Unaudited Condensed IFRS Consolidated Financial Information of EADS N.V. for the three-month period ended March 31, 2011

Unaudited Condensed IFRS Consolidated Income Statements

	January 1 - March 31, 2011		January 1 - March 31, 2010		Deviation
	M €	%	M €	%	M €
Revenues	9,854	100	8,950	100	904
Cost of sales	-8,515	-86	-7,844	-88	-671
Gross margin	**1,339**	**14**	**1,106**	**12**	**233**
Selling, administrative & other expenses	-589	-6	-527	-6	-62
Research and development expenses	-650	-6	-572	-6	-78
Other income	48	0	48	1	0
Share of profit from associates under the equity method and other income from investments	33	0	18	0	15
Profit before finance result and income taxes	**181**	**2**	**73**	**1**	**108**
Interest income	99	1	82	1	17
Interest expense	-146	-1	-135	-1	-11
Other financial result	-150	-2	130	1	-280
Finance result	**-197**	**-2**	**77**	**1**	**-274**
Income taxes	5	0	-47	-1	52
Profit (loss) for the period	**-11**	**0**	**103**	**1**	**-114**
Attributable to:					
Equity owners of the parent **(Net income (loss))**	**-12**	**0**	**103**	**1**	**-115**
Non-controlling interests	1	0	0	0	1

Earnings per share	€	€	€
Basic and diluted	-0.01	0.13	-0.14

Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income

in M €	January 1 - March 31, 2011	January 1 - March 31, 2010
Profit (loss) for the period	**-11**	**103**
Foreign currency translation adjustments for foreign operations [1]	-54	99
Net change in fair value of cash flow hedges	2,616	-3,006
Net change in fair value of available-for-sale financial assets [1]	10	52
Unrealized changes from investments accounted for using the equity method [1]	120	35
Tax on income and expense recognized directly in equity	-808	949
Other comprehensive income, net of tax	**1,884**	**-1,871**
Total comprehensive income of the period	**1,873**	**-1,768**
Attributable to:		
Equity owners of the parent	1,873	-1,767
Non-controlling interests	0	-1
Total comprehensive income of the period	**1,873**	**-1,768**

[1] Other comprehensive income recognized for investments accounted for using the equity method is presented separately. Comparative information has been adjusted accordingly.

Unaudited Condensed IFRS Consolidated Statements of Financial Position

	March 31, 2011		December 31, 2010		Deviation	
	M €	%	M €	%	M €	%
Non-current assets						
Intangible assets	11,246	13	11,299	14	-53	0
Property, plant and equipment	13,346	16	13,504	17	-158	-1
Investments in associates under the equity method	2,602	3	2,451	3	151	6
Other investments and long-term financial assets	2,300	3	2,386	3	-86	-4
Other non-current assets	2,730	3	1,975	2	755	38
Deferred tax assets	3,637	4	4,250	5	-613	-14
Non-current securities	5,759	7	5,332	6	427	8
	41,620	49	41,197	50	423	1
Current assets						
Inventories	22,564	26	20,862	25	1,702	8
Trade receivables	6,091	7	6,632	8	-541	-8
Other current assets	4,226	5	3,632	4	594	16
Current securities	5,688	7	5,834	7	-146	-3
Cash and cash equivalents	4,958	6	5,030	6	-72	-1
	43,527	51	41,990	50	1,537	4
Total assets	**85,147**	**100**	**83,187**	**100**	**1,960**	**2**
Total equity						
Equity attributable to equity owners of the parent						
Capital stock	817	1	816	1	1	0
Reserves	7,685	9	7,691	9	-6	0
Accumulated other comprehensive income	2,331	3	446	1	1,885	423
Treasury shares	-126	0	-112	0	-14	13
	10,707	13	8,841	11	1,866	21
Non-controlling interests	95	0	95	0	0	0
	10,802	13	8,936	11	1,866	21
Non-current liabilities						
Non-current provisions	8,087	9	8,213	10	-126	-2
Long-term financing liabilities	2,887	3	2,870	3	17	1
Deferred tax liabilities	1,409	2	1,195	2	214	18
Other non-current liabilities	17,062	20	18,203	22	-1,141	-6
	29,445	34	30,481	37	-1,036	-3
Current liabilities						
Current provisions	5,818	7	5,766	7	52	1
Short-term financing liabilities	1,346	2	1,408	2	-62	-4
Trade liabilities	8,617	10	8,546	10	71	1
Current tax liabilities	229	0	254	0	-25	-10
Other current liabilities	28,890	34	27,796	33	1,094	4
	44,900	53	43,770	52	1,130	3
Total liabilities	74,345	87	74,251	89	94	0
Total equity and liabilities	**85,147**	**100**	**83,187**	**100**	**1,960**	**2**

Unaudited Condensed IFRS Consolidated Statements of Cash Flows

	January 1 - March 31, 2011	January 1 - March 31, 2010
	M€	M€
Profit (loss) for the period attributable to equity owners of the parent (Net income (loss))	**-12**	**103**
Profit for the period attributable to non-controlling interests	1	0
Adjustments to reconcile profit (loss) for the period to cash provided by (used for) operating activities		
Depreciation and amortization	408	384
Valuation adjustments	199	-92
Deferred tax (income) expense	-45	17
Change in income tax assets, income tax liabilities and provisions for income tax	-35	-29
Results on disposals of non-current assets	0	-3
Results of companies accounted for by the equity method	-31	-19
Change in current and non-current provisions	83	25
Change in other operating assets and liabilities	112	-1,112
Cash provided by (used for) operating activities	**680**	**-726**
Investments:		
- Purchases of intangible assets, PPE	-367	-345
- Proceeds from disposals of intangible assets, PPE	3	7
- Payments for investments in associates and other investments and long-term financial assets	-22	-83
- Proceeds from disposals of associates and other investments and long-term financial assets	15	23
Change of securities	-371	136
Contribution to plan assets for pensions	-8	-1
Cash (used for) investing activities	**-750**	**-263**
Change in long-term and short-term financing liabilities	44	-1,010
Changes in capital and non-controlling interests	7	-2
Change in treasury shares	-14	-1
Cash provided by (used for) financing activities	**37**	**-1,013**
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	-39	67
Net (decrease) in cash and cash equivalents	**-72**	**-1,935**
Cash and cash equivalents at beginning of period	**5,030**	**7,038**
Cash and cash equivalents at end of period	**4,958**	**5,103**

As of March 31, 2011, EADS' cash position (stated as cash and cash equivalents in the Unaudited Condensed IFRS Consolidated Statements of Cash Flows) includes 747 M € (735 M € as of December 31, 2010), 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
Balance at January 1, 2010	**10,535**	**106**	**10,641**
Profit for the period	103	0	103
Other comprehensive income	-1,870	-1	-1,871
Capital decrease	0	-3	-3
Change in treasury shares	-1	0	-1
Others	2	0	2
Balance at March 31, 2010	**8,769**	**102**	**8,871**
Balance at January 1, 2011	**8,841**	**95**	**8,936**
Profit (loss) for the period	-12	1	-11
Other comprehensive income	1,885	-1	1,884
Capital increase	7	0	7
Change in treasury shares	-14	0	-14
Balance at March 31, 2011	**10,707**	**95**	**10,802**

Explanatory notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at March 31, 2011

1. The Company

The accompanying Unaudited Condensed 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 March 31, 2011 were authorized for issue by EADS' Board of Directors on May 12, 2011.

2. Accounting policies

These Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting (amended 2010) as adopted by the European Union (EU). EADS' Consolidated Financial Statements are 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 March 31, 2011 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 International Financial

Reporting 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 December 31, 2010. Except for the revised or amended Standards to be applied for the first time in the first three months 2011 (mentioned below in the next section), EADS' accounting policies and techniques are unchanged compared to December 31, 2010.

Financial reporting rules applied for the first time in the first three months 2011

The following revised or amended Standards were applied for the first time in the first three months 2011 and are effective for EADS as of January 1, 2011. If not otherwise stated, they do not have a material impact on EADS' Consolidated Financial Statements as well as its basic and diluted earnings per share.

The IASB issued a revised version of **IAS 24** "Related Party Disclosures" that simplifies the disclosure requirements for government related entities and clarifies the definition of a related party.

The amendment to IAS 32 "Classification of Rights Issues – **Amendment to IAS 32** Financial Instruments: Presentation" addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. In particular, when the amendment is retrospectively applied, rights (and similar derivatives) to acquire a fixed number of an entity's own equity instruments for a fixed price stated in a currency other than the entity's functional currency would be equity instruments, provided the entity offers the rights pro rata to all of its existing owners of the same class of its own non derivative equity instruments.

The third **omnibus of amendments to IFRS Standards (2010)** includes amendments to 8 IFRS Standards and 1 Interpretation. The amendments refer to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 21, IAS 28, IAS 31, IAS 34 and IFRIC 13. Most of the amendments are mandatory for annual periods beginning on or after 1 January 2011 with separate transition provisions for each amendment.

To correct an unintended consequence of IFRIC 14, the IASB issued **amendments to IFRIC 14** "Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14)". Without these amendments in some circumstances entities are not permitted to recognise some voluntary prepayments for minimum funding contributions as an asset. This was not intended when IFRIC 14 was issued, and the amendments correct this issue.

3. 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 and related services; aircraft conversion.
- *Airbus Military* — Development, manufacturing, marketing and sale of military transport aircraft and special mission aircraft and related services. Airbus Military integrates the former Military Transport Aircraft Division (MTAD) and Airbus A400M operations.

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 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. "Other Businesses" mainly comprises the development, manufacturing, marketing and sale of regional turboprop aircraft, aircraft components as well as the Group's activities managed in the US. Consolidation effects, the holding function of EADS Headquarters and other activities not allocable to the reportable segments are disclosed in the column "HQ / Conso.".

in M €	Airbus Commer-cial	Airbus Military	Euro-copter	Astrium	Cassidian	Other Busines-ses	Total segments	HQ/ Conso.	**Consoli-dated**
Three-month period ended March 31, 2011									
Revenues	6,707	434	823	1,171	878	246	10,259	-405	**9,854**
Research and development expenses	-516	-9	-44	-13	-53	-2	-637	-13	**-650**
Profit (loss) before finance result and income taxes	118	1	31	51	6	-3	204	-23	**181**
EBIT pre-goodwill imp. and exceptionals (see definition below)	125	1	31	52	8	-3	214	-22	**192**
Three-month period ended March 31, 2010									
Revenues	5,989	384	798	924	928	246	9,269	-319	**8,950**
Research and development expenses	-431	-2	-47	-18	-57	-1	-556	-16	**-572**
Profit (loss) before finance result and income taxes	0	1	25	40	19	-1	84	-11	**73**
EBIT pre-goodwill imp. and exceptionals (see definition below)	6	1	26	41	21	-1	94	-11	**83**

4. 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 €	January 1- March 31, 2011	January 1- March 31, 2010
Profit before finance result and income taxes	**181**	**73**
Goodwill and exceptionals:		
Exceptional depreciation (fixed assets in cost of sales)	11	10
EBIT pre-goodwill impairment and exceptionals	**192**	**83**

5. Significant income statement items

Revenues of 9,854 M € (first quarter 2010: 8,950 M €) increase by +904 M €, mainly at Airbus Commercial (+718 M €) and Astrium (+247 M €). Airbus Military includes revenues related to the A400M programme of 165 M € recognized under the percentage of completion method based on milestones (first quarter 2010: 0 M €). Moreover, Eurocopter also contributes to the increase of revenues whereas Cassidian revenues decrease slightly. Positive mix effects drive the improvement at Airbus Commercial.

The **Gross Margin** increases by +233 M € to 1,339 M € compared to 1,106 M € in the first quarter of 2010. This improvement is mainly related to better performance of legacy programmes and favorable phasing effects at Airbus Commercial. The operational improvement at Airbus, Astrium and Eurocopter is partly compensated by unfavorable foreign exchange rate effects at Airbus Commercial.

Research and development expenses increase by -78 M € to -650 M € (first quarter 2010: -572 M €) principally reflecting an increase for the Airbus A350XWB.

Share of profit from associates under the equity method and other income from investments of 33 M € (first quarter 2010: 18 M €) mainly consists of the result of Dassault Aviation of 30 M € (first quarter 2010: 30 M €). The Dassault Aviation equity accounted-for income in the first quarter 2011 includes a negative catch-up on 2010 results amounting to -3 M € (first quarter 2010: +3 M € positive catch-up on 2009 results).

Finance result amounts to -197 M € (first quarter 2010: 77 M €) comprising interest result of -47 M € (first quarter 2010: -53 M €). Other financial result amounts to -150 M € (first quarter 2010: 130 M €) and mainly includes charges from the negative revaluation of financial instruments (-56 M €, first quarter 2010: -3 M €), the negative impact from foreign exchange translation of monetary items (-47 M € vs. first quarter 2010: a positive impact of 170 M €) and the unwinding of discounted provisions (-37 M €, first quarter 2010: -59 M €).

The **income tax** benefit of 5 M € (first quarter 2010: an income tax expense of -47 M €) corresponds to an effective income tax rate of 31% (first quarter 2010: 31%).

6. Significant items of the statement of financial position

Non-current assets

Intangible assets of 11,246 M € (prior year-end: 11,299 M €) include 9,786 M € (prior year-end: 9,809 M €) of goodwill. This mainly relates to Airbus Commercial (6,425 M €), Cassidian (2,505 M €), Astrium (641 M €) and Eurocopter (117 M €). The last annual impairment tests, which were performed in the fourth quarter of 2010, did not lead to any impairment charges.

Eliminating foreign exchange-rate effects of -114 M €, **property, plant and equipment** decrease by -44 M € to 13,346 M € (prior year-end: 13,504 M €), including leased assets of 665 M € (prior year-end: 759 M €). Property, plant and equipment also comprise “Investment property” amounting to 75 M € (prior year-end: 77 M €).

Investments in associates under the equity method of 2,602 M € (prior year-end: 2,451 M €) mainly reflect the increase in the value of the equity investment in Dassault Aviation, amounting to 2,460 M € (prior year-end: 2,318 M €).

Other investments and other long-term financial assets of 2,300 M € (prior year-end: 2,386 M €) are related to Airbus for an amount of 1,608 M € (prior year-end: 1,765 M €), mainly concerning the non-current portion of aircraft financing activities including a foreign exchange rate effect of -43 M €.

Other non-current assets mainly comprise non-current derivative financial instruments and non-current prepaid expenses. The increase by +755 M € to 2,730 M € (prior year-end: 1,975 M €) is mainly caused by the positive variation of the non-current portion of fair values of derivative financial instruments (+689 M €).

Deferred tax assets of 3,637 M € (prior year-end: 4,250 M €) are presented as non-current assets as required by IAS 1. The decrease is mainly due to the positive variation of fair values of derivative financial instruments.

The fair values of **derivative financial instruments** are included in other non-current assets (1,291 M €, prior year-end: 602 M €), in other current assets (658 M €, prior year-end: 364 M €), in other non-current liabilities (984 M €, prior year-end: 2,109 M €) and in other current liabilities (479 M €, prior year-end: 821 M €) which corresponds to a total net fair value of 486 M € (prior year-end: -1,964 M €). The volume of hedged US dollar-contracts increases from 70.2 billion US dollar as at December 31, 2010 to 71.1 billion US dollar as at March 31, 2011. The US dollar spot rate became less favorable (USD / € spot rate of 1.42 at March 31, 2011 vs. 1.34 at December 31, 2010). The average US dollar hedge rate for the hedge portfolio of the Group slightly improves from 1.38 USD / € as at December 31, 2010 to 1.37 USD / € as at March 31, 2011.

Current assets

Inventories of 22,564 M € (prior year-end: 20,862 M €) increase by +1,702 M €. This is partly driven by higher unfinished goods and services for Airbus Commercial (+654 M €), Cassidian (+285 M €), Eurocopter (+248 M €) and Astrium (+109 M €) programmes. Airbus also records higher finished goods (+308 M €).

Trade receivables decrease by -541 M € to 6,091 M € (prior year-end: 6,632 M €), mainly caused by Airbus (-234 M €), Cassidian (-203 M €) and Eurocopter (-103 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 +594 M € to 4,226 M € (prior year-end: 3,632 M €) comprises among others an increase of +302 M € in claims to value added tax rebates and of +294 M € in positive fair values of derivative financial instruments.

Cash and cash equivalents slightly decrease from 5,030 M € to 4,958 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 10,707 M € (prior year-end: 8,841 M €). The increase in equity is mainly due to other comprehensive income for the period of +1,885 M €, mainly due to the change of fair values in cash flow hedges.

Non-controlling interests remain stable at 95 M € (prior year-end: 95 M €).

Non-current liabilities

Non-current provisions of 8,087 M € (prior year-end: 8,213 M €) comprise the non-current portion of pension provisions with an increase of +16 M € to 5,053 M € (prior year-end: 5,037 M €).

Moreover, other provisions are included in non-current provisions, which decrease by -142 M € to 3,034 M €. The decrease mainly reflects provisions for loss making contracts (-70 M €) and provisions for aircraft financing activities (-63 M €) due to foreign exchange rate effects.

Long-term financing liabilities, which mainly comprise bonds, increase by +17 M € to 2,887 M € (prior year-end: 2,870 M €).

Other non-current liabilities, comprising “Non-current other financial liabilities”, “Non-current other liabilities” and “Non-current deferred income”, decrease in total by -1,141 M € to 17,062 M € (prior year-end: 18,203 M €). The decrease mainly comes from the non-current portion of liabilities for derivative financial instruments (-1,125 M €), amounting to 984 M € (prior year-end: 2,109 M €).

Current liabilities

Current provisions increase by +52 M € to 5,818 M € (prior year-end: 5,766 M €) and comprise the current portions of pensions (184 M €) and of other provisions (5,634 M €). An increase in provisions for personnel expenses (+55 M €) and in provisions for outstanding costs (+39 M €) is partly compensated by a decrease of provisions for loss making contracts (-68 M €). The provisions for loss making contracts include provision for the A400M programme of 2,263 M € (prior year-end: 2,344 M €).

Other current liabilities include “Current other financial liabilities”, “Current other liabilities” and “Current deferred income”. They increase by +1,094 M € to 28,890 M € (prior year-end: 27,796 M €). Other current liabilities mainly comprise current customer advance payments of 24,413 M € (prior year-end: 23,285 M €), increasing by +1,128 M €.

7. Significant cash flow items

Cash provided by (used for) operating activities increases by +1,406 M € to +680 M € (first three months 2010: -726 M €). Gross cash flow from operations (before changes in other operating assets and liabilities) of +568 M € improves compared to the prior period's level (first three months 2010: +386 M €). Changes in other operating assets and liabilities amount to +112 M € (first three months 2010: -1,112 M €), mainly reflecting a higher level of advance payments received and a reduction of trade receivables partly compensated by an increase in inventories (mainly at Airbus).

Cash used for investing activities amounts to -750 M € (first three months 2010: -263 M €). This mainly comprises a change in securities of -371 M € (first three months 2010: +136 M €) and purchases of intangible assets and property, plant and equipment of -367 M € (first three months 2010: -345 M €), namely in Airbus division.

Cash provided by (used for) financing activities improves by +1,050 M € to +37 M € (first three months 2010: -1,013 M €). The outflow in 2010 primarily comprised the repayment of the first tranche of the EMTN bond (1 billion €) included in financing liabilities.

8. Number of shares

The total number of shares outstanding is 810,835,530 and 810,886,053 as of March 31, 2011 and 2010, respectively. EADS' shares are exclusively ordinary shares with a par value of 1.00 €.

During the first three months of 2011, the number of treasury shares held by EADS increased from 5,341,084 as of December 31, 2010 to 6,011,879 as of March 31, 2011.

In the first three months 2011, EADS issued 444,687 new shares (in the first three months 2010: no issuance of shares).

9. Earnings per share

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

	January 1 to March 31, 2011	January 1 to March 31, 2010
Net income (loss) attributable to equity owners of the parent	-12 M €	103 M €
Weighted average number of ordinary shares outstanding	810,699,249	810,894,262
Basic earnings per share	-0.01 €	0.13 €

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. After the end of the vesting period for the performance and restricted 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 4th and the 5th stock option plan in the first three months of 2011 (in the first three months of 2010: none of the stock option plans), 1,255,698 potential shares (in the first three months 2010: no shares) were considered in the calculation of diluted earnings per share. In the first three months 2010, 1,280,857 shares related to performance and restricted shares were considered in the calculation, since the average price of EADS shares in the first three months 2010 exceeded the price of performance and restricted shares.

	January 1 to March 31, 2011	January 1 to March 31, 2010
Net income (loss) attributable to equity owners of the parent	-12 M €	103 M €
Weighted average number of ordinary shares outstanding (diluted)	811,954,947	812,175,119
Diluted earnings per share	-0.01 €	0.13 €

10. Related party transactions

The Group has entered into various transactions with related companies in the first three months of 2011 and 2010 that have all been carried out in the normal course of business. As it is the Group's policy, all related party transactions have to be carried out at arm's length. Transactions with related parties include the French State, Daimler, Lagardère and SEPI (Spanish State). Except for the transactions with the French State and SEPI, such transactions are not considered material to the Group either individually or on aggregate. The transactions with the French State include mainly sales from the Eurocopter, Astrium and Cassidian divisions. The transactions with SEPI include mainly sales from Airbus Military and Cassidian. The French and Spanish State are also customers of the A400M programme.

11. Number of employees

The number of employees as at March 31, 2011 is 122,899 as compared to 121,691 as at December 31, 2010.

12. Litigation and claims

The following supplements and amends the discussion set forth under note 32 "Litigation and claims" in the notes to the consolidated financial statements for the year ended 31 December 2010:

WTO Proceedings - On 31 March 2011, the final report was published in the case brought by the EU concerning subsidies to Boeing and has also been appealed. 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.

13. Subsequent events

EADS and Airbus Military finalised the contract amendment negotiations with OCCAR and the seven A400M launch customer nations on 7 April 2011. The contract amendment implements the changes which were agreed in principle by the participating nations with EADS and Airbus Military in the A400M Understanding signed on 5 March 2010.

Following a joint announcement regarding Eurocopter's intention to accomplish a supported take-over bid for Vector Aerospace Corporation, Toronto (Canada), on 28 March 2011, Eurocopter and Vector Aerospace announced on 21 April 2011 that the formal bid circular to acquire all of the outstanding common shares of Vector Aerospace, including all shares that may be issued on the exercise of options granted under Vector Aerospace's stock option plan, has been mailed to Vector Aerospace's shareholders. Vector Aerospace has also mailed its directors' circular recommending that Vector Aerospace's shareholders deposit their shares under the offer. The offer is scheduled to expire on 26 May 2011, but is subject to extension beyond such date. Completion of the offer is subject to, amongst other things, obtaining all necessary regulatory clearances.

EPI arbitration - On 26 April 2011, Airbus Military SL (AMSL) and Europrop International GmbH (EPI) agreed to terminate the stayed arbitration proceedings before the International Chamber of Commerce (ICC), following signing of an amendment to the engine agreement related to the A400M aircraft programme.