

Astrium

François Auque
Chief Executive Officer ASTRIUM

Global Investor Forum
15 & 16 December 2011



Safe Harbour Statement

2

Disclaimer

This presentation includes forward-looking statements. Words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements made about strategy, ramp-up and delivery schedules, introduction of new products and services and market expectations, as well as statements regarding future performance and outlook. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

These factors include but are not limited to:

- ▶ Changes in general economic, political or market conditions, including the cyclical nature of some of EADS' businesses;
- ▶ Significant disruptions in air travel (including as a result of terrorist attacks);
- ▶ Currency exchange rate fluctuations, in particular between the Euro and the U.S. dollar;
- ▶ The successful execution of internal performance plans, including cost reduction and productivity efforts;
- ▶ Product performance risks, as well as programme development and management risks;
- ▶ Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- ▶ Competition and consolidation in the aerospace and defence industry;
- ▶ Significant collective bargaining labour disputes;
- ▶ The outcome of political and legal processes, including the availability of government financing for certain programmes and the size of defence and space procurement budgets;
- ▶ Research and development costs in connection with new products;
- ▶ Legal, financial and governmental risks related to international transactions;
- ▶ Legal and investigatory proceedings and other economic, political and technological risks and uncertainties.

As a result, EADS' actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see EADS' "Registration Document" dated 19 April 2011.

Any forward-looking statement contained in this presentation speaks as of the date of this presentation. EADS undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Astrium activities are based on three key areas

3

- ▶ Astrium is the 1st space company in Europe
 - ▶ With a turnover over 5 billion euros in 2010 and more than 17,000 employees, Astrium represents 50% of the European space industry
- ▶ Astrium is the 3rd space company worldwide
- ▶ Astrium is the only European company who covers the entire space market value-chain from large space systems to space services, **Vizada acquisition will balance three pillars**

Astrium Space Transportation

The European prime contractor for civil and military space transportation and manned space activities



Astrium Satellites

A world leader in the design and manufacture of satellite systems



Astrium Services

At the forefront of satellite services in the secure communications, geo-information and navigation fields



Astrium Space Transportation

- ▶ Prime contractor of Ariane 5 launcher (46 successful launches in a row since 2004)
- ▶ Prime contractor of French deterrence force
- ▶ Prime contractor of space cargo ATV, the world's most complex space vehicle, and of Columbus space laboratory
- ▶ Astrium also heads industrial consortium responsible for providing all services related to the European components of the International Space Station



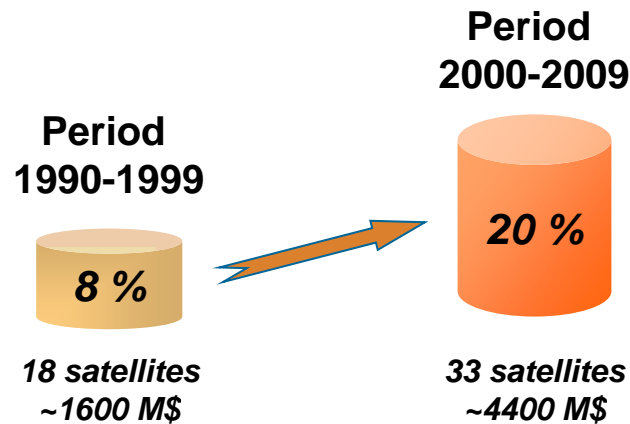
Astrium Satellites (1/4): Telecom market share

- ▶ Telecom Commercial GEO communications satellite prime
- ▶ 1/4 of commercial market worldwide

Evolution of Astrium order intake

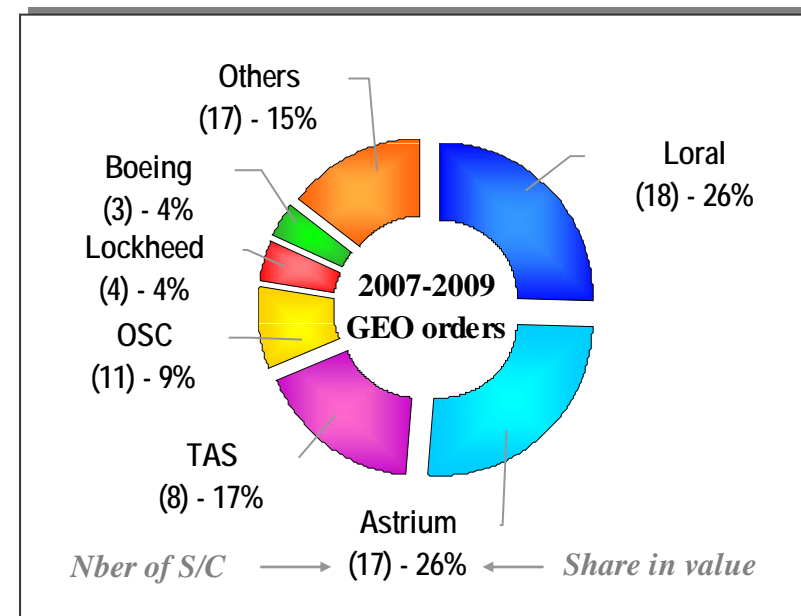
Market share % in value

Significant increase thanks to Eurostar E3000



Worldwide order intake 2007-2009

(number of units) – Market shares % in value



Astrium Satellites (2/4): Telecom orders

- ▶ Trustful relationship with key satellite operators worldwide
- ▶ Significant telecom contracts in the US and Asia in 2011 highlighting competitiveness worldwide

Backlog November 2011:

2011

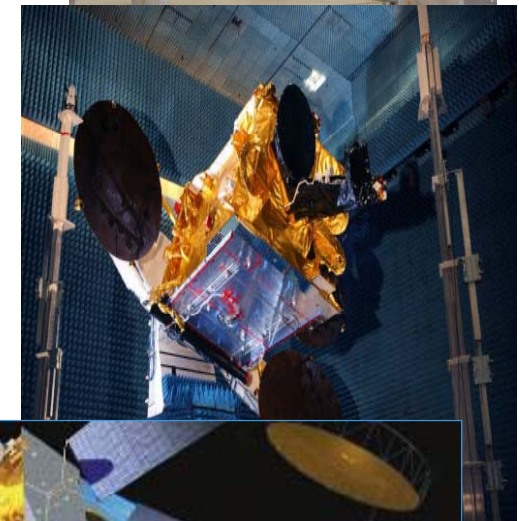
- | | | |
|---------------|----------|----------|
| • DirecTV 15 | DirecTV | November |
| • Eutelsat 9B | Eutelsat | October |
| • Eutelsat 3B | Eutelsat | July |
| • Measat-3b | Measat | June |

2010

- | | | |
|----------------|----------|-------|
| • Eutelsat W5A | Eutelsat | June |
| • SES-6 | SES | May |
| • Skynet 5D | Paradigm | March |

2009

- | | | |
|-------------------|----------|----------|
| • Astra 2E | SES | November |
| • Astra 2F | SES | November |
| • Astra 2G | SES | November |
| • Astra 5B | SES | November |
| • Atlantic Bird 7 | Eutelsat | May |
| • Arabsat 5C | Arabsat | February |
| • Badr-7 | Arabsat | February |



Astrium Satellites (3/4): A unique position in Earth observation 7

- ▶ ASTRIUM is the **n 1 in Europe** for the development of high performance operational optical Earth observation systems:
 - Has been Prime contractor for every optical satellite system developed for Europe MoDs and Agencies (Helios, Pleiades, Spot family, Ingenio, etc.)
- ▶ ASTRIUM is **n 1 in the world** for export and for setting up **international cooperation** based on development of affordable operational Earth observation satellite systems
 - Proven through number of cooperations around the world, leading to the professional training of more than **300 engineers** from **4 different continents**
- ▶ The **full range of platforms** covering every customer's needs
 - 30 satellites delivered and 22 under development



EADS

Astrium Satellites (4/4): SSTL and Navigation

8

▶ SSTL:

- Astrium purchase of SSTL in January 2009
- SSTL allows Astrium to benefit from approximately 40% of the total Galileo FOC first batch contract and to be the only UK satellite manufacturer

▶ Navigation: Astrium has become a key player in the European Union Galileo program

- Two first Galileo IOV satellites delivered to European Space Agency (ESA) in September 2011 and launched by first Soyuz launcher from French Guyana on October 21st, 2011
- Astrium to provide the Ground Control Segment for the full operational Galileo system according to contract signed on June 2011.
- Astrium has made an offer for the next batch on December 1st, 2011

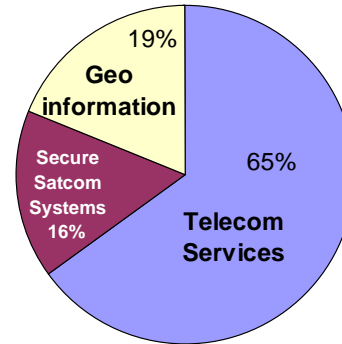


Astrium Services

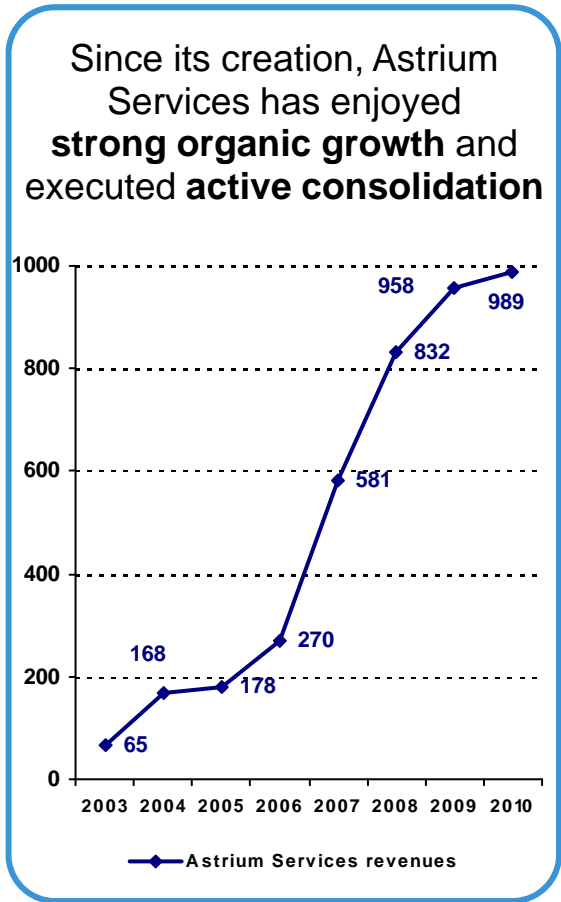
Astrium Services is a leader in military satellite communications, satellite imagery and services

- Telecom Services
- Secured Satcom Systems
- GEO-Information Services

- And soon: Vizada, a leading provider of global satellite-based mobility services



2010 sales



Astrium's systems to services strategy

Space market value chain involves both upstream manufacturing and system supply, and downstream services and applications.

Astrium is present in the entire Space value-chain:



Our strategy is to progressively achieve a suitable balance between Systems and Services on the one hand, and Governmental and Commercial markets on the other hand

▶ Access to Space

- On-going performance increase programme for A5 ECA (10t payload already achieved on 22nd April - 10,5t soon)
- Large Astrium investments to secure reliability and efficiency in production
- Ariane 5 Mid-Life Evolution: ESA has approved the Ariane 5 ME project after successful conclusion of its Preliminary Design Review (December 2011)
- Preparatory research for future of launchers (FLPP)

▶ Human Spaceflight and Exploration

- Successful missions of first two ATVs, three others to be launched at rate of 1 per year
- Astrium will continue to manage the continued operation and exploitation of the European components of the ISS (International Space Station) on behalf of ESA for the entire planned service life of the ISS, through to 2020 (December 2011)

▶ Deterrence and Missile Defense Systems

- Contract awarded for the definition of a systems architecture to protect NATO territories against the threat posed by ballistic missiles (September 2011)
- Astrium has been working with NATO on ballistic missile defence for more than ten years

▶ New organic growth initiatives using our core skills to expand our portfolio in profitable sectors:

- Space Plane / Security in Space
- Energy markets / Secured infrastructures (e.g. Secoia contract)
- Additional markets (e.g. Wind turbine blades)

▶ **Astrium Satellites aims to retain its leading position in European civil and defense institutional markets:**

- Astrium to build the future optical reconnaissance satellites for the French Armed Forces (December 2010)
- Astrium awarded Earth observation contracts with Sentinel-4 and Sentinel -5P for European program GMES (Global Monitoring Environment & Security - 2011)

▶ **Astrium aims to keep its n 1 position in the world for export and for setting up international cooperation based on development of affordable operational Earth observation satellite systems**

- Two Earth Observation satellites for Kazakhstan in 2010
- Launch of Chilean Earth Observation satellite planned on December 16th

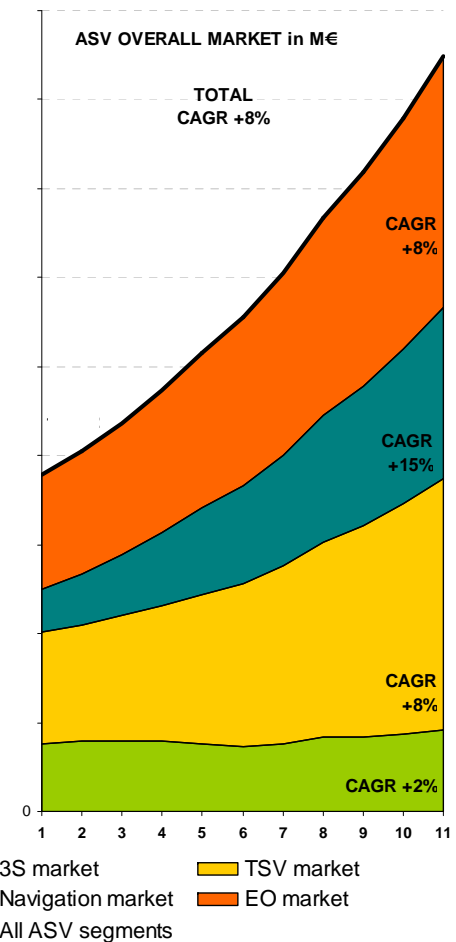
▶ **The commercial satcom market segment has more resilience to the current macro-economic situation. Astrium part of commercial satellite market objective will remain 25%**

- New Alphas platform under construction
- New telecom satellite studies financed through the French investment plan

▶ **Astrium has ambition to leverage its leading position in equipments to nurture future growth**

- ▶ Astrium addressable services market is experiencing an estimated 8% p.a. reasonable growth rate
- ▶ Astrium will aggressively grow Services to move from 20% of revenues in 2010 to 35-40% by 2020, becoming the only operator worldwide on both civil and defence markets through perfect matching of markets
 - Turnover already rose 60% within 8 years
 - From 300 to more than 3,000 employees between 2003 and 2011
 - Astrium's purchase of Vizada is a major investment in this strategy and should be completed by the end of this year

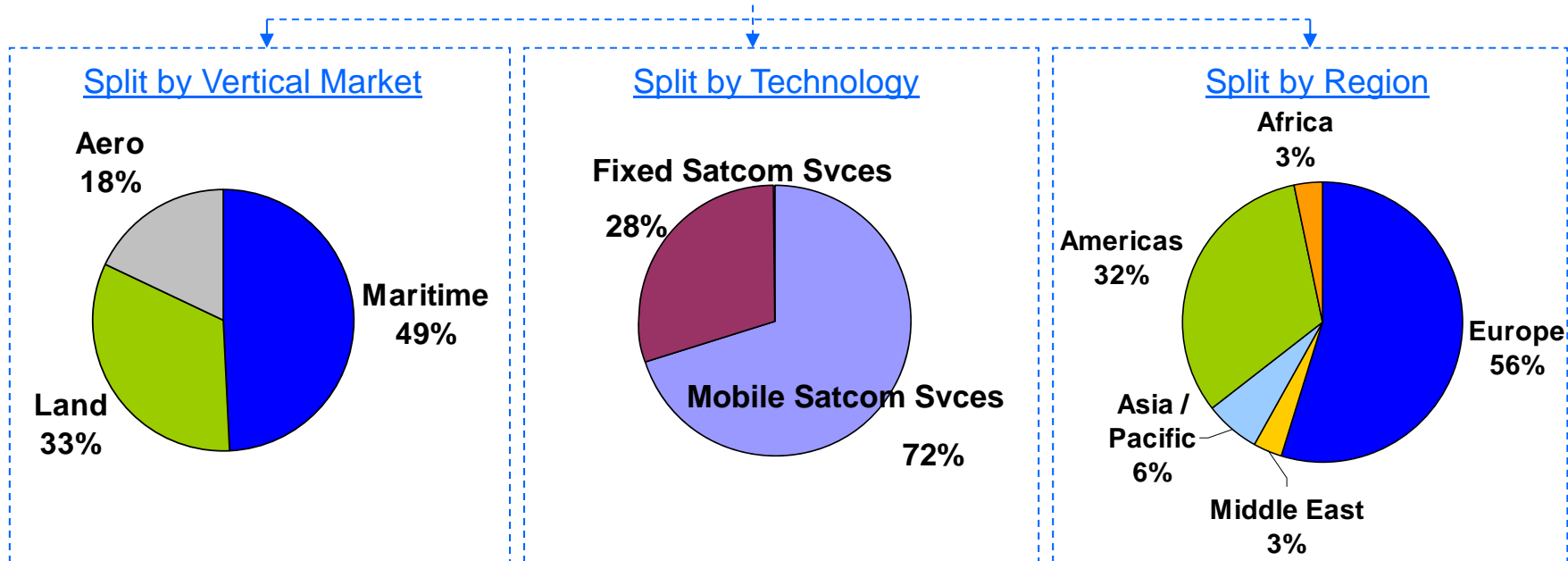
Addressable services market



Vizada Business Overview

- ▶ Astrium signed the acquisition of Vizada on July 30th 2011, to be effective after regulatory approvals
- ▶ Vizada is a leading provider of global satellite communications services
- ▶ It was formed by the merger, in 2006, of Telenor Satellite Services and France Telecom Mobile Satellite communications.

Vizada Revenues 2010: US\$ 660m



▶ Vizada is the platform to grow Astrium Telecom Services:

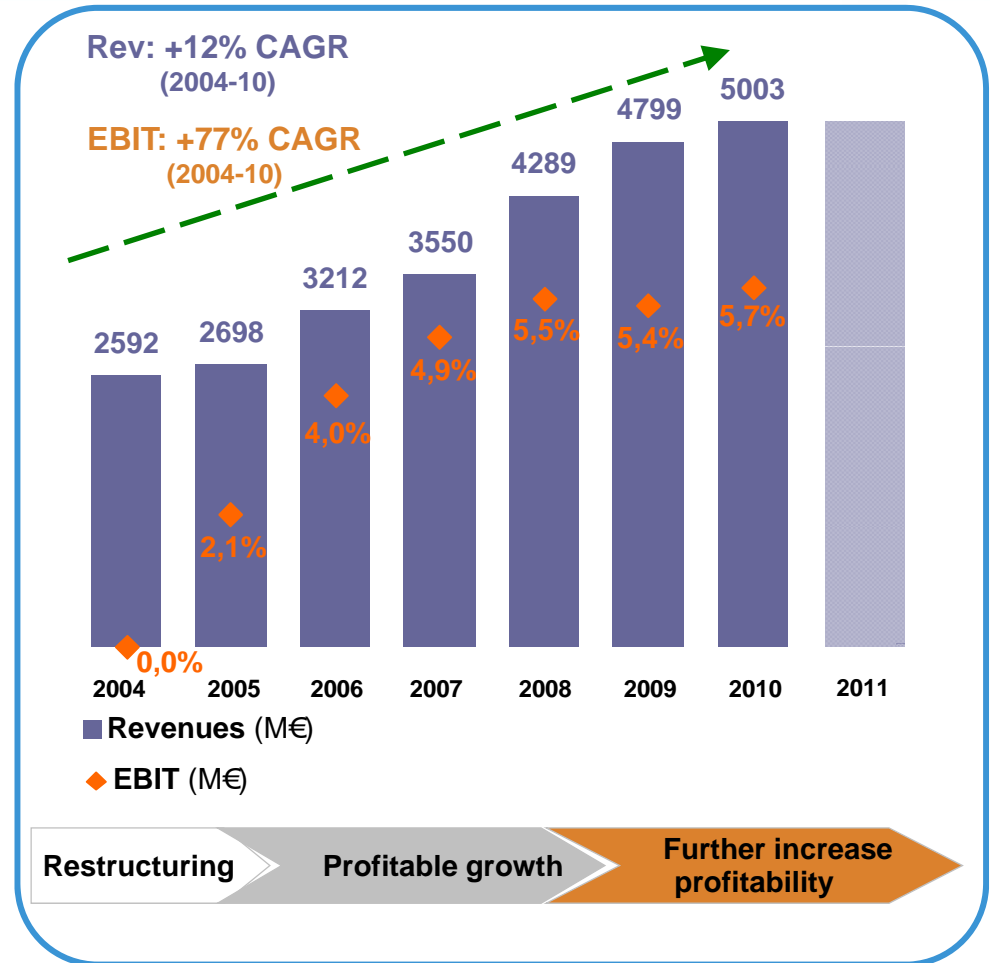
- 740 people added to 2400 today
- Significant **access to the B2B market** (maritime, Oil & Gas, telco operators, mining, security)
- Established **footprint in the US** to expand direct sales to the US DoD
- Leading **Mobile Services business** to complement Astrium Services portfolio
- **Global infrastructure** of interconnected teleports
- **Service innovation mindset** with a complementary portfolio of Mobile and Fixed solutions

- ▶ **Astrium has, and will have, its roots firmly in Europe**
- ▶ We also welcome indications from the US concerning the increase of its international collaborations on Space Programs:
 - Astrium has been successful in the US in niche areas of Equipments and Telecom Services
 - Astrium will look for suitable opportunities to reinforce its US strategy both in the Systems and the Services sectors.
 - DIRECTV 15 contract on November 4th proves Astrium competitiveness on US and global market
- ▶ However to develop further **Astrium needs to increase its presence in key developing markets and in the US.**
- ▶ Astrium has established in 2011 a central International Sales & Marketing team to give greater focus on developing markets with promising achievements:
 - **Asia:**
 - Largest satellite ever ordered by Malaysian operator MEASAT in June 2011
 - Kazakhstan: two Earth observation satellites, the establishment of an integration centre and the large training facility for Kazakhstan engineers signed in 2010
 - **Middle East:**
 - Arabsat 5C in orbit delivery in October 2011
 - Astrium Services signed a five year contract with Yahsat for a comprehensive support solution covering operations, maintenance and logistics in February 2011

Growth and profitability

- ▶ Growth and profitability in the long term will require a mix of:
 - Cost containment to remain competitive
 - Self funded developments in some key areas
 - Continued shareholder confidence and investments in non-organic growth.

- ▶ All of the above require Astrium to continue the journey we started over 8 years ago with impressive organic growth, and to steadily and sustainably grow our profitability.



Successful implementation of our AGILE change program is a key pillar of our strategy.

▶ **AGILE transformation plan is being implemented since the end of 2010:**

- **A**mbitious
- **G**lobally growing
- **I**nnovative
- **L**ean
- **E**ntrepreneurial

▶ **Astrium's key objectives of this program are now built into its baseline plan**

- Improved cost base
- Improved customer relations : Key account system introduced throughout the Division
- Improved efficiency of internal processes, introduction of Lean methods in all business areas :
development, production, integration, but as well in functional units
- Improved employee and leadership development programmes

The 2011 trend confirms that Astrium is on the right track with the Agile strategy

Contracts recently won - like DirectTV 15 - underline that Astrium's competitiveness is improving

2012: a key year for European space

19

- ▶ **2012 is a key year for European Space with the ESA Ministerial Conference in Italy in November.**
- ▶ **This will see decisions on the future of Ariane, ISS exploitation, Exploration and next generation of Meteorological satellites MetOp, etc...).**
- ▶ **The EU strategy for Space is developing rapidly. The EU will double its Space budget for the years 2014 – 2020 compared to previous period.**