

Capturing growth while managing macroeconomic risks

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Safe Harbour Statement

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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.

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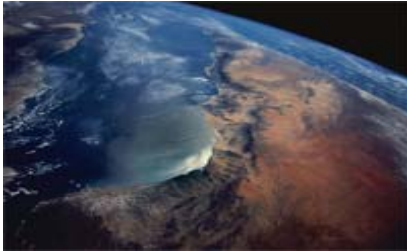
Any forward-looking statement contained in this presentation speaks as of the date of this presentation. EADS undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Cassidian – Defending World Security

Security of Deployed Forces



Nationwide Security



Through-life Services



Security of Critical Infrastructure and Natural Assets



Communication Network Security



Advanced Cyber Security



Major Event Security



We support the people whose mission is to protect the world.

Cassidian is demonstrating robust performance in a challenging and evolving market environment

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	2010
Revenue	€5.9 billion
Order Backlog	€16.9 billion
Self-funded R&D	€251 million
Ebit*	€457 million
RoS	7.7%
Order Intake	€4.3 billion

Financial Highlights

- ▶ Doubling of EBIT* and RoS since 2005
- ▶ Continuing high R&D efforts in next generation products and services to foster future growth
- ▶ Sound fundamentals and robust performance in a challenging environment
- ▶ Solid order book aligned with fast growth regions

*pge pre goodwill impairment and exceptionals

EADS

European defence industry is facing 'challenges' in Home Markets with potential upside in other regions

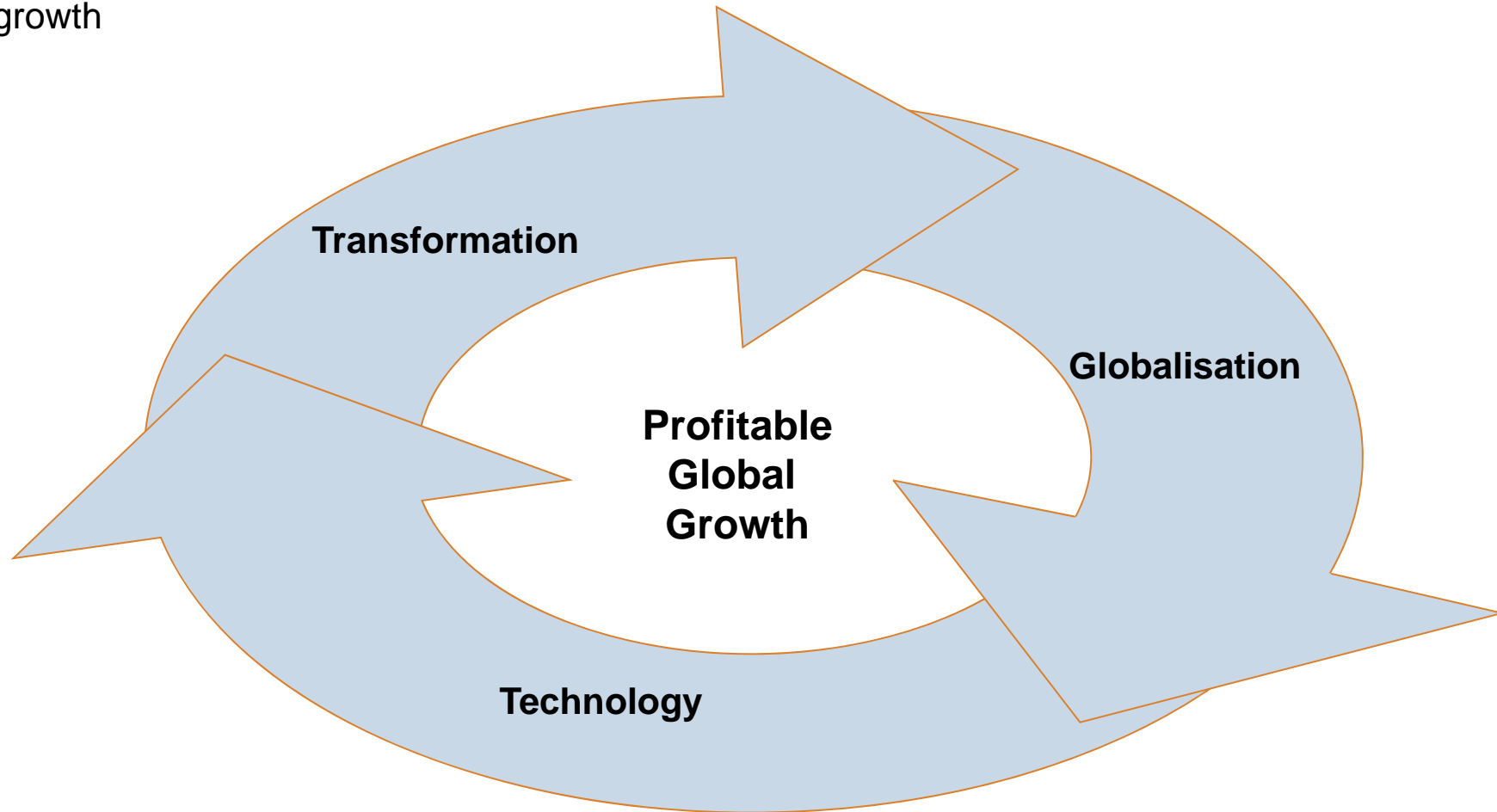
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- Financial Crisis in Europe
 - Defence budget cuts
 - Program cuts to free up resources for modernisation of armed forces to create better match of needs and available technologies. Dialogue required esp. with German customer based on existing contracts and a stable overall budget
 - European defence industry reaction
 - BAE System will lay off 3000 employees
 - Finmeccanica plans to sell at least 1 billion Euros of assets
 - India tenders "Mother of all deals" for 126 combat aircraft
 - Brazil: Major projects planned in the context of high profile sporting events and nationwide security requirements
 - Middle East has increasing demands for nationwide security
 - Globalisation efforts of competitors mean intensified global competition

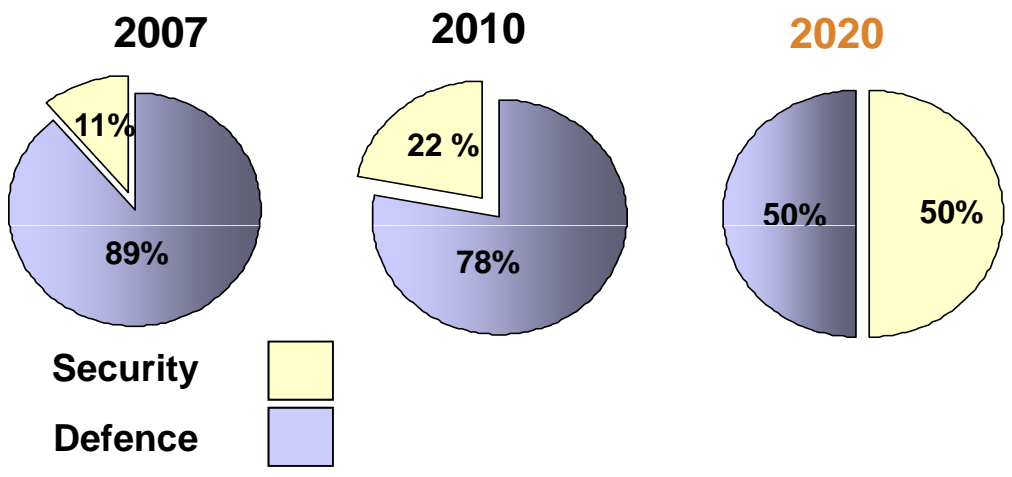
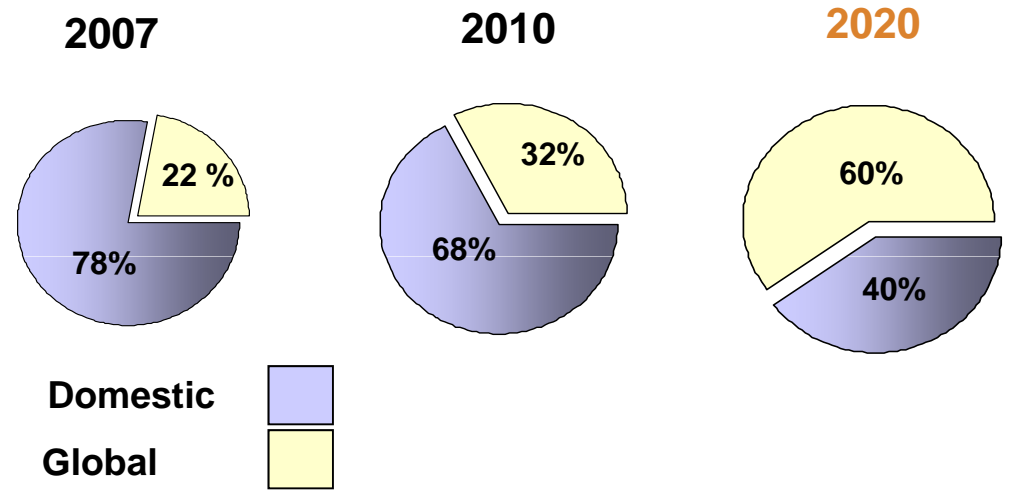
Capturing growth while managing macroeconomic risks

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- ▶ Cassidian has responded to the changing environment by initiating its transformation and globalisation journey. Additionally, leveraging our existing market leadership and our continued selective investment in next generation products and services secure our path to profitable global growth



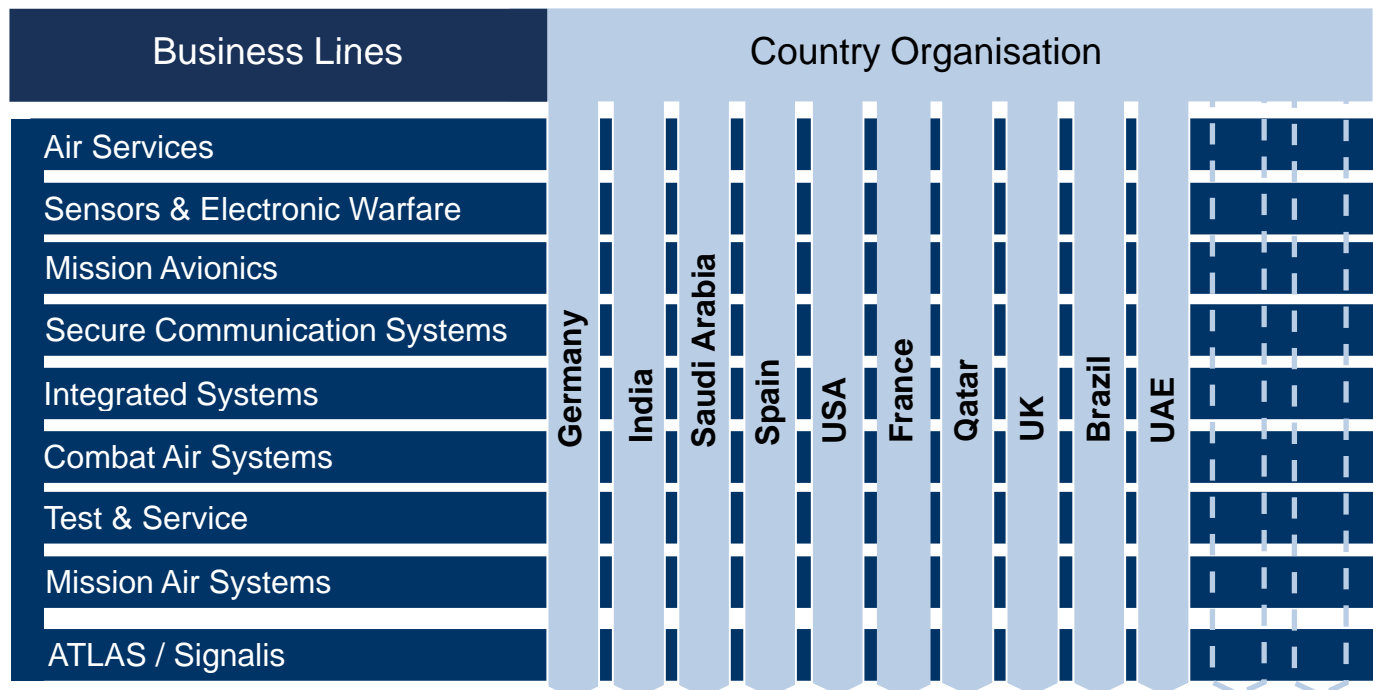
Cassidian is on track to secure its strategic objectives and is gaining traction in global markets



- ▶ Cassidian is successfully exploiting global growth opportunities and increasing global market presence
- ▶ Our global footprint in 2010 was around one third of total revenue
- ▶ Security revenues increased to 22% in 2010 from 11% in 2007

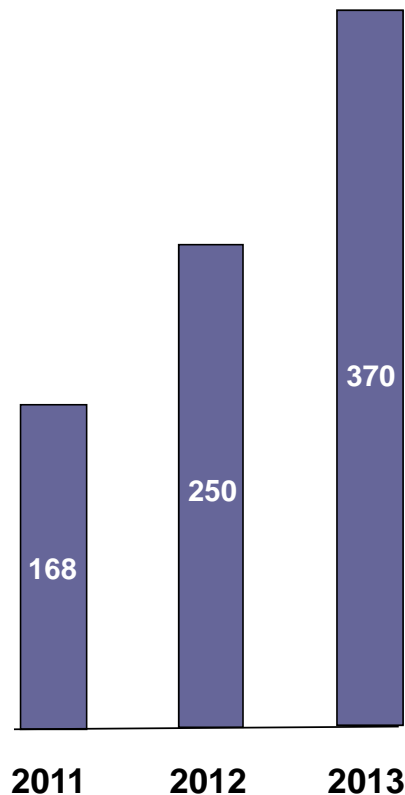
Cassidian's Transformation and Globalisation Path

- ▶ Globalisation strategy and transformation program counterbalance deterioration and challenges in the home markets
- ▶ Overriding objective is to improve competitiveness and performance with the objective of generating ca. 370 m€ in gross savings by 2015 to fund future growth and future investments in new products and services
- ▶ Our market leadership in key growth segments (border security, UAS...) and our innovative product and service portfolio are key drivers for global market capture



Build up of Targeted Gross Savings

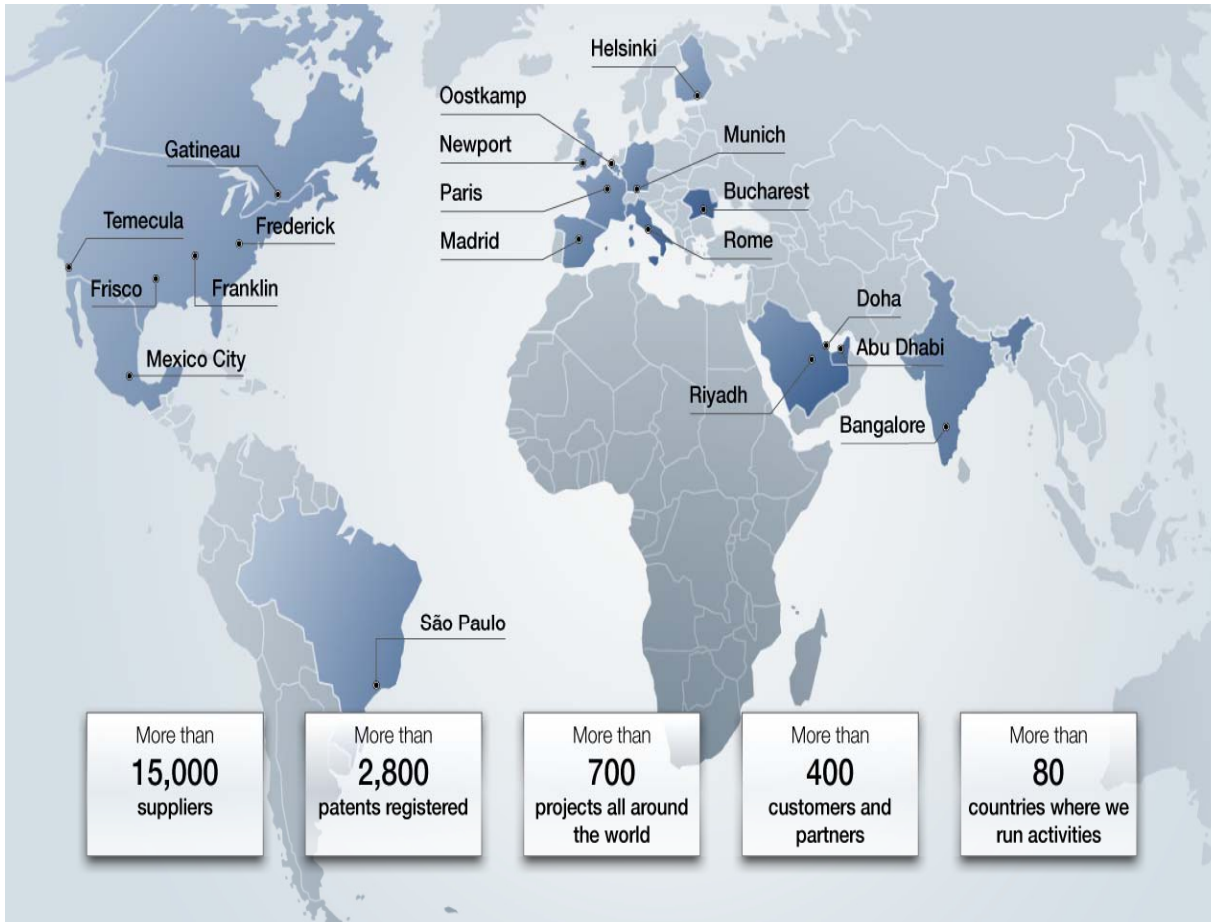
m€



- ▶ Programme ensures the adaptation of organisation, structure and capacities to globalisation model and the necessary shifts in skills and competencies
- ▶ Transformation Improvement Programme with 370 M€ gross savings in 2013 is established as a division-wide improvement programme with the focus on customer-orientation, global presence and growth in strategic markets
- ▶ Future EADS programme is already delivering significant benefits and Cassidan will continue to derive further tangible ongoing benefits from our Transformation programme

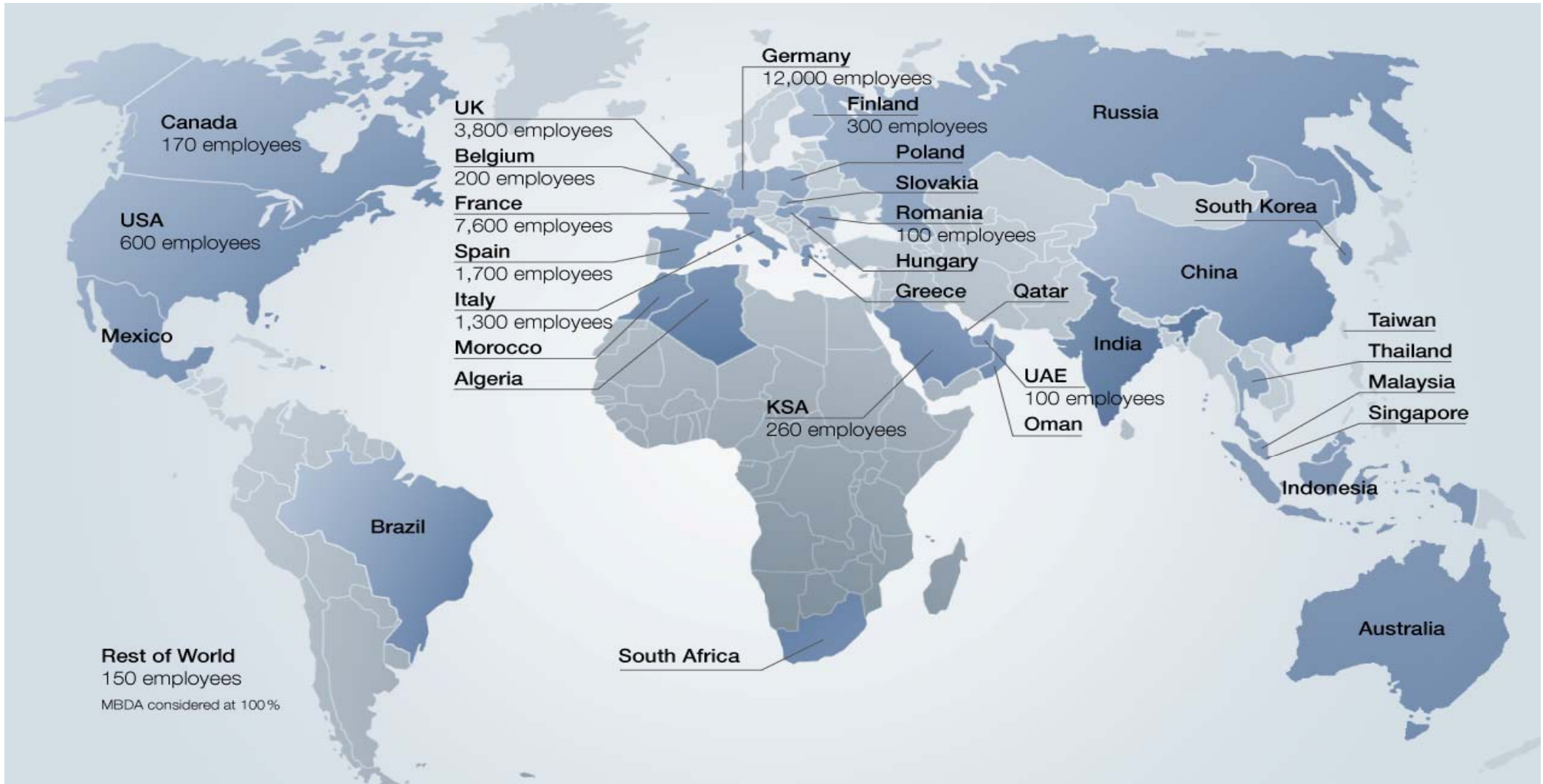
Globalisation Path (1/2) - Cassidian's Global Presence

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- ▶ Increasingly global company via industrial presence in new growth countries and reinforced position in current home countries
- ▶ Worldwide centres of excellence (Engineering Centre Bangalore, Electronic Warfare South Africa)
- ▶ Privileged Partnerships
 - ✓ Larsen & Toubro (India)
 - ✓ Odebrecht (Brazil)
 - ✓ Emiraje (UAE)

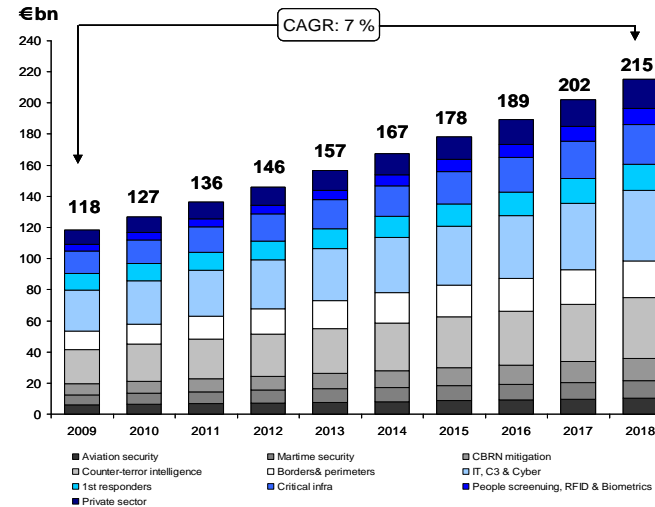
Globalisation Path (2/2) - Cassidian employees more than 28,000 people worldwide





Technology (1/4) - Cassidian continues to extend its market position in Security in key growth segments


- ▶ World leader in border security, maritime and coastal surveillance - one of the few companies globally with real LSI capabilities
- ▶ Become leader in the protection of Critical National Infrastructure
- ▶ Secured key high profile events and supporting recovery in national disasters
- ▶ Developing unmanned ISR** solutions
- ▶ Strengthening position further in PMR*


Homeland Security Spending Forecast



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National Security Shield Qatar
1st fully integrated system
- 

Romania Border Security
Largest EU land border
- 

Kingdom of Saudi Arabia
Largest worldwide
- 

Tanger Med Morocco
Biggest harbor in the Med

Source: HRRC Homeland Security Research Outlook 2009 – 2018

* PMR: professional mobile radio

** Intelligence, Surveillance & Reconnaissance

- ▶ Combined UK, French and German Cyber Security market was worth around €7bn in 2010 – growing at 10% p.a. with high margins
- ▶ Expanding expertise in cyber security field by creating new cyber branch
- ▶ Capabilities:
 - ▶ Cryptographic solutions
 - ▶ Identity management
 - ▶ Secure Exchange Gateways
 - ▶ Consulting and Training Services
 - ▶ Security Operations Centre



Technology (3/4) - Unmanned Aerial Systems (UAS)

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- ▶ Market volume: 80 billion US\$ until 2020*
- ▶ Cassidian Target: Be Europe's No.1 UAS provider
- ▶ Current acquisitions strengthens Cassidian's position as a fully fledged UAS provider
 - Survey Copter (October 2011)
- ▶ Cassidian's UAS portfolio with both military and civil applications is the only alternative to US or Israeli products
- ▶ Important Milestones achieved in 2011:
 - EuroHawk: Ferry flight, SIGINT Rollout
 - Talarion: Agreement with TAI and Finmeccanica
 - Harfang: Successfully in operation



* Teal Group

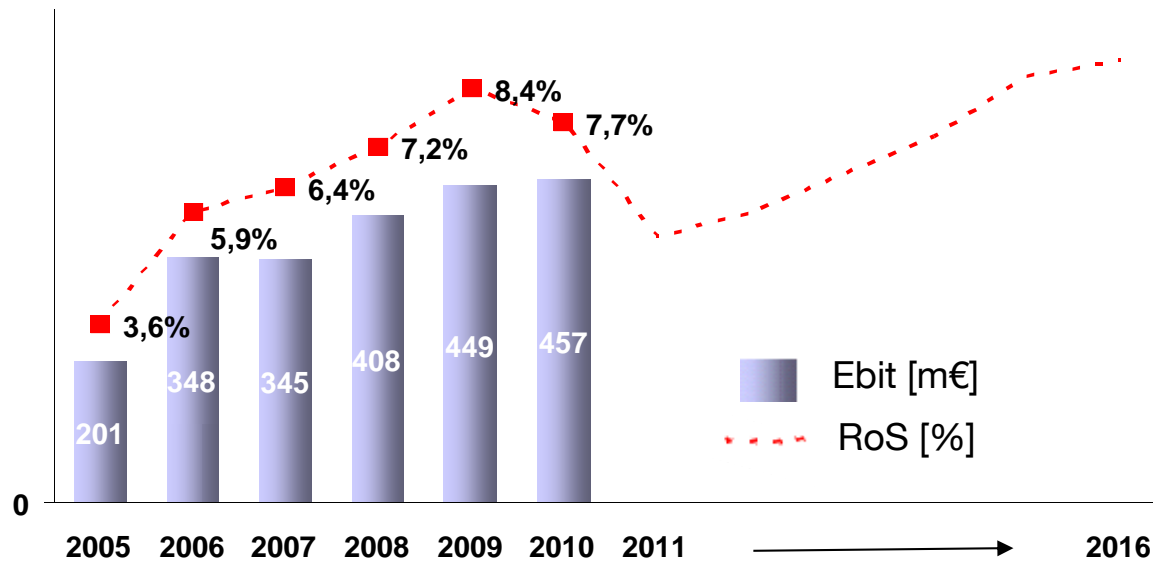
Technology (4/4) - Eurofighter remains a strong pillar for Cassidian

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- ▶ Umbrella contract signed for 620 a/c in 1997 with 4 Home Countries (Ge, Sp, UK, IT)
- ▶ EF Tranche 3a production secured until 2017
- ▶ Mature programme with over 300 aircraft delivered to date including export
 - ▶ 2 Export contracts with Austria and Saudi Arabia
 - ▶ 300th Eurofighter delivered to Spanish Air Force
- ▶ Well positioned in export campaigns
- ▶ Strong focus to build in-country presence in export nations to generate sustainable follow-on support business
- ▶ Strong Services business (Maintenance, Logistics, Training, Cooperative Model)
- ▶ Follow on enhancements: E-Scan Lol signed for full scale development of next generation E-Scan radar, key priority for partner companies and export nations



Cassidian EBIT* and RoS Development



- ▶ After a short period of investment in new products, transformation and globalization as a result of the changing business model, Cassidian is quickly recovering to a strong level of profitability after 2012
- ▶ Strong backlog provides resilience during Transformation

*pge pre goodwill impairment and exceptionals

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