important acquisitions, mainly in the field of services. The stage is set for EADS to turn the corner towards increased profitability. Certainly, 2012 will have challenges in store for us. We continue to devote the highest management attention to our key programmes, especially the A350." – LOUIS GALLOIS, CEO of EADS.

OUTLOOK

As basis for EADS' 2012 guidance, the Group expects the world economy and air traffic to grow in line with prevailing independent forecasts and assumes an average dollar exchange rate of € 1 = $ 1.35.

In 2012, Airbus should deliver around 570 commercial aircraft. Gross orders should be above the number of deliveries. EADS 2012 revenues should continue to grow above 6 percent. Group EBIT* before one-off should improve significantly thanks to volume increases at Airbus and Eurocopter, better pricing at Airbus and A380 improvement. EADS expects the EBIT* before one-off to be above € 2.5 billion. The EADS 2012 Earnings per Share (EPS)* before one-off[(2)] should be above € 1.65 (FY 2011: € 1.39), based on the Net Income* before one-off[(2)].

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 its customers. Based on this EBIT* guidance, EADS should continue to generate a positive Free Cash Flow after customer financing and before acquisitions. As it is the most volatile item, especially during uncertain macro-economic times, EADS will give a more precise guidance later in the year.

Self-financed Research & Development (R&D) expenses rose to € 3,152 million (FY 2010: € 2,939 million), driven mainly by increases at Airbus on the A350 XWB development, at Cassidian for Unmanned Aerial Systems and Eurofighter radar activities as well as at Eurocopter.

Free Cash Flow stood at € 958 million (FY 2010: € 2,707 million). After customer financing and before acquisitions, the Free Cash Flow of € 2,493 million is significantly above expectations thanks to higher order intake and higher than expected deliveries at Airbus, better EBIT* before one-off and better than expected cash inflow from government customers. Customer financing generated cash of € 135 million in 2011 as the lessor and global banking markets continue to be active despite recent concerns. EADS' **Net Cash position** amounted to a solid € 11.7 billion (year-end 2010: € 11.9 billion) after acquisitions. It also reflects a cash contribution to pension assets of € 489 million.

EADS' **order intake**[(3)] increased by 58 percent to € 131.0 billion (FY 2010: € 83.1 billion), driven by the higher level of commercial aircraft orders at Airbus. At the end of December 2011, the Group's **order book**[(3)] increased by 21 percent to a record level of € 541.0 billion (year-end 2010: € 448.5 billion), underpinning EADS' top line growth into the future. The Airbus Commercial backlog benefited from a positive revaluation impact of around € 15 billion due to the US dollar closing spot rate that has strengthened since year-end 2010. The defence order book decreased to € 52.8 billion (year-end 2010: € 58.3 billion).

** Earnings before interest and taxes, pre goodwill impairment and exceptionals.*

EADS GROUP (in € million)	FY 2011	FY 2010	Change
Revenues thereof defence	**49,128** 11,561	45,752 12,269	+7% –6%
EBIT*	**1,696**	1,231	+38%
Self-financed Research and Development	3,152	2,939	+7%
Net Income[(1)]	1,033	553	+87%
Earnings Per Share (EPS)[(1)]	€ 1.27	€ 0.68	€ 0.59
Free Cash Flow (FCF)	958	2,707	–65%
Free Cash Flow before Customer Financing	823	2,644	–69%
Dividend per share	€ 0.45[(4)]	€ 0.22	€ 0.23
Order Intake[(3)]	**131,027**	83,147	+58%

1) 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.
2) Net Income before one-off is the Net Income stripped out of the EBIT* one-offs. It excludes other financial result (except the unwinding of discount on provisions), the positive one-off in the interest result linked to the termination of the A340 programme 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.
3) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.
4) To be proposed to the Annual General Meeting.

The full EADS press release is available at www.eads.com

AIRBUS

Airbus consolidated revenues increased by 10 % to € 33,103 million (FY 2010: € 29,978 million), mainly driven by the deliveries increase. The Airbus consolidated EBIT* increased by 91 % to € 584 million (FY 2010: € 305 million).

Airbus Commercial revenues amounted to € 31,159 million (FY 2010: € 27,673 million). Production at Airbus increased for the tenth year in a row, leading to a new record of 534 physical deliveries of commercial aircraft, including 26 A380s. Compared to one year ago, Airbus Commercial revenues benefited mainly from a favourable volume and mix effect. Airbus Commercial reported EBIT* amounted to € 543 million (FY 2010: € 291 million). It benefited from operational improvement including a favourable pricing effect. The improvement year-on-year is partially reduced by hedge rate deterioration of around € 200 million and higher R&D expenses, particularly for the A350 XWB programme.
While revenues at Airbus Military decreased by 7 % to € 2,504 million (FY 2010: € 2,684 million) due to lower revenue recognition for the A400M, EBIT* improved significantly to € 49 million (FY 2010: € 21 million).

In 2011, Airbus Commercial beat its previous order intake record with 1,419 net orders (FY 2010: 574 net orders). The A320neo family alone won 1,226 new firm orders, making it the fastest selling jet ever in commercial aviation history. A380 series production progressed, underlined by the 26 deliveries in 2011, which were above target.

Production rate increases on the Single Aisle and Long Range families are well underway, despite the ramp-up challenges. Management is devoting maximum attention to solving the A380 wing rib feet issues. The A350 XWB programme is advancing. Major sections of the A350 XWB arrived at the Final Assembly Line (FAL) in Toulouse at the end of 2011. Entry-into-Service is scheduled for H1 2014. The programme is very challenging: the schedule is tightening as Airbus progresses towards its next milestones. Final Assembly began in April 2012.

Airbus Military delivered a record number of 29 aircraft in 2011, including six cutting-edge A330 Multi Role Tanker Transport aircraft. In a challenging environment, Airbus Military received five orders for light and medium aircraft. Flight testing on the A400M continues at maximum capacity with five test aircraft aiming for a timely achievement of first customer delivery.

At the end of December 2011, Airbus' consolidated order book was valued at € 495.5 billion. The Airbus Commercial backlog amounted to € 475.5 billion and the Airbus Military's one stood at € 21.3 billion.

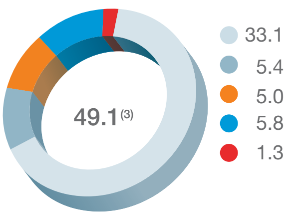

A380 series production progressed, underlined by the 26 deliveries in 2011.


Production rate increases on the Single-Aisle and Long Range families are well underway.

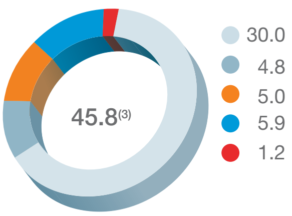

Final Assembly of the first customer A400M started in Seville in November 2011.

EADS BY DIVISION

REVENUES (in € billion)

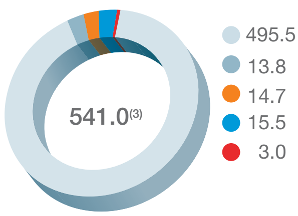


FY 2011

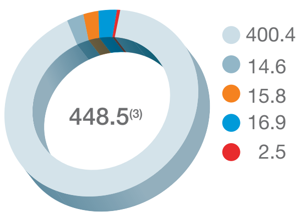


FY 2010

ORDER BOOK[1] (in € billion)



31 December 2011



31 December 2010

Airbus[2]
Eurocopter
Astrium
Cassidian
Other businesses

1) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.
2) Airbus reports in two segments: Airbus Commercial and Airbus Military. Eliminations are treated at the Division level.
3) Total figure includes Headquarters Consolidation.

ASTRIUM

Astrium revenues in 2011 stood stable at €4,964 million. EBIT* decreased slightly to €267 million. The strong performance in the Satellites and Space Transportation businesses was weighed down by lower activity in Services, expenses related to the Vizada acquisition and a charge for the AGILE transformation programme in the last quarter.

Order intake reached €3.5 billion in 2011, showing continued momentum, although at a lower level than the exceptional previous two years. Landmark deals were secured with telecommunications satellite sales to US DIRECTV and Malaysian MEASAT operators. In 2011, Ariane 5 performed five successful launches, including its 46th consecutive successful take-off and the launch of the second Automated Transfer Vehicle (ATV).


The second ATV docked to the ISS in 2011.

Overall, 13 Astrium-built satellites were launched in 2011, significant progress towards future expansion in the services sector was achieved through the acquisition of Vizada, the order book of Astrium amounted to €14.7 billion.

CASSIDIAN


Eurofighter production is secured until 2017.

Cassidian generated robust revenues of €5,803 million. Profitability was in line with expectations, with EBIT* decreasing to €331 million (FY 2010: €457 million). While the EBIT* reflects a solid margin in mature programmes, it is burdened by a significant increase in self-funded R&D, a restructuring provision and a net negative charge on programmes.

The Division achieved an order intake of €4.2 billion in 2011 despite a more challenging environment. The Division has started a far-reaching transformation process to foster globalisation and adapt to a challenging business environment in the European home markets.

In 2011, Cassidian continued to progress in its development of Unmanned Aerial Systems capabilities. Eurofighter production is secured until 2017. At the end of December 2011, the order book of Cassidian stood solid at €15.5 billion

EUROCOPTER

Revenues at **Eurocopter** reached a record level of €5,415 million (FY 2010: €4,830 million). Deliveries totalled 503 helicopters (FY 2010: 527 helicopters), including the 1,000th Dauphin, the 1,000th EC135 and the 100th NH90. The EBIT* increased by 42 % to €259 million (FY 2010: €183 million). The increase in revenues and EBIT* compared to one year ago results from a favourable mix effect in commercial deliveries and support activities as well as better operational performance. Revenues also include €210 million from the first consolidation of Vector Aerospace.

Eurocopter recorded net orders of 457 helicopters in 2011, compared to 346 net orders the year before.

Eurocopter acquired Vector Aerospace to boost its services business and international footprint. Its global presence was further strengthened through a co-operation in Kazakhstan and a new production plant in Mexico. The Division's order book stood at €13.8 billion, comprising 1,076 helicopters.

In 2011, Eurocopter won its first large booking for the enhanced EC145 T2.


ATR delivered 54 aircraft in 2011.

HEADQUARTERS AND OTHER BUSINESSES (not belonging to any Division)

Revenues of **Other Businesses** increased 6 % to €1,252 million. EBIT* more than doubled to €59 million (FY 2010: €25 million). ATR achieved an exceptional annual order intake with 119 firm orders (FY 2010: 78). In total, ATR delivered 54 aircraft in 2011 (FY 2010: 52), thereof 10 ATR 72-600s. In 2011, ATR reached a record backlog of 224 aircraft, representing three years of production. EADS North America has delivered more than half of the planned 345 LUH to the Army. The order book of Other Businesses increased by 18 % to €3.0 billion (year-end 2010: €2.5 billion).

** Earnings before interest and taxes, pre goodwill impairment and exceptionals.*

AIRBUS: THE LEADING AIRCRAFT MANUFACTURER

The fuel efficient A350 XWB brings together the very latest in aerodynamics, design and advanced technologies.

Airbus Division comprises Airbus Commercial, market leader in the sector for civil aircraft seating 100 or more passengers, and Airbus Military, responsible for military transport aircraft, such as the A400M, and aircraft for special missions such as air-to-air refuelling.

Airbus is the leading aircraft manufacturer offering the most modern and efficient passenger aircraft family on the more than 100-seat market. Its military division, Airbus Military, is the global leader for military transport, tanker and surveillance airlifters ranging from three to 45 tonnes of payload.

Over the last 40 years, Airbus has worked its way to the forefront of the industry. Airbus today consistently captures about half of all commercial airliner orders.

AIRBUS COMMERCIAL BACKLOG*

*Based on number of aircraft, excluding Corporate & Military (32 aircraft). Total Airbus Commercial backlog (incl. Corporate & Military): 4,437 aircraft.

Airbus' comprehensive product line comprises highly successful families of aircraft ranging from 100 to more than 500 seats in a 3-class configuration: the single-aisle A320 family (A318, A319, A320, A321), the wide-body long-range A330 family including the freighter and Multi Role Tanker Transport (MRTT), the all-new next generation A350 XWB family, and the double-deck A380 family.

The military division of Airbus designs, develops and produces a comprehensive range of highly versatile products for military and humanitarian missions. Airbus Military is responsible for the A400M programme, the MRTT A330 and for further military derivatives based on Airbus civil aircraft as well as the smaller "Light & Medium" C295, CN235 and C212.

DID YOU KNOW?

An A320 Family aircraft takes off or lands every 2.5 seconds of every day.

Headquartered in Toulouse, France, Airbus is a truly global enterprise of some 55,000 employees, and with a network of some 1,600 suppliers in 30 countries.

A320NEO: SETTING NEW STANDARDS

The A320neo is a New Engine Option for the A320 family entering into service from 2015 and incorporates latest generation engines and large "sharklets" wing tip devices, which together will deliver 15 % in fuel savings. This saves 3,600 metric tonnes of CO_2 per aircraft per year, the amount absorbed by 240,000 mature trees. Launched at the end of 2010, the A320neo family won 1,226 orders in 2011, making it the fastest selling commercial jet ever.

Airbus completed the first flight of the "sharklets" wing-tip devices on the A320 development aircraft in November 2011.

MAJOR AIRBUS PROGRAMMES

A380: the world's largest passenger airliner.

A380: THE FUEL-EFFICIENT FLAGSHIP

With seating capacity ranging from 400 to more than 800 passengers, the A380 is an essential part of the solution to sustainable growth, alleviating traffic congestion at busy airports and consuming significantly less fuel per seat than other large aircraft. As of the end of March 2012, Airbus had won a total of 253 A380 orders and delivered 71 A380s to customers.

A330: THE VERSATILE AND EFFICIENT WIDEBODY FAMILY

The A330 family, which spans 250 to 300 seats, and includes Freighter, VIP and Military Transport/Tanker variants, has now attracted more than 1,180 orders.

Thanks to the introduction of numerous product improvements, it still remains the most cost-efficient aircraft in its class. With around 830 aircraft delivered to over 80 operators at the end of 2011, the type is achieving an average dispatch reliability above 99 %.

The A330 freighter variant.

Airbus Military delivered 23 light and medium aircraft in 2011.

CN235 AND C295: MEDIUM MILITARY TRANSPORT

The CN235 military transporter is capable of transporting a payload of up to 6,000 kg. Variants of the CN235 are used for missions such as maritime patrol or pollution control. Over 260 CN235s have been delivered at the end of 2011.

The C295 has a basic configuration similar to the CN235, with a stretched cabin to airlift a 50% heavier payload at greater speed over longer distances. Over 85 C295s have been delivered to 14 operators from 13 countries at the end of 2011.

Final assembly of first aircraft has started in April 2012.

A350 XWB: SHAPING EFFICIENCY

The A350 XWB is an all new family of mid sized wide-body airliners for fuel efficient medium-to-long haul airline operations.

The A350 XWB family consists of three passenger versions: the A350-800 will offer 270 seats while the A350-900 and the A350-1000 will offer 314 and 350 seats respectively.

As of the end of January 2012, Airbus had won 555 A350 XWB orders. Entry into service is planned for H1 2014.

A320 SINGLE-AISLE FAMILY

With over 8,000 aircraft ordered and around 5,000 aircraft delivered to over 330 customers and operators worldwide as of today, the A318, A319, A320 and A321 make up the world's best-selling single-aisle aircraft family. The A320neo (new engine option) is the latest of many product upgrades as Airbus continues to invest around € 250 million a year in the A320 family.

A320 with "sharklets".

Flight testing on the A400M continues at maximum capacity with 5 test aircraft.

A400M: TOMORROW'S WORKHORSE

The A400M is an all-new military airlifter designed for tactical, strategic and logistic applications, intended to respond to the needs of the world's armed forces for military, humanitarian and peacekeeping missions. The current order book comprises 174 aircraft, with 170 allocated to the seven launch customer nations and four to one export customer, Malaysia.

The first customer delivery to the French Air Force is targeted for early 2013.

SHAREHOLDER EVENTS

- We are pleased to inform you that the **Annual General Meeting of Shareholders** will take place:

  Thursday 31 May 2012 at 10:30 am.
  at Hotel Okura Amsterdam,
  in Amsterdam, The Netherlands

- Detailed information on participating in this meeting is available on our website: www.eads.com.
- Private shareholders may also attend one of our two dedicated **EADS Private Shareholders Information Meetings in Paris and Munich,** as indicated in the Shareholder Calendar below.
- EADS will be offering special events for shareholders at the forthcoming **International Air Shows in Farnborough, UK and in Berlin, Germany.** In addition, EADS regularly offers information meetings and site visits for retail investors.

  If you would like to take part or find out more about these and other events, please visit our website: www.eads.com under Investor Relations > Private Shareholders, write to ir@eads.com or phone the Shareholder Information number as indicated on this page.

SHAREHOLDER CALENDAR

16 May 2012: Q1 results 2012

23 May 2012: Private shareholder site visit Donauwörth, Germany

31 May 2012: Annual General Meeting, Amsterdam, The Netherlands

28 June 2012: Private shareholder information meeting, Paris, France

4 July 2012: Private shareholder information meeting, Munich, Germany

12 July 2012: Private shareholder visit to EADS exhibit, Farnborough, UK

27 July 2012: Half-Year Results 2012

13 September 2012: Private shareholder visit to EADS exhibit (ILA), Berlin, Germany

IMPROVED TELEPHONE SERVICE

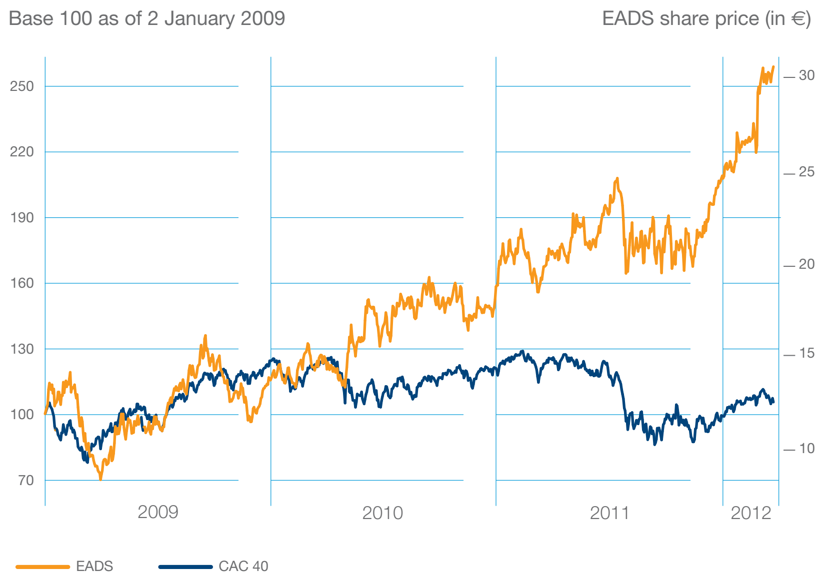
EADS has upgraded its service for shareholders. By calling toll-free from France, Germany and Spain, or via our standard international number (see below) – you can now:

- find out the latest details on the EADS share price
- discover upcoming events for shareholders
- hear a summary of the latest financial results
- speak to a shareholder advisor (9 am to 6 pm)
- be connected to the EADS Securities Department for your registered account

Our service is available in 4 languages: English, French, German and Spanish.

YOUR EADS SHARES

SHARE PRICE EVOLUTION as of 4 April 2012



EADS SHARE EVOLUTION on Paris Stock Market in 2012

- High: on 3 April
  € 31.17
- Low: on 2 January
  € 25.68
- Performance year-to-date:
  +21% (CAC 40: +3%)
- Gross dividend per share
  € 0.45*

In 2011, EADS was by far the best performer of the CAC 40, and second best amongst MDAX stocks. Over the course of the year EADS shares gained 38% while the CAC 40 fell –17% and the DAX –15%.

*Submitted to Annual General Meeting approval. Record date: 6 June 2012. Payment date: 7 June 2012.

CAPITAL STRUCTURE as of 31 December 2011

- 22.35% **Sogeade** (Lagardère and French state holding company Sogepa)
- 22.35% **Daimler****
- 5.45% **SEPI** (Spanish state holding company)
- 49.41% **Institutional, retail and employee ownership** (+ shares held out of the contractual partnership by the French state)
- 0.45% **Treasury Shares** (without economic or voting rights)

** On 9 February 2007, Daimler reached an agreement with a consortium of private and public-sector investors by which it effectively reduced its shareholding in EADS by 7.5%, while retaining its voting rights over the entire 22.5% package of EADS shares.

SHAREHOLDER INFORMATION

www.eads.com
ir@eads.com
Tel : +33 800 01 2001

FREEFONE

France: 0 800 01 2001
Germany: 00 800 00 02 2002
Spain: 00 800 00 02 2002

Printed on recycled paper

Publication director:
Auriane de Soultrait

Editorial team:
James Gibbs, Bruno Martire, Guilhem Boltz.

LCOMFI