

# **Unaudited Condensed IFRS Consolidated Financial Information of EADS N.V. for the three-month period ended 31 March 2013**

<b>Unaudited Condensed IFRS Consolidated Income Statements .....</b>	<b>2</b>
<b>Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income.....</b>	<b>3</b>
<b>Unaudited Condensed IFRS Consolidated Statements of Financial Position.....</b>	<b>4</b>
<b>Unaudited Condensed IFRS Consolidated Statements of Cash Flows.....</b>	<b>5</b>
<b>Unaudited Condensed IFRS Consolidated Statements of Changes in Equity.....</b>	<b>6</b>
<b>Explanatory notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at 31 March 2013.....</b>	<b>6</b>
<b>1. The Company.....</b>	<b>6</b>
<b>2. Accounting policies.....</b>	<b>7</b>
<b>3. Acquisitions and other M&amp;A transactions.....</b>	<b>8</b>
<b>4. Segment information.....</b>	<b>8</b>
<b>5. EBIT pre-goodwill impairment and exceptionals.....</b>	<b>9</b>
<b>6. Significant income statement items.....</b>	<b>10</b>
<b>7. Significant items of the statement of financial position.....</b>	<b>11</b>
<b>8. Significant cash flow items.....</b>	<b>12</b>
<b>9. Number of shares.....</b>	<b>13</b>
<b>10. Earnings per share.....</b>	<b>13</b>
<b>11. Related party transactions.....</b>	<b>14</b>
<b>12. Number of employees .....</b>	<b>14</b>
<b>13. Litigation and claims .....</b>	<b>14</b>
<b>14. Subsequent events.....</b>	<b>16</b>

## Unaudited Condensed IFRS Consolidated Income Statements

	1 January - 31 March 2013		1 January - 31 March 2012		Deviation
	M €	%	M €	%	M €
<b>Revenues</b>	12,387	100	11,404	100	983
Cost of sales *)	-10,640	-86	-9,750	-85	-890
<b>Gross margin *)</b>	<b>1,747</b>	<b>14</b>	<b>1,654</b>	<b>15</b>	<b>93</b>
Selling, administrative & other expenses	-702	-5	-685	-6	-17
Research and development expenses	-624	-5	-726	-6	102
Other income	58	0	44	0	14
Share of profit from associates under the equity method and other income from investments	107	1	36	0	71
<b>Profit before finance result and income taxes *)</b>	<b>586</b>	<b>5</b>	<b>323</b>	<b>3</b>	<b>263</b>
Interest income	43	0	80	1	-37
Interest expense	-129	-1	-153	-1	24
Other financial result	-165	-1	-70	-1	-95
<b>Finance result</b>	<b>-251</b>	<b>-2</b>	<b>-143</b>	<b>-1</b>	<b>-108</b>
Income taxes *)	-92	-1	-52	-1	-40
<b>Profit for the period *)</b>	<b>243</b>	<b>2</b>	<b>128</b>	<b>1</b>	<b>115</b>
<b>Attributable to:</b>					
Equity owners of the parent <b>(Net income) *)</b>	<b>241</b>	<b>2</b>	<b>126</b>	<b>1</b>	<b>115</b>
Non-controlling interests	2	0	2	0	0
<b>Earnings per share</b>	€		€		€
Basic and diluted *)	0.29		0.15		0.14

\*) Previous year's figures are adjusted due to revised IAS 19.

## Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income

in M €	1 January - 31 March 2013	1 January - 31 March 2012
<b>Profit for the period*)</b>	<b>243</b>	<b>128</b>
Foreign currency translation differences for foreign operations	115	-46
Net change in fair value of cash flow hedges	-1,871	1,673
Net change in fair value of available-for-sale financial assets	-11	139
Actuarial losses on defined benefit plans*)	0	11
Changes in other comprehensive income from investments accounted for using the equity method	21	-102
Tax on income and expense recognized directly in equity*)	563	-552
<b>Other comprehensive income, net of tax</b>	<b>-1,183</b>	<b>1,123</b>
<b>Total comprehensive income of the period</b>	<b>-940</b>	<b>1,251</b>
<b>Attributable to:</b>		
Equity owners of the parent*)	-939	1,250
Non-controlling interests	-1	1
<b>Total comprehensive income of the period</b>	<b>-940</b>	<b>1,251</b>

\*) Previous year's figures are adjusted due to revised IAS 19.

## Unaudited Condensed IFRS Consolidated Statements of Financial Position

	31 March 2013		31 December 2012		Deviation	
	M €	%	M €	%	M €	%
<b>Non-current assets</b>						
Intangible assets	13,518	15	13,422	15	96	1
Property, plant and equipment	15,423	16	15,268	16	155	1
Investments in associates under the equity method	2,797	3	2,662	3	135	5
Other investments and long-term financial assets	2,052	2	2,115	2	-63	-3
Other non-current assets	2,345	3	2,801	3	-456	-16
Deferred tax assets *)	5,097	5	4,523	5	574	13
Non-current securities	5,282	6	5,987	7	-705	-12
	<b>46,514</b>	<b>50</b>	<b>46,778</b>	<b>51</b>	<b>-264</b>	<b>-1</b>
<b>Current assets</b>						
Inventories	25,309	28	23,216	25	2,093	9
Trade receivables	6,627	7	6,790	7	-163	-2
Other current assets	4,536	5	4,239	4	297	7
Current securities	3,286	4	2,328	3	958	41
Cash and cash equivalents	5,863	6	8,756	10	-2,893	-33
	<b>45,621</b>	<b>50</b>	<b>45,329</b>	<b>49</b>	<b>292</b>	<b>1</b>
<b>Total assets</b>	<b>92,135</b>	<b>100</b>	<b>92,107</b>	<b>100</b>	<b>28</b>	<b>0</b>
<b>Total equity</b>						
Equity attributable to equity owners of the parent						
Capital stock	831	1	827	1	4	0
Reserves *)	8,356	9	8,147	8	209	3
Accumulated other comprehensive income	342	0	1,513	2	-1,171	-77
Treasury shares	-84	0	-84	0	0	0
	<b>9,445</b>	<b>10</b>	<b>10,403</b>	<b>11</b>	<b>-958</b>	<b>-9</b>
Non-controlling interests	47	0	25	0	22	88
	<b>9,492</b>	<b>10</b>	<b>10,428</b>	<b>11</b>	<b>-936</b>	<b>-9</b>
<b>Non-current liabilities</b>						
Non-current provisions *)	9,844	11	9,827	11	17	0
Long-term financing liabilities	3,819	4	3,506	4	313	9
Deferred tax liabilities	1,518	2	1,504	2	14	1
Other non-current liabilities	18,636	20	18,194	19	442	2
	<b>33,817</b>	<b>37</b>	<b>33,031</b>	<b>36</b>	<b>786</b>	<b>2</b>
<b>Current liabilities</b>						
Current provisions	5,963	6	6,045	7	-82	-1
Short-term financing liabilities	1,399	2	1,273	1	126	10
Trade liabilities	9,254	10	9,917	11	-663	-7
Current tax liabilities	494	1	458	0	36	8
Other current liabilities	31,716	34	30,955	34	761	2
	<b>48,826</b>	<b>53</b>	<b>48,648</b>	<b>53</b>	<b>178</b>	<b>0</b>
<b>Total liabilities</b>	<b>82,643</b>	<b>90</b>	<b>81,679</b>	<b>89</b>	<b>964</b>	<b>1</b>
<b>Total equity and liabilities</b>	<b>92,135</b>	<b>100</b>	<b>92,107</b>	<b>100</b>	<b>28</b>	<b>0</b>

\*) Previous year's figures are adjusted due to revised IAS 19.

### Unaudited Condensed IFRS Consolidated Statements of Cash Flows

	1 January - 31 March 2013	1 January - 31 March 2012
	M €	M €
<b>Profit for the period attributable to equity owners of the parent (Net income)*</b>	<b>241</b>	<b>126</b>
Profit for the period attributable to non-controlling interests	2	2
<i>Adjustments to reconcile profit for the period to cash (used for) operating activities</i>		
Depreciation and amortization	443	443
Valuation adjustments*)	18	298
Deferred tax expense	27	9
Change in income tax assets, income tax liabilities and provisions for income tax	-27	-41
Results on disposals of non-current assets	0	-14
Results of companies accounted for by the equity method	-90	-27
Change in current and non-current provisions*)	95	279
Reimbursement from / contribution to plan assets	-12	-5
Change in other operating assets and liabilities	-3,161	-1,853
<b>Cash (used for) operating activities</b>	<b>-2,464</b>	<b>-783</b>
<i>Investments:</i>		
- Purchases of intangible assets, PPE	-670	-496
- Proceeds from disposals of intangible assets, PPE	17	36
- Acquisitions of subsidiaries and joint ventures (net of cash)	0	-5
- Payments for investments in associates and other investments and long-term financial assets	-126	-17
- Proceeds from disposals of associates and other investments and long-term financial assets	36	22
Change of securities	-244	731
<b>Cash (used for) provided by investing activities</b>	<b>-987</b>	<b>271</b>
Change in long-term and short-term financing liabilities	416	-236
Dividends paid to non-controlling interests	0	-1
Changes in capital and non-controlling interests	101	67
Change in treasury shares	0	-6
<b>Cash provided by (used for) financing activities</b>	<b>517</b>	<b>-176</b>
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	41	-16
<b>Net decrease of cash and cash equivalents</b>	<b>-2,893</b>	<b>-704</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,756</b>	<b>5,284</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,863</b>	<b>4,580</b>

\*) Previous year's figures are adjusted due to revised IAS 19

As of 31 March 2013, EADS' cash position (stated as cash and cash equivalents in the Unaudited Condensed IFRS Consolidated Statements of Cash Flows) includes 365 M € (374 M € as of 31 December 2012), which represents EADS' share in MBDA's cash and cash equivalents deposited at other shareholders. These funds are available for EADS upon demand.

### Unaudited Condensed IFRS Consolidated Statements of Changes in Equity

in M €	Equity attributable to equity owners of the parent	Non-controlling interests	total
<b>Balance at 1 January 2012</b>	<b>8,850</b>	<b>15</b>	<b>8,865</b>
Retrospective adjustment *)	-7	0	-7
<b>Balance at 1 January 2012, adjusted</b>	<b>8,843</b>	<b>15</b>	<b>8,858</b>
Profit for the period *)	126	2	128
Other comprehensive income *)	1,124	-1	1,123
Total comprehensive income	1,250	1	1,251
Dividends to non-controlling interests	0	-1	-1
Capital increase	67	0	67
Change in treasury shares	-6	0	-6
<b>Balance at 31 March 2012</b>	<b>10,154</b>	<b>15</b>	<b>10,169</b>
<b>Balance at 1 January 2013</b>	<b>10,409</b>	<b>25</b>	<b>10,434</b>
Retrospective adjustment *)	-6	0	-6
<b>Balance at 1 January 2013, adjusted</b>	<b>10,403</b>	<b>25</b>	<b>10,428</b>
Profit for the period	241	2	243
Other comprehensive income	-1,179	-3	-1,182
Total comprehensive income	-938	-1	-939
Capital increase	99	2	101
Equity transactions (IAS 27)	-119	21	-98
<b>Balance at 31 March 2013</b>	<b>9,445</b>	<b>47</b>	<b>9,492</b>

\*) Previous year's figures are adjusted due to revised IAS 19.

### Explanatory notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at 31 March 2013

#### 1. The Company

The accompanying Unaudited Condensed IFRS Consolidated Financial Statements present the operations of **European Aeronautic Defence and Space Company EADS N.V.** and its subsidiaries ("EADS" or the "Group"), a Dutch public limited liability company (Naamloze Vennootschap) legally seated in Amsterdam (current registered office at Mendelweg 30, 2333 CS Leiden, The Netherlands), and are prepared and reported in Euros ("€"). EADS' core business is the manufacturing of commercial aircraft, civil and military helicopters, commercial space launch vehicles, missiles, military aircraft, satellites, defence systems and defence electronics and

rendering of services related to these activities. The Unaudited Condensed IFRS Consolidated Financial Statements for the three-month period ended 31 March 2013 were authorized for issue by EADS' Board of Directors on 13 May 2013.

## 2. Accounting policies

These Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as endorsed by the European Union (EU) as at 31 March 2013 and Part 9 of Book 2 of the Netherlands Civil Code. They comprise (i) IFRS, (ii) International Accounting Standards ("IAS") and (iii) Interpretations originated by the IFRS Interpretations Committee ("IFRIC") or former Standards Interpretation Committee ("SIC").

These Unaudited Condensed IFRS Interim Consolidated Financial Statements should be read in conjunction with EADS' Consolidated Financial Statements as of 31 December 2012. Except for the amended Standards to be applied for the first time in the first three months 2013 (mentioned below in the next section), EADS' accounting policies and techniques are unchanged compared to 31 December 2012.

Financial reporting rules applied for the first time in the first three months 2013:

The following new, revised or amended Standards were applied for the first time in the first three months 2013 and are effective for EADS as of 1 January 2013. If not otherwise stated, their first application has not had a material impact on EADS' Consolidated Financial Statements as well as its basic and diluted earnings per share.

The IASB issued amendments to IAS 12 "Income Taxes" providing practical guidance for the measurement of deferred tax relating to an asset by introducing the presumption that recovery of the carrying amount of that asset will normally be through sale. Amendments supersede SIC 21 "Income Taxes – recovery of Revalued Non Depreciable Assets".

Amended version of IAS 19 "Employee Benefits" requires full recognition of actuarial gains and losses directly in equity, a method already used by EADS. Furthermore, the revised standard introduces a net interest approach, under which for defined benefit obligation and plan assets the same interest rate is applied, and it requires past service costs to be fully recognized in the period of the related plan amendment. Also, the amendments will henceforth require EADS to recognize the additional compensation payable under certain German early retirement programs ('Altersteilzeitprogramme') rateably over the active service period of such programs. Applying the amended standard retrospectively in 2013, EADS' consolidated opening net equity as of 1 January 2012 has been adjusted by -7 M €. Comparative consolidated statement of income for the first quarter 2012 have been restated leading to an impact of -10 M € on profit before finance result and income taxes and -7 M € on profit for the period. The impact on comparative basic and diluted earnings per share for the first quarter 2012 amounts to -0.01 €.

Amendments to IFRS 7 "Financial Instruments: Disclosures" define IASB's disclosure requirements in the context of offsetting financial assets and financial liabilities.

New IFRS 13 "Fair Value Measurement" defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurement.

The IASB issued various amendments to IFRS Standards within the Annual Improvements 2009-2011 Cycle, which have become applicable as of 1 January 2013. The amendments refer to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.

### 3. Acquisitions and other M&A transactions

On 31 January 2013, ST Aerospace Ltd., Singapore (Singapore) acquired a 35% non-controlling interest in Elbe Flugzeugwerke, Dresden (Germany) (EFW). EADS as the former sole shareholder retains 65% of the shares of EFW.

On 1 March 2013, Cassidian terminated its Joint Venture with Odebrecht Group by selling its 50% share to Odebrecht Defesa e Tecnologia SA, Sao Paulo (Brazil).

The transaction is considered insignificant for EADS.

### 4. Segment information

The Group operates in five reportable segments which reflect the internal organizational and management structure according to the nature of the products and services provided.

- *Airbus Commercial* — Development, manufacturing, marketing and sale of commercial jet aircraft of more than 100 seats; aircraft conversion and related services. Additionally, the development, manufacturing, marketing and sale of regional turboprop aircraft and aircraft components are reclassified from “Other Businesses” and are from the 1 January 2013 onwards managed by Airbus Commercial.
- *Airbus Military* — Development, manufacturing, marketing and sale of military transport aircraft and special mission aircraft and related services.

The reportable segments Airbus Commercial and Airbus Military form the Airbus Division.

- *Eurocopter* — Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.
- *Astrium* — Development, manufacturing, marketing and sale of satellites, orbital infrastructures and launchers; provision of space related services.
- *Cassidian* — Development, manufacturing, marketing and sale of missiles systems, military combat aircraft and training aircraft; provision of defence electronics and of global security market solutions such as integrated systems for global border security and secure communications solutions and logistics; training, testing, engineering and other related services.

The following table presents information with respect to the Group’s business segments. After the reclassification of ATR group and Sogerma group to “Airbus Commercial”, “Other Businesses” comprises the Group’s activities managed in the US. Combined together with consolidation effects, the holding function of EADS Headquarters and other activities not allocable to the reportable segments, they are disclosed in the column “Others/ HQ / Conso.”.

EADS N.V.  
Unaudited Condensed IFRS Consolidated Financial Information for the three-month period  
ended 31 March 2013

in M €	Airbus Commer- cial	Airbus Military	Euro- copter	Astrium	Cassidian	Total segments	Others/ HQ/ Conso.	Consoli- dated
<b>Year ended 31 March 2013</b>								
Revenues	8,822	615	1,038	1,369	941	12,785	-398	<b>12,387</b>
Research and development expenses	-482	-2	-66	-19	-50	-619	-5	<b>-624</b>
Profit before finance result and income taxes	456	15	20	65	6	562	24	<b>586</b>
EBIT pre-goodwill imp. and exceptionals (see definition below)	463	15	20	66	7	571	25	<b>596</b>
<b>Year ended 31 March 2012</b>								
Revenues **)	7,609	425	1,199	1,325	925	11,483	-79	<b>11,404</b>
Research and development expenses **)	-590	0	-61	-22	-55	-728	2	<b>-726</b>
Profit before finance result and income taxes *), **)	129	11	64	64	3	271	52	<b>323</b>
EBIT pre-goodwill imp. and exceptionals (see definition below *), **)	135	11	64	65	5	280	53	<b>333</b>

\*) Previous year's figures are adjusted due to revised IAS 19.

\*\*) Previous year's figures are adjusted due to the inclusion of ATR group and Sogerma group into Airbus Commercial and the remaining activities of 'Other Businesses' into 'Others/ HQ/ Conso.'.

## 5. EBIT pre-goodwill impairment and exceptionals

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. It also comprises disposal impacts related to goodwill and fair value adjustments from these transactions. EBIT pre-goodwill impairment and exceptionals is treated by management as a key indicator to measure the segments' economic performances.

The reconciliation from profit before finance result and income taxes to EBIT pre-goodwill impairment and exceptionals is set forth in the following table (in M €):

in M €	1 January - 31 March 2013	1 January - 31 March 2012
<b>Profit before finance result and income taxes *)</b>	<b>586</b>	<b>323</b>
<b>Goodwill and exceptionals:</b>		
Exceptional depreciation/ disposal (fixed assets in cost of sales)	10	10
<b>EBIT pre-goodwill impairment and exceptionals*)</b>	<b>596</b>	<b>333</b>

\*) Previous year's figures are adjusted due to revised IAS 19.

## 6. Significant income statement items

**Revenues** of 12,387 M € (first quarter 2012: 11,404 M €) increase by +983 M €, mainly at Airbus Commercial (+1,213 M €). Except for Eurocopter, all segments contributed positively to the increase of revenues.

The **Gross margin** increases by +93 M € to 1,747 M € compared to 1,654 M € (adjusted) in the first quarter of 2012. This improvement is mainly related to better performance of the long range and single aisle programs (including positive volume effects and better pricing) in Airbus Commercial and lower expenses for A380 wing rib provisioning, partly compensated by negative currency effects at Airbus Commercial compared to 2012. Contractually, Airbus Commercial is not liable versus airlines for loss of use, revenue or profit or for any other direct, incidental or consequential damages related to wing ribs issue. However, in view of overall commercial relationships, contracts adjustments may occur, and be considered on a case by case basis. As disclosed in the half-year 2012 notes, the A350 XWB Entry Into Service has moved into the second half of 2014. The programme remains challenging.

**Research and development expenses** decrease by +102 M € to -624 M € (first quarter 2012: -726 M €) mainly reflecting a decrease for the A350XWB following the start of the capitalization of development cost as of 1 April 2012.

**Share of profit from associates under the equity method and other income from investments** of 107 M € (first quarter 2012: 36 M €) mainly consists of the consistently estimated share of the result of Dassault Aviation of 83 M € (first quarter 2012: 21 M €). The Dassault Aviation equity accounted-for income in the first quarter 2013 includes a catch-up on 2012 results.

**Finance result** amounts to -251 M € (first quarter 2012: -143 M €) comprising interest result of -86 M € (first quarter 2012: -73 M €). Other financial result amounts to -165 M € (first quarter 2012: -70 M €) and mainly includes the negative impact from foreign exchange valuation of monetary items (-89 M €, first quarter 2012: +4 M €).

The **income tax** expense of -92 M € (first quarter 2012 adjusted: -52 M €) corresponds to an effective income tax rate of 27% (first quarter 2012: 29%).

## 7. Significant items of the statement of financial position

### Non-current assets

**Intangible assets** of 13,518 M € (prior year-end: 13,422 M €) include 11,009 M € (prior year-end: 11,003 M €) of goodwill. This mainly relates to Airbus Commercial (6,677 M €), Cassidian (2,712 M €), Astrium (1,232 M €) and Eurocopter (324 M €). The last annual impairment tests, which were performed in the fourth quarter of 2012, led to an impairment charge of 17 M € in Others/ HQ/ Conso.. Capitalization for development costs of the A350 XWB programme started in the second quarter 2012. Since 1 April 2012, a total amount of 429 M € was capitalized.

Eliminating foreign exchange-rate effects of -69 M €, **property, plant and equipment** increase by +224 M € to 15,423 M € (prior year-end: 15,268 M €), including leased assets of 675 M € (prior year-end: 576 M €). The increase is mainly driven by the A350 programme. Property, plant and equipment also comprise "Investment property" amounting to 76 M € (prior year-end: 72 M €).

**Investments in associates under the equity method** of 2,797 M € (prior year-end: 2,662 M €) mainly include the equity investment in Dassault Aviation. The equity investment in Dassault Aviation includes an IFRS catch-up adjustment for income and other comprehensive income relating to prior period.

**Other investments and other long-term financial assets** of 2,052 M € (prior year-end: 2,115 M €) are related to Airbus for an amount of 1,199 M € (prior year-end: 1,288 M €), mainly concerning the non-current portion of aircraft financing activities.

**Other non-current assets** mainly comprise non-current derivative financial instruments and non-current prepaid expenses. The decrease by -456 M € to 2,345 M € (prior year-end: 2,801 M €) is mainly caused by the negative variation of the non-current portion of fair values of derivative financial instruments (-536 M €).

**Deferred tax assets** increase by +574 M € to 5,097 M € (prior year-end adjusted: 4,523 M €).

The fair values of **derivative financial instruments** are included in other non-current assets (661 M €, prior year-end: 1,197 M €), in other current assets (176 M €, prior year-end: 321 M €), in other non-current liabilities (2,035 M €, prior year-end: 1,159 M €) and in other current liabilities (1,209 M €, prior year-end: 852 M €) which corresponds to a total net fair value of -2,407 M € (prior year-end: -493 M €). The volume of hedged US dollar-contracts decreases from 83.6 billion US dollar as at 31 December 2012 to 83.0 billion US dollar as at 31 March 2013. The US dollar spot rate is USD/ € 1.28 at 31 March 2013 vs. 1.32 at 31 December 2012. The average US dollar hedge rate for the hedge portfolio of the Group improves from 1.35 USD/ € as at 31 December 2012 to 1.34 USD/ € as at 31 March 2013.

### Current assets

**Inventories** of 25,309 M € (prior year-end: 23,216 M €) increase by +2,093 M €. This is mainly driven by higher unfinished goods and services at Airbus (+806 M €), Eurocopter (+345 M €) and Cassidian (+308 M €), as well as higher aircraft on stock at Airbus (+357 M €) and Eurocopter (+60 M €).

**Trade receivables** decrease by -163 M € to 6,627 M € (prior year-end: 6,790 M €), mainly caused by Cassidian (-216 M €) and Astrium (-158 M €), partly offset by Airbus (+162 M €).

**Other current assets** include "Current portion of other long-term financial assets", "Current other financial assets", "Current other assets" and "Current tax assets". The increase of +297 M € to

4,536 M € (prior year-end: 4,239 M €) comprises among others an increase of VAT receivables (+395 M €), partly offset by a decrease of financial instruments (-145 M €).

**Cash and cash equivalents** decrease from 8,756 M € to 5,863 M € (see also note 8 “Significant cash flow items”).

### **Total equity**

**Equity** attributable to equity owners of the parent (including purchased treasury shares) amounts to 9,445 M € (prior year-end: 10,403 M €). The decrease is mainly due to other comprehensive income of -1,179 M €, partly compensated by a net income of +241 M €.

**Non-controlling interests** increase to 47 M € (prior year-end: 25 M €), mainly due to the EFW transaction.

### **Non-current liabilities**

**Non-current provisions** of 9,844 M € (prior year-end: 9,827 M €) include the non-current portion of pension provisions which decrease by -91 M € to 6,067 M € (prior year-end adjusted: 6,158 M €).

Moreover, other provisions are included in non-current provisions, which increase by +108 M € to 3,777 M € (prior year-end adjusted: 3,669 M €).

**Long-term financing liabilities**, mainly comprising bonds and liabilities to financial institutions, increase by +313 M € to 3,819 M € (prior year-end: 3,506 M €). This increase is mainly affected by the issuance of the EIB loan in the amount of 406 M US dollar.

**Other non-current liabilities**, comprising “Non-current other financial liabilities”, “Non-current other liabilities” and “Non-current deferred income”, increase in total by +442 M € to 18,636 M € (prior year-end: 18,194 M €), mainly due to an increase of fair values for financial instruments (+876 M €).

### **Current liabilities**

**Current provisions** decrease by -82 M € to 5,963 M € (prior year-end: 6,045 M €) and comprise the current portions of pensions (347 M €) and of other provisions (5,616 M €).

**Trade liabilities** decrease by -663 M € to 9,254 M € (prior year-end: 9,917 M €), mainly at Airbus (-455 M €), at Cassidian (-87 M €) and at Eurocopter (-66 M €).

**Other current liabilities** include “Current other financial liabilities”, “Current other liabilities” and “Current deferred income”. They increase by +761 M € to 31,716 M € (prior year-end: 30,955 M €).

## **8. Significant cash flow items**

**Cash (used for) operating activities** decreases by -1,681 M € to -2,464 M € (first three months 2012: -783 M €). Gross cash flow from operations (before changes in other operating assets and liabilities) of +697 M € decreases compared to the prior period's level (first three months 2012: +1,070 M €). Changes in other operating assets and liabilities amount to -3,161 M € (first three

months 2012: -1,853 M €), mainly reflecting a ramp-up and thus an increase in inventories at Airbus and Eurocopter.

**Cash (used for) provided by investing activities** amounts to -987 M € (first three months 2012: +271 M €). This mainly comprises purchases of intangible assets and property, plant and equipment of -670 M € (first three months 2012: -496 M €) (mainly in Airbus) and changes in securities of -244 M € (first three months 2012: +731 M €).

**Cash provided by (used for) financing activities** increases by +693 M € to +517 M € (first three months 2012: -176 M €). This mainly comprises changes in long-term and short-term financing liabilities of +416 M € (first three months 2012: -236 M €) and changes in capital and non-controlling interests of +101 M € (first three months 2012: +67 M €), mainly due to the exercise of stock options.

## 9. Number of shares

The total number of shares outstanding is 825,899,844 and 818,026,970 as of 31 March 2013 and 2012, respectively. EADS' shares are exclusively ordinary shares with a par value of 1.00 €.

The number of treasury shares held by EADS remained stable at 5,226,305 as of 31 December 2012 and as of 31 March 2013.

In the first three months 2013, EADS issued 3,758,204 new shares (in the first three months 2012: 3,322,771 new shares).

## 10. Earnings per share

**Basic earnings per share** are calculated by dividing profit for the period attributable to equity owners of the parent (Net income) by the weighted average number of issued ordinary shares during the period, excluding ordinary shares purchased by the Group and held as treasury shares:

	1 January to 31 March 2013	1 January to 31 March 2012
Net income attributable to equity owners of the parent*)	241 M €	126 M €
Weighted average number of ordinary shares outstanding	823,522,587	815,957,338
Basic earnings per share*)	0.29 €	0.15 €

\*) Previous year's figures are adjusted due to revised IAS 19.

For calculation of the **diluted earnings per share**, the weighted average number of ordinary shares is adjusted to assume conversion of all potential ordinary shares. The Group's only category of dilutive potential ordinary shares is stock options. Since the average price of EADS shares exceeded the exercise price of the 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> stock option plan in the first three months of 2013 (in the first three months 2012: the 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 8<sup>th</sup> stock option plan), 1,602,232 potential shares (in the first three months 2012: 1,718,636 shares) were considered in the calculation of diluted earnings per share.

	1 January to 31 March 2013	1 January to 31 March 2012
Net income attributable to equity owners of the parent*)	241 M €	126 M €
Weighted average number of ordinary shares outstanding (diluted)	825,124,819	817,675,974
Diluted earnings per share*)	0.29 €	0.15 €

\*) Previous year's figures are adjusted due to revised IAS 19.

### 11. Related party transactions

The Group has entered into various transactions with related companies in the first three months 2013 and 2012 that have all been carried out in the normal course of business. As it is the Group's policy, related party transactions have to be carried out at arm's length. Transactions with related parties include the French government, Daimler AG, Lagardère group and the Spanish government (SEPI) and its related entities. Except for the transactions with the French and Spanish government, such transactions are not considered material to the Group either individually or on aggregate. The transactions with the French government include mainly sales from Eurocopter, Astrium, Cassidian and Airbus Military. The transactions with the Spanish government include mainly sales from Airbus Military and Cassidian.

On 5 December 2012, EADS had announced that their Board of Directors and core shareholders had agreed on a far-reaching change of the company's shareholding structure and governance. This agreement aimed at normalising and simplifying the governance of EADS while securing a shareholding structure that allows France, Germany and Spain to protect their legitimate strategic interests. On 27 March 2013, the shareholders approved in an Extraordinary General Meeting all resolutions that were required to authorize the Completion ("Consummation") of the Multiparty Agreement announced on 5 December 2012. The Completion occurred on 2 April 2013 (please refer to Chapter 14 'Subsequent events').

### 12. Number of employees

The number of employees as at 31 March 2013 is 142,142 as compared to 140,405 as at 31 December 2012.

### 13. Litigation and claims

EADS is involved from time to time in various legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, EADS is not aware of any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during a period covering at least the previous twelve months which may have, or have had in the recent past significant effects on EADS N.V.'s or the Group's financial position or profitability.

Regarding EADS' provisions policy, EADS recognises provisions for litigation and claims when (i) it has a present obligation from legal actions, governmental investigations, proceedings and other claims resulting from past events that are pending or may be instituted or asserted in the future against the Group, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and (iii) a reliable estimate of the amount of such obligation can be made. EADS believes that it has made adequate provisions to cover current or contemplated general and specific litigation risks.

## **WTO**

Although EADS is not a party, EADS is supporting the European Commission in litigation before the WTO. Following its unilateral withdrawal from the 1992 EU-US Agreement on Trade in Large Civil Aircraft, the US lodged a request on 6 October 2004 to initiate proceedings before the WTO. On the same day, the EU launched a parallel WTO case against the US in relation to its subsidies to Boeing.

On 1 June 2011, the WTO adopted the Appellate Body's final report in the case brought by the US assessing funding to Airbus from European governments. On 1 December 2011, the EU informed the WTO that it had taken appropriate steps to bring its measures fully into conformity with its WTO obligations, and to comply with the WTO's recommendations and rulings. Because the US did not agree, the matter is now under WTO panel review pursuant to WTO rules.

On 23 March 2012, the WTO adopted the Appellate Body's final report in the case brought by the EU assessing funding to Boeing from the US. The EU has cited the failure by the US to implement the findings prior to the due date of 23 September 2012 in commencing a new proceeding on the adequacy of US compliance.

Exact timing of further steps in the WTO litigation process is subject to further rulings and to negotiations between the US and the EU. Unless a settlement, which is currently not under discussion, is reached between the parties, the litigation is expected to continue for several years.

## **Securities Litigation**

Following the dismissal of charges brought by the French Autorité des marchés financiers for alleged breaches of market regulations and insider trading rules with respect primarily to the A380 delays announced in 2006, proceedings initiated in other jurisdictions have also been terminated. Nevertheless, following criminal complaints filed by several shareholders in 2006 (including civil claims for damages), a French investigating judge is still carrying out an investigation based on the same facts. It is expected that the investigating judge will decide later in 2013 on whether to close the file (*ordonnance de non-lieu*) or to bring the case to trial (*renvoi devant le tribunal correctionnel*).

## **CNIM**

On 30 July 2010, Constructions Industrielles de la Méditerranée ("CNIM") brought an action against EADS and certain of its subsidiaries before the commercial court of Paris, alleging anti-competitive practices, breach of long-term contractual relationships and improper termination of pre-contractual discussions. CNIM is seeking approximately €115 million in damages on a joint

and several basis. On 12 January 2012, the court rejected all of CNIM's claims, following which CNIM filed for appeal.

## **GPT**

Prompted by a whistleblower's allegations, EADS has conducted internal audits and commissioned an external investigation relating to GPT Special Project Management Ltd. ("GPT"), a subsidiary that EADS acquired in 2007. The allegations called into question a service contract entered into by GPT prior to its acquisition by EADS, relating to activities conducted by GPT in Saudi Arabia. Following the allegations, EADS conducted comprehensive internal audits in 2010 that did not detect any violations of law. The UK Serious Fraud Office (the "SFO") subsequently commenced a review of the matter. In 2011, EADS retained PricewaterhouseCoopers ("PwC") to conduct an independent review, the scope of which was agreed with the SFO. In the period under review and based on the work it undertook, nothing came to PwC's attention to suggest that improper payments were made by GPT. Further, the review did not find evidence to suggest that GPT or through GPT, any other EADS Group company, asked specific third parties to make improper payments on their behalves. The PwC review was conducted between November 2011 and March 2012, and a copy of its report was provided by EADS to the SFO in March 2012. Separately, in August 2012, the SFO announced that it had opened a formal criminal investigation into the matter. EADS is cooperating fully with this investigation.

## **Eurofighter Austria**

In March 2012, the German public prosecutor, following a request for assistance by the Austrian public prosecutor, launched a criminal investigation into alleged bribery, tax evasion and breach of trust by current and former employees of EADS Deutschland GmbH and Eurofighter Jagdflugzeug GmbH as well as by third parties relating to the sale of Eurofighter aircraft to Austria in 2003. EADS is cooperating fully with this investigation and has also engaged external legal counsel to conduct an independent review of the matter which is currently still ongoing.

## **14. Subsequent events**

On 2 April 2013, the Completion ("Consummation") of the Multiparty Agreement occurred, following the authorization by the shareholders in an Extraordinary General Meeting on 27 March 2013. Previously existing shareholder agreements were terminated. From this date onwards EADS is not aware of any shareholder meeting the definition of a related party under IAS 24.

On 2 April 2013, the Board approved in its meeting an 18-month share repurchase programme for up to 3.75 billion €. On 9 April 2013, EADS confirms the acquisition of 1.61% of its own shares for an amount of 500 M € in the placement made by Lagardère group. On 17 April 2013, EADS confirms the conclusion of a share purchase agreement with the French State for the acquisition off-market of a stake of 1.56% of EADS shares for 482.7 M €. It also confirms on the same date its participation in the placement made by Daimler AG, leading to an acquisition of 1.95% of its own shares for an amount of 600 M €.

On 9 April 2013, EADS has successfully placed bonds in the U.S. institutional market by pricing an inaugural 1 billion US dollar bond with a 10-year maturity. The bonds will pay a fixed coupon of 2.7%. The proceeds of this transaction will be used for general corporate purposes and will enable

EADS N.V.  
Unaudited Condensed IFRS Consolidated Financial Information for the three-month period  
ended 31 March 2013

EADS to diversify its funding sources and access one of the largest and most liquid markets in the world.