

INFORMATION NOTICE

ANNUAL GENERAL MEETING



on Friday, May 4, 2007 at 10:30 a.m.
at Hotel Okura Amsterdam,
Ferdinand Bolstraat 333,
1072 LH Amsterdam, The Netherlands

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WAYS OF PARTICIPATING IN THE MEETING

In order to participate in the meeting, please choose one of the following options, detailed below:

- I. TO GRANT A POWER OF ATTORNEY TO THE CHAIRMEN;
- II. TO PROVIDE VOTING INSTRUCTIONS;
- III. TO GRANT A POWER OF ATTORNEY TO A SPECIFIED PERSON;
- IV. TO ATTEND AND TO VOTE AT THE ANNUAL GENERAL MEETING.

I. TO GRANT A POWER OF ATTORNEY TO THE CHAIRMEN

If you wish to grant to the Chairmen a power of attorney to vote each resolution and amendments or new resolutions, if any, presented at this meeting, you must shade box 1 on the voting form / attendance card request (the “Form”) attached.

II. TO PROVIDE VOTING INSTRUCTIONS

- In order to provide voting instructions to Euroclear France S.A., in the name of which your shares are registered in the shareholders’ register of EADS, you must shade and fill out box 2 on the Form attached.
- To express your choice, proceed as follows:
- If you wish to vote **FOR** a resolution and amendment or new resolution, if any, presented at this meeting, do not shade the corresponding box.
- If you wish to vote **AGAINST** a resolution and amendment or new resolution, if any, shade the corresponding box.

III. TO GRANT A POWER OF ATTORNEY TO A SPECIFIED PERSON

In order to provide voting instructions to Euroclear France S. A., in the name of which your shares are registered in the shareholders’ register of EADS, you must shade and fill out box 2 on the Form attached.

To express your choice, proceed as follows:

- If you wish to vote **FOR** a resolution and amendment or new resolution, if any, presented at this meeting, do not shade the corresponding box.
- If you wish to vote **AGAINST** a resolution and amendment or new resolution, if any, shade the corresponding box.

IV. TO ATTEND AND TO VOTE AT THE ANNUAL GENERAL MEETING

If you wish to attend and to vote at the meeting, you must shade box 4 on the Form attached in order to receive an admission card.

This card is provided upon request by your financial broker, which requests it at Deutsche Bank AG.

In this case, you will be admitted to the meeting only upon presentation of this admission card and a valid proof of identity.

Whichever your choice is, whether I, II, III or IV, just shade and fill out the appropriate items on the Form as indicated above. Then **date and sign** before returning it, following the case, to your depository bank which will submit the relevant instruction to Deutsche Bank AG.

Your Form or Document must be received by your depository bank no later than the day indicated by your depository bank.

Any Form or Document received beyond the relevant date will be disregarded.

In any case, if you wish to participate in the meeting, your depository bank *via* Deutsche Bank AG, shall justify on your behalf your status as a holder of EADS shares.

The Annual General Meeting Documentation (*i.e.* Agenda and text of draft resolutions, Board report, 2006 audited annual financial statements and auditors’ report) is available free of costs at the EADS headquarters in

The Netherlands and at the EADS head offices at the following addresses:

- **in Germany**, Willy-Messerschmitt-Str. – Tor 1
85521 Ottobrun,
- **in France**, 37, boulevard de Montmorency, 75016 Paris,
- **in Spain**, Avenida de Aragón 404, 28022 Madrid,

or at:

- **Deutsche Bank AG**, TSS/GES, Post IPO Services,
60262 Frankfurt am Main, Germany and
- **EADS Securities Department**, ARLIS,
6, rue Laurent Pichat, 75216 Paris cedex 16, France.
- This documentation will also be available on our web-site www.eads.com (Investor Relations).

AGENDA

- 1** Adoption of the Report of the Board of Directors including the:
 - chapter on corporate governance,
 - policy on dividends,
 - proposed remuneration policy including arrangements for the grant of stock options and performance shares, and rights to subscribe for shares for the Members of the Board of Directors;
- 2** Adoption of the audited accounts for the financial year 2006;
- 3** Approval of the result allocation for the financial year 2006;
- 4** Release from liability of the Members of the Board of Directors;
- 5** Appointment of the auditors for the financial year 2007;
- 6** Appointment of Mr. Michel Pébureau as a Member of the Board of Directors;
- 7** Appointment of Mr. Bodo Uebber as a Member of the Board of Directors;
- 8** Amendment of Articles 14, 23 and 24 of the Company's Articles of Association;
- 9** Delegation to the Board of Directors of powers to issue shares and to set aside preferential subscription rights of existing shareholders;
- 10** Cancellation of shares repurchased by the Company;
- 11** Renewal of the authorisation for the Board of Directors to repurchase shares of the Company.

EADS

TEXT OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

FIRST RESOLUTION

Adoption of the Report of the Board of Directors

RESOLVED THAT the Report of the Board of Directors, as submitted to the Annual General Meeting, including the chapter on corporate governance, the policy on dividends and proposed remuneration policy including arrangements for the grant of stock options and performance shares and rights to subscribe for shares for the Members of the Board of Directors be and hereby is accepted and approved.

SECOND RESOLUTION

Adoption of the audited accounts for the financial year 2006

RESOLVED THAT the audited accounts for the accounting period from 1st January 2006 to 31st December 2006, as submitted to the Annual General Meeting by the Board of Directors, be and hereby are adopted.

THIRD RESOLUTION

Approval of the result allocation for the financial year 2006

No proposed text - for further explanations, please refer to the «presentation of the resolutions presented by the Board» - see page 17 of this document.

FOURTH RESOLUTION

Release from liability of the Members of the Board of Directors

RESOLVED THAT the Members of the Board of Directors be and hereby are granted a release from liability for the performance of their duties during and with respect to the financial year 2006, to the extent that their activity has been reflected in the audited annual accounts for the financial year 2006 or in the Report of the Board of Directors.

FIFTH RESOLUTION

Appointment of the auditors for the financial year 2007

RESOLVED THAT the Company's auditors for the accounting period being the financial year 2007 shall be Ernst & Young Accountants whose registered office is at Drentestraat 20, 1083 HK Amsterdam, The Netherlands, and KPMG Accountants N.V., whose registered office is at K.P. van der Mandelelaan 41-43, 3062 MB Rotterdam, The Netherlands.

SIXTH RESOLUTION

Appointment of Mr Michel Pébereau as a Member of the Board of Directors

RESOLVED THAT effective at the end of this Annual General Meeting, Mr. Michel Pébereau be appointed as a Member of the Board of Directors.

SEVENTH RESOLUTION

Appointment of Mr Bodo Uebber as a Member of the Board of Directors

RESOLVED THAT effective at the end of this Annual General Meeting, Mr. Bodo Uebber be appointed as a Member of the Board of Directors.

EIGHTH RESOLUTION

Amendment of Articles 14, 23 and 24 of the Company's Articles of Association

RESOLVED THAT the following articles of the Company's Articles of Association shall be amended to reflect changes of Dutch law to read in translation as follows and that both the Board of Directors and the Chief Executive Officers be and hereby are authorised, with powers of substitution, to implement this resolution and that the Board of Directors is authorised for a period of 5 years, starting from the day the Company's Articles of Association are amended, to set the Registration Date as referred to in the new Article 24 paragraph 6, all this in accordance with Dutch law:

"RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS

Article 14

Each of the persons who, on basis of the provisions of the Act on Financial Supervision (Wet op het financieel toezicht), hereinafter referred to as "WFT", are required to notify the competent authorities of the changes in the control over shares and votes in the capital of the Company by which the thresholds as specified hereafter are transgressed upwards or downwards, shall in addition to this statutory obligation, also notify the Company of these changes. The obligations mentioned in the preceding sentences apply every time the thresholds as referred to in the WFT - five percent (5%), ten percent (10%), fifteen percent (15%), twenty percent (20%), twenty-five percent (25%), thirty percent (30%), forty percent (40%), fifty percent (50%), sixty percent (60%), seventy-five percent (75%) and ninety-five percent (95%) - are transgressed upwards or downwards.

Any person, acting alone or by attribution of shares and votes, acquiring directly or indirectly the control over shares in the capital of the Company or the votes that can be exercised on the issued capital of the Company, which represents more than a tenth of the total number of shares outstanding, or of voting rights, must inform the Company of its intentions by **registered letter with an acknowledgement:**

- (i) to buy or to sell shares in the coming twelve (12) months;
- (ii) to continue or to stop acquiring shares or votes;
- (iii) to acquire control;
- (iv) to seek to designate a member of the Board of Directors.

GENERAL MEETINGS OF SHAREHOLDERS

Article 23

4. A request as referred to in the preceding paragraph of this article, may only be made in writing. The Board of Directors can decide that in "writing" is understood to include a request that is recorded electronically.

Article 24

1. Each holder of one or more shares and all other persons who are entitled to do so by law shall have the power, either in person or by means of a written proxy, to attend the general meeting of shareholders, to speak and to exercise the right to vote in accordance with Article 25 hereof.

A shareholder or a person who has the right to attend a meeting can see to it that he is represented by more than one proxy holder, provided that only one proxy holder can be appointed for each share.

If the Board of Directors so decides, each shareholder is entitled, in person or by means of a written proxy, to attend the general meetings of shareholders, to speak and to exercise the right to vote by electronic means of communication, all this in accordance with Section II: 117a of the Civil Code.

- 5. The Board of Directors can decide that in "writing" as referred to in the preceding paragraph of this article, the last but one sentence, is understood to include a request that is recorded electronically.
- 6. The general meeting of shareholders may, for a period not exceeding five (5) years authorise the Board of Directors to determine when convening a general meeting of shareholders, for the purposes of the provisions of this article, those persons who shall be deemed to be entitled to attend and to vote at meetings who, at the time then to be set (the "Registration Date"), have such rights and are so on record in a register kept by the Board of Directors, irrespective of who may be entitled to the shares at the time of that meeting. The Registration Date may be set by the Board of Directors for a date up to the thirtieth day prior to the day before the day of the meeting.
- 7. In respect of each general meeting of shareholders of the Company, the Board of Directors of the Company can decide, in accordance with section II:117 b of the Civil Code, that votes cast by electronic means of communication prior to a relevant general meeting of shareholders, are considered equivalent to votes that are cast during a meeting. These votes may not be cast prior to the Registration Date set by the Board of Directors*.

* In the original Dutch language:

"RECHTEN EN VERPLICHTINGEN VAN DE AANDEELHOUDERS

Artikel 14

Een ieder die, op grond van de bepalingen van de Wet op het financieel toezicht, hierna genoemd «WFT», verplicht is om de daartoe bevoegde instanties op de hoogte te stellen van de wijzigingen in de zeggenschap over aandelen en stemrecht op aandelen in het kapitaal van de Vennootschap, waardoor de hierna genoemde drempelwaarden worden overschreden dan wel onderschreden, zal in aanvulling op deze wettelijke verplichting, ook verplicht zijn om de Vennootschap van deze wijzigingen op de hoogte te stellen. De in de voorgaande zinnen genoemde verplichtingen zijn van toepassing in elk geval waarin de drempelwaarden, zoals genoemd in de WFT - vijf procent

(5%), tien procent (10%), vijftien procent (15%), twintig procent (20%), vijfentwintig procent (25%), dertig procent (30%), veertig procent (40%), vijfzig procent (50%), zestig procent (60%), vijfenzeventig procent (75%) en vijfnegentig procent (95%) - worden overschreden dan wel onderschreden.

Een ieder die alleen of krachtens toerekening van aandelen en stemrecht op aandelen direct of indirect de zeggenschap krijgt over aandelen of stemrecht op aandelen in het kapitaal van de Vennootschap, vertegenwoordigende meer dan een/tiende gedeelte van het totale aantal geplaatste aandelen of het totale aantal uit te brengen stemmen, moet de Vennootschap bij aangetekende brief met bericht van ontvangst op de hoogte stellen van zijn voornemens:

- (i) om in de eerstvolgende twaalf (12) maanden aandelen te kopen of te verkopen;
- (ii) om door te gaan of op te houden aandelen of stemrecht op aandelen te verwerven;
- (iii) om zeggenschap te verkrijgen;
- (iv) om te streven naar het benoemen van een lid van de Raad van Bestuur.

ALGEMENE VERGADERINGEN VAN AANDEELHOUDERS

Artikel 23

4. Een verzoek als bedoeld in dit artikel, kan alleen schriftelijk worden ingediend. De Raad van Bestuur kan bepalen dat onder «schriftelijk» wordt verstaan een verzoek dat op elektronische wijze wordt ingediend.

Artikel 24

1. Iedere houder van een of meer aandelen is, alsmede alle andere personen die krachtens de wet het recht hebben om de algemene vergadering bij te wonen, daarin het woord te voeren en het stemrecht uit te oefenen, zijn bevoegd om, hetzij in persoon, hetzij bij een schriftelijk gevolmachtigde, zodanige rechten uit te oefenen in overeenstemming met artikel 25 van deze statuten. Een aandeelhouder of een vergadergerechtigde kan zich doen vertegenwoordigen door meer dan één gevolmachtigde, met dien verstande dat voor ieder aandeel slechts één volmacht kan worden verleend. Indien de Raad van Bestuur dit bepaalt, is iedere aandeelhouder bevoegd om, in persoon of bij een schriftelijk gevolmachtigde door middel van een elektronisch communicatiemiddel aan de algemene vergadering van aandeelhouders deel te nemen, daarin het woord te voeren en het stemrecht uit te oefenen via elektronische communicatiemiddelen, een en ander in overeenstemming met artikel 2:117a van het Burgerlijk Wetboek.
5. De Raad van Bestuur kan bepalen dat «schriftelijk» als bedoeld in de het vorige lid van dit artikel, de op één na laatste zin, mede omvat een verzoek dat op elektronische wijze is ingediend.
6. De algemene vergadering van aandeelhouders kan de Raad van Bestuur, voor een periode van ten hoogste vijf (5) jaren machtigen om bij het bijeenroepen van een algemene vergadering van aandeelhouders, te bepalen dat voor de toepassing van dit artikel als stem- en vergadergerechtigde hebben te gelden zij die op een daarbij te bepalen tijdstip («de Registratiedatum») die rechten hebben en als zodanig zijn ingeschreven in een door de Raad van Bestuur gehouden register, ongeacht wie ten tijde van die vergadering de rechthebbenden op die aandelen zijn. De Registratiedatum kan door de Raad van Bestuur niet worden vastgesteld op een tijdstip vroeger dan de dertigste dag voorafgaand aan de dag van de vergadering.

7. De Raad van Bestuur van de Vennootschap kan, voor elke algemene vergadering van aandeelhouders afzonderlijk, in overeenstemming met artikel 2:117b van het Burgerlijk Wetboek bepalen, dat stemmen die voorafgaand aan de betreffende algemene vergadering van aandeelhouders door middel van elektronische communicatiemiddelen zijn uitgebracht, worden geacht te zijn uitgebracht tijdens de vergadering. Deze stemmen mogen niet eerder worden uitgebracht dan de door de Raad van Bestuur vastgestelde Registratiedatum”.

NINTH RESOLUTION

Delegation to the Board of Directors of powers to issue shares and to set aside preferential subscription rights of existing shareholders

RESOLVED THAT in accordance with the Articles of Association, the Board of Directors be and hereby is designated, subject to revocation by the General Meeting, to have powers to issue shares and to grant rights to subscribe for shares which are part of the Company's authorised share capital, provided that such powers shall be limited to 1% of the Company's authorised capital from time to time and to have powers to limit or exclude preferential subscription rights, in both cases for a period expiring at the Annual General Meeting to be held in 2009.

Such powers include without limitation the approval of share-related long term incentive plans (such as stock option, performance and restricted share plans) and employee share ownership plans. Such powers may also include the granting of rights to subscribe for shares which can be exercised at such time as may be specified in or pursuant to such plans and the issue of shares to be paid up from freely distributable reserves.

TENTH RESOLUTION

Cancellation of shares repurchased by the Company

RESOLVED THAT the number of shares in the Company held by the Company, up to a maximum of 4,568,405 shares, be cancelled and both the Board of Directors and the Chief Executive Officers be and hereby are authorised, with powers of substitution, to implement this resolution in accordance with Dutch law.

ELEVENTH RESOLUTION**Renewal of the authorisation for the Board of Directors to repurchase shares of the Company**

RESOLVED THAT the Board of Directors be and hereby is authorised, for a new period of 18 months from the date of this Annual General Meeting, to repurchase shares of the Company, by any means, including derivative products, on any stock exchange or otherwise, as long as, upon such repurchase, the Company will not hold more than 10 % of the Company's

issued share capital and at a price not less than the nominal value and not more than the higher of the price of the last independent trade and the highest current independent bid on the trading venues of the regulated market of the country in which the purchase is carried out. This authorisation supersedes and replaces the authorisation given by the Annual General Meeting of May 4, 2006 in its eighth resolution.

EXECUTIVE SUMMARY

1. General Overview

Since its creation, in July 2000, by combining the businesses previously operated by Aerospatiale Matra, DaimlerChrysler Aerospace AG (“**Dasa**”) and Construcciones Aeronáuticas SA (“**CASA**”), EADS has been a recognised leader across most sectors of its operations, consolidating its control in such areas of longstanding collaboration as Airbus, Eurocopter, Eurofighter, Astrium, MBDA and the Ariane industrial framework.

With a workforce of 116,805 employees (at year-end 2006) and revenues of €39,4 billion in 2006, EADS is Europe’s number one aerospace and defence company, and the second largest aerospace and defence company in the world.

In terms of market share, EADS is among the top two manufacturers of commercial aircraft and civil helicopters, commercial space launch vehicles and missiles systems, and a leading supplier of military aircraft, satellites, defence electronics and related services. EADS has organised its businesses in five divisions: (i) Airbus, (ii) Military Transport Aircraft, (iii) Eurocopter, (iv) Defence and Security and (v) Astrium.

In 2006, EADS generated 75% of its revenues in the civil sector and 25% in the defence sector.

2. Main Events for 2006

For the very first time – EADS did not deliver on its targets. In spite of some impressive successes, 2006 was a disappointing year for the Group. The complexity and the risks in some programmes, and in particular, production difficulties encountered for the A380 led to delays in its projected delivery schedule, with the first A380 currently scheduled for delivery in October 2007. The resulting costs and charges associated with these delays will impose a significant burden on EADS’ future financial performance. This increases the pressure for cost savings due to dollar rate weakness and additional development costs for future programmes. In response, the management of EADS has announced the implementation of the Power8 programme at Airbus, which is designed to reduce costs, save cash and develop new products faster. The programme aims to achieve annual cost savings of more than €2 billion from 2010 onwards and deliver approximately €5.0 billion in cumulative cash savings by 2010.

Despite these setbacks, the A380 successfully completed its flight test campaign during 2006 and received type certification by the European Aviation Safety Agency (EASA) and Federal Aviation Administration (FAA), demonstrating the technical soundness of the all-new double-decker. EADS Board of Directors gave to Airbus the go-ahead for the industrial launch of the A350 XWB family, a totally new medium capacity long-range extra wide-body family. The decision is based on

strong market demand and customer backing. Conceived from the outset to become a comprehensive airliner family, the A350 XWB will be available in three basic passenger versions, which will accommodate between 270 to 350 passengers. Entry into service of the first A350 XWB is planned for 2013.

In addition, EADS’ financial position remains sound despite the sharp decrease of profitability and the A380-related charges, due to the strong commercial performance of Airbus delivery programmes and the helicopter, defence and space businesses. The record order book of €262.8 billion at the end of 2006 (consisting of €209.833 billion in commercial business and €52.929 billion in defence) constitutes a considerable asset for EADS’ future. EADS continues to position itself for sustained growth and profitability, in line with its strategy of being a leading company in the major global aerospace and defence markets.

2006 was Airbus’ second best year ever in terms of orders in its 35-years history, with 824 gross orders. This represents a 44% market. As a result of this strong sales performance, Airbus has increased its record backlog by 17% to 2,533 aircraft, at the end of 2006, giving Airbus 51% of all outstanding orders. Airbus also delivered 434 aircraft in 2006 (378 in 2005), its highest level ever. Total deliveries now stand at 4,564 aircraft. Finally, EADS became the sole owner of

Airbus in October 2006, when it acquired BAE Systems' 20% stake in Airbus for €2.75 billion.

In 2006, Eurocopter secured its position as the world's leading helicopter manufacturer in the civil and parapublic market with a record of 381 new helicopter deliveries for military and civil helicopters, with 49% of the revenues derived from civil and parapublic sales and 51% related to Eurocopter's military products.

With a record order intake of 615 new helicopters, the company's backlog reached a historical high of €11 billion at the end of 2006. Eurocopter made a decisive breakthrough in the U.S. military market, with the U.S. Army selecting the UH-145 / UH-72 Lakota (a version of the commercial EC145) as its next-generation light utility helicopter. 2006 was also the year of the first NH90 deliveries to customers. The ongoing development activities on mission equipment have led to additional shift of planned delivery dates'.

In 2006, MTA focused primarily on managing the industrial processes of its two new aircraft programmes, each of which are at important stages of development. The A330 Multi-Role Tanker Transport (MRTT) with the new refuelling system and boom is scheduled to enter into service in 2009, while the first delivery of the A400M is also scheduled for 2009.

The A400M programme completed four industrial milestones during the year, including the completion of the first whole wing in accordance with the contractual schedule, although it may lag plan by 3 months when it enters the FAL. To validate the current programme status and ensure transparency to the customer, EADS has conducted an internal technical assessment. As to the findings, the review validated that the A400M programme is currently progressing according to the contractually agreed schedule. However, the programme

challenges ahead until first delivery in 2009 are assessed as significant.

The Defence & Security Division continued to increase its profitability in 2006 benefiting from an LFK capital gain and operational improvement. However, restructuring costs and change of perimeter effects largely offset the lower than last year UAV-related costs.

The 114th Eurofighter entered into service with the four partner nations. Following the LFK merger, MBDA secured its position of world's largest missile company by revenues, with a strong technological base. MBDA also received notification from the French Délégation Générale pour l'Armement (DGA) for development and production contract for 250 SCALP naval cruise missiles.

DCS' Professional Mobile Radio digital radio business received more than 20 orders for secure communications networks.

Among these, the German public safety authorities' BOSNET contract was the most significant.

Following the joint acquisition of Atlas Elektronik by EADS and ThyssenKrupp Technologies, EADS acquired the French company SOFRELOG. These two acquisitions have strengthened EADS' presence in the maritime sector.

Finally, EADS ASTRIUM had a strong year in 2006 as it built on the full effect of five years of industrial restructuring.

The main drivers of this success were the ramp-up of Ariane 5 production and further development progress on military satellite communication systems such as Skynet 5 and SatcomBW. EADS ASTRIUM won orders for seven new telecom satellites. Astrium Transportation delivered the Columbus space laboratory to the European Space Agency (ESA) and achieved the fully successful first test flight of the M51 ballistic missile for the Délégation Générale pour l'Armement, France's defence procurement agency.

3. Corporate Governance

3.1 Management and control

The Board of Directors met ten times during 2006 and was regularly informed of developments through business reports from the Chief Executive Officers, including rolling forecasts as well as strategic and operational plans. The average attendance rate at such meetings was 95%.

Topics intensively discussed, and operations authorised at the meetings included: EADS' strategy (comprising, in M&A matters, European industry consolidation and the buy-back of BAE Systems' stake in Airbus), major business issues such as

the A380 recovery efforts and the Power8 programme, the A350 industrial launch decision and Airbus future product strategy, the reviews of the EADS UAV programmes and of the A400M programme, the review of Sogerma future strategy, the approval or postponement of operational plans, reorganisation topics, budgets, the Group's financial results and forecasts, as well as financial optimisations and the discussions regarding the implementation of an ethics alert system. The Board of Directors also dealt with topics regarding personnel and human resources, such as management

qualification, remuneration (including a long-term incentive plan and an employee share ownership plan) as well as attracting, retaining and developing individuals with high

potential in order to ensure the future quality of EADS' management and the multinational leadership structure.

3.2 Dutch Corporate Governance Code

In accordance with Dutch law and with the provisions of the Dutch Corporate Governance Code (the "Dutch Code"), which includes a number of non-mandatory recommendations, the Company applies the provisions of the Dutch Code or, if applicable, explains the reasons for non-application of such provisions.

While EADS, in its continuous efforts to adhere to the highest standards, applies most of the recommendations, it has, in accordance with the Dutch Code's "Apply or Explain"

principle, provided the relevant explanations in paragraph 4.2 "Dutch Corporate Governance Code" of its Board Report for the 2004 financial year which was approved by the Annual General Meeting held on 11th May, 2005. The two last years' statements (available on EADS web-site (www.eads.com) in the section on "Corporate Governance") are modified as set forth in the Board Report of this year which is part of the documentation for the General Meeting.

3.3 Remuneration policy of the Members of the Board of Directors

EADS' compensation policy aims at attracting and retaining talents that will contribute to the Group's business success. Shareholders expect a strong commitment from Members of the Board; the compensation policy is therefore designed to focus efforts on what the Group wants to value and reward. To meet these objectives, a significant portion of the compensation is variable and linked to key performance measures and individual objectives. The remuneration is benchmarked regularly against the practice of other global companies based in Europe and the United States to ensure fairness and competitiveness.

The compensation of the Executive Members of the Board combines short-term and long-term reward.

3.3.1 Compensation of Non-Executive Members of the Board

The target compensation of Non-Executive Members of the Board is composed of: (i) a fixed part of €30,000 per Member of the Board and €60,000 per Chairman, (ii) a fee for participation in Board meetings as well as Committee meetings (if such Committee meetings take place on a different date than the Board meetings) of €5,000 per Member of the Board and €10,000 for each Chairman, per meeting and (iii) a variable part consisting of a collective part (bonus) calculated according to EBIT* and cash results of the EADS Group, of €50,000 per Member of the Board and €100,000 per Chairman at 100% target achievement.

3.3.2 Compensation of Executive Members of the Board

The remuneration policy for Executive Members of the Board follows the same principles as the remuneration policy for EADS Executive Committee Members.

The Executive Members of the Board are entitled to receive a total target compensation divided into a fixed part and a variable part; total compensation is for the Chief Executive Officers 45% fixed and 55% variable and for the other Executive Directors 50% fixed and 50% variable (in case of over achievement of the targets, the variable part can exceed 55% and 50%, respectively, of total compensation).

3.3.3 LTIP

Executive Members of the Board are eligible for the EADS LTIP.

If, as planned, a LTIP is implemented in 2007.

EADS would apply special rules for Executive Members of the Board as well as for Executive Committee members:

- Executive Members of the Board as well as Executive Committee Members will have to hold 20% of shares resulting from the exercise of their stock options until the end of their mandate;

- Executive Members of the Board as well as Executive Committee Members will have to hold 20% of the vested shares until the end of their mandate or for a minimum period of 2 years, whichever is appropriate.

The Remuneration and Nomination Committee makes recommendations to the Board, which then makes the final decision on the individual grant allocation and the number of shares that the Executive Members of the Board as well as Executive Committee Members will have to hold.

3.3.4 ESOP

EADS Executive Members of the Board are eligible for the ESOP under the same conditions as any of EADS' employees, being individuals under contract with EADS or with its subsidiaries.

Those shares cannot be sold during a period of one year in case of a direct ownership or a period of five years in case of ownership through a mutual fund.

3.3.5 Pension benefits

The Executive Members of the Board have pension promises as part of their employment agreements. The general policy is to give them annual pensions of 50% of their annual base salary after five years in the Executive Committee of EADS at the age of 60 to 65. These rights will gradually increase to 60% after a second term.

3.3.6 Policy for termination package

Non-Executive Members of the Board have no termination package.

Under the terms of their employment contracts, Executive Members of the Board have an indefinite term contract (whereas, in accordance with the Articles of Association of the Company, the length of the mandate is limited). The employment contracts can be terminated at any time with six months notice. As part of their employment contracts, Executive Members of the Board are entitled to a termination package when the parting results from a decision by the Company. Termination package is a maximum indemnity of 24 months of target income, and could be reduced pro rata depending on retirement age.

4. Financial and other Highlights

EADS' Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted by the International Accounting Standards Board ("IASB"), as endorsed by the European Union (EU). They comprise (i) IFRS, (ii) International Accounting Standards ("IAS") and (iii) Interpretations originated by the International Financial Reporting Interpretations Committee ("IFRIC") or former Standing Interpretations Committee ("SIC").

As of 1st January 2006, EADS adopted the following amendments to existing Standards, new Standards and new Interpretations as required by the following announcements released by the IASB in December 2004 and throughout 2005:

EADS applies new IFRS 6 "Exploration for and Evaluation of Mineral Resources", amendments to IAS 19 "Employee Benefits" (December 2004) and to IAS 21 "The Effects of Changes in Foreign Exchange Rates" (December 2005) respectively and two amendments to IAS 39 "Financial Instruments: Recognition and Measurement": "Fair Value Option" (June 2005) and "Financial Guarantee Contracts"

(August 2005) with the latter also amending IFRS 4. Furthermore, EADS applies new Interpretations IFRIC 5 "Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds" and IFRIC 6 "Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment".

Apart from the policy change regarding the recognition of actuarial gains and losses the application of the amendments to existing Standards, new Standards and new Interpretations mentioned above had no major impact on the Condensed Consolidated Financial Statements.

Amendment to IAS 19 Employee Benefits

The amendment to IAS 19 introduces the recognition of actuarial gains and losses outside the income statement within retained earnings as a third option ("Equity Option"). It further adds new disclosure requirements. EADS has decided to apply the newly introduced alternative and to change its accounting policy regarding the recognition of actuarial gains and losses arising from defined benefit plans for its 2006

Consolidated Financial Statements. Actuarial gains and losses are now directly recognised in equity in the period in which they occur. Prior period figures presented have been adjusted accordingly as required under IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

Compared to the corridor approach, the inclusion of actuarial gains and losses leads to an increase in pension provision of €866 million (prior year: €1,118 million).

The 2006 change in the accounting policy for the recognition of actuarial gains and losses from the corridor to the equity approach results in the reversal of expensed actuarial gains and losses under the corridor approach. In 2006, the continuation of the corridor approach would have led to negative impacts of €45 million to EBIT and €25 million to Net Income.

Amendment to IAS 21 The Effects of Changes in the Foreign Exchange Rate

The IAS 21 amendment results in the recognition of all exchange differences arising from a monetary item that is part of the Group’s net investment in a foreign operation in a separate component of equity regardless of the currency in which the monetary item is denominated.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement

- (i) Fair Value Option: The amendment limits the use of the fair value option to those financial instruments that meet one of the following conditions: a) fair value option designation eliminates or significantly reduces an accounting mismatch (*i.e.* natural hedging relationship); **or** b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy. Furthermore, the fair value option can generally be elected to be applied in case of embedded derivatives to an entire hybrid contract. EADS currently applies the fair value option for securities / accumulated funds only (Money Market Funds).
- (ii) Financial Guarantee Contracts: The scope of IAS 39 has been widened to include financial guarantee contracts issued. In case an issuer of such contracts has previously asserted that it regards financial guarantee contracts as insurance contracts and accounted for them accordingly, the issuer may elect to apply either IFRS 4 or IAS 39 to financial guarantee contracts. The issuer can perform the election contract by contract but the election for each contract remains irrevocable.

For the year ended 31st December 2006, EADS **restricted its interpretation of the cash equivalents’ definition** as provided by IAS 7 “Cash Flow Statements” to better reflect its short-term investment strategy. IAS 7 states that “cash equivalents are held for short-term cash commitments [...], must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short-term maturity of, say, three months or less from the date of acquisition.” EADS now strictly limits its cash equivalents to investments having a maturity of three months and less from acquisition date. Prior period figures have been adjusted accordingly as required under IAS 8.

BAE Systems UK pension plans

In the UK, EADS participates in several funded trustee administered pension plans for both executive as well as non-executive employees with BAE Systems being the principal employer. These plans qualify as multi-employer defined benefit plans under IAS 19 “Employee Benefits”. EADS’ most significant investments in terms of employees participating in these BAE Systems UK pension plans are Airbus and MBDA. For Airbus, this remains the case even subsequent to the acquisition of BAE Systems’ 20% minority interest on 13th October 2006.

Due to contractual arrangements between EADS and BAE Systems, company contributions in respect of EADS’ investments for the most significant pension scheme (Main Scheme) are capped for a defined period of time (until July 2011 for Airbus and until December 2007 for MBDA). Contributions exceeding the respective capped amounts are paid by BAE Systems.

Since 1st January 2005, BAE Systems prepares its Consolidated Financial Statements under IFRS. Before that date, BAE Systems accounted under UK GAAP and as such did not prepare information required under IAS 19 to apply defined benefit accounting. Consequently, EADS accounted for its participation in BAE Systems UK defined benefit schemes as if they were defined contribution schemes in accordance with IAS 19. In 2005, EADS requested detailed information from BAE Systems about the different multi-employer pension schemes in order to appropriately and reliably estimate the share of its investments in the schemes’ plan assets, defined benefit obligations (“DBO”) and pension costs. For accounting purposes, the information provided by BAE Systems in 2005 was judged not to be sufficient to identify EADS’ share in the UK pension schemes. Consequently, EADS continued in 2005 to expense the contributions made to the pension schemes as if the plans were defined contribution plans. Additional information was provided until 2005 in the contingent liabilities section of the notes.

Upon further request in 2006, BAE Systems shared more detailed information for each individual plan in which EADS investments participate. This new information results in a change in accounting estimates for 2006 year-end closing and is accounted for accordingly under IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The new information now enables EADS to derive keys per plan to

allocate for accounting purposes an appropriate proportion in plan assets, DBO and pension costs to its investments as of 31st December 2006.

The inclusion of EADS’ share in BAE Systems pension schemes leads to an increase of **pension provision** of €897 million as of 31st December 2006.

4.1 Revenues

The strong increase in **revenues** to €39.4 billion was supported by all Divisions, in particular by the higher deliveries at Airbus and Eurocopter. The contribution from the EADS Astrium Division came mainly from the ramp-up of Ariane 5 production, Paradigm and ballistic missile

development. At EADS Defence & Security, revenues grew due to Eurofighter, the missile business and to contributions from the Professional Mobile Radio business. Passing all A400M milestones (including the one shifted from 2005) led to higher revenues in the Military Transport Aircraft Division.

4.2 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. In the following, EBIT pre-goodwill impairment and exceptionals is earmarked as EBIT*.

TABLE 1 - RECONCILIATION PROFIT BEFORE FINANCE COST AND INCOME TAX TO EBIT* (IFRS)

(in €m)	2006	2005
Profit before finance cost and income tax	278	2,712
Subsequent adjustment of goodwill	64	0
Exceptional depreciation (Fixed assets)	57	136
Exceptional depreciation (Others)	0	4
EBIT pre-goodwill impairment and exceptionals	399	2,852

EADS’ total **EBIT*** in 2006 was €399 million (FY 2005: €2,852 million). **EBIT*** was substantially burdened by the impact of A380 delays, A350 related charges, higher Research & Development (R&D) expenses and by losses at EADS Sogerma. Additionally, hedges for EADS Group matured at a less favourable average rate of €1 = US\$ 1.12 (FY 2005: €1 = US\$ 1.06). These negative factors were partly compensated by significantly

improved contributions from Airbus’ series production and the Group’s helicopter, defence and space businesses, and a minor contribution from a pension accounting change. The Group’s reduced **Net Income** of €99 million (FY 2005: €1,676 million), or €0.12 per share (FY 2005: €2.11) mainly mirrors the Group’s EBIT* development.

4.3 Net Cash

The **Net Cash Position** of €4.2 billion (year-end 2005: €5.5 billion) was impacted by the acquisition of BAE Systems' 20% stake in Airbus (€2.75 billion) and dividend payments. Adjusted for the one-off payment for the Airbus stake, it has again improved, highlighting the strength of the underlying recurring business.

Free Cash Flow including customer financing stayed high at €2,029 million (FY 2005: €2,413 million), as an unfavourable working capital development was offset by the increased sell-down of customer financing assets. Free Cash Flow before customer financing amounted to €869 million (FY 2005: €2,239 million).

4.4 Order Intake and Order Book

EADS' **order intake** amounted to €69.0 billion (FY 2005: €92.6 billion). In terms of new orders, Eurocopter set a new record in 2006 (up 39% compared to the previous record in 2005), Airbus had its second-best year ever and EADS Astrium another outstanding year.

At the end of December, EADS' **order book** stood at €262.8 billion (year-end 2005: €253.2 billion). Contributions

from commercial aircraft activities are based on list prices. The order book increase versus year-end 2005 was achieved despite a €17 billion impact due to revaluation at less favourable €/US\$ exchange rate. The Group's defence order book further increased and stood at €52.9 billion as of 31st December 2006 (year-end 2005: €52.4 billion).

TABLE 2 – ORDER INTAKE AND ORDER BOOK BY DIVISION

by Division (in €m)	Order Intake			Order Book		
	FY 2006	FY 2005	Change	31 Dec 2006	31 Dec 2005	Change
Airbus	53,367	78,254	-32%	210,115	201,963	+4%
Military Transport Aircraft	1,594	1,840	-13%	20,337	20,961	-3%
Eurocopter	4,885	3,522	+39%	11,042	9,960	+11%
Astrium	4,354	2,322	+88%	12,263	10,931	+12%
Defence & Security	5,191	6,673	-22%	17,570	18,509	-5%
Headquarters / Consolidation	(1,842)	(1,931)	-	(10,809)	(11,217)	-
Other Businesses	1,469	1,871	-21%	2,292	2,128	+8%
Total	69,018	92,551	-25%	262,810	253,235	+4%

4.5 EADS Division Details

The **Airbus** Division delivered a record number of aircraft in 2006 (434 versus 378 in 2005). This led to revenues of €25,190 million, representing a 14% increase compared to the previous year (FY 2005: €22,179 million).

Airbus accounted for an EBIT* of -€572 million (FY 2005: €2,307 million). The financial impact of the A380 issues is -€2.5 billion, of which -€2.0 billion relate to extra costs, loss making contracts and settlement payments and -€0.5 billion to charges related largely to the impairment of A380 Freighter

assets and to non-series cost. A350 related charges -€0.5 billion, increased R&D and less attractive Dollar hedges are other important contributors to the loss. The EBIT* further includes a €352 million provision for A400M contingencies to deal with risk and technical challenges in the Airbus work share. However, the other Divisions foresee a positive contribution from the A400M, leading to a reversal of the provision at Group level. The Division's EBIT* was supported by a positive volume effect, the impact of a favourable aircraft mix and higher contribution from the sell-down of customer financing assets.

The **Military Transport Aircraft** Division's revenues surged to €2,200 million (FY 2005: €763 million) and EBIT* grew to €75 million compared to €48 million in 2005. This growth primarily reflects the achievement of four A400M milestones planned for 2006, as well as the revenue recognition related to a milestone shifted from 2005 to 2006. Further support came from the revenue ramp-up of the Australian tanker programme. The Division's order book stood at €20.3 billion (year-end 2005: €21.0 billion).

Eurocopter successfully entered the US defence market and once again confirmed its position as the global leader in the civil and parapublic helicopter market. Delivery of a record 381 helicopters (FY 2005: 334) fuelled the 18% revenues growth to €3,803 million (FY 2005: €3,211 million). The Division's EBIT* expanded by 21% to €257 million compared to €212 million in 2005. The EBIT* increase was supported by positive volume effects though constrained by the US Dollar impact, higher selling expenses and costs related to NH90.

The order book further increased to €11.0 billion at 31st December 2006 (year-end 2005: €10.0 billion) representing a total of 1,074 helicopters (year-end 2005: 840 helicopters).

In 2006, **EADS Astrium** – the renamed Space Division – achieved solid profitable growth in a more favourable business environment. While revenues increased 19% to €3,212 million (FY 2005: €2,698 million), EBIT* more than doubled to €130 million (FY 2005: €58 million). This reflects progress in Ariane 5 production, ballistic missiles, an exceptional year for satellites and the ramp-up of Paradigm services as well as the Division's continued cost improvements and successful restructuring efforts.

The largest ever order book of €12.3 billion (year-end 2005: €10.9 billion) confirms the Division's strong position as prime contractor for many of Europe's space activities.

The **Defence & Security** Division improved its operational performance and moved programmes into production. Revenues rose by 4% to €5,864 million (FY 2005: €5,636 million) mainly

due to Eurofighter ramp-up, solid missile business and new digital radio network business. EBIT* increased to €348 million (FY 2005: €201 million) due to operational improvement and a capital gain on the sale of LFK to MBDA which compensated additional restructuring costs mainly at Defence and Communication Systems and Military Air Systems and change of perimeter effects.

As of 31st December 2006, the Division's order book amounted to €17.6 billion (year-end 2005: €18.5 billion).

Headquarters and Other Businesses (not belonging to any Division)

Revenues of Other Businesses (ATR, EADS EFW, EADS Socata and EADS Sogerma Services) strongly improved by 9% to €1,257 million (FY 2005: €1,155 million) driven by all four Business Units. EBIT* accounted for - €288 million (FY 2005: - €171 million). Positive contributions from ATR, EADS EFW and Socata were again more than offset by extended EBIT* losses at EADS Sogerma (- €351 million). The sale of EADS Sogerma Services' MRO activities to TAT Group was completed on 10th January 2007. The activity remaining at EADS Sogerma consists of seats and aerostructure businesses and two subsidiaries (small engine and landing gear maintenance) for total sales of around €350 million in 2006.

The year 2006 confirmed the revival of the turboprop market. The regional aircraft manufacturer ATR received 63 new orders in 2006. Based on its order book of 116 aircraft, ATR will ramp-up deliveries in coming years. EADS EFW delivered 14 converted freighters and further strengthened its aerostructure business driven by Airbus production rates. A cooperation agreement with Irkut on the future A320 freighter conversion complements EADS' globalisation strategy in Russia. Order book for 40 aircraft also confirmed the positive customer response to EADS Socata's TBM 850. At the end of 2006, the order book of Other Businesses totalled €2.3 billion (year-end 2005: €2.1 billion).

4.6 Workforce Information

As of 31st December 2006, the EADS workforce was composed of 116,805 employees. It has globally increased by 3.2% compared to 2005, with higher rates of increase registered at Airbus, Astrium and Eurocopter.

In 2006, 98.1% of the workforce was permanent employees. Depending on country and hierarchy level, the average working time is between 35 and 40 hours a week.

In 2006, 8,283 employees worldwide entered employment with EADS (7,843 in 2005), of which 3,929 were employed by Airbus. At the same time, 6,261 employees left EADS (5,471 in 2005).

In total, 97.5% of EADS' active workforce is located in Europe on more than 80 sites.

PRESENTATION OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

1. First resolution

Adoption of the Report of the Board of Directors

We propose that this AGM adopts this Board Report including, in order to comply with Dutch law and the recommendations of the Dutch Code, the chapter on Corporate Governance, the policy on dividends and the proposed policy for the remuneration for the Members of the Board as described in the Board Report.

Dividend policy

Given the extraordinary circumstances and the important challenges that came to light during the year 2006, and which are not tied to the commercial air transportation economic cycle, the Board unanimously agreed that the amount of the proposed cash distribution should be substantially reduced.

While this opinion constitutes a departure from the policy adopted last year, the Board does not recommend to rescind such policy, but endorses a temporary suspension. Looking forward, EADS' Board still believes that continuity and growth of dividends is a desirable shareholder objective, which must however remain subject to factors such as EADS' distribution capacity arising from performance, its priorities for cash utilisation and future prospects.

To determine whether to effect a cash distribution or not, and if so, at what level, the Board considered dividend distribution in relation to the liquidity and capital structure of EADS, and to the opportunity of accessing capital market. It also considered Management's account of investor concerns and interpretation of a dividend payment, in the light of stock performance through the past year. Following this debate, directors could not finally agree on dividend proposal.

2. Second resolution

Adoption of the audited accounts for the financial year 2006

We propose that this AGM approves the audited accounts for 2006.

3. Third resolution

Approval of the result allocation for the financial year 2006

In the absence of a proposal by the Board (see Dividend policy), and in accordance with Dutch law and the Company's Articles of Association, shareholders present at the AGM may propose that the result of the financial year 2006, i.e. €99 million, is either added to retained earnings or distributed entirely or partially as a dividend. A total distribution of the result of the financial year 2006 would represent a gross amount of €0.12 per share. The proposals made by the shareholders will be submitted to the vote at the AGM.

4. Fourth resolution

Release from liability of the Members of the Board of Directors

We recommend that this AGM discharges the Members of the Board from their responsibility for the conduct of the Company's business with respect to the financial year 2006.

5. Fifth resolution

Appointment of the auditors for the financial year 2007

We recommend that the Company's auditors for the financial year 2007 should be Ernst & Young Accountants whose registered office is at Drentestraat 20, 1083 HK Amsterdam, The Netherlands, and KPMG Accountants N.V. whose registered office is at K.P. van der Mandelelaan 41-43, 3062 MB Rotterdam, The Netherlands. Our proposal is thus to renew the same auditors as for the past financial year; those auditors having given assurance to the EADS Audit Committee on their respective qualifications, performance and independence.

6. Sixth and seventh resolution

Appointment of Messrs. Michel Pébereau and Bodo Uebber as Members of the Board of Directors

During the EADS Board meeting held on March 8th, 2007, the Board decided to propose to this AGM to appoint Mr. Michel Pébereau as new Member of the Board.

In addition, on April 5th, 2007, Mr. Manfred Bischoff presented his resignation as Chairman of the EADS Board and the Board decided to designate Mr. Rüdiger Grube as his successor in this position. Mr. Manfred Bischoff also presented his resignation as Member of the Board and the Board decided to propose to this AGM Mr. Bodo Uebber as his replacement.

As a consequence, we recommend that this AGM appoints Messrs. Michel Pébereau and Bodo Uebber as Members of the Board, effective as of the end of this AGM.

Mr. Michel Pébereau

Mr. Michel Pébereau who created BNP Paribas as chairman and CEO in 2000, is Chairman of the Board of BNP Paribas since 2003. He started his career in 1967 at the Inspection Générale des Finances. In 1970 he joined the French Treasury where he held various high ranking posts. From 1982 on, he became Managing Director of the Crédit Commercial de France, and after its privatisation in 1987, its Chairman and Chief Executive Officer. In 1993, he was appointed Chairman and Chief Executive Officer of the Banque Nationale de Paris. Mr. Pébereau is an alumnus of the Ecole Nationale d'Administration and graduated from Ecole Polytechnique.

Mr. Bodo Uebber

Mr. Bodo Uebber has been a Member of the Board of Management of DaimlerChrysler AG and is responsible for Finance, Controlling & Financial Services since December 16, 2004. He started his career at MBB in 1985. From 1989 on, he held various positions in the financial sector within DASA AG, Dornier Luftfahrt and MTU Aero Engines GmbH. In 2001, he was appointed Member of the Board of Management and Chief Financial Officer of DaimlerChrysler Services AG and subsequently in 2003 Chairman of the Board of Management of DaimlerChrysler Services AG as well as Deputy Member of the Board of Management of DaimlerChrysler AG. Mr Uebber studied and graduated in engineering and economics at the Technical University of Karlsruhe.

7. Eighth resolution

Amendment of Articles 14, 23 and 24 of the Company's Articles of Association

We recommend that this AGM approve the amendment of the Company's Articles of Association in order to comply with recent changes of Dutch law.

Firstly, to reflect the obligation for shareholders to notify the competent authorities when crossing thresholds in the share capital and/or voting rights of the Company set at: 5, 10, 15, 20, 25, 30, 40, 50, 60, 75 and 95%. Such notification shall also be made to the Company pursuant to a requirement sets out in the Company's Articles of Association. Previously, such thresholds were set at 5, 10, 25, 33^{1/3}, 50, 66^{2/3}% and over.

Secondly, to introduce the possibility for the Company to (i) set a "registration date" at which the persons entitled to attend and vote at the shareholders meetings are recorded in this purpose irrespective of who is shareholder at the time of the meeting, and (ii) provide for electronic means of convocation, attendance and voting at the shareholders meetings. The introduction of such procedure and electronic means will depend on the availability of the necessary technical means and the market practice.

8. Ninth resolution

Delegation to the Board of Directors of powers to issue shares and to set aside preferential subscription rights of existing shareholders

We propose that this AGM approves the renewal of the authorisation given to the Board, at the 4th May 2006 AGM, to issue shares representing up to 1% of the Company's authorised capital (i.e.: 30 million shares) as well as to exclude or limit preferential subscription rights for a period expiring at the AGM to be held in 2009, including specific powers to approve LTIP as well as ESOP plans, since the previous authorisation expires at the end of this AGM. The proposal does not include any further increase of the cap of 1% for financing purposes.

The Company anticipates a possible implementation of a LTIP in 2007. Such a plan would have to be formally approved by the Board.

Finally, the Company also anticipates implementing an ESOP in 2008. It would again have to be formally approved by the Board.

9. Tenth resolution

Cancellation of shares repurchased by the Company

We propose that this AGM approves the cancellation of the shares repurchased by the Company up to a maximum amount of 4,568,405 shares, to compensate the dilution effect resulting from the issuance of shares for the purpose of the exercise of stock options from the SOPs 2000, 2001 and 2002 in 2006.

10. Eleventh resolution

Renewal of the authorisation for the Board of Directors to repurchase shares of the Company

We propose that this AGM approves the renewal of the authorisation to the Board to repurchase shares of the Company, for a new 18-month period by any means, including derivative products, on any stock exchange or otherwise. The above authorisation will supersede and replace the authorisation granted by the AGM on 4th May 2006. The purposes of the share buy-back programmes to be implemented by EADS will be determined on a case-by-case basis by the Board according to needs and possibilities. For additional information on EADS' share buy-back programmes including their purposes, characteristics and status the reader should refer to the EADS web-site at www.eads.com (Investor Relations) and to the documents filed with and/or approved by the relevant stock exchange authorities posted thereon.

FINANCIAL STATEMENTS - SUMMARY

1. Consolidated Financial Statements (IFRS)

1.1 Consolidated Income Statements (IFRS)

(in €m)	2006	2005
Revenues	39,434	34,206
Cost of sales	(34,722)	(27,530)
Gross margin	4,712	6,676
Selling expenses	(914)	(832)
Administrative expenses	(1,360)	(1,351)
Research and development expenses	(2,458)	(2,075)
Other income	297	222
Other expenses	(188)	(153)
Share of profit from associates accounted for under the equity method	152	210
Other income (expense) from investments	37	15
Profit before finance costs and income taxes	278	2,712
Interest income	454	423
Interest expenses	(575)	(578)
Other financial result	(123)	(22)
Total finance costs	(244)	(177)
Income taxes	81	(825)
Profit for the period	115	1,710
Attributable to:		
Equity holders of the parent (Net income)	99	1,676
Minority interests	16	34
	115	1,710
Earnings per share	€	€
Basic	0.12	2.11
Diluted	0.12	2.09
Cash distribution per share (2006: proposal)	open	0.65

1.2 Consolidated Balance Sheets (IFRS)

(in €m)	At December 31	
	2006	2005
Intangible assets	10,855	11,052
Property, plant and equipment	14,178	13,817
Investment property	137	134
Investments in associates accounted for under the equity method	2,095	1,908
Other investments and long-term financial assets	1,666	1,938
Non-current other assets	4,231	3,610
Deferred tax assets	2,624	2,980
Non-current securities	1,294	1,011
Non-current assets	37,080	36,450
Inventories	16,892	15,425
Trade receivables	4,852	4,802
Current portion of long-term financial assets	103	237
Current other assets	4,014	3,201
Current tax assets	428	237
Current securities	549	4,189
Cash and cash equivalents	8,143	5,386
Current assets	34,981	33,477
Non-current assets / disposal groups classified as held for sale	76	881
Total assets	72,137	70,808
Equity attributable to equity holders of the parent		
Capital stock	816	818
Reserves	7,593	8,699
Accumulated other comprehensive income	4,955	3,982
Treasury shares	(349)	(445)
	13,015	13,054
Minority interests	137	153
Total equity	13,152	13,207
Non-current provisions	9,063	7,997
Long-term financial liabilities	3,561	4,189
Non-current other liabilities	11,570	9,971
Deferred tax liabilities	2,465	2,376
Non-current deferred income	1,110	1,324
Non-current liabilities	27,769	25,857
Current provisions	3,631	2,727
Short-term financial liabilities	2,196	908
Liability for puttable instruments	0	3,500
Trade liabilities	7,461	6,634
Current other liabilities	17,160	17,166
Current tax liabilities	218	174
Current deferred income	486	573
Current liabilities	31,152	31,682
Liabilities directly associated with non-current assets classified as held for sale	64	62
Total liabilities	58,985	57,601
Total equity and liabilities	72,137	70,808

1.3. Consolidated Statements of Cash Flows (IFRS)

(in €m)	2006	2005
Profit for the period attributable to equity holders of the parent (Net income)	99	1,676
Profit for the period attributable to minority interests	16	34
<i>Adjustments to reconcile net income to cash provided by operating activities:</i>		
Depreciation and amortization	1,691	1,653
Valuation adjustments and CTA release	426	261
Deferred tax expenses (income)	(193)	386
Change in tax assets, tax liabilities and provisions for actual income tax	(160)	63
Results on disposal of non-current assets	(336)	(170)
Results of companies accounted for by the equity method	(152)	(210)
Change in current and non-current provisions	2,150	175
Change in other operating assets and liabilities:	(143)	1,239
- Inventories	(1,942)	(3,264)
- Trade receivables	(7)	(388)
- Trade liabilities	686	666
- Advance payments received	1,564	4,237
- Other assets and liabilities	(444)	(12)
Cash provided by operating activities	3,398	5,107
Investments:		
- Purchase of intangible assets, Property, plant and equipment	(2,708)	(2,818)
- Proceeds from disposals of intangible assets, Property, plant and equipment	76	101
- Acquisitions of subsidiaries and joint ventures (net of cash)	(82)	(131)
- Proceeds from disposals of subsidiaries (net of cash)	86	89
- Payments for investments in associates and other investments and long-term financial assets	(421)	(659)
- Proceeds from disposals of associates and other investments and long-term financial assets	813	485
- Dividends paid by companies valued at equity	46	36
- Increase in equipment of leased assets	(147)	(40)
- Proceeds from disposals of leased assets	215	256
- Increase in finance lease receivables	(16)	(219)
- Decrease in finance lease receivables	79	85
Disposals of non-current assets / disposal groups classified as held for sale and liabilities directly associated with non-current assets classified as held for sale	690	0
Change of securities	3,357	1,008
Change in cash from changes in consolidation	0	12
Cash provided by (used for) investing activities	1,988	(1,795)
Increase in borrowings	1,252	456
Repayment of borrowings	(468)	(800)
Cash distribution to EADS N.V. shareholders	(520)	(396)
Dividends paid to minorities	(16)	0
Payments related to liability for puttable instruments	(2,879)	(93)
Capital increase	94	187
Purchase of treasury shares	(35)	(288)
Cash (used for) provided by financing activities	(2,572)	(934)
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	(57)	17
Net increase in cash and cash equivalents	2,757	2,395
Cash and cash equivalents at beginning of period	5,386	2,991
Cash and cash equivalents at end of period	8,143	5,386

1.4 Consolidated Statements of Recognised Income and Expenses (IFRS)

(in €m)	2006	2005
Foreign currency translation differences for foreign operations	(324)	(58)
Effective portion of changes in fair value of cash flow hedges	3,326	(3,849)
Net change in fair value of cash flow hedges transferred to profit or loss	(1,463)	(1,875)
Net change in fair value of available-for-sale financial assets	76	52
Actuarial losses on defined benefit plans	(690)	(459)
Tax on income and expense recognised directly in equity	(662)	2,203
Income and expenses recognised directly in equity	263	(3,986)
Profit for the period	115	1,710
Total recognised income and expense of the period	378	(2,276)
Attributable to:		
Equity holders of the parent	382	(2,295)
Minority interests	(4)	19
Total recognised income and expense of the period	378	(2,276)
Impact of change in accounting policy on other reserves for the year		2005
Attributable to:		
Equity holders of the parent		(275)
Minority interests		(13)
Total recognised income and expense of the period		(288)

2. Company Financial Statements

2.1 Balance Sheets of the Company Financial Statements

(in €m)	At December 31,	
Assets	2006	2005
Fixed assets		
Goodwill	4,354	4,354
Financial fixed assets	12,298	12,706
	16,652	17,060
Non-fixed assets		
Receivables and other assets	4,387	3,959
Securities	1,660	5,005
Cash and cash equivalents	6,862	3,093
	12,909	12,057
Total assets	29,561	29,117
Liabilities and stockholders' equity		
Stockholders' equity		
Issued and paid up capital	816	818
Share premium	8,160	8,715
Revaluation reserves	3,657	2,359
Other legal reserves	1,472	1,993
Treasury shares	(349)	(445)
Retained earnings	(741)	(386)
	13,015	13,054
Non-current liabilities		
Financial liabilities	320	357
Non-current other liabilities	1,518	1,523
	1,838	1,880
Current liabilities		
Liability for puttable instruments	-	3,500
Current other liabilities	14,708	10,683
	14,708	14,183
Total liabilities and stockholders' equity	29,561	29,117

2.2 Income Statements of the Company Financial Statements

(in €m)	2006	2005
Income from investments	95	1,692
Other results	4	(16)
Net result	99	1,676

SHAREHOLDERS INFORMATION

**Hôtel Okura Amsterdam,
Ferdinand Bolstraat 333,
1072 LH Amsterdam, The Netherlands
Tel. : + 31 (0)20 678 71 11**

Hotel Okura is located at about 30 minutes from Amsterdam-Schiphol international airport, right next to the RAI Congress Center.

By car

From all directions, follow Ring Amsterdam (A10). Exit RAI (S109) and turn right at the traffic lights, direction RAI/Centrum (S109). Follow direction Zuid (S109). After passing the roundabout, take the second street on your right (Scheldestraat). After 500 meters, Hotel Okura appears on your right hand side.

Parking at the Hotel Okura Amsterdam.

By public transport

From Schiphol Airport:

- First itinerary: Take the train (direct rail link of 15 minutes) to Centraal Station in the main arrival plaza, and then see the hereafter indications.
- Second itinerary: Take a stop train, direction Duivendrecht, to the second stop (RAI Station), and then, follow the hereafter indications.

From Centraal Station - CS

Take the tram number 25, direction President Kennedylaan, to the eleventh stop (Cornelis Troostplein, see the map ▲). Go down the street. After 200 meters, Hotel Okura appears on your left hand side. Walking time: 3 minutes.

From RAI Station

Walk in the direction of Europa Boulevard. Go straight away to Europaplein and then to Scheldestraat. After 500 meters, Hotel Okura appears on your right hand side, just after the bridge. Walking time: 10 minutes.

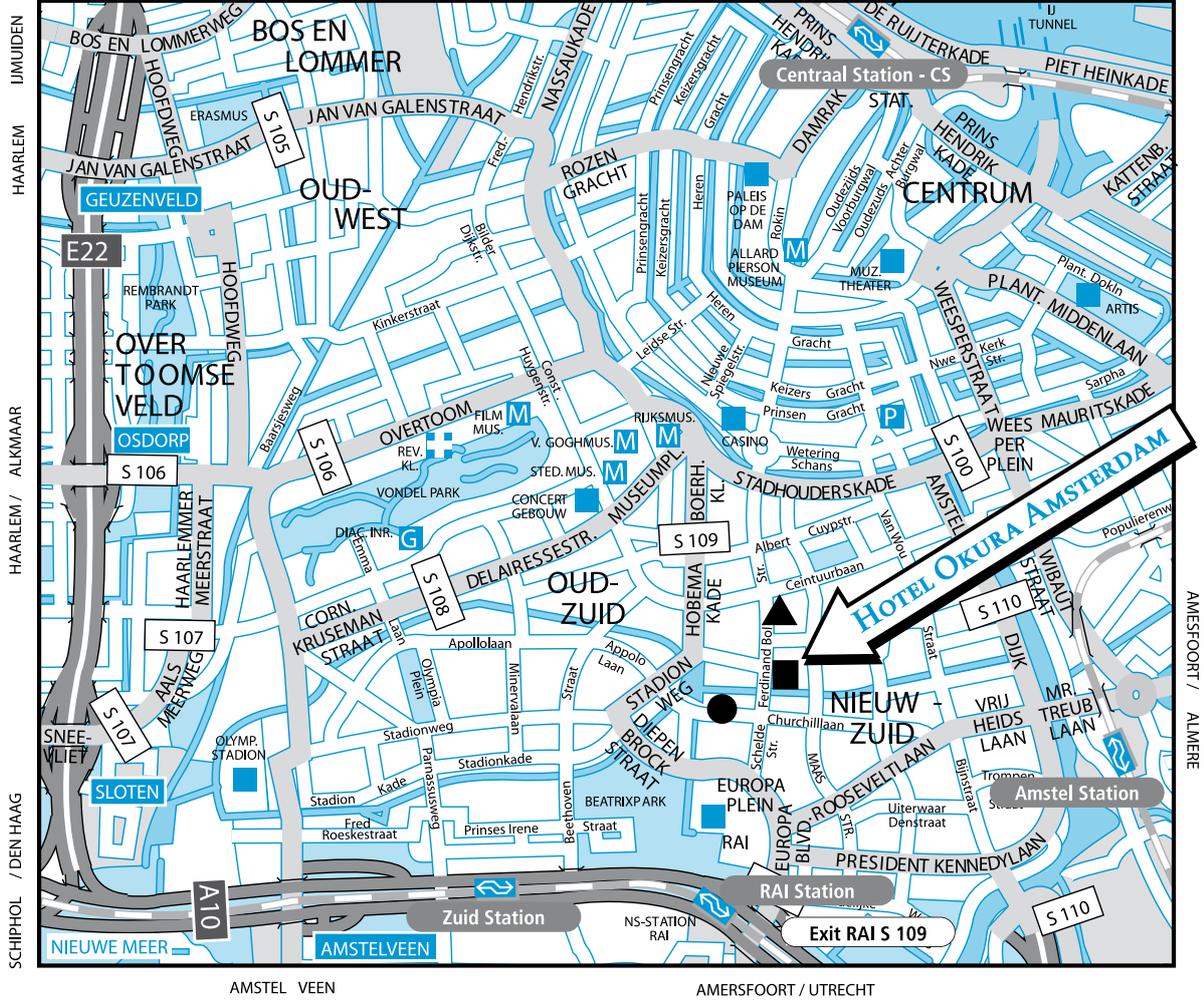
From Amstel Station

Take the tram number 12, direction Station Sloterdijk, to the fifth stop (Scheldestraat, see the map ●), or bus number 15, direction Station Sloterdijk, to the seventh stop (Scheldestraat, see the map ●). Walk in Churchillaan for 100 meters, and then turn left in Ferdinand Bolstraat. After 100 meters, Hotel Okura appears on your right hand side, just after the bridge. Walking time: 3 minutes.

From Zuid Station

Take the bus number 15, direction Muiderpoortstation, to the fourth stop (Scheldestraat, see the map ●). Walk in Churchillaan for 100 meters, and then turn left in Ferdinand Bolstraat. After 100 meters, Hotel Okura appears on your right hand side, just after the bridge. Walking time: 3 minutes.

ALKMAAR / PURMEREND OOSTZAAN



AMSTEL VEEN

AMERSFOORT / UTRECHT

Shareholders Information

(free call)

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Germany : 00 800 00 02 2002
Spain : 00 800 00 02 2002
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The step beyond

European Aeronautic Defence and Space Company EADS N.V.

Limited liability company (naamloze vennootschap)

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