



Letter to our Shareholders

Dear Shareholders,



Whilst the weather this summer was relatively mixed, it was decidedly sunny for the EADS share price which rebounded nearly 40% compared to the low of 11 July. The Group published solid half year results on July 30, reflecting strong underlying performance, in addition to dynamic order intake, notably at Airbus, despite a difficult market context.

Paradox! The rebound in share price was not driven by this excellent commercial performance, but is explained by the strengthening US dollar.

In an uncertain macro-economic and stock market context, market operators seem to be focusing on two key drivers to determine the value of EADS: the movement in the dollar and signs of a potential slowdown of the world economy and therefore, in air traffic.

Although the problems specific to the Group – execution of major programmes, social and political constraints – also weighed heavy, the financial markets nevertheless attach little importance to the value of our technologies, the quality of our products, and our human capital, which are well-recognised by our customers.

Thus, the value of the dollar or the price of oil, being presently the main indicators for growth, influence their decision more than the long-term development of the company.

Being an EADS shareholder today is to be convinced that the Group will again arouse interest in a calmer economic environment. This is because all EADS's 110,000 employees share this certainty and are redoubling their efforts to meet today's numerous challenges and prepare the future.

NATHALIE ERRARD
Head of Investor Relations and Financial Communication

SUMMARY

EADS HALF-YEAR RESULTS 2008	2
EADS IS LAUNCHING POWER8 PLUS	4
EADS MEETS ITS SHAREHOLDERS	5
FIRST ROLL-OUT FOR THE A400M	6



H1 2008 RESULTS REFLECT CONTINUING strong underlying performance

➔ EADS continued its robust underlying performance in the first half of 2008 and achieved significant efficiency improvements across all Divisions despite programme challenges the Group is still facing. Within an uncertain macro-economic environment EADS registered a remarkable order intake reflecting the quality of its commercial and defence product portfolio. The Group confirms its full-year 2008 EBIT* guidance of € 1.8 billion in spite of an A380 charge.

Revenues increased by 8% to € 19.7 billion (H1 2007: € 18.4 billion) reflecting growth across all five Divisions despite a negative US dollar headwind. Higher Airbus deliveries (245 units, including four A380s, compared to 231 aircraft in the same period of 2007), increased volumes at Eurocopter, Astrium and Defence & Security and an A400M milestone achievement demonstrate the strong commercial momentum in the first half of 2008.

EADS' **EBIT*** (pre goodwill and exceptionals) for the first half of 2008 reached € 1.16 billion compared to € 358 million in the first half of 2007, when Airbus' EBIT* in particular was heavily burdened by Power8 restructuring provisions and A350 launch charges. The growth resulted from improvements across all Divisions. At Airbus, strong operational performance and achievement of Power8 cost savings were partly offset by a € 715 million charge in the context of the A380 programme review announced in May. Nevertheless, in the first six months of 2008, Group EBIT* benefited from under-proportional R&D expenses but this benefit will reverse in the second half of the year. In the first six months of 2008 a negative US dollar impact of around € 700 million led to loss-making contract adjustments and put pressure on the Group's EBIT*.

In line with the Group's EBIT* development, EADS improved its **Net Income** to € 403 million

(H1 2007: € 71 million), or earnings per share of € 0.50 (earnings per share H1 2007: € 0.09). To further address the weak US dollar and to secure future profitability, EADS is taking decisive actions with regard to its hedging activities. The Group started to complement its hedging positions buying a significant amount of US dollar options.

In the first six months of 2008, EADS' **order intake** reached a remarkable level of € 51.2 billion compared to a record of € 70.1 billion in the first six months of 2007, when the order intake was strongly supported by the extraordinary high order flow at the Paris Air Show. Up to the end of June 2008, the Group's **order book** remained at a record level of € 354.2 billion (year-end 2007: € 339.5 billion). Orders for 247 aircraft received during the recent Farnborough Air Show are not yet included in H1 order book. The growth in order book was achieved despite a € -17 billion revaluation due to the weaker US dollar at the end of June.

*EADS uses **EBIT pre goodwill impairment and exceptionals** as a key indicator of its economic performance. The term "exceptionals" refers to such items as depreciation expenses of fair value adjustments relating to the EADS merger, the Airbus Combination and the formation of MBDA, as well as impairment charges thereon.

**Orders within the commercial aircraft business are based on list prices.



OUTLOOK

EADS expects Airbus to capture above 850 aircraft orders in 2008.

EADS revenues are expected to exceed € 40 billion in 2008, with about 470 aircraft deliveries for the full year.

EADS expects its 2008 EBIT* to reach € 1.8 billion. The strong underlying performance generated across all businesses in the first half of 2008 provides some upside potential. Nevertheless, EADS remains cautious regarding the A400M programme. The Group expects that the results of the first flight tests and further negotiations with customers and suppliers will provide a sound basis for the

finalisation of the cost-at-completion exercise on the A400M programme.

The weakening of the closing spot rate at year-end 2008 could have negative impacts on earnings linked to the revaluation at a deteriorated US dollar rate of some Airbus balance sheet items, including loss-making contract provisions.

Before the impact of customer financing, EADS expects 2008 Free Cash Flow at above € 1 billion if the current trend is confirmed and while bearing in mind that this is the most volatile item to predict.

The EADS guidance is based on a closing spot rate at year-end 2008 of € 1 = US\$ 1.45.

EADS GROUP (in €m)	H1 2008	H1 2007	Change
Revenues ⁽¹⁾	19,739	18,356	+8%
Thereof defence	3,970	3,348	+19%
EBITDA ⁽¹⁾⁽²⁾	1,944	1,141	+70%
EBIT ⁽¹⁾⁽³⁾	1,158	358	+223%
Research and Development expenses ⁽¹⁾	1,130	1,266	-11%
Net Income ⁽⁴⁾	403	71	+468%
Earnings Per Share (EPS) ⁽⁴⁾	€ 0.50	€ 0.09	€ +0.41
Free Cash Flow (FCF) ⁽¹⁾	1,043	-67	-
Free Cash Flow before Customer Financing ⁽¹⁾	962	-29	-
Order Intake ⁽¹⁾⁽⁷⁾	51,198	70,137	-27%

1) In the context of the MBDA consolidation change Q2 2007 and H1 2007 figures have been adjusted taking MBDA into account at 37.5%.

2) Earnings before interest, taxes, depreciation, amortization and exceptionals.

3) Earnings before interest and taxes, pre goodwill impairment and exceptionals.

4) EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity holders of the parent as defined by IFRS Rules.

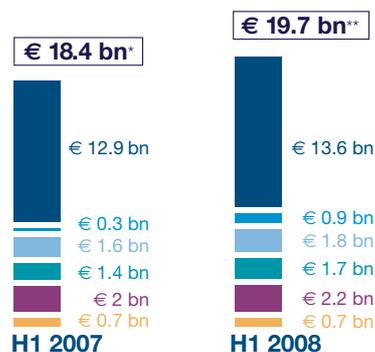
5) As of 1 January 2008, the consolidation of EADS North America was changed by transferring parts from Defence & Security Division to Other Businesses. Nevertheless, the lead of material business elements remains within the respective Divisions. The figures for H1 2007 are adjusted accordingly. In the first half of 2008, EADS North America's revenues mainly include revenues linked to the prime contractorship of the LUH programme.

6) Headquarters/Consolidation EBIT* contains the contribution from Dassault; in H1 2007 the Headquarters/Consolidation EBIT* additionally included the gain from the sale of EADS' stake in Embraer and a corporate real estate sale.

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

8) ATR, EADS EFW, EADS Socata, EADS Sogerma and EADS North America are allocated to Other Businesses which is not a stand-alone EADS Division.

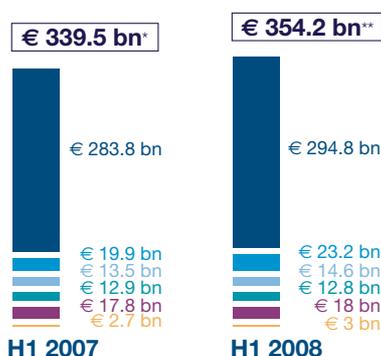
REVENUES (by segment)



*€ -0.6 bn headquarters/consolidation

**€ -1.1 bn headquarters/consolidation

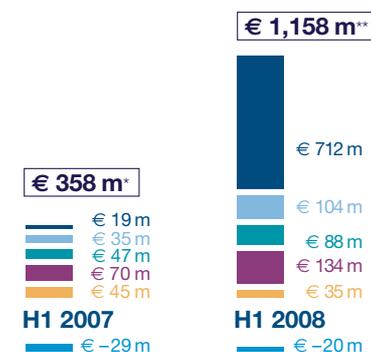
ORDER BOOK⁽⁷⁾ (by segment)



*€ -11.1 bn headquarters/consolidation

**€ -12.1 bn headquarters/consolidation

EBIT⁽³⁾ (by segment)



*€ 171 m⁽⁶⁾ headquarters/consolidation

**€ 105 m⁽⁶⁾ headquarters/consolidation

■ AIRBUS
 ■ MILITARY TRANSPORT AIRCRAFT
 ■ EUROCOPTER
 ■ ASTRIUM
 ■ DEFENCE & SECURITY ⁽¹⁾⁽⁶⁾
 ■ OTHER ACTIVITIES ⁽⁶⁾⁽⁸⁾



POWER8 TARGETS ARE WELL UNDER WAY

DEVELOP FASTER

Governance and reporting system in place; focus on Engineering Centres, Engineering Services and Work-Package approach.

SMART BUYING

Significant progress towards a global sourcing strategy; significant progress in redesign to cost activities; rationalisation of logistics and transportation across Europe.

LEAN MANUFACTURING

Value stream mapping completed in all plants; action plans launched.

REDUCE OVERHEAD COSTS

Reduce Overheads ~ 40% of Airbus internal workforce headcount reduction target achieved; structural plans in place to deliver on 2010 targets.

MAXIMISE CASH

High level of maturity on financial working capital and capex control; Cash behaviour improvement plan in place.

RESHAPE INDUSTRIAL FOOTPRINT STREAMLINE FAL FOCUS ON CORE

Site divestment strategy is maintained; Sale of Laupheim to Diehl/Thales nearing completion; Aerostructures carve-out progressing in France and Germany; GKN negotiations ongoing.

Lead time reduction advances across series programmes.

2010 target contribution confirmed, H1 EBIT Contribution of around €400m.

EADS IS LAUNCHING POWER8 PLUS

→ Group-wide **efficiency measures** are progressing well. The Power8 restructuring programme is ahead of schedule and achieved around € 400 million EBIT* contribution in the first half of 2008. Airbus has made considerable progress in overhead reductions and secured approximately 40% of the target for this module. The Group-wide selection of 28 preferred suppliers of engineering services out of an existing pool of 2,000 marked a significant step towards implementing a global sourcing strategy. In terms of Smart Buying, Airbus is changing its supplier contracts to life-cycle of programme contracts for selected aerostructures, systems and equipment suppliers to limit non-recurring costs. General

procurement targets are already secured to 2010, driven by quick wins and new sourcing initiatives as well as optimized logistics.

The site divestment strategy is maintained and the creation of the new French and German aerostructures companies is progressing. These companies must comply with the full original Power8 cost saving targets. The sale of Laupheim (Germany) to Diehl/Thales is nearing completion, negotiations on divestment in Filton (UK) are ongoing. Early July, EADS opened exclusive negotiations with the Group DAHER for acquisition of a majority interest within EADS Socata. Given the progress and prospects registered on the Power8 programme so far, EADS

and Airbus maintain the previously communicated Power8 targets regarding EBIT* and Cash savings.

In addition to the successfully running Power8 programme EADS is launching a Group-wide Power8 Plus programme to expand current initiatives after 2010. EADS will strengthen its focus on increasing its global footprint for engineering and manufacturing. Power8 Plus targets a more internationalised cost base (compared to a current one dominated by the Euro) and is intended to deliver a further annual EBIT* benefit of € 1 billion from across the Group in 2011 to 2012. The measures will be presented to the European Works Council in autumn.

POWER8 PLUS

EXPANDING CURRENT POWER8 INITIATIVES BEYOND €2.1BN AFTER 2010

GLOBAL FOOTPRINT INDUSTRIAL ENGINEERING R&D

INTERNATIONALISE FUTURE COSTS

ALL DIVISIONS TO CONTRIBUTE

POWER8 PLUS €1BN

Potential additional savings ~ €1bn across EADS in 2011-2012.

EADS MEETS ITS SHAREHOLDERS



EADS FACE TO FACE WITH SHAREHOLDERS

Each year, in spring, the Annual General Meeting in Amsterdam and the subsequent Information Meeting in Paris provide the opportunity for EADS to meet its shareholders. This year, a visit to the Berlin Air Show was added to the schedule.

SHAREHOLDERS IN BERLIN

EADS Investor Relations and Financial Communication held a meeting with its shareholders in the context of the Berlin Air Show on 28 May in the same way as in previous years with organised visits held at the Le Bourget Air Show. Thus, approximately twenty pre-registered shareholders were able to benefit from a presentation, under privileged conditions, of the Group's main programmes, before watching the in-flight manoeuvres of the A380 and a very fine demonstration of NH90 helicopters.



➔ The Annual General Meeting constitutes a main event in EADS's relationship with its shareholders. The 2008 assembly, held in Amsterdam on 26 May, was particularly symbolic because it was the first Meeting held since the Group's Corporate Governance reform. Thus, Rüdiger Grube was the sole chairman of the Meeting. Sitting with him were Louis Gallois, Chief Executive Officer and Hans Peter Ring, Chief Financial Officer, in addition to 4 administrators: Hermann-Josef Lamberti (Chairman of the Audit Committee), Sir John Parker (Chairman of the Remuneration and Appointments Committee),

Rolf Bartke and Juan Manuel Eguigaray. In his introductory speech, the Chairman underlined the quality of his relationship with Louis Gallois and the improved efficiency of the new Governance structure since its implementation one year ago. Describing his strategic view, Louis Gallois promised to make EADS "a company that attracts the best, that investors will love and that the public will respect". Shareholders were then allowed to ask questions for more than two hours concerning the Group's current activities before approving the seven resolutions subject to vote.

INFORMATION MEETING PARIS: 17 JUNE 2008

In the wake of its Annual General Meeting, EADS organises a briefing meeting in Paris for its shareholders unable to attend the Meeting in Amsterdam. On 17 June of this year, more than 800 people flocked to the Cité des Sciences et de l'Industrie in Paris to listen to presentations made by EADS management. Confronted with a large volume of sometimes contradictory information in circulation about the Group, shareholders were anxious to get their information directly from "the source". The meeting was inaugurated by Nathalie Errard, the new Head of Investor Relations and Financial Communication. Hans Peter Ring, Chief Financial Officer, then delivered a presentation in French, of the Group's principle financial results. Didier Vernet, the Marketing Manager for the Military Transport Aircraft Division and an ex-pilot, followed by sharing his expertise in tanker aircraft. Louis Gallois, delivered the last presentation, describing the Group's prospects and longer term goals.



Shareholders were then free to ask him questions for more than an hour; questions were particularly centred around the AMF proceedings, the A380, the increase in the price of petroleum products and the fall in the value of the US dollar.



FIRST ROLL-OUT FOR THE A400M



In presence of 800 employees, the King of Spain, Juan Carlos I, expressed his warmest congratulations to all involved. Accompanied by EADS top executives, he was the first official to visit the just rolled-out A400M.

On 26 June in Seville, nearly 2,000 guests attended the official presentation of the A400M, which was unveiled during a ceremony at which the guest of honor was His Majesty the King of Spain, Juan Carlos I.

“ Today marks a major step forward: this is the first and largest of the harmonised defense programmes at European level; the A400M represents a pinnacle in European integration ” underlined Louis Gallois, CEO of EADS.

The A400M is the first new military heavy-lift aircraft to be designed in the last thirty years. Offering twice the performance and twice the payload of the current aircraft that it will replace, the A400M is set to become the new standard in military air transport. Some 192 orders have already been registered.

Versatility is the characteristic that best describes the A400M, which is designed to offer both tactical and strategic capabilities. The aircraft can transport a 37-ton payload over ranges of at least 4,700 nm (8,700 km) and fly at a speed of mach 0.72, which makes it the fastest turbo-prop aircraft in the world. In addition, the A400M can serve simultaneously as a transport and tanker aircraft for the in-flight refueling of both fast fighter jets and helicopters.

Now half-way through its development process, the A400M is expected to fly for the first time at the end of the year and complete its in-flight tests to meet certification due in 2010, before delivery of the first aircraft to France.

A STATE-OF-THE-ART AIRCRAFT

Electronic flight-control system; all-screen control panels in the cockpit; 40% composite material content in the structure; an avionics system allowing terrain-contour flying (at altitudes of less than 150 metres) both by night and in adverse weather conditions; extremely fast turn-round times (ten minutes to deliver freight, 15 minutes to reload); and the possibility to convert the aircraft into a tanker in only two hours.

AN ALL-TERRAIN AIRCRAFT

Seated on its twelve wheels for maximum load distribution, as opposed to only four with the Hercules, the A400M is equipped with landing gear that has greatly increased ground clearance. This allows it to land on and take off from short, hastily prepared or even unstable landing strips, which is precisely the type of rustic terrain encountered in the areas of South Asia most devastated by the terrible tsunami of 2004. In addition, the unprecedented contra-rotating airscrew system allows the aircraft to operate smoothly at very low altitudes, accomplish very short take-offs, land on very steep gradients while significantly reducing emitted noise.

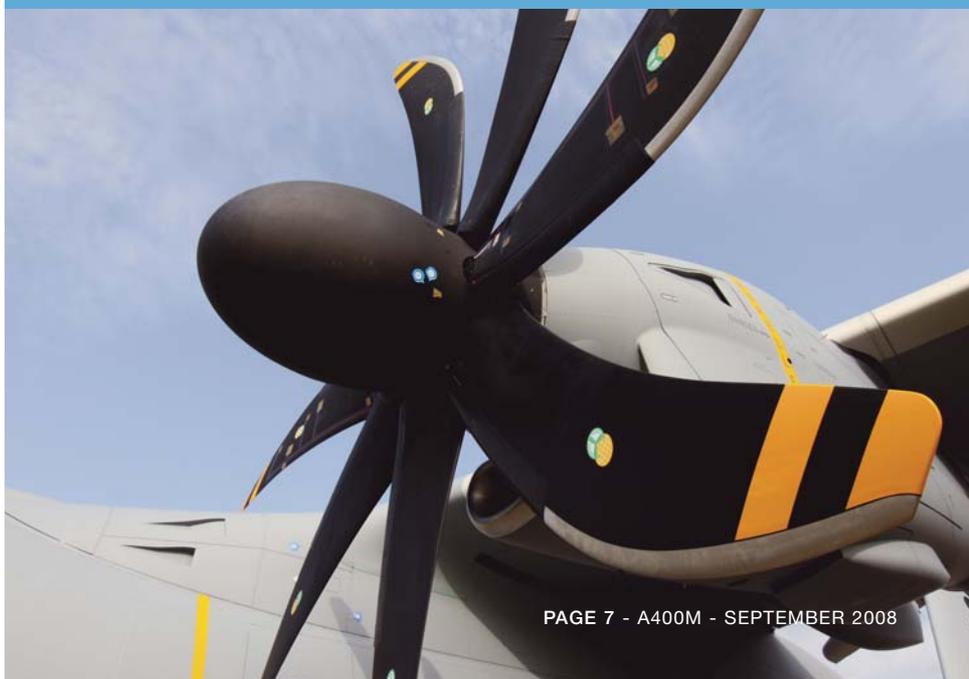
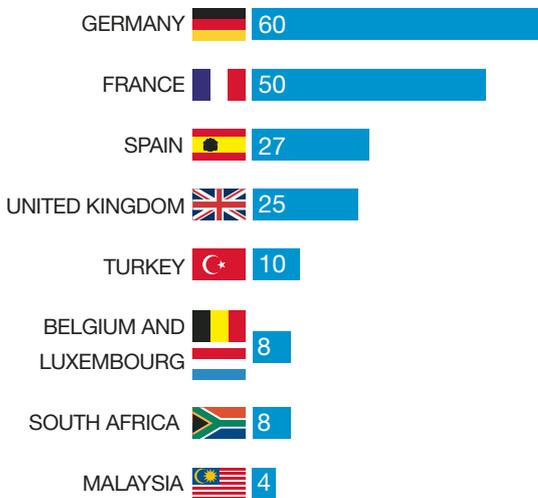


A POWERFUL AIRCRAFT

The four TP400-D6, 8-blade, turbo-prop engines manufactured by the EuroProp International consortium (EPI) each deliver 11,000 HP – a shaft horsepower two and a half times greater than that of a C-130 Hercules. This propulsion method avoids overheating at low altitudes and high ambient temperatures. For various reasons, one of which is re-design of the HP compressor, the final configuration of the propulsion system will not be qualified before construction of the fourth development example of the aircraft. Ultimately, the engines will have accumulated more than 3,000 test-flight hours, i.e. more than twice that required for jet engines equipping airliners.

➔ 192 ORDERS

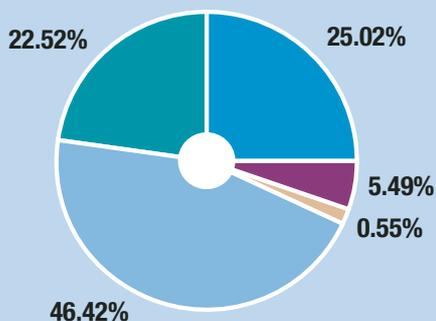
9 CUSTOMERS, 3 CONTINENTS



Shareholders

CAPITAL STRUCTURE

CAPITAL STRUCTURE as of 06/30/2008 (as %)



- **SOGEADE***
Lagardère and SOGEPA
(French state holding Company)
- **Daimler****
- **SEPI**
(Spanish state holding Company)
- **Institutional, retail and employee ownership**
+ Shares held out of the contractual partnership by the French state
- **Treasury Shares**
(Shares without economic or voting rights)

* On April 4, 2006, Lagardère issued mandatory exchangeable bonds. The EADS shares deliverable at the maturity of the bonds will represent a maximum of 7.5% of the share capital of EADS. Lagardère converted 2.5% out of the 7.5% in June 2007 and a further 2.5% in June 2008.

** On February 9, 2007, Daimler reached an agreement with a consortium of private and public-sector investors through which it will reduce its shareholding in EADS by 7.5%.

PROFILE

ISIN Code	NL0000235190
Number of issued shares as of June 30 th , 2008	814 028 673
High in 2008 on Paris Stock Market	€ 22.2 on January 2 nd
Low in 2008 on Paris Stock Market	€ 10.70 on July 11 th
Earnings per share (EPS) 2007	€ -0.56
Dividend per share 2007	€ 0.12

YOUR EADS SHARES

STOCK PRICE EVOLUTION ON SEPTEMBER 3rd, 2008

Base 100 dated January 3rd, 2005

EADS stock price (in €)



ANNUAL REPORT 2007 AVAILABLE



You can access it and/or order a copy on www.eads.com (Investor Relations)

SHAREHOLDER INFORMATION

NOMINATION

The EADS Board of Directors has appointed **Pierre de Bausset** as Corporate Secretary of EADS.



Nathalie Errard, previously responsible for the investor relations with investors and analysts in the UK, France and Southern Europe since the end of 2005, has replaced Pierre de Bausset in his former activity as the Head of Investor Relations and Financial Communication. This change is effective from 1 April 2008.

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SHAREHOLDER DIARY

- **November 14th, 2008:**
9-month 2008 results release
- **November 21st and 22nd, 2008:**
Actionaria Show, Paris
- **December 4th, 2008:**
Shareholders meeting, Cannes, France
- **December 15th, 2008:**
Shareholders meeting, Lille, France
- **December 18th, 2008:**
Shareholders meeting, Nancy, France



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