



Letter to our Shareholders

Dear Shareholders,



Crisis, recession, crash. All of these emotive words currently appearing in the headlines frighten and lead to doubts about the resilience of the economy in general and that of companies in particular. EADS is of course not immune to the financial market shake up. We are aware that the economic crisis will affect us, our customers and our suppliers. First signs are tangible in the airline sector: airlines faced a reduction of the volume of air traffic in September for the first time since 2003. They are affected by the scarcity and increasing cost of funding. A reduction in aircraft orders can be expected, together with an increasing need for customer funding. Despite this volatile market environment, the Group continued to show robust underlying performance.

The first element helping the Group's stability is the order book worth 400 billion euros. Its record level gives us far-reaching visibility. The second element is our remarkable financial health. We hold 9 billion euros in net cash with an additional un-drawn credit facility of 3 billion euros that we can release at our convenience and with no restrictions. It is also worth noting that customer financing is currently at its lowest level for the last 20 years. Quite apart from our own strengths, over the last few weeks we have benefited from a strengthening of the dollar which, although it does not remove the exposure to Dollar fluctuation on the Group's profitability, does ease the pressure.

In response to these uncertainties, we have paused the single aisle ramp-up at Airbus and our liquid resources will allow us to provide financial assistance for our customers on a discretionary basis. Finally, and thanks to Power8, we have already launched a certain number of initiatives with a view to ensuring the Group's competitiveness. We are reaping the first benefits now but, in spite of the increased value of the Dollar, we must continue our effort in order to reduce our vulnerability to the Dollar volatility. This and the potential impact of the crisis are why we are going to take additional measures in the context of the Power8 plus plan. At the same time, we are not forgetting our own internal difficulties. The A400M programme raises many questions while increasing output rates for the A380 remains at the forefront of our efforts.

Our order book strength, strong cash flow generation and solid balance sheet position provide tangible reasons to believe we are well prepared to face the unstable economic climate.

HANS PETER RING
Chief Financial Officer.

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Results of the first nine months of 2008



➔ EADS delivered encouraging results for the first nine months of 2008, but is facing challenges in critical programmes. The Group continued to show robust underlying performance and benefited from strong market demand. EADS recorded a remarkable order intake across its product portfolio. The Group is carefully monitoring the development in the financial markets and has started preparing itself to limit negative impact through a variety of measures.

“ The pressure on the A400M programme remains and we are conducting ambitious efforts to tackle both the industrial and commercial challenges in discussion with our customers and suppliers. EADS is more determined than ever to get this complex programme under control. ”
Louis Gallois, EADS CEO.

In the A400M programme, the unavailability of a committed and reliable schedule for the propulsion system, which compounds unresolved issues with certain equipment supplies as well as equipment and systems integration, will lead to further delays. Once a schedule update is achieved, EADS will further update the A400M charge, for which € 341 million have been

recorded in the third quarter of 2008 and have burdened EBIT* accordingly.

Revenues increased by 7% to € 29.4 billion (9m 2007: € 27.6 billion) reflecting growth from operations across all five Divisions. The increase includes € 803 million resulting from the move to the early stage accounting methodology in the A400M programme applied in Q3 2008.

EBIT* (pre-goodwill and exceptionals) for the first nine months of 2008 improved to € 2,018 million compared to € -353 million in the same period of the previous year, when Airbus' EBIT* in particular was burdened by higher exceptional charges (Power8, A400M, A350). The EBIT* growth resulted from improvements across all Divisions. In line with the Group's EBIT* development, EADS improved its Net Income to € 1,082 million (9m 2007: € -705 million), or earnings per share of € 1.34 (earnings per share 9m 2007: € -0.88).

Self-financed R&D expenses decreased slightly to € 1,792 million (9m 2007: € 1,903 million), but are expected to grow more strongly in the fourth quarter mainly in the context of Airbus' A350 programme.

Free Cash Flow before customer financing was significantly higher at € 1,959 million (9m 2007: € 168 million). Despite a cash-out for acquisitions and for option hedges, the Net Cash position reached a record € 9 billion (year-end 2007:

€ 7 billion). This gives EADS a robust liquidity base for the years to come.

In the first nine months of 2008, EADS' order intake reached a remarkable level of € 88.7 billion (9m 2007: € 82.4 billion). The order intake was strongly supported by the high order flow at this year's Farnborough air show and the UK tanker order. Up to the end of September 2008, the Group's order book reached a record level of € 400.7 billion (year-end 2007: € 339.5 billion). The growth in order book benefited from a favourable US dollar spot rate at the end of September compared to year-end 2007.

Due to the financial crisis, EADS – especially through the commercial businesses at Airbus, Eurocopter and Astrium – is currently operating in an uncertain market environment. The slowdown in economic growth and the resulting strong decrease in air traffic have overshadowed the recovery of the US dollar versus the euro and the reduction in oil price since the summer period. Thanks to its strong and geographically diversified order book and the record Net Cash position, EADS remains robust against the backdrop of the global financial crisis. With weaker anticipated air traffic and more difficult refinancing, the commercial aircraft market is expected to slow down with risk of deferrals and even cancellations, but visibility on this is limited. Aircraft financing sources have tightened up. So far, there have been limited requests to support customers in closing funding gaps. In any case, Airbus and Eurocopter stay vigilant, ready to adapt themselves to the evolution of the market.

* See page 4.

** As the outcome of the A400M construction contract cannot be estimated reliably, EADS can currently not comply with all requirements to account for the contract under the estimate-at-completion accounting methodology. Consequently and in accordance with IAS 11 (Construction Contracts), EADS has suspended the application of estimate at completion methodology accounting ("milestone accounting") and has then recognised contract costs incurred to date as an expense directly in the income statement as well as corresponding revenues as far as such contract costs incurred are expected to be recoverable under the "early stage" method of accounting. The loss-at-completion provision was then updated only to cover additional losses under the contract which EADS was able to estimate reliably.



OUTLOOK

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

EADS expects Airbus to capture orders for more than 850 new aircraft in 2008.

Forecasted EADS revenues growth to more than € 40 billion in 2008 is unchanged, with over 470 aircraft deliveries for the full year.

With an EBIT* of € 2 billion in the first nine months of 2008, EADS should exceed its full-year EBIT* guidance of € 1.8 billion (at € 1 = US\$ 1.45) based on the strong underlying performance.

This excludes any additional impact for the A400M, due to the uncertainties of the programme.

The variation of the closing €/US\$ spot rate at year-end relative to that of end of September 2008 could have negative or positive impacts on earnings linked to the revaluation at the closing 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 € 2 billion while bearing in mind that this is the most volatile item to predict.

Group-wide efficiency measures are on track. The Power8 restructuring programme is progressing well and the divestment strategy is delivering. Power8 Plus has been launched as a Group-wide initiative to deliver a further annual EBIT* benefit of € 1 billion from across the Group in 2011 to 2012. The full amount will comprise a € 650 million contribution from Airbus and € 350 million contributed by the Eurocopter, Astrium, Defence & Security and Military Transport Aircraft Divisions as well as by EADS Headquarters.

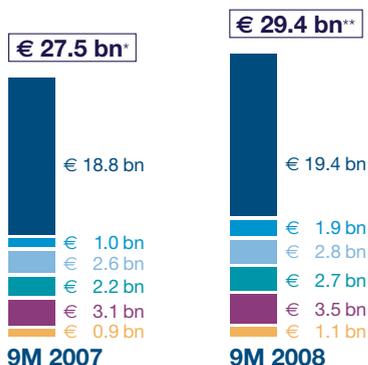
In addition, EADS is currently working on a further integration and cost savings plan called "Future EADS" at a minimum level of € 200 million in 2011-2012. It aims at further integration, improvement of decision making process and cost savings through the Headquarters, the Divisions and the interaction between Headquarters and the Divisions.

EADS GROUP (in €m)	9M 2008	9M 2007	Change
Revenues ⁽¹⁾	29,440	27,551	+7%
Thereof defence	7,329	5,605	+31%
EBITDA ⁽¹⁾⁽²⁾	3,143	788	+299%
EBIT ⁽¹⁾⁽³⁾	2,018	-353	-
Research and Development expenses ⁽⁴⁾	1,792	1,903	-6%
Net Income ⁽⁴⁾	1,082	-705	-
Earnings Per Share (EPS) ⁽⁴⁾	€ 1.34	€ -0.88	€ +2.22
Free Cash Flow (FCF) ⁽⁵⁾	1,967	111	-
Free Cash Flow before Customer Financing ⁽¹⁾	1,959	168	-
Order Intake ⁽¹⁾⁽⁷⁾	88,700	82,422	+8%

1) In the context of the MBDA consolidation change Q3 2007 and 9-months 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 Q3 2007, 9m 2007 and 31 December, 2007

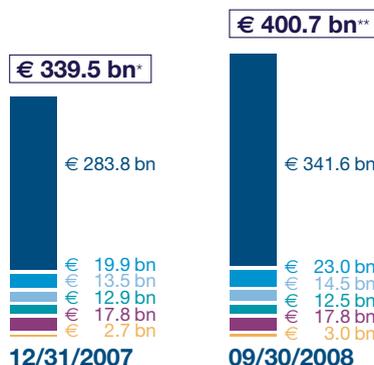
are adjusted accordingly. In the first nine months of 2008, EADS North America's revenues mainly include revenues linked to the prime contractorship of the LUH programme.
 6) Headquarters/Consolidation EBIT* contains the contribution from Dassault; in 9-months 2007 the Headquarters/Consolidation EBIT* 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 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)



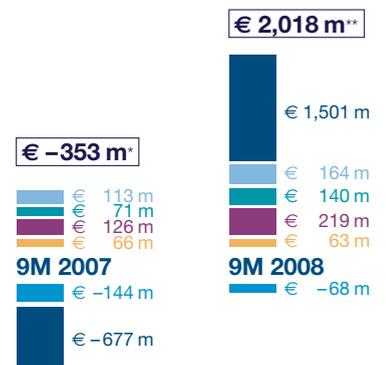
*€ -1.2 bn headquarters/consolidation
 **€ -2.1 bn headquarters/consolidation

ORDER BOOK⁽⁷⁾ (by segment)



*€ -11.1 bn headquarters/consolidation
 **€ -11.8 bn headquarters/consolidation

EBIT⁽³⁾ (by segment)



*€ 92 m⁽⁶⁾ headquarters/consolidation
 **€ -1 m⁽⁶⁾ headquarters/consolidation

Results of the first nine months of 2008



AIRBUS

Airbus revenues rose by 3% driven mainly by higher volumes and a more favourable product mix in delivered aircraft. Deliveries remained at record levels: 349 aircraft including 7 A380s (9m 2007: 330 aircraft). The overall growth was limited by a negative US dollar impact and price deterioration. EBIT* strongly improved to € 1,501 million (9m 2007: € -677 million) reflecting the excellent delivery performance, underlying profitability in series programmes and progress achieved in the

Power8 programme. EBIT* performance was further supported by lower exceptional charges than in the first nine months of 2007 despite a charge for the A400M recorded in the third quarter 2008 and increased recurring costs for the A380 reflecting the challenges on the ramp-up.

Over the first nine months of 2008, Airbus continued to experience strong demand for new aircraft and achieved a total of 785 gross

orders thanks to an efficient product range offering value to customers. In September, Airbus inaugurated its first final assembly line outside Europe in Tianjin, China. A320 assembly is underway and the first aircraft is scheduled to be handed over in mid 2009. The strengthened cooperation with China is a major cornerstone of the Group's strategy to develop industrial presence in the most important markets.

DIVISIONS : robust underlying business



MILITARY TRANSPORT AIRCRAFT

Revenues benefited from a strong tanker business (+92%). The revenues include the A400M Power-On milestone revenue recognition – shifted from 2007 and worth around € 400 million. The Division's EBIT* improved despite burdens in the context of the A400M charge.

In the tanker business the development of the air refuelling boom system prototype was successfully completed. In the US, the tanker competition was suspended by the Pentagon.

* 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.



EUROCOPTER

Revenues further rose by 7%. This increase was due to the continued ramp-up in deliveries in both medium and light serial helicopters. Eurocopter handed over a total of 404 helicopters to customers compared to 319 units in the same period of the previous year. EBIT* rose by 45%. In 2007 it was burdened by an exceptional charge for the NH90. Eurocopter's EBIT* increase reflects the positive volume effect, partially offset by an unfavourable US dollar impact and higher R&D expenses.

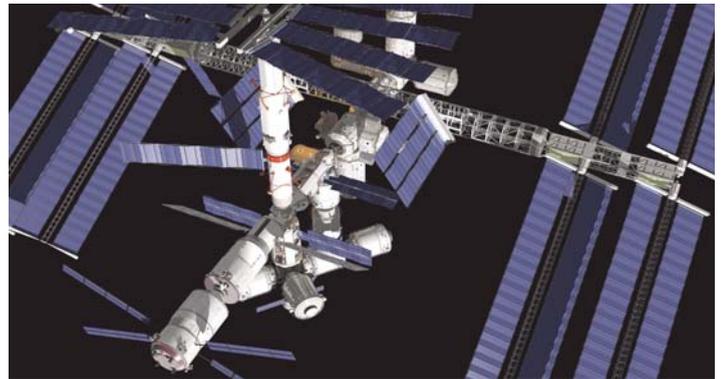
Eurocopter further strengthened its service business, which already today counts for about 35% of Eurocopter's revenues. In keeping with growth targets, Eurocopter is expanding in the UK with the provision of training services. This initiative forms part of a more general widening of Eurocopter UK's footprint. In its international business, Eurocopter underpinned its reliability by delivering 29 UH-72A helicopters out of the production line in Columbus, USA.



ASTRIUM

The Division's revenues increased by 25%. This growth was fuelled by contributions from all businesses, mainly by a sales increase in telecom satellites, by an increased Ariane 5 production rate and by the ramp-up of Paradigm services. Additionally, revenues benefited from the first full consolidation of Spot Image. EBIT* nearly doubled despite the unfavourable impact of the declining GB pound against the euro in the Paradigm programme and slightly higher R&D expenses. This demonstrates the significant progress of the Division.

The Automated Transfer Vehicle (ATV) has successfully completed its final manoeuvre for desorbitation. Astrium was selected as candidate to operate the Galileo space segment and ground control segments. In the area of earth observation, the Division was awarded the contract for the SEOSAR satellite, financed by the Spanish MoD and the Chilean optical earth observation system.



DEFENCE & SECURITY

Revenues increased by 11%. The growth was driven by stronger contributions mainly from Defence Electronics, in-service support for airborne military systems and the consolidation of PlantCML. The Division's EBIT* grew strongly by 74% thanks to operational improvements across all activities driven by maturing programmes in missiles, radar and in-service support for airborne military systems as well as successful cost reduction initiatives. In the context of the MBDA consolidation change, the figures of the first nine months 2007 have been adjusted taking MBDA into account at 37.5%.

Proving its capabilities in the US defence business, the Division delivered a target drone system to the US Army. For the Beijing Olympic Games, EADS Defence & Security successfully provided the world's largest city-wide secure radio communications network. In the defence electronics business, the Division continued its success and received naval radar contracts from the US Coast Guard and the German Armed Forces.

HEADQUARTERS AND OTHER BUSINESSES (not belonging to any Division)

Other Businesses' (ATR, EADS EFW, EADS Socata, EADS Sogerma and EADS North America) revenues rose by 14% at the end of september 2008. Other Businesses' EBIT* slightly decreased compared to the same period of the previous year mainly due to a negative US dollar impact.

The regional aircraft manufacturer ATR delivered 37 aircraft (compared to 26 units in 9m 2007) to its customers. At EADS EFW, the aerostructures business performance mostly compensated a temporary slow down in the freighter conversion business. Future business will benefit from the cooperation with Lufthansa Technik for the conversion and modification of Airbus aircraft and the link-up with Russian partners for the A320 freighter conversion.

EADS Socata delivered 41 TBM 850s.

To read the full press release and follow Group news go to www.eads.com



THE A380: one year of success

• Overall length	73 m
• Height	24.1 m
• Wingspan (geometric)	79.8 m
• Wing area (reference)	845 m ²
• Fuselage diameter	7.14 m
• Maximum cabin width	
Main deck	6.58 m
Upper deck	5.92 m
• Cabin length	49.90 m
• Engines	Trent 900 or GP 7000
• Engine thrust range	311 kN 70,000 lb. slst
• Maximum fuel capacity	310,000 Litres
• Range (w/max. passengers)	15,200 km (8,200 nm)
• Max. operating Mach number (Mmo)	0.89 Mo
• Typical passenger seating	525

➔ On 15 October, 2007, the first A380 was handed over to Singapore Airlines. Their new "Queen of the Skies" entered service on 25 October, 2007 with a special charity flight between Singapore and Sydney. Since then the aircraft has also entered service with Emirates Airline and Qantas Airways. A total of 10 aircraft have been delivered to date, with 6 in operation with Singapore Airlines, 1 with Qantas and 3 with Emirates.

To date, more than 700,000 passengers have flown on the world's first full double-deck aircraft, which is now connecting four continents and flying on 7 major international routes. A380s in service link Singapore with Sydney, London and Tokyo, Dubai with New York, and Sydney and Melbourne with Los Angeles.

Altogether the in-service fleet has recorded more than 15,000 flight hours in more than 1,600 commercial flights, with a very high level of in-service reliability, setting new benchmarks in terms of performance, eco-efficiency and low operating costs. In addition to the unequalled levels of passenger comfort and quietness inside the spacious double-deck cabin, outside the A380 is also setting new industry-standards for the environment. Indeed, the in-service experience has shown that the A380 consumes 20% less fuel per seat than the previous largest aircraft, representing the lowest fuel burn of any large aircraft ever.

“Singapore Airlines is very pleased with the performance of the A380 in its first year of operations. The A380 has lived up to its promises and proven to be reliable and fuel efficient. Importantly it has been a hit with our customers who enjoy its spaciousness, quietness and comfort, as well as the new cabin products and features we introduced with it.” Chew Choon Seng, Singapore Airlines Chief Executive Officer

“We've been working very closely with Airbus since the A380 programme's inception back in 2000, and all through the ups and downs from the drawing board to production, we have remained unshakable in our belief that this is the aircraft for the next chapter of aviation.” Sheikh Ahmed bin Saeed Al-Maktoum, Emirates Chairman & Chief Executive

“The A380 is the ideal equipment to alleviate traffic congestion at busy airports, while coping with growth. It is a bigger aircraft, which is more efficient and better at handling frequencies on certain routes. This 21st Century flagship ticks a wide range of boxes for us.” Geoff Dixon, Qantas Chief Executive Officer



All 3 airlines have chosen cabin layouts that benefit from the A380's spacious two main decks and its new technology, and which allow operators to offer high level of services for all passengers.

Singapore Airlines' A380 layout has a total of 471 seats in three classes of service. The Singapore Airlines Suites – offered exclusively on the A380 – provide a private space with its largest seat ever: an armchair with adjustable headrest and armrests. Included in the suite is a stand-alone bed, topped off with a turn-down service, fine linen and full-sized pillows.

In Singapore Airlines' New Business Class, the A380 seats are the widest in their category, with each leather seat unfolding to the largest full-flat bed of its type. Singapore Airlines' New Economy Class has roomier seats and the widest choice of on-demand entertainment options, presented on a 10.6-inch-wide LCD screen.

The Emirates A380 configuration is with a 14-seat First Class cabin, 76 seats in Business Class and a 399-seat Economy Class. This arrangement includes the First Class Shower Spa: two fully-equipped bathrooms in its First Class cabins with shower facilities. The A380 also has an Emirates Onboard Lounge in the Business Class cabin for use by both First and Business Class passengers, which is designed to make travelers feel like they are in their own executive club. Another First Class social area and bar is located at the front of the upper deck.

In Emirates' A380 Economy Class cabin, straight walls give the impression of increased spaciousness, and this feature – combined with an advanced mood

The A380, flagship of the 21st century, celebrates the first anniversary of its entry into service. 3 airlines are now flying the A380 as this double-deck Airbus jetliner provides new standards of service to destinations in Singapore, Australia, Japan, the United Arab Emirates, England and the United States.



lighting system and the Airbus 21st century jetliner's noticeably quieter cabin – works to combat the effects of jetlag.

Qantas' A380 is configured with 450 seats in four cabins: 14 in First Class, 72 in Business Class, 32 in Premium Economy and 332 in Economy Class. The 14 single private suites in First Class feature a 17-inch wide-screen LCD video monitor, a unique touch-screen control unit, and a seat that swivels into a comfortable armchair and a fully flat, extra long and wide bed.

The next generation of Qantas' award-winning Business Class Skybed sleeper seat offers an extra-long, fully lie-flat bed with ergonomically-enhanced cushioning, a larger in-arm entertainment screen, additional storage options and more privacy. Qantas' Premium Economy seats have fully adjustable, in-arm digital widescreen television monitors. A self-service bar is dedicated to the upper-deck Premium Economy cabin. For Economy Class, the A380's seats feature a sliding base that moves with the seatback to create a more comfortable, ergonomically-tested position to aid sleep and eliminate pressure points, along with a foot net to stop sliding during sleep.

More informations:

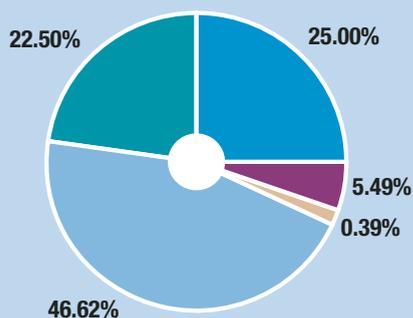
www.singaporeair.com – www.emirates.com – www.qantas.com.au



Shareholders

CAPITAL STRUCTURE

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



- **SOGEADE***
Lagardère and SOGEP
(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 4 April, 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 9 February, 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 30 September, 2008	814 769 112
High in 2008 on Paris Stock Market	€ 22.2 on 2 January
Low in 2008 on Paris Stock Market	€ 9.29 on 16 October
Earnings per share (EPS) 2007	€ -0.56
Dividend per share 2007 (paid on 4 June, 2008)	€ 0.12

YOUR EADS SHARES

STOCK PRICE EVOLUTION ON 12 NOVEMBER, 2008



SHAREHOLDER DIARY

- **3 December, 2008:**
Shareholders meeting, Frankfurt, Germany
- **4 December, 2008:**
Shareholders meeting, Cannes, France
- **8 December, 2008:**
Shareholders meeting, Munich, Germany
- **15 December, 2008:**
Shareholders meeting, Lille, France
- **18 December, 2008:**
Shareholders meeting, Nancy, France
- **10 March, 2009:**
Annual Results Release 2008
- **12 May, 2009:**
Q1 2009 Results Release

SHAREHOLDER INFORMATION

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