

EADS



First Annual General Meeting

Amsterdam - May 10th, 2001

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- 1) **EADS at first glance**
- 2) **Operating performance by activity**
- 3) **Financial highlights**
- 4) **Outlook**

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EADS at a glance



Well known EADS subsidiaries and partnerships

- AIRBUS
- ATR
- EUROCOPTER
- EUROFIGHTER
- ASTRIUM
- ARIANE
- MBD

Total number of employees: 88,879*

as of Dec. 31, 2000

Other Countries

Rest of Europe	2,945
USA	1,530
Rest of world	762



A world leader



Revenues 2000 - consolidation in €bn



n° 3 world-wide in 2000
n° 1 Europe

A world class business



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Key strategic points 10 months after EADS creation



What we said	What we did
<ul style="list-style-type: none"> • Business growth 	<ul style="list-style-type: none"> • 2000 Revenues + 7% from 1999, • record order intake growing 50%, • A380 launch • positive decisions on A400M, METEOR,...
<ul style="list-style-type: none"> • Value creation = € 580 m per year by 2004 = Integration 	<ul style="list-style-type: none"> • 600 concrete projects identified • restructuring of Defence & Civil Systems, • Headquarters streamlining
<ul style="list-style-type: none"> • EBIT margin target* = 8% in 2004 	<ul style="list-style-type: none"> • 2000 profitability in line with plan • we raise our 2004 target to 10%

* pre goodwill and exceptionals, in % of revenues

→ EADS delivers on its promises

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Key strategic points 10 months after EADS creation



What we said

- Drive industrial consolidation
- Penetrate the US market
- Develop in Services activities

What we did

- AIC, MBDA, EMAC,...
- Agreements with Northrop Grumman in defence electronics, namely for drones
- Boeing participation in METEOR
- Defence electronics contract awarded by the US Navy
- JV with Northrop Grumman for maintenance in the US
- Telecom internet services on civil aircraft
- FSTA project : tanker aircraft service package

→ EADS is extending its core businesses

EADS stock performance since July, 10 2000



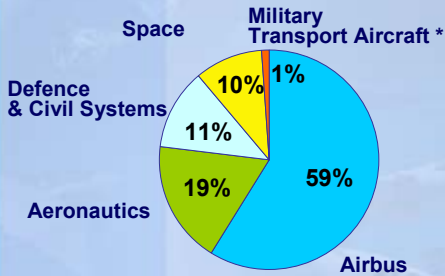
→ Financial markets have recognized the strategic vision of EADS



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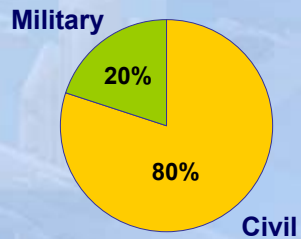
EADS revenues breakdown

pro-forma 2000 revenues by division



* before A400M program

pro-forma 2000 revenues military/civil



➔ A strong business base

Airbus 2000 performance and key drivers



2000 Performance** :

Revenues € 14.9 bn

EBIT* € 1.4 bn

Backlog € 104.4 bn

* pre-goodwill and exceptionals

** representing our 80% share in Airbus



AIRBUS VISION PROVEN RIGHT

- March 31st 2001 backlog = 1,660 a/c and continuing flow of orders=> exceptional visibility
- **A380** successful launch (66 customer commitments); break Boeing monopoly
- Production rate increase due to commercial success
- **AIC creation** : additional value creation

→ **A very strong outlook secured by our backlog**

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Military Transport Aircraft 2000 performance and key drivers



2000 Performance :

Revenues € 0.30 bn

EBIT* loss (€ 0.06 bn)

Backlog € 0.87 bn

* pre- goodwill and exceptional



KEY DRIVERS

- High replacement market potential
- A400M program decided : intents for 229 aircraft; firm order expected in 2001
- World leader on light and medium segment
- Tanker aircraft project (FSTA)

→ **A400M = key driver of future growth**

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Aeronautics

2000 performance and key drivers



2000 Performance :
Revenues € 4.7 bn
EBIT* € 0.3 bn
Backlog € 13.1bn

* pre-goodwill and exceptional



FUTURE GROWTH FROM MAJOR PROGRAMS

- **Eurofighter** on schedule => future growth and cash
- Strong market for existing helicopter programs
- Further growth from **Tiger and NH90 programs**
- Positioning in **Services** (SOGERMA, EFW)

➔ **Growth from new alliances and innovative products**

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Space

2000 performance and key drivers



2000 Performance :
Revenues € 2.54 bn
EBIT* € 0.07 bn
Backlog € 4.83 bn

* pre-goodwill and exceptional



A CHALLENGING COMPETITIVE ENVIRONMENT

- High competitiveness in Satellites (eg. orders from Inmarsat and Intelsat)
- reliability of **Ariane V** designed for growing demand of heavy satellites
- **M51** contract with French government => unique European competence
- Cost driven and flexible **reorganization plan**

➔ **Further competitiveness to enhance world-wide n°3 position**

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Defence & Civil Systems 2000 performance and key drivers



2000 Performance :

Revenues	€ 2.9 bn
EBIT* loss	(€ 0.1 bn)
Backlog	€ 9.7 bn

* pre-goodwill and
exceptionals



RESTRUCTURING TO ENSURE FUTURE PROFITABILITY

- **Restructuring plan** implemented
- **Strong backlog** (3 years of activity) secures the success of the restructuring plan
- **METEOR** choice and Missiles **export successes** confirming strong competitiveness
- **Growth of Telecom** : EDSN creation at the right time

→ **Goal : back to profits in 2002**

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EADS sets of accounts



	Consolidated	Not-Consolidated
Accounts showing Aerospatale Matra from Jan. 1st till July 9th and EADS from July 10th 2000	CONSOLIDATED ACCOUNTS	STATUTORY ACCOUNTS
Accounts as if EADS were existing since January 1st 1999	PRO-FORMA ACCOUNTS	

→ Only the statutory accounts of EADS NV have to be approved during the AGM (resolution N° 2)

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Key pro-forma financial highlights



	Pro forma 2000 € million	Pro forma 1999 € million	Deviation
Revenues	24,208	22,553	+ 7.3%
EBIT*	1,399	1,445	
EBIT* <i>pre-Sextant disposal</i>	1,399	1,263	+10.8%
Free Cash Flow	1,531	198	+673.2%
Order intake <i>(in years of sales)</i>	49,079 (2)	32,700 (1.5)	+ 50%
Year-end backlog <i>(in years of sales)</i>	131,874 (5.5)	102,400 (4.5)	+ 29%

* pre-goodwill and exceptionals
but including € 262 m of non-recurring expenses
(restructuring and Globalstar write-off)

→ 2000 performance in line with market expectations

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Pro-forma summarised profit & loss



	Pro forma 2000	Pro forma 1999
	€ million	€ million
Revenues	24,208	22,553
EBIT pre-goodwill & exceptional	1,399	1,445
Operating income after goodwill/exceptional *	200	769
Financial results	(1,315)	(1,846)
Net income *	(909)	(1,046)
→ * of which, pre-tax :		
- goodwill & exceptionals	(1,088)	(593)
- restructuring expenses	(152)	(98)
- Globalstar write-off	(110)	0
- SEXTANT disposal	0	182

→ Net loss resulting from non-recurring items and by previous hedging accounting

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Pro-forma Balance sheet



€ million	pro-forma 2000	pro-forma 1999
Fixed Assets	20,894	19,952
Current Assets	16,745	13,794
of which cash & equivalents, securities	7,922	4,750
Deferred Tax Assets	3,151	2,821
Pre-paid Expenses	654	651
Total Assets	41,444	37,218
Shareholders' Equity	10,250	9,377
Minority interest	221	212
Accrued Liabilities	8,684	7,432
Deferred Tax Liabilities & Income	4,042	4,080
Other Liabilities	18,247	16,117
of which debt	5,779	5,696
Total Shareholders' Equity & Liabilities	41,444	37,218
Net cash position at year-end	2,143	(946)

→ Strong positive net cash position at year-end 2000

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EADS Statutory accounts : Profit & loss statement



Statement of income (in millions of €)	
Dividends received	181
Interest income	26
Administrative and other expenses	-69
Other operative income	40
Operating result	178
Goodwill amortization DASA/CASA	-146
Net loss of participating interests	-582
Net loss	-550

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EADS Statutory accounts : Balance sheet



Intangible assets	5 695	Capital stock	807
Financial assets	3 130	other reserves	9 443
Fixed assets	8 825	Stockholders' equity	10 250
Receivables and other assets	254	Financial liabilities	3 314
Securities	2 482	other liabilities	110
Cash and cash equivalents	2 081	total liabilities	3 424
Non fixed assets	4 817		
Deferred taxes	32		
	13 674		13 674

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Dividend payment from reserves (resolution n°3)



STATUTORY ACCOUNTS

RESERVES*
€ 9.4 bn



PROPOSED DIVIDEND
€ 404 m => € 0.5 per share
paid on June, 27, 2001

* after deduction of the net loss

→ Share EADS success with shareholders

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EADS key strategic goals



- AIRBUS : long-term market share of 50%
- MILITARY TRANSPORT AIRCRAFT : enter a market with high replacement potential
- AERONAUTICS : complete full industrial integration of fighter aircraft and build-up of NH90 and Tiger series production
- SPACE : further consolidation and marketing opportunities to enhance global position
- DCS : focus on growth market and decrease dependence on home markets

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Q1 2001 pro-forma key figures



Pro forma 2001* actual Q1 € million	
Revenues	6,276
Order intake	18,864 (3 times Q1 2001 Revenues)

€ million	Pro forma 2001* end of Q1	Pro forma 2000 year-end	Deviation
Backlog	169,725	131,874	+29%

* 100% consolidation of Airbus from January 1st 2001

→ Q1 2001 performance in line with full year expectations and confirming growth

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Financial outlook



- Continuing strong **order intake**
- **Revenues growth + 15%/20% in 2001**, + 6/10% /year from 2001, assuming full consolidation of Airbus and depending on \$/€ exchange rate
- **2001 EBIT* 15% up** in spite of strong increase in R&D related mainly to A380
- **2004 EBIT* margin target raised to 10% in 2004**
- **Free cash flow** = “close to zero” in 2001 and 2002 in spite of the A380 financing ; Strong Free cash flow generation from 2003
- **2000 proposed dividend** : € 0.5 per share

* pre-goodwill and exceptionals

→ **Raise the hurdle to go the step beyond**

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Why to invest in EADS ?



- **An exceptional visibility :**
 - € 170 bn backlog = more than 5 years of revenues
 - 2001 first months show continuing commercial success
- **Medium-term profitability target raised :**
 - quick and successful Integration => synergies starting to create value from 2001
 - 2000 year results on track in spite of restructuring charge
 - current hedging positions secure most of 2001-2004 years at a favourable Dollar exchange rate

→ **Growth is secured and profitable**

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