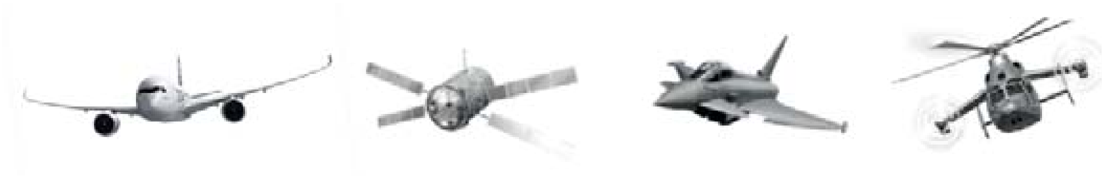
NUMBER 34 – NOVEMBER 2012

aero-notes



LETTER TO SHAREHOLDERS

Dear Shareholder,

As the year draws to a close we can already see that our targets in terms of growth and underlying profitability are well within reach. Year on year, our nine months revenues are up 14 percent and our EBIT before one-off is up 82 percent. But we can see too a need to remain fully focused on challenges at hand.

Our management is devoting the utmost attention to programme management and execution. We are making good progress in many of our most complex programmes. The A400M flight testing programme continues with a first delivery to France targeted for Q2 2013. Certification of retrofit and forward fit A380 wing rib solutions is expected around the end of 2012. On the A350, with two aircraft now in final assembly, the static test aircraft and first flying aircraft, Airbus continues to target entry into service for H2 2014. Securing an efficient series production in the years ahead remains a key focus of this challenging programme.

Meanwhile at Eurocopter, talks are continuing with a number of NH90 and Tiger customers who are seeking to reduce deliveries. The outcome of these important discussions is still open.

Ongoing ramp-up efforts at Airbus and Eurocopter, in particular, as well as our back-loaded A380 delivery pattern this year, have led to a significant temporary increase of inventory this quarter. In the weeks and months ahead, aircraft deliveries will therefore be a high priority, both to reach our break-even cash-flow target for the year and to drive the profitability improvement beyond.

Following the recent effort to accelerate the company's strategic development, our top management team is now reassessing the options for our portfolio of businesses, especially with regards to our defence activity and the industrial footprint outside Europe.

Our company is fortunate in being in a position to examine its strategic possibilities in an orderly manner. Our underlying performance is improving and our growth perspectives are good. Our net cash gives us flexibility while our hedge book provides stability in a volatile macro environment. Our order book at €548 billion is a platform for several years of business. Even Cassidian, the EADS Division most heavily exposed to government budget constraints, continues to show a respectable order backlog of €16 billion.

I believe that with its sound business fundamentals and its ongoing growth perspectives EADS will remain a pace-setter in the aerospace sector for many years to come. I am also fully convinced that through its firm focus on delivery and performance, our Company is doing all it can to justify the commitment shown by you, our loyal shareholders.

PHILIPPE BALDUCCHI
EADS Head of Investor Relations and Financial Communication

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EADS

A total of 350 Airbus employees go on stage at the A350 XWB Final Assembly Line inauguration ceremony, October 2012.

REVENUES AND PROFITS CONTINUE TO

"Our performance over the first nine months shows double-digit revenue growth and a strong increase in profitability. The latter reflects, not least, our continued focus on programme management and execution", – SAID TOM ENDERS, CEO OF EADS. "However, we will not run out of operational challenges anytime soon, especially at Eurocopter and Airbus. And for the rest of the year, we'll put strong emphasis on cash generation. Aircraft deliveries are key."

EADS achieved robust financial results in the first nine-months of 2012.

In the first nine months of 2012, EADS' **revenues** increased 14 percent to € 37.3 billion (9m 2011: € 32.7 billion) driven by growth across all Divisions. The newly acquired companies in 2011 contributed around € 1 billion to this growth. Until the end of September, physical deliveries continued to be at a high level with 405 aircraft at Airbus Commercial and 300 helicopters at Eurocopter. In September, Astrium achieved the 51st consecutive successful Ariane 5 launch.

EBIT* before one-off stood at around € 1.9 billion (9m 2011: around € 1.1 billion). The increase compared to the same period last year is driven by operational improvement at Airbus Commercial including favourable volume and better pricing. Astrium's growth is driven by productivity improvements and the integration of Vizada. In Eurocopter, despite an unfavourable product mix in the third quarter and higher Research & Development expenses, EBIT* before one-off is stable. As expected, Cassidian's 2012 profitability is impacted by the business transformation and globalisation.

During the first nine months of 2012, EADS accelerated its hedge activity and implemented $ 27 billion of new hedge contracts at an average rate of € 1 = $ 1.29, which enhances the stability of the Group's financial performance. At the end of September, EADS' total hedge portfolio stood at $ 86.4 billion.

EADS' **reported EBIT*** increased by 82 percent to € 1,615 million (9m 2011: € 885 million), driven by the improvement of the EBIT* before one-off.

The A350 XWB charge of € 124 million is unchanged compared to H1 2012 as Airbus progresses within the amended schedule, which was communicated in July. However, the programme remains challenging.

Airbus is progressing, as planned, on the A380 wing rib technical fix development. The total charges recorded so far in 2012 amount to € 0.2 billion. Airbus still targets 30 A380 deliveries for 2012 which means the total charge for the A380 wing rib feet is still expected to reach around € 260 million for the full year.

Following the Hawker Beechcraft (HBC) decision to shut down all their jet lines and despite EADS' efforts to actively seek an acquirer for HBC as a whole including jets, the programme closure has resulted in an exceptional charge of € 76 million in the third quarter.

Net Income rose sharply to € 903 million (9m 2011: € 421 million), or earnings per share of € 1.10 (earnings per share 9m 2011: € 0.52).

Self-financed Research & Development (R&D) expenses remained broadly stable at € 2,145 million (9m 2011: € 2,151 million).

OUTLOOK

As the basis for EADS' 2012 guidance, EADS 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.

As EADS' nine-month results confirm its growth and improvement trend, the Group reaffirms with increased confidence its 2012 earnings 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 = $ 1.30, EADS 2012 revenues should grow in excess of 10 percent.

Based on the Group's solid underlying operating performance, EADS expects 2012 Group EBIT* before one-off to be around € 2.7 billion.

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 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 military helicopters, A400M, A380 and A350 XWB, in line with the commitments made to customers. Reported EBIT* and EPS* also depend on exchange rate fluctuations.

Based on the targeted 30 A380 deliveries and assuming no change in government payment behaviour, EADS aims to be Free Cash Flow break-even after customer financing and before acquisitions.

GROW

Free Cash Flow before acquisitions amounted to € –3,235 million (9m 2011: € 587 million). Operational performance improved significantly compared to the same period last year. However, it is weighed down by a significant temporary deterioration in working capital which reflects the back-loaded delivery pattern and the significant industrial ramp up efforts, especially at Airbus and Eurocopter. In addition, government payment profiles and milestone achievements are back-loaded, particularly at Cassidian.

The level of capital expenditure continued to increase, mainly at Airbus driven by A350 XWB as well as Single Aisle and Long Range rate increases. It includes a capitalisation of development costs, mainly for the A350 XWB programme.

The Q4 cash flow should reflect the reversal of working capital requirements driven by deliveries and payments from institutional customers.

Free Cash Flow after customer financing amounted to € –3,376 million (9m 2011: € 155 million).

The **Net Cash position** of EADS amounted to € 8.1 billion (year-end 2011: € 11.7 billion), also reflecting a cash contribution to pension assets of € 331 million as well as the dividend payment of around € 370 million.

EADS' **order intake**(3) amounted to € 50.4 billion (9m 2011: € 93.9 billion) and was encouraging across all Divisions. The 9m 2011 order intake included exceptional orders booked at Paris Air Show, particularly for the A320neo.

At the end of September 2012, the Group's **order book**(3) stood at € 547.5 billion (year-end 2011: € 541.0 billion), providing a solid platform for future growth.

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

EADS GROUP (in € million)	9m 2012	9m 2011	Change
Revenues thereof defence	37,258 7,355	32,687 7,490	+14% –2%
EBIT*	1,615	885	+82%
Self-financed Research and Development	2,145	2,151	0%
Net Income(2)	903	421	+114%
Earnings Per Share (EPS)(2)	€ 1.10	€ 0.52	+€ 0.58
Free Cash Flow (FCF)	–3,376	155	–
Order Intake(3)	50,409	93,907	–46%
Order Book(3)	547,476	502,971	+9%

* 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.

AIRBUS

Airbus' consolidated revenues increased by 14 percent to € 25,621 million (9m 2011: € 22,411 million). The Airbus consolidated EBIT* rose by 184 percent to € 837 million (9m 2011: € 295 million).

Airbus Commercial revenues amounted to € 24,725 million (9m 2011: € 21,120 million). Compared to one year ago, Airbus Commercial revenues benefited from favourable volume, mix and pricing effects. A total of 403 deliveries were booked with revenue recognition and a further 2 aircraft were placed on operating lease. Airbus Commercial reported EBIT* increased significantly to € 816 million (9m 2011: € 306 million).

Revenues at Airbus Military of € 1,194 million decreased compared to last year (9m 2011: € 1,747 million) mainly due to lower revenue recognition on the A400M as well as lower Tanker revenues.

EBIT* of Airbus Military improved slightly to € 8 million (9m 2011: € 5 million), reflecting lower R&D expenses.

During the first nine months of 2012, Airbus Commercial booked 382 net aircraft orders (9m 2011: 1,038 units).

Airbus continued to see healthy demand for both the A320 and the A320neo, with significant orders booked from Chinese lessor ICBC Financial Leasing Co. Ltd. and Philippine Airlines during the third quarter.

Singapore Airlines in October announced its intention to order 20 A350-900s and 5 A380s. The challenging A350 XWB programme continues to make progress. Both the static test aircraft and MSN 1, the first flying aircraft, are in assembly and power-on of the front fuselage section has been successfully achieved. Airbus continues to target first flight for mid-2013 and Entry-into-Service in H2 2014. The supply chain performance is still challenging.

During the first nine months of 2012, Airbus Military recorded 30 orders and delivered 11 aircraft.

The A400M flight testing programme continues, having accumulated more than 3,800 flight test hours completed by the end of September. The root cause of the recent engine technical issues has been identified. A400M Initial Operating Capability is targeted in Q1 2013 on a configuration to be agreed with OCCAR, allowing the first delivery to France in Q2 2013. Three further deliveries are planned later that year.

At the end of September 2012, Airbus' consolidated order book was valued at € 502.7 billion (year-end 2011: € 495.5 billion).

The Airbus Commercial backlog amounted to € 482.0 billion (year-end 2011: € 475.5 billion), which comprises 4,414 units (year-end 2011: 4,437 aircraft) and represents around 7 years of full production.

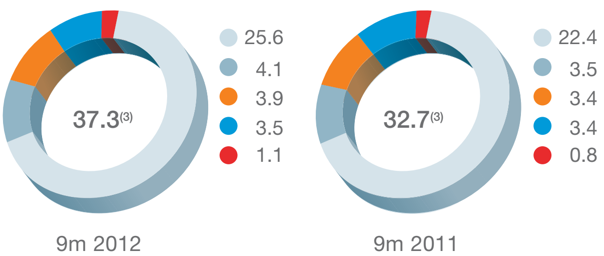
Airbus Military's order book amounted to 236 aircraft, equalling € 21.8 billion (year-end 2011: € 21.3 billion).

Thai Airways International takes delivery of its first A380, September 2012.

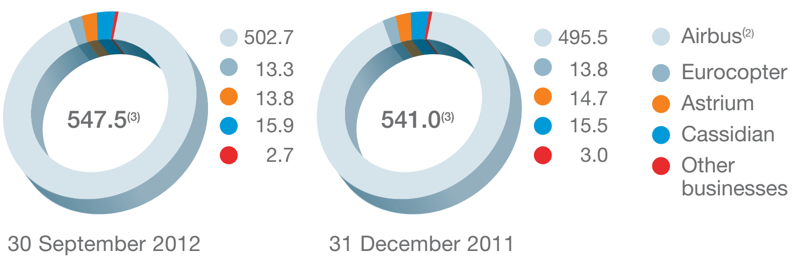

First delivery of the A400M is planned for Q2 2013.

EADS BY DIVISION

REVENUES (in € billion)



ORDER BOOK(1) (in € billion)



* Earnings before interest and taxes, pre goodwill impairment and exceptionals.
1) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.
2) The reportable segments Airbus Commercial and Airbus Military from the Airbus Division. Eliminations are treated at the Division level.
3) Total figure includes Headquarters Consolidation.

ASTRIUM

Astrium revenues in the first nine months of 2012 rose by 14 percent to € 3,934 million (9m 2011: € 3,440 million), mainly due to the inclusion of the acquired Vizada group.

EBIT* increased by 16 percent to € 191 million (9m 2011: € 165 million), despite higher R&D compared to last year. The EBIT* increase is due to margin improvements thanks to efficiency and productivity gains resulting from the AGILE transformation programme as well as a positive Vizada contribution.

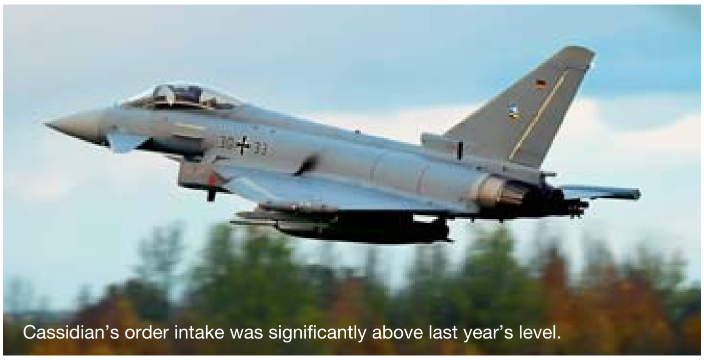
Astrium's order intake reached € 2.9 billion over the first nine months of 2012 (9m 2011: € 2.3 billion). This performance was driven by a solid level of services activity.

Astrium demonstrated strong programme execution during the third quarter achieving three Ariane 5 launches, resulting in the 51st consecutive success. Three Astrium-built satellites were launched this quarter and the third Automated Transfer Vehicle (ATV) mission has been successfully completed.

The Astrium-built Automated Transfer Vehicle "Edoardo Amaldi" successfully completed its mission in October 2012.

At the end of September 2012, the order book of Astrium amounted to € 13.8 billion (year-end 2011: € 14.7 billion).

CASSIDIAN



Cassidian's order intake was significantly above last year's level.

Cassidian revenues with € 3,484 million (9m 2011: € 3,419 million) are in line with the previous year's level while EBIT* decreased to € 156 million (9m 2011: € 170 million), as expected. The decrease in self-funded R&D was offset by continuing investments in globalisation and transformation.

The appointment of a new management team in September is designed to reduce complexity, enhance margin performance and to strengthen internationalisation.

A comprehensive review of cost structure and contract execution enhancement was launched with a view to concluding it before year-end.

Cassidian's order intake of € 3.4 billion for the first nine months was significantly above last year's level (9m 2011: € 2.6 billion), despite the challenging market environment, driven mainly by profitable Eurofighter and MBDA business.

At the end of September 2012, the Cassidian order book had risen to € 15.9 billion (year-end 2011: € 15.5 billion).

EUROCOPTER

Revenues at **Eurocopter** increased by 19 percent to € 4,116 million (9m 2011: € 3,458 million), mainly driven by more Super Puma deliveries, higher repair and overhaul support activities and the full inclusion of the Vector Aerospace business consolidation. Deliveries reached 300 helicopters (9m 2011: 323 helicopters). The Division's EBIT* increased significantly by 76 percent to € 277 million (9m 2011: € 157 million).

The Division is continuing its high stake discussions with several NH90 and Tiger customers, who are seeking to reduce deliveries. The outcome of the discussions is still open.

In close collaboration with the investigation authorities, Eurocopter is devoting all its efforts to analysing and mitigating the root causes for the incidents on Super Puma and Ecureuil B3e.

During the first nine months of 2012, Eurocopter's net order intake rose to 286 compared to 259 net orders for the same period last year.

Eurocopter's order book decreased slightly to € 13.3 billion (year-end 2011: € 13.8 billion) comprising 1,062 helicopters (year-end 2011: 1,076 helicopters).

Eurocopter delivered 300 helicopters over the first nine months.

At the end of September, the ATR backlog stood at 202 aircraft.

HEADQUARTERS AND OTHER BUSINESSES (not belonging to any Division)

Revenues of **Other Businesses** increased 28 percent to € 1,067 million (9m 2011: € 833 million), mainly due to volume increase at EADS North America and ATR. EBIT* of Other Businesses decreased to € 15 million (9m 2011: € 20 million).

ATR received 15 net orders over the first nine months of 2012 (9m 2011: 145) and delivered 37 aircraft (9m 2011: 30). At the end of September, the ATR backlog stood at 202 aircraft. At the end of September 2012, the order book of Other Businesses had decreased to € 2.7 billion (year-end 2011: € 3.0 billion).

The A380 consumes less than three litres of fuel per passenger over 100km.

ENVIRONMENTAL PROTECTION

EADS's prominence in aerospace makes it a central player in the sustainable mobility issue and more broadly, in the evolution towards a "green economy".

The environment is part of top-level requirements for the design of any new product. A major part of EADS' Research and Technology effort is therefore aimed at developing aircraft that generate fewer emissions and less noise, while carrying a maximum payload over the mission range.

The all electric Cri-Cri is a joint development involving EADS Innovation Works.

Moreover through its Astrium Division, EADS is a key partner in the European Space Agency's (ESA) Living Planet programme, providing the satellites needed to monitor 45 essential climate variables identified by the United Nations. The Astrium-built Cryosat II satellite, for example, has provided the first precise map measuring the thickness of Arctic sea ice.

AMBITIOUS AVIATION GOALS

Over the last 40 years, fuel burn has been reduced by 70% and aircraft noise by 75%. Despite a 53% increase in traffic and a 41% increase in capacity, jet fuel demand has increased just 3% since 2000. Today approximately 2% of global man-made CO_2 emissions come from aviation.

Within EADS we have set ambitious targets that are in line with both Flightpath 2050, the European Union's Vision for Aviation, and the global Air Transport Action Group (ATAG) objectives. Flightpath 2050 aims to achieve the following significant cuts in emissions: 75% CO_2 emissions reduction per passenger kilometre; 90% NOx emissions reduction; 65% noise reduction.

ATAG's broader objectives are: Stabilise CO_2 emissions by 2020; Reduce emissions by 50% (below 2005 levels) by 2050.

THE A380: PART OF THE SOLUTION

Meeting the most demanding noise and emissions regulations, compatible with existing airport infrastructures and with the lowest fuel consumption per seat in the large aircraft class, the A380 defines new economic and environmental standards.

The A380 carries 42% more passengers than the 747-400 but produces half the noise energy when taking off; and three to four times less noise energy when landing. The A380 burns 17% less fuel per seat than the 747-400.

The A380 consumes less than 3 litres of fuel per passenger over 100 kilometres, compared with the worldwide fleet's average of five litres.

PROMOTING SUSTAINABLE MOBILITY

Improved air traffic management can significantly reduce environmental impacts.

AIR TRAFFIC MANAGEMENT

EADS is dedicated to the development of modern air traffic management systems in order to support sustainable growth of air transport.

EADS is an active participant in air traffic management programmes such as "Single European Sky ATM Research" (SESAR) in Europe, as well as NextGen in the US. SESAR has set itself the long-term target of tripling air traffic capacity, halving costs for airlines, increasing safety ten-fold and reducing the environmental impact of every aircraft by ten percent.

In 2011, Airbus launched a new subsidiary company called "Airbus ProSky", dedicated to the development and support of modern air traffic management systems.

ALTERNATIVE ENERGY SOURCES

EADS is pioneering sustainable biofuels, made from bio-mass feedstock that consume carbon dioxide as they grow, thereby offsetting emissions when they are burned. EADS has been working with universities, fuel companies and start-up companies, as well as standard-setting organisations, to develop biofuels that work with existing aircraft and infrastructure.

Airbus is supporting airlines with their commercial operations using biofuels and is co-leading a key project with the EU to prepare a feasibility study and road map to ensure two million tonnes of biofuel availability for aviation in the EU by 2020.

EADS is encouraging development of biofuel "value chains".

The eCO2avia demonstrator shows the feasibility of using biofuels and electric power in helicopters.

ECO-EFFICIENT HELICOPTER TECHNOLOGY

EADS is developing environmentally friendly rotary-wing technologies that include the diesel-electric hybrid propulsion concept for helicopters.

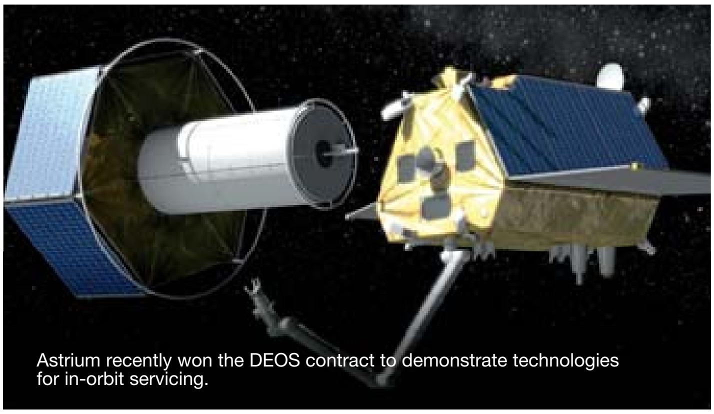
Engineers have configured the hybrid helicopter's engines to operate on algae-based biofuel. The engines' power output shafts are each fitted with a generator that delivers electrical power directly to the rotors. Two batteries provide buffer storage for the energy, enabling the helicopter to operate on electrical power alone for short periods, allowing for quieter takeoffs and landings.

All together this enables a potential reduction in fuel consumption – and hence emissions – by up to 50 percent.

WORKING FOR A CLEANER, SAFER SPACE

The safety of current and future space missions is becoming increasingly threatened by fast moving debris. This includes defunct satellites, spent launcher stages, objects jettisoned from manned vessels, and fragments resulting from collisions. Astrium is developing technologies, as part of projects such as DEOS, for actively deorbiting debris, including spacecraft capable of approaching and grabbing hold of large pieces of debris and guiding them to burn up harmlessly in the earth's atmosphere.

As part of the European NEOShield programme to protect Earth from the threat of asteroids, Astrium is working on a 'kinetic impactor' to slam into and deviate large incoming objects, and on a 'gravity tractor' to cause the object to change its orbital course.



Astrium recently won the DEOS contract to demonstrate technologies for in-orbit servicing.

EXCHANGING VIEWS

EADS encourages shareholders to find out more about EADS and to discuss candidly the Group's strategy, performance and policies.

In recent weeks, the EADS Financial Communication team has met many private shareholders at conferences in Europe, at the Actionaria show in Paris, France and on specially organised site visits in Toulouse and Nantes, France, Hamburg, Germany and Getafe, Spain.

Please don't hesitate also to email your comments and questions to us at ir@eads.com or contact the shareholder information number as indicated on this page.

Airbus Hamburg, private investors pose in front of the historic Super Guppy transport aircraft, September 2012.

Private shareholders find out about the MRTT air-to-air refuelling aircraft during a visit to the facility in Getafe, Spain.

YOUR EADS SHARES

SHARE PRICE EVOLUTION as of 21 November 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: +5.2% (CAC 40: +10%)
- Gross dividend per share: € 0.45*
- Closing price 21 November: € 25.41

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

CAPITAL STRUCTURE as of 30 September 2012

- 22.17% **Sogeade** (Lagardère and French state holding company Sogepa)
- 22.17% **Daimler****
- 5.40% **SEPI** (Spanish state holding company)
- 50.20% **Institutional, retail and employee ownership** (+ shares held out of the contractual partnership by the French state)
- 0.63% **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 CALENDAR

28 January 2013: Private Shareholder site visit, Toulouse, France

27 February 2013: Annual Results 2012

SHAREHOLDER INFORMATION

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