

Hans-Peter Ring
EADS Chief Financial Officer

Cowen Conference
February 8th 2012



EADS



AIRBUS



ASTRIUM



CASSIDIAN



EUROCOPTER

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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.

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- ▶ Significant disruptions in air travel (including as a result of terrorist attacks);
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- ▶ 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;
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» Cash

- » Exceptional starting position
- » Effective operational management
- » Consistent investment in organic growth and M&A
- » Consistent long term hedging policy
- » Cautious management of cash assets

» Growth

- » Record backlog driven by emerging countries
- » “Crisis proven” tools in place to monitor risks
- » Significant underlying profitability improvement should unfold in the coming years monitored by an integrated finance team

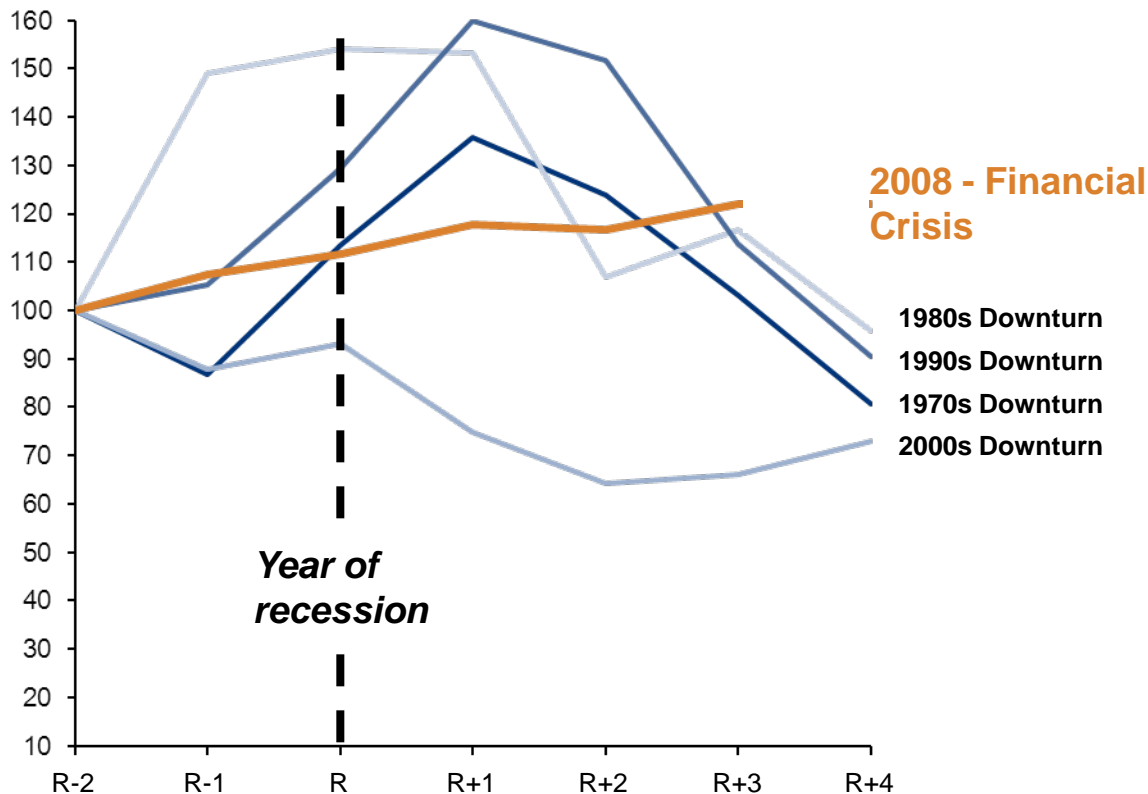
EADS is a cash machine and a growth story!

Airbus managed the past 2 cycles successfully

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A Cycle without a Cycle? - first time in history: Peak-to-Trough production down 38-69% in past cycles

Annual growth relative to a recession - LCA world production



Learned from down turn experience early 1990s

- ▶ Backlog flexibility - constant negotiation with customers on delivery slots pays off
- ▶ Overbooking keeps factories full
- ▶ Government guarantees stabilizes export so far
- ▶ Customer base more global - less impact of regional cycles
- ▶ Careful ramp up

...while commercial services not yet developed to deliver financial counterbalance

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

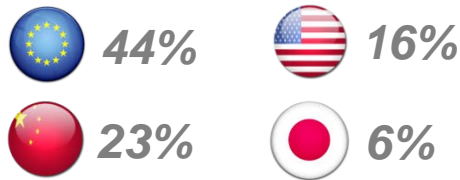
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- Financial Crisis in Europe
 - Defence budget cuts
 - Program cuts to free up resources for modernisation of armed forces to create better match of needs and available technologies. Dialogue required esp. with German customer based on existing contracts and a stable overall budget
 - European defence industry to adapt to new environment
 - Extending industrial foot print into new growing markets
 - 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
 - Strengthen Service businesses in mature & growing markets (organic and M&A)

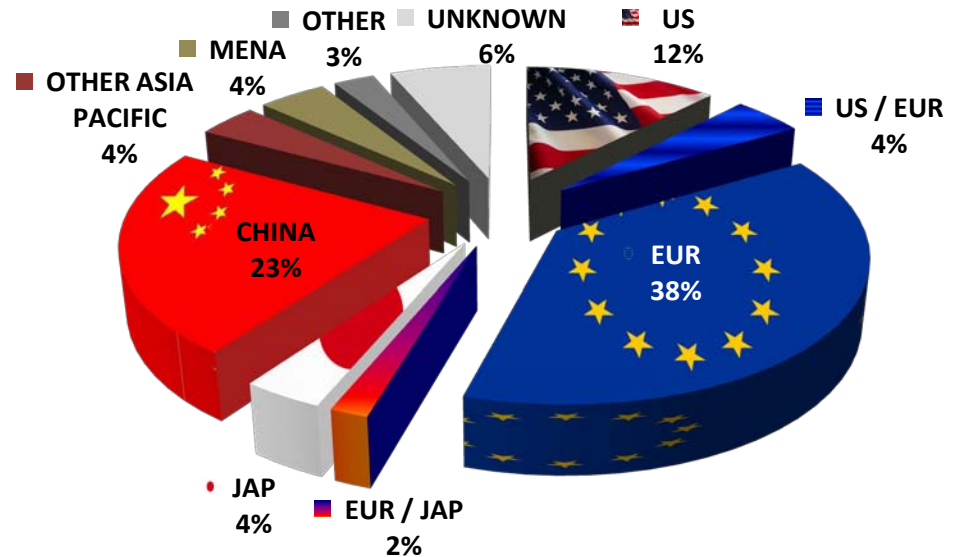
Commercial and ECA bank activity 2010/11

Who's providing the debt?

Share of participation in all direct debt financed Airbus deliveries* by bank nationality



Share in number of aircraft out of 581 aircraft financed in 2010 and 2011 (Jan-Sep) with commercial or ECA backed debt



- ▶ Commercial market performed strongly despite recent banking crisis
 - ▶ Strong demand for fuel efficient equipment -**fuel represents 25%- 40%** of airlines operating costs-
 - ▶ Aircraft are mobile and high quality assets to finance
- ▶ Concern on USD funding affecting some traditional European aerospace banks
 - ▶ Long term USD funding shortage and Basel III requirements
 - ▶ Cost increase -but **ownership costs ~ only 10 to 15%** of total airline operating expenses
- ▶ We have continued to develop co-operation with Chinese banks beyond Chinese market
- ▶ Asian banks are becoming more active and Japanese banks are returning
- ▶ Initiatives to enhance liquidity
 - ▶ Access to US capital markets for non US airlines, Capital market access with ECA guarantees to be further developed
 - ▶ Expand activities with US, UK & European banks, Euro financing but hurdles to overcome

Airbus 2011: a year of records

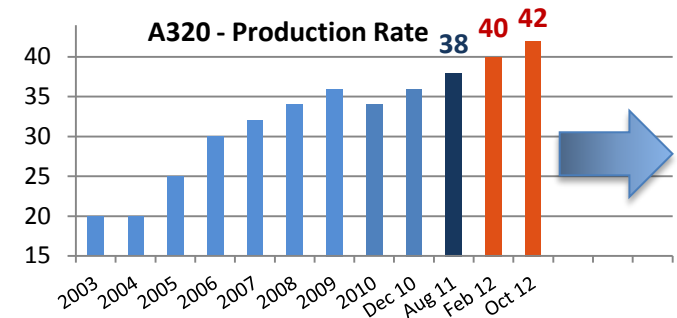
- ▶ **1608** gross orders, 56% market share (by value)
- ▶ **1419** net orders, 54% market share (by value)
- ▶ Highest number of commercial deliveries ever: **534**
- ▶ 10th successive year of production increase
- ▶ Year-end backlog: **4437** aircraft. US\$ > 588bn



Airbus has to face an unprecedented industrial ramp-up

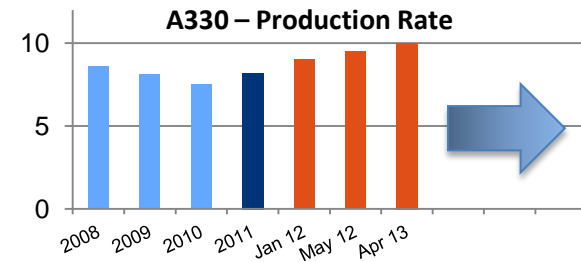
A320 Family is producing at an industry record rate of 38

- ▶▶ 38 aircraft / month since August 2011
- ▶▶ Planned to increase to 42 in 2012
- ▶▶ Backlog of more than 3000 aircraft



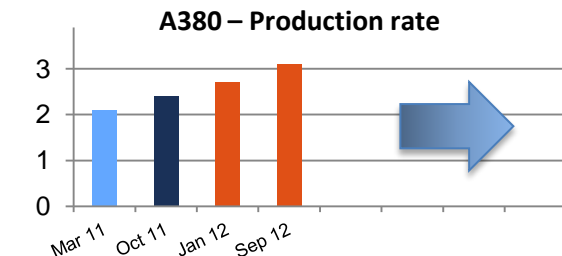
Sustained market demand for A330 aircraft

- ▶▶ Production increase up to 10 aircraft per month
- ▶▶ A level never reached before
- ▶▶ At least up to 2016



A380 programme reaching its maturity level

- ▶▶ Production increase to 3 A/C per month by end 2012



Major Program Highlights Airbus

A320, A350, A380, A400M

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A320-A330 family

- ▶ **A320neo: 1,226 new orders in 2011**; fastest selling commercial jet ever; EIS Oct'15
 - ▶ A320 Sharklet flight test underway
- ▶ **A330 : 99 orders in 2011** (>740 aircraft sold since launch of 787)
 - ▶ 4 A330 Freighters delivered and 7 new orders



A350

- ▶ **555 firm orders; 35 customers.**
- ▶ Aircraft assembly progressing
 - ▶ First sections in FAL end December with FAL start March 2012;
 - ▶ Maturity top priority.
 - ▶ Lessons learnt from A380 & A400M implemented (value management, modular interior design, etc.).
- ▶ A350-1000 with enhanced capabilities



A380

- ▶ **26 aircraft delivered in 2011**; 2 new operators in 2011 and 2 more to come in 2012;
- ▶ 29 orders in 2011
- ▶ Total of 67 aircraft delivered to 7 customers
- ▶ 18 million passengers; 50,000 flights



A400M

- ▶ **5 aircraft flying, >2600 flight hours, 900 test flights**; major flight tests achieved
- ▶ Certification process has started
- ▶ On track to start deliveries in some 12 months from now

» Assumptions

- » No world-wide double dip recession
- » No major disruption caused by government debt issues
- » No further material cut on defence and institutional budgets

» Airbus commercial

- » Air traffic still expanding but macro unstable
- » “Watchtower” process & record backlog with overbooking policy protect future growth :
 - » So far no sign of exceptional postponements/cancellations but
 - » Backlog delivery slots screened regularly through the “watchtower” process
 - » Customer risk is monitored carefully to allow reshuffling of backlog
- » **High single digit average revenue growth per year** expected over the mid term with current assumptions
- » Increasing volume, better pricing and improvement on A380 loss drive future earnings growth
- » A350 remains a challenging programme to monitor
- » 10% EBIT* before off margin ambition within reach in the mid term with the expected ramp-up, at €/\$ 1.30 and before dilution of first A350 deliveries

» Airbus Military

- » Revenue growth driven by A400M and tanker ramp-up
- » A400M revenues at 0 EBIT* for the foreseeable future
- » Earnings improvement coming from measures on operational improvement, export and service opportunities on the A400M

» Eurocopter

- » Market for civilian helicopters is gaining momentum; light helicopters and US market in recovery
- » Record revenues in 2011 above expectation
- » Boosted its services activities (acquisition of Vector Aerospace) & increased its international footprint
- » Progress achieved in innovation (X³, EC145 T2)
- » Pressure on military budget leads to discussion based on current contracts
- » Mid-term margin of high single digit EBIT* margin within reach

» Astrium

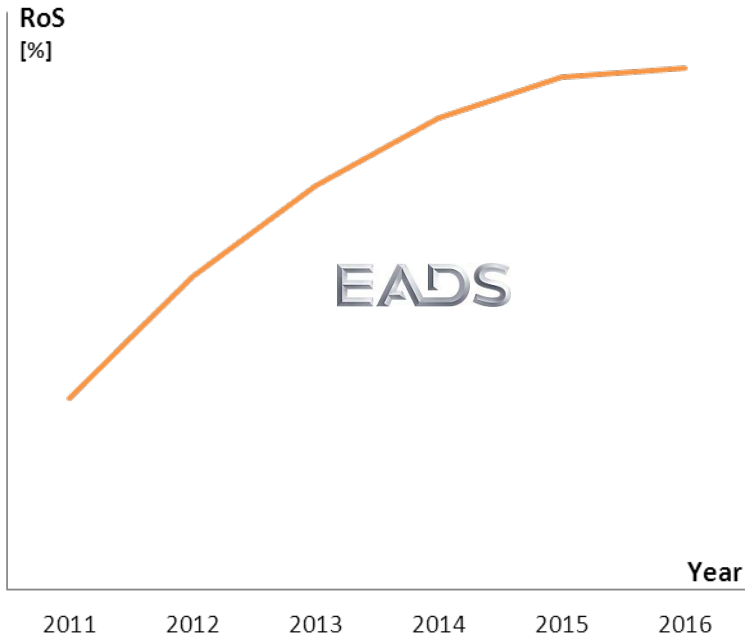
- » “Services” provides higher growth rate than “Space transportation” and “Satellites” in the mid term
- » Non recurring costs of optimisation programme (AGILE) and short term pressure on services weigh slightly on 2012
- » Mid-term margin of high single digit EBIT* margin within reach thanks to strong programme execution and AGILE

» Cassidian

- » Stabilisation of revenues secured by current backlog
- » Investment and reorganization efforts to capture export orders in the mid term
- » Ramp-up of the security business weighs on short term profitability
- » Earnings recovery should really start in 2013 with high single digit margin within reach in the mid term

EBIT* before one-off expected to improve significantly in the years to come

First significant step in 2012 mainly thanks to Airbus Commercial



2011-2016 main drivers

- ▶ Production rate increase for all Airbus programs
- ▶ A380: from loss contribution to gross margin/EBIT breakeven
- ▶ Negative gross margin of early A350 XWB deliveries (RoS dilution)
- ▶ Year on year pricing improvement for new and legacy Airbus programs; A320neo @ a premium price
- ▶ Civilian helicopter market gaining momentum
- ▶ Continuing cost savings and transformation programs with ambitious targets for each division

Significant profitability ramp-up in 2012 and beyond