

aero-notes



LETTER TO SHAREHOLDERS

Dear Shareholder,



In a rapidly evolving market environment it can be especially important to take a step back and reflect on progress made. As EADS sets its sights on long-term goals, I believe that our recent achievements give us good grounds for confidence.

Clearly, our financial results of the first half-year demonstrate that our performance is improving. While our revenues of € 24.9 billion show a 14% increase on the same period of last year, our EBIT has almost doubled. The favourable dollar-euro environment has enabled us, through our hedging activities, to enhance our financial stability in the years ahead.

Despite macro-economic uncertainty and constrained government budgets, our order intake of € 28.2 billion for the first half-year represents a respectable book to bill of above one. At the end of June 2012, the Group's order book stood at a record level of € 552 billion. It is a considerable platform for future growth. The positive overall dynamic has led us to raise our guidance for the full year.

Our Group is united by a clear focus on the business. The new management, under CEO Tom Enders, has already signalled its determination to drive EADS towards long-term goals, in particular with the decision to build an Airbus final assembly line in the US (see page 7). Further strategic measures are currently under review.

Management is devoting its utmost attention to our key industrial programmes. The A380 wing rib technical fix is under development. We continue to target break-even for A380 aircraft in 2015. Following a small change in the initial delivery schedule, Airbus Military remains committed to delivering four A400M in 2013.

Entry into service for the A350 XWB has been moved into H2 2014 mainly due to the time taken for implementing the automated drilling process for the wings. Ensuring technical maturity of aircraft sections and securing an efficient production ramp-up will remain key priorities within this programme, which remains challenging.

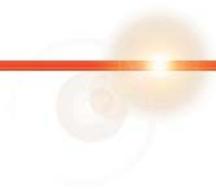
Above all, I would like to pay tribute to the healthy spirit of dialogue that EADS enjoys with its many passionate and loyal shareholders. In the past months a large number of you have met and exchanged views with our top management (see pages 4-5). Our shared commitment and engagement is a powerful asset, and a further reason to be confident about the Company's future.

PHILIPPE BALDUCCHI
EADS Head of Investor Relations and Financial Communication

For the latest information on ongoing strategic discussions, please visit www.eads.com

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Eurocopter's order intake for the first half year was boosted by orders for the EC175 (photo) as well as the Super Puma.

STEADY MOMENTUM

“The Group performed well in the first six months and our financial results demonstrate steady momentum. The new management is united in pursuing improved profitability through a clear focus on programme execution. Another focus of our efforts is to further integrate and globalise EADS. One important step into this direction is our decision to build a Final Assembly Line for Airbus aircraft in the US”, – SAID TOM ENDERS, CEO OF EADS. “Our key programmes, particularly at Airbus, continue to command our utmost attention.”

EADS achieved solid financial results in the first half of 2012, exceeding expectations.

In the first six months of 2012, EADS' revenues increased 14 percent to € 24.9 billion (H1 2011: € 21.9 billion) driven by growth across all Divisions. Until the end of June, physical deliveries continued to be at a high level with 279 aircraft at Airbus Commercial and 198 helicopters at Eurocopter. In July, Astrium achieved the 49th consecutive successful Ariane 5 launch.

EBIT* before one-off stood at around € 1.4 billion (H1 2011: around € 0.7 billion). The increase compared to the same period last year is driven by improved performance at Airbus Commercial, Eurocopter and Astrium.

During the first half of 2012, EADS accelerated its hedge activity and implemented \$ 19.2 billion

of new hedge contracts at an average rate of € 1 = \$ 1.31, which enhances stability of the Group's financial performance. At the end of June, EADS' total hedge portfolio stood at \$ 84.1 billion.

EADS' **reported EBIT*** increased by 91 percent to € 1,078 million, driven by the improvement of the EBIT* before one-off.

This quarter, with the A350 XWB Entry-into-Service moving into H2 2014, Airbus Commercial booked a charge of € 124 million to account for the actual delay of around three months.

The A380 wing rib technical fix is under development. For the A380s already delivered, the total charges recorded in the first half of 2012 amounted to € 181 million, of

which € 23 million were booked in the second quarter.

Net Income rose significantly to € 594 million (H1 2011: € 109 million), or earnings per share of € 0.73 (earnings per share H1 2011: € 0.13).

Self-financed Research & Development (R&D) expenses remained roughly stable at € 1,425 million (H1 2011: € 1,409 million).

Free Cash Flow before customer financing amounted to € -1,671 million (H1 2011: € -286 million). The improvement of the operational performance is weighed down by a deterioration of the working capital. This is mainly due to a strong increase of inventory as EADS continues to ramp up production while deliveries and milestone achievements are back-loaded in the year, especially on A380.

The level of capital expenditure increased compared to last year, mainly at Airbus and Eurocopter.

Free Cash Flow after customer financing stood at € -1,751 million (H1 2011: € -184 million).

The **Net Cash position** of EADS amounted to € 9.7 billion (year-end 2011: € 11.7 billion), also reflecting a cash contribution to pension

OUTLOOK

As the basis for EADS 2012 guidance the Group expects the world economy and air traffic to grow in line with prevailing independent forecasts and assumes no major disruption due to the current euro crisis.

EADS' results of the first six months confirm the Group's growth and improvement trend. These positive dynamics lead EADS to improve its 2012 guidance. In 2012, Airbus should deliver around 580 commercial aircraft, including 30 targeted A380 deliveries.

Gross orders should be above the number of deliveries, in the range of 600 to 650 aircraft.

Based on an assumption of € 1 = \$ 1.35, EADS 2012 revenues should continue to grow at around 10 percent.

Based on the solid H1 performance, especially at Airbus, Eurocopter and Astrium, EADS expects 2012 Group EBIT* before one-off to be around € 2.7bn.

As a result and with an expected tax rate for the full year of slightly below 30 percent, the EADS 2012 EPS* before one-off⁽¹⁾ should now be around € 1.95 (FY 2011: € 1.39).

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 customers.

Based on the targeted 30 A380 deliveries, EADS should continue to generate a positive Free Cash Flow after customer financing and before acquisitions.

assets of € 320 million as well as the dividend payment of around € 370 million.

EADS' **order intake**⁽³⁾ amounted to € 28.2 billion (H1 2011: € 58.1 billion). At the end of June 2012, the Group's **order book**⁽³⁾ stood at a record level of € 551.7 billion (year-end 2011: € 541.0 billion), providing stability and visibility in the current macro environment.



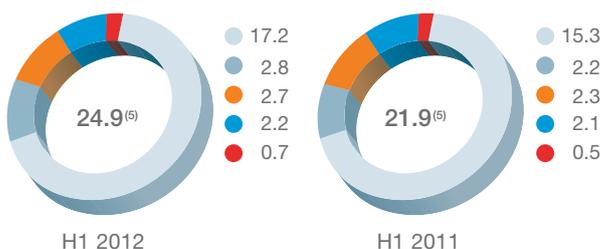
The full EADS 2012 half-year results release is available at www.eads.com

EADS GROUP (in € million)

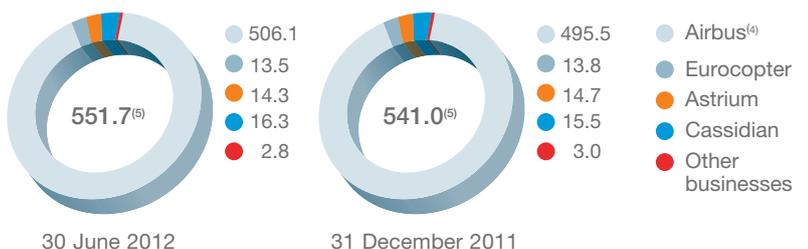
	H1 2012	H1 2011	Change
Revenues	24,934	21,936	+14%
thereof defence	4,837	4,924	-2%
EBIT*	1,078	563	+91%
Self-financed Research and Development	1,425	1,409	+1%
Net Income ⁽²⁾	594	109	+445%
Earnings Per Share (EPS) ⁽²⁾	€ 0.73	€ 0.13	+€ 0.60
Free Cash Flow (FCF)	-1,751	-184	-
Free Cash Flow before Customer Financing	-1,671	-286	-
Order Intake⁽³⁾	28,248	58,099	-51%

EADS BY DIVISION

REVENUES (in € billion)



ORDER BOOK⁽³⁾ (in € billion)



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

⁽¹⁾ Net Income before one-off is the Net Income stripped of the EBIT* one-offs. It excludes other financial result (except the unwinding of discount on provisions) 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.

⁽²⁾ 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.

⁽³⁾ Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.

⁽⁴⁾ The reportable segments Airbus Commercial and Airbus Military from the Airbus Division. Eliminations are treated at the Division level.

⁽⁵⁾ Total figure includes Headquarters Consolidation.



EADS CEO Tom Enders addresses shareholders in Munich, 4 July, 2012.



Shareholder Information Meeting, Paris, 28 June, 2012.



Annual General Meeting (AGM), Amsterdam, 31 May 2012.

MANAGEMENT MEETS SHAREHOLDERS

Following a smooth transition at the top of EADS, formally prepared by the Annual General Meeting of Shareholders in Amsterdam, Netherlands, EADS' new management team has been swift to show its commitment to private shareholders. Within weeks of the transition, EADS CEO Tom Enders, CFO Harald Wilhelm and

Chief Strategy and Marketing Officer (CSMO) Marwan Lahoud met individual shareholders at specially organised events in Paris and Munich. The atmosphere of shared passion as well as lively, constructive debate witnessed during these events bodes well for the Group's future.



Full documentation and voting results of the Annual General Meeting are available at www.eads.com ←



AGM: EADS' departing Chairman and CEO, respectively Bodo Uebber and Louis Gallois (left to right). Following the meeting Bodo Uebber assumes a regular EADS Director's mandate.



On stage in Paris: EADS CFO Harald Wilhelm, EADS CSMO Marwan Lahoud and Airbus Head of Engineering Charles Champion (left to right).



Shareholders watch a 3-D video showing a vision of future air travel.



Question and answer round, Munich.



Harald Wilhelm explained that the dividend payout ratio is aligned to industry peers and that this policy will be the orientation for the future.



Rapt attention, Munich.



Question and answer round, Paris.



Tom Enders explained that the new final assembly line in Alabama will help the company increase its share of the world's largest market for single-aisle aircraft.



EADS Head of Investor Relations and Financial Communication Philippe Balducchi (right) welcomes shareholders at the cocktail reception, Paris.



Marwan Lahoud (centre) mingles with shareholders at the end of the Paris meeting.



Harald Wilhelm (right) replies to further questions following the Paris meeting.



Charles Champion presents Airbus' vision of the future of flying, Paris.



Tom Enders (left) took time to meet individual shareholders, Munich.



Hans Peter Ring (right) thanked EADS shareholders for the loyalty and trust shown towards him during his years as EADS CFO.



Besides building helicopters, Eurocopter's Donauwörth site is responsible for manufacturing Airbus aircraft doors.



EADS shareholders are guided through Eurocopter's maintenance, repair and overhaul facilities.



Visitors took a look at Eurocopter's production line for military helicopters, including the NH90 and Tiger.

EADS OPENS ITS DOORS

In the first half of 2012, EADS continued its policy of opening its doors to retail shareholders, with a series of specially organised visits in France, Germany and the UK.

On 3 February a group of shareholders were able to witness Airbus long-range A330 and flagship A380 aircraft taking shape at the final assembly line in Toulouse, France. On 23 May, it was the turn of Eurocopter to play host during a visit to the site in Donauwörth, Germany. Highlights of the visit included a tour of the civil EC135 and EC145 and

of the military NH90 and Tiger helicopter production lines.

During the International Airshow in Farnborough, UK, retail shareholders were invited to participate in guided tours of the EADS exhibit, showcasing products and innovations from across all Divisions of the Group. To round off visits, participants were able to step inside the Airbus A380 or the state-of-the-art military transporter A400M.



In dialogue: Auriane de Soultrait, Vice-President Investor Relations & Financial Communication (right) at the Farnborough International Airshow.



Airbus A380 final assembly line, Toulouse, France.



Visitors at the Astrium exhibit, Farnborough.



Private shareholders tour the EADS exhibition stand, Farnborough, 12 July.



Computer rendering of Airbus' first U.S.-based production facility, which will build A320 Family jetliners at the Brookley Aeroplex in Mobile, Alabama, beginning in 2015.

AIRBUS TO ESTABLISH ASSEMBLY LINE IN UNITED STATES

Airbus anticipates the facility will produce between 40 and 50 aircraft per year by 2018.

Airbus announced in July 2012 that it will establish a manufacturing facility in the United States to assemble and deliver A320 Family aircraft. Located at the Brookley Aeroplex in Mobile, Alabama, it will be the company's first U.S.-based production facility.

Construction of the assembly line is to begin in summer 2013. Aircraft assembly is planned to start in 2015, with first deliveries from the Mobile facility beginning in 2016. Airbus anticipates the facility will produce between 40 and 50 aircraft per year by 2018.

Airbus already has a strong and growing presence in Alabama and throughout the United States. In Alabama, the company operates an Engineering Center in Mobile – also located at Brookley Aeroplex and employing more than 200 engineers and support staff – as well as an Airbus Military customer services operation supporting

U.S. Coast Guard aircraft. In addition, Airbus operates an Engineering Center in Wichita, Kansas; an aircraft Spares Center in Ashburn, Virginia; a Training Center in Miami, Florida, and a regulatory and government liaison office in Washington, D.C.. Subsidiary Metron Aviation, a leading provider of advanced Air Traffic Management (ATM) products and services, is based in Dulles, Virginia. Airbus' headquarters for the Americas are located in Herndon, Virginia. All together, Airbus' U.S. facilities currently employ more than 1,000 people.

The company said that the new Mobile assembly line, together with associated functions, should create as many as 1,000 new high-skilled jobs. Airbus' assembly line in Mobile will add to existing production capabilities by other EADS companies in the United States. For example, American Eurocopter manufactures helicopters at facilities in Columbus, Mississippi and Grand Prairie, Texas, while Cassidian

Communications has an assembly plant in Temecula, California.

Airbus is the largest export customer for the U.S. aerospace industry. Since 1990, the company has spent \$127 billion with U.S. suppliers – \$12 billion last year alone.



Airbus CEO Fabrice Brégier (left) and Alabama Governor Robert Bentley at the event announcing the new production facility in Mobile, Alabama.

TAKE A LOOK AT THE EADS ANNUAL REPORT 2011



You can view or order copies at www.eads.com (under Investor Relations)

TAKE PART IN OUR SHAREHOLDER EVENTS AND VISITS

EADS regularly offers information meetings and site visits for retail investors, as advertised in the Shareholder Calendar. If you would like to take part or find out more, please phone the shareholder information number as indicated on this page, or write to ir@eads.com.

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18 October 2012: [Private Shareholder site visit, Toulouse, France](#)

8 November 2012: [EADS 9-month results](#)

15 November 2012: [Private Shareholder Forum Leipzig, Germany](#)

19 November 2012: [Private Shareholder Forum Cologne, Germany](#)

20 November 2012: [Private Shareholder site visit, Getafe, Spain](#)

23-24 November 2012: [Salon Actionaria Paris, France](#)

28 November 2012: [Private Shareholder Forum Frankfurt, Germany](#)

10 December 2012: [Private Shareholder Forum, Lyon, France](#)

12 December 2012: [Private Shareholder site visit, Getafe, Spain](#)

13 December 2012: [Private Shareholder Forum, Marseille, France](#)

YOUR EADS SHARES

SHARE PRICE EVOLUTION as of 21 September 2012



SHARE PRICE EVOLUTION IN 2012 (Paris Stock Market)

- © High: € 31.20 (on 3 August)
- © Low: € 24.015 (on 2 January)
- © Performance year-to-date: +7% (CAC 40: +12%)
- © Gross dividend per share: € 0.45*
- © Closing price 21 September: € 25.70**

*Record date: 6 June 2012. Payment date: 7 June 2012.

**On 12 September EADS issued a statement on ongoing strategic discussions. Please refer to www.eads.com for details.

CAPITAL STRUCTURE as of 30 June 2012



** 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

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