

EADS:

New Stage of Maturity

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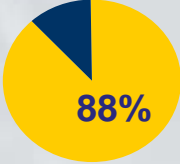
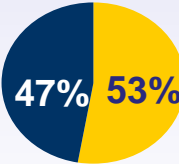
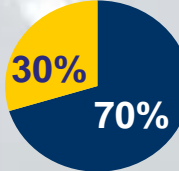
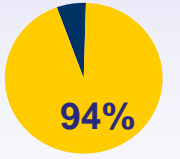
Lagardere Investor Day, June 1st, 2006

- **Integration and Rise to Leadership**
- **2005 Group Financials**
- **New Challenges, New Growth**

A Simple Story: Synergies, Scale, Control

EADS 2005 Divisional Highlights



	Airbus	Military Transport Aircraft	Eurocopter	Space (Astrium 100% since Jan. 2003)	Defence and Security Systems**
					
Order book	€201.9 bn	€20.9 bn	€ 9.9 bn	€10.9 bn	€18.5 bn
Revenues	€22.2 bn	€0.8 bn	€3.2 bn	€2.7 bn	€ 5.6 bn
EBIT*	€2,307 m	€48 m	€212 m	€58 m	€201 m
					
		A400M, CN235, C295....		Astrium, Launch Vehicles, CASA Espacio, Space Services, CILAS, Sodern	Military Air Systems (Eurofighter,...), Missiles (MBDA,..), Defence Elect., EADS Telecom, EADS Services

 Civil
 Defence
 in % of external revenues

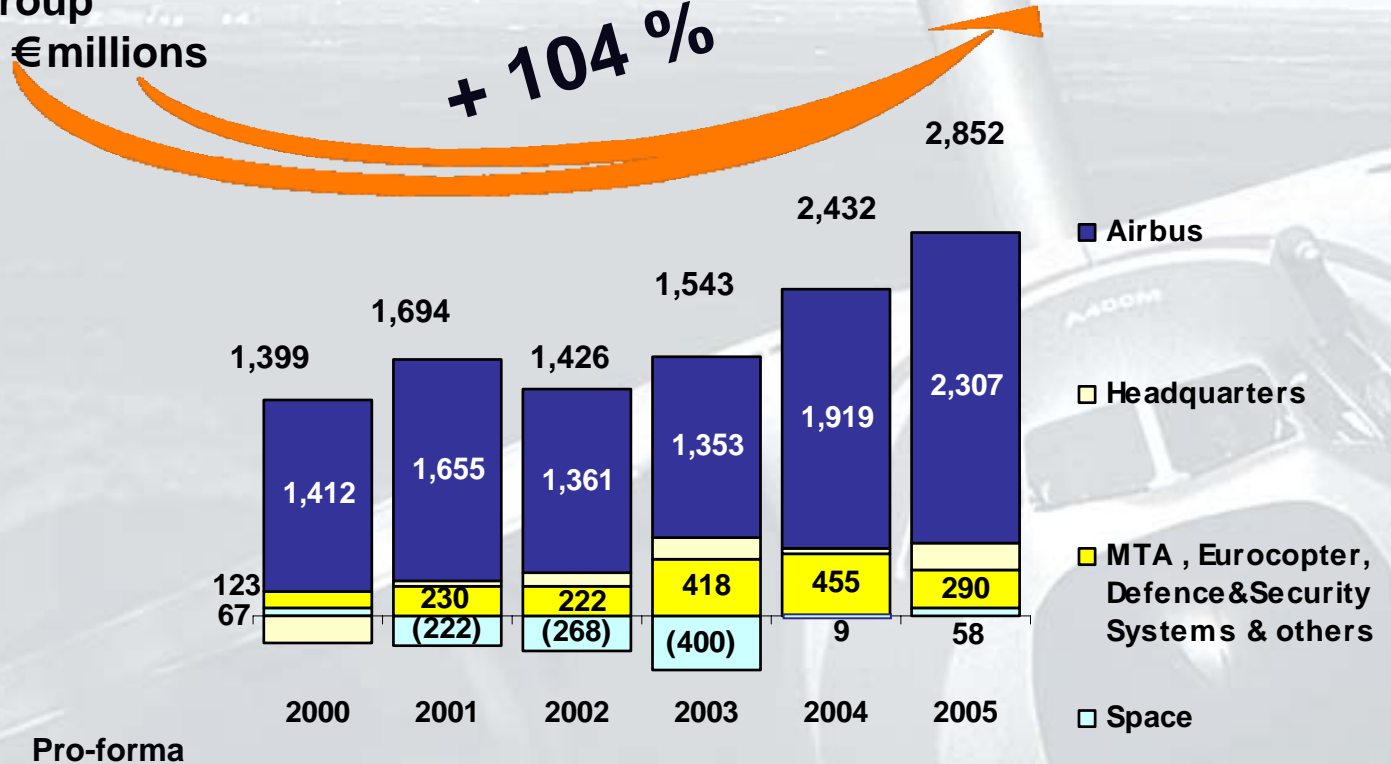
* pre goodwill and exceptionals

Group EBIT*: Growth Through the Downturn



EADS Group
EBIT* in € millions

+ 104 %



Note:

Astrium 100% consolidated since 2003; Airbus 100% consolidated since 2001

Restatement of 2004 figures, following IFRS2 implementation (stock options expenses included).

* pre goodwill and exceptionals

Delivering Consistently

2005

EADS promised...

Book-to-bill over one

EBIT* of 2.75 €bn

Revenues ~ 33€bn

FCF pre-customer fin. >0

EPS €1.65

....and achieved

- ☑ 2.7
- ☑ €2.85 bn
- ☑ €34.2 bn
- ☑ € 2.2 bn
- ☑ € 2.11 (comparable basis: 1.75€)

2004

Book-to-bill over one

EBIT* of 2.2 €bn

Revenues ~ 32€bn (@€=1.30\$**)

FCF pre-customer financing >0

- ☑ 1.4
- ☑ €2.4 bn
- ☑ €31.8 bn(@€=1.24\$**)
- ☑ €1.8 bn

2003

Book-to-bill over one

EBIT* ~stable from 2002

Revenues ~stable from 2002

FCF pre-customer financing >0

- ☑ >2.0
- ☑ + 8 %
- ☑ €30.1 bn
- ☑ €2.1 bn

2002

Book-to-bill over one

EBIT* of 1.4 €bn

Revenues stable

Net cash position slightly positive

- ☑ 1.04
- ☑ €1.4 bn
- ☑ €29.9 bn
- ☑ very positive

2001

Book-to-bill over one

EBIT* +15% from 2000

Revenues +20% from 2000

Free Cash Flow ~0

- ☑ 2.0
- ☑ + 21%
- ☑ + 27%
- ☑ €0.9 bn

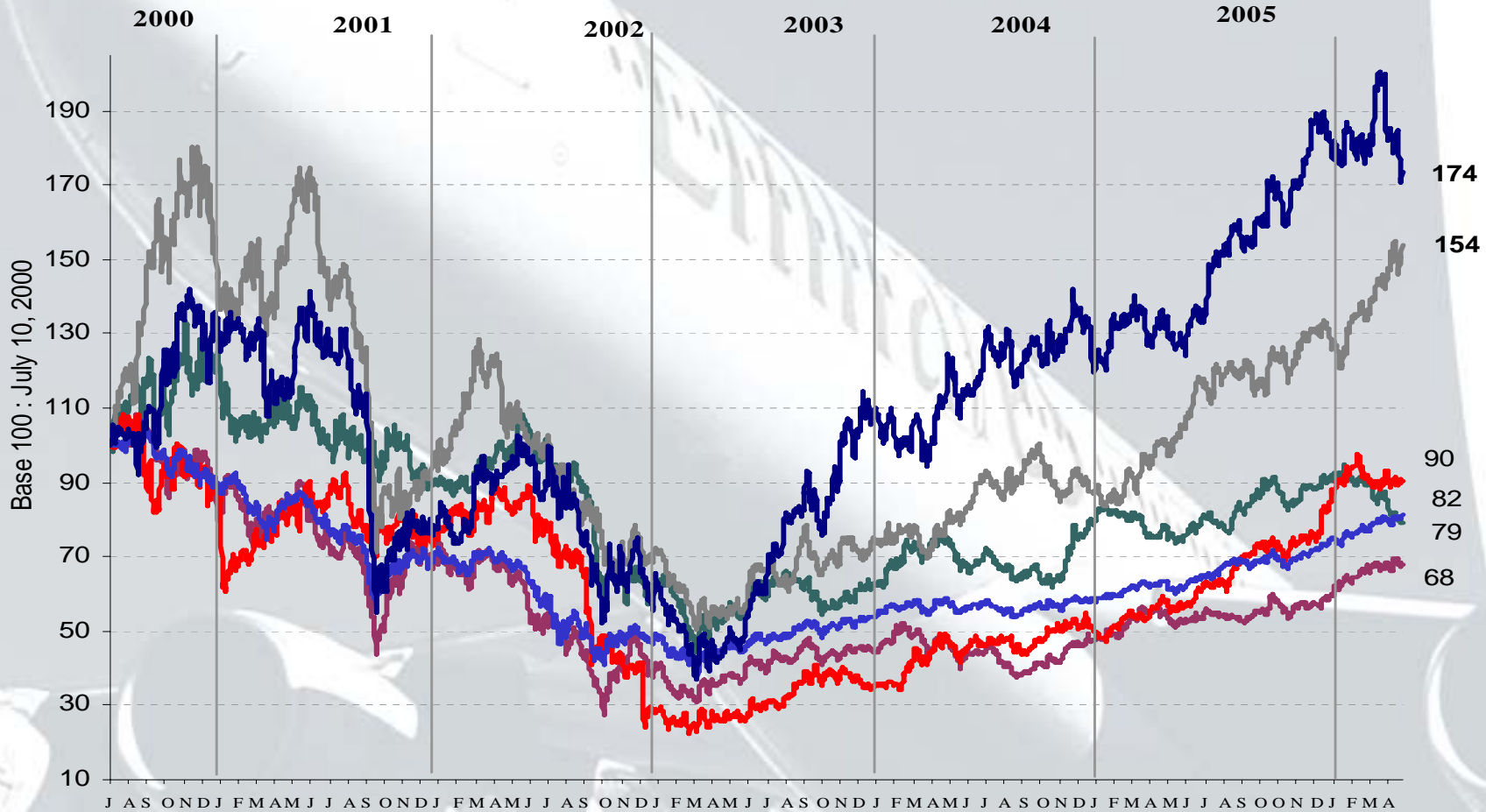
* pre goodwill and exceptionals

** yearly average market rate

5 Years of Remarkable Performance



Evolution as of May 5th, 2006
BAES and Boeing in euros (adjusted at daily spots)

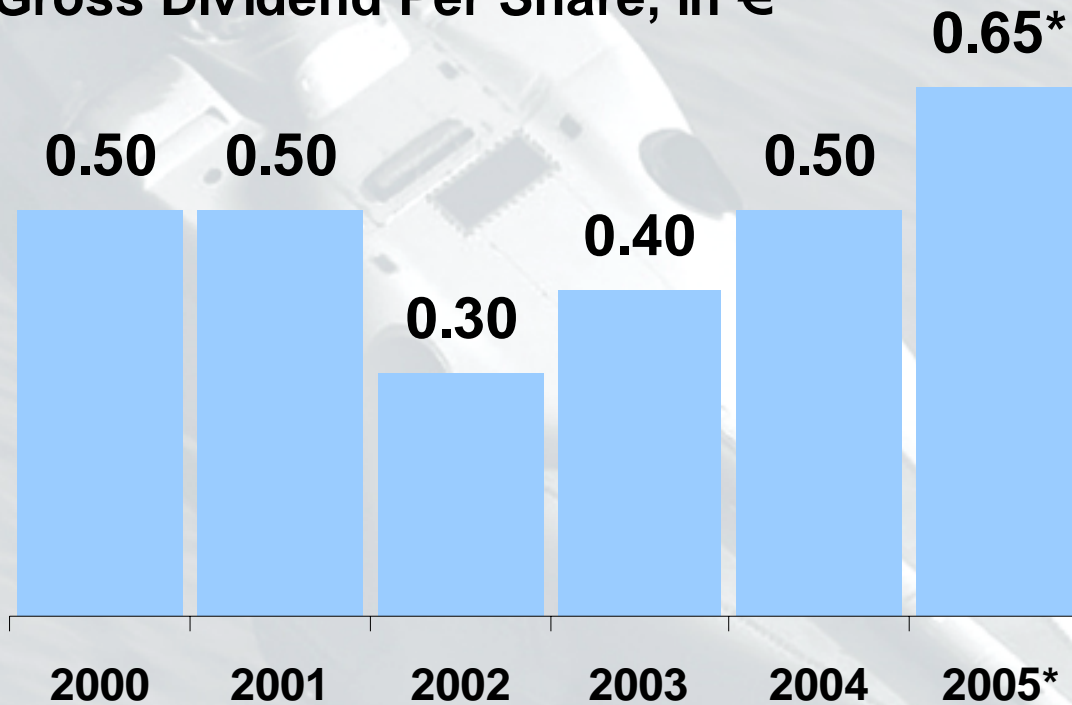


— Finmeccanica — THALES eur — BAES eur
— CAC 40 — BOEING eur — EADS eur

Continued Dividend Growth



Gross Dividend Per Share, in €



* Board proposal to be submitted to the AGM on May 4th, 2006 and to be paid in June 2006

- Integration and Rise to Leadership
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2005 Financial Highlights



in bn€	FY 2005	FY 2004	change
Revenues	34.2	31.8	+8%
<i>of which Defence</i>	7.7	7.7	0 %
EBIT*	2.85	2.43	+17 %
EBITDA	4.4	3.8	+14%
self-financed R&D**	2.1	2.1	-2%

in bn€	Dec. 2005	Dec. 2004	change
New orders	92.6	44.1	+110%
Total Order book	253.2	184.3	+37 %
<i>of which Defence</i>	52.4	49.1	+7 %

* pre goodwill impairment and exceptionals

** IAS 38: €293m capitalised during FY2005; €169m during FY 2004

2005 Financial Highlights



	FY 2005		FY 2004	
	€m	in % of Revenues	€m	in % of Revenues
EBIT*	2,852	8.3%	2,432	7.7%
Interest result	(155)	(0.5%)	(275)	(0.9%)
Other financial result	(22)	(0.1%)	(55)	(0.2%)
Taxes	(825)	(2.4%)	(664)	(2.1%)
Net income**	1,676	4.9%	1,203	3.8%
EPS (1)**	2.11 €		1.50 €	

in bn€	Dec. 2005	Dec. 2004	change
Net Cash position	5.5	4.0	+39 %

(1) Average number of shares outstanding: 794,734,220 in FY 2005 and 801,035,035 in FY2004

* pre goodwill impairment and exceptionals

** Accounting change based on revised IAS 32, previously FY2004 figures amounted to Net income = €1,030 m and EPS = 1.29 € comparable figures of FY2005: Net income = €1,387 m and EPS = 1.75€

Development of Net Cash



in €m		FY 2005	FY 2004
Net cash position	at the beginning of the period	3,961	3,008***
Gross Cash Flow from Operations*		3,868	2,858
Change in working capital		1,239	2,155
Cash used for investing activities**		(2,694)	(3,399)
of which Industrial Capex (additions)		(2,818)	(3,017)
of which Customer Financing		174	(188)
of which Others		(50)	(194)
Free Cash Flow**		2,413	1,614
Free Cash Flow	before customer financing	2,239	1,802
Capital increase		187	43
Share buyback		(288)	(81)
Dividend paid		(396)	(320)
Non-recourse customer financing		(121)	(369)
Payments for liabilities of puttable instruments		(93)	(64)
Others		(174)	130
Net cash position	at the end of the period	5,489	3,961

* gross cash flow from operations, excl. working capital change

** excl. change in securities, consolidation changes

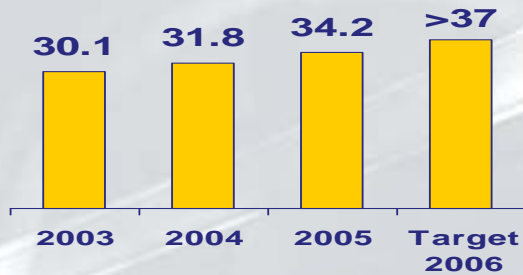
*** Adjusted by (€97m) for IFRIC 4

2006 Guidance

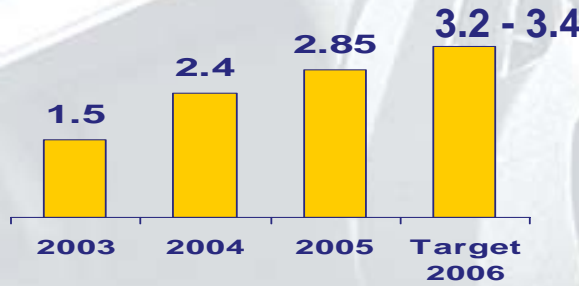


- Airbus deliveries in 2006: over 10% increase vs. 2005
- EADS EBIT* 2006 target between €3.2bn and €3.4bn
- EPS** between 2.35 € and 2.55 € per share
- Revenues above €37bn
- FCF pre-customer financing – still robust

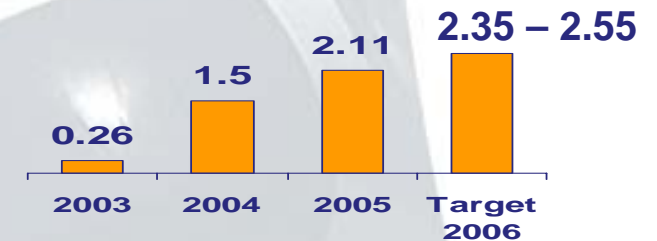
Revenues in €bn



EBIT* in €bn



EPS** in €

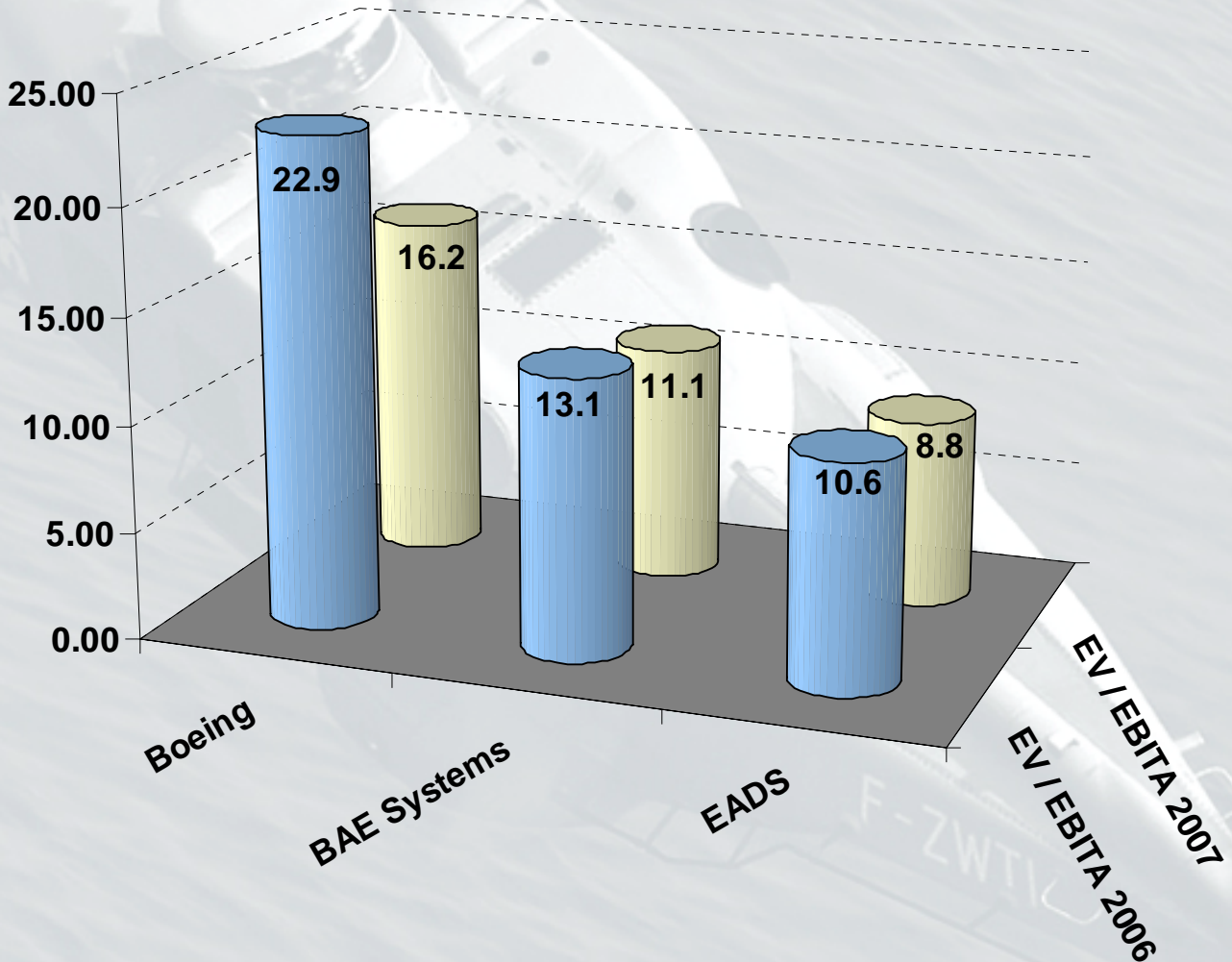


* pre goodwill impairment and exceptionals

** 2006 target based on €/\$ closing spot rate similar to 2005 one.

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Unprecedented Discount to Industry



Source UBS, 17 May 2006

Perceived Strengths & Weaknesses

Strengths

GROUP:

- Cash-flow generation
- Delivery on financial targets
- Transparency and reliability

AIRBUS:

- Strong financial performance
- Strong orderbook
- Strong product family (incl. A380)
- Cost saving programme

EC / DS / MTAD / SP / Others:

- Eurocopter commercial positioning
- Strong defence / space platforms
- Effective turn-around of Space
- Huge orderbook

Weaknesses

EXTERNAL & GROUP:

- US\$ Exposure
- Event risks (pandemic, terror, war)
- Sub-performing businesses

AIRBUS:

- Weakness in Long Range segment
- Pricing pressure?
- Exposure to cycle / downturn risk
- High R&D / Capex level

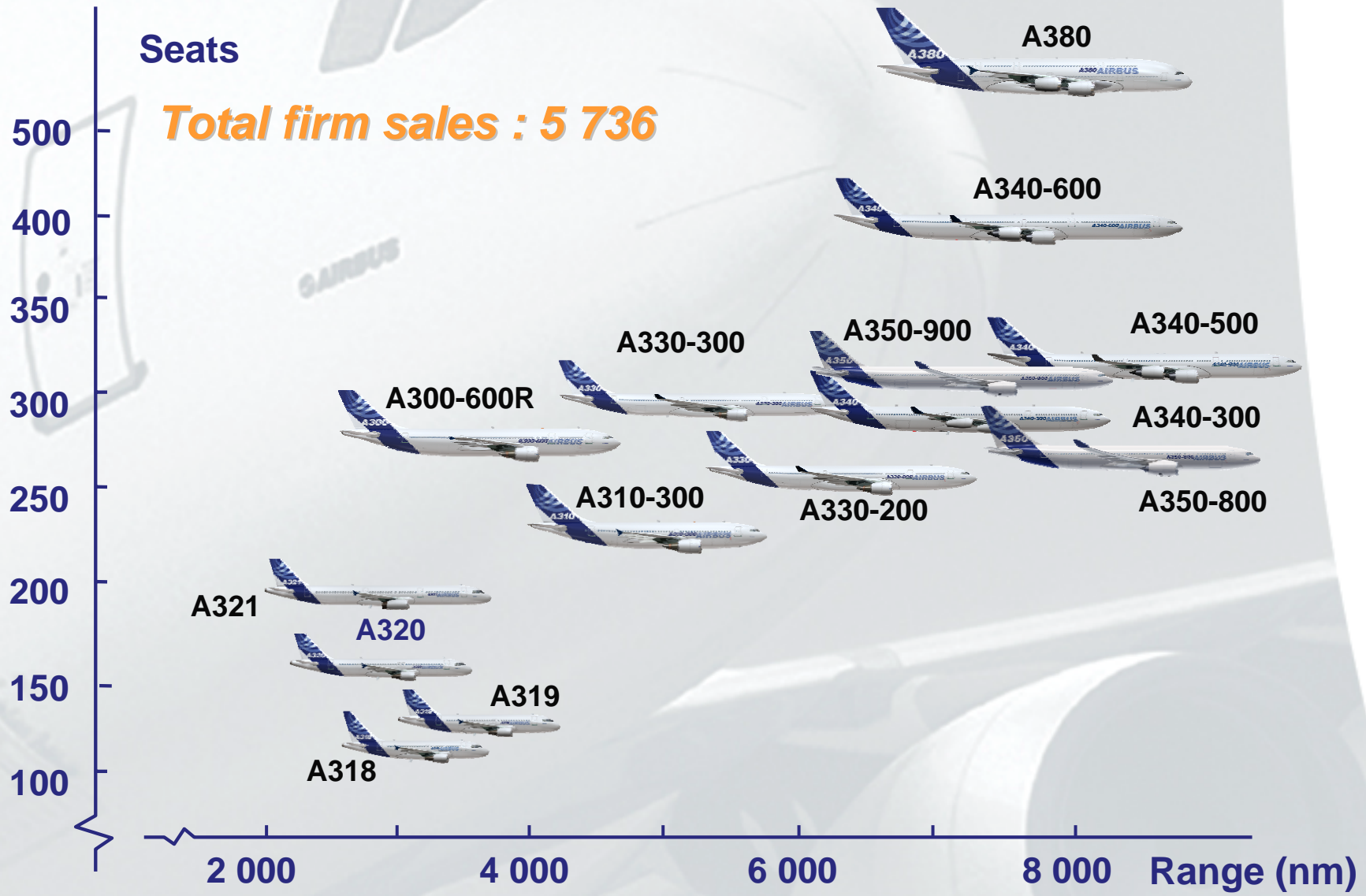
EC / DS / MTAD / SP / Others:

- Insufficient profitability
- Complex development programmes under Firm Fixed Prices

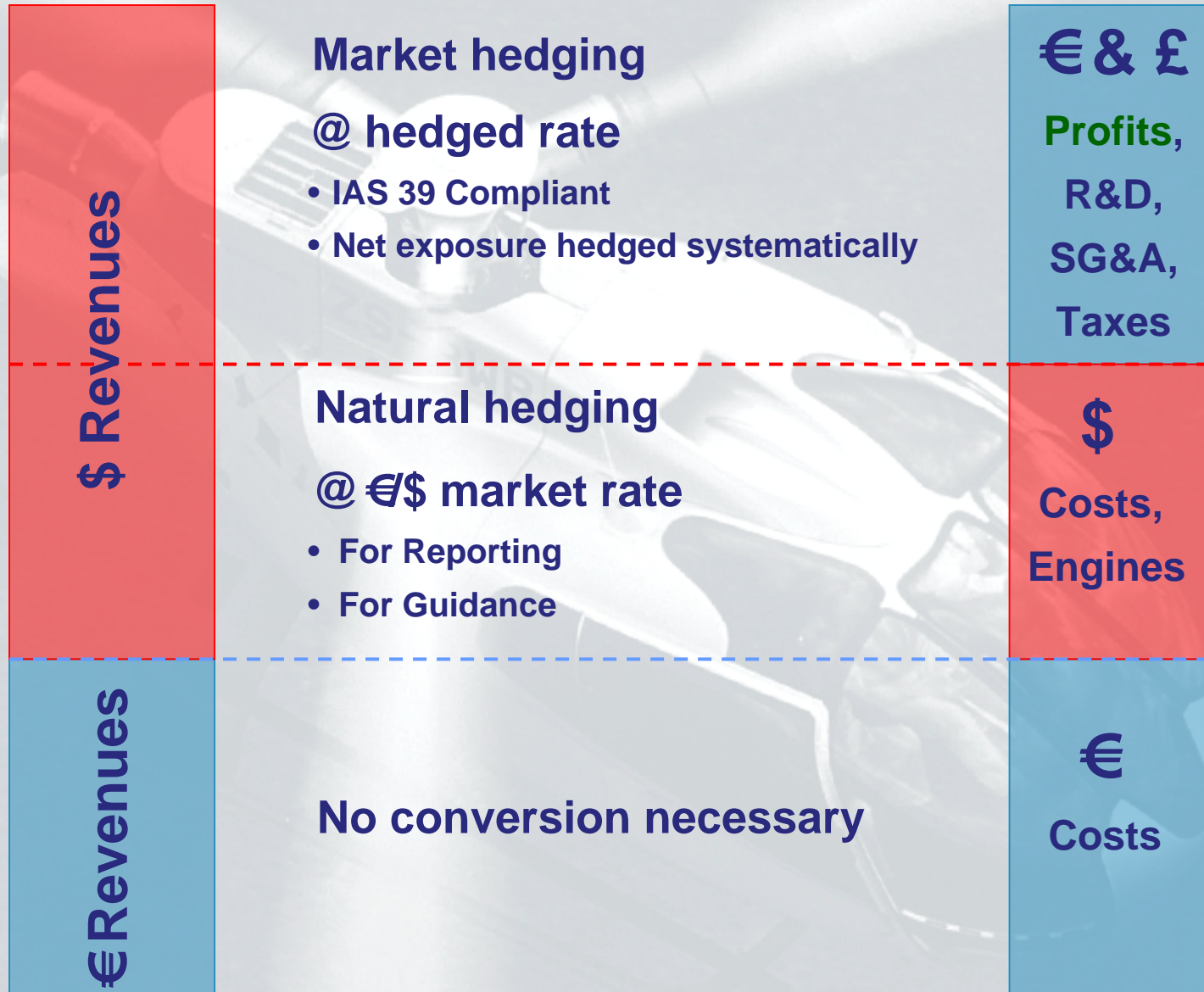
General:

- Execution issues / delays

The Airbus product line: A Key Asset... Evolving



Vulnerability to US\$ Weakness: Natural Hedging & Money Market Hedging

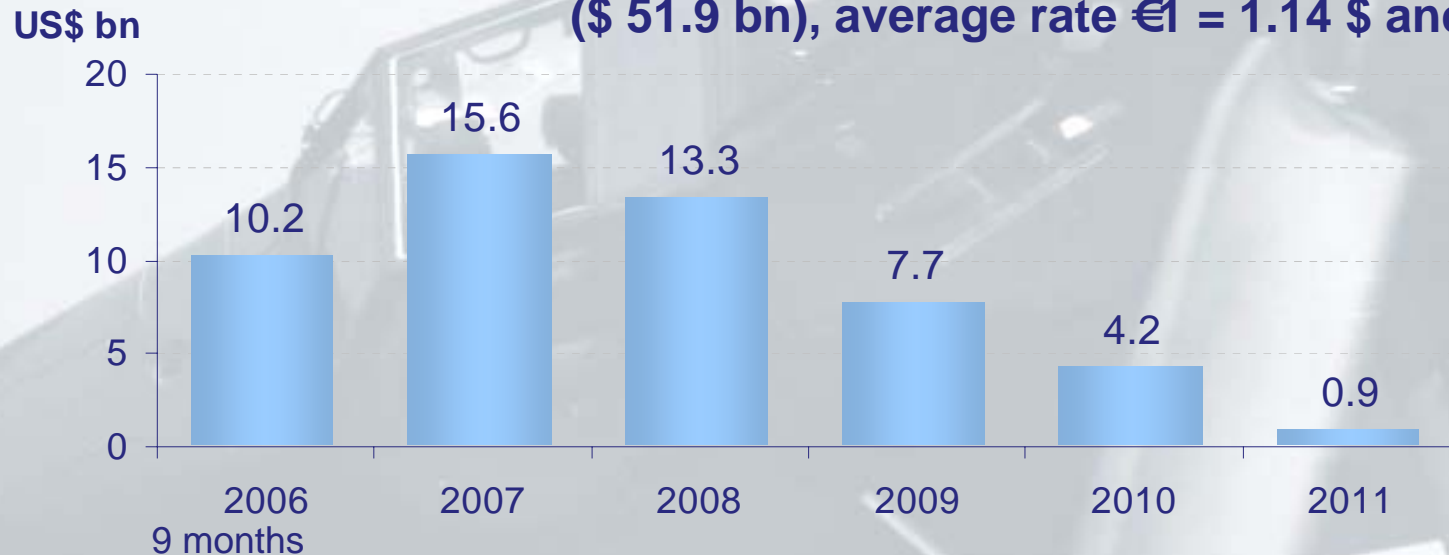


Hedge Policy



- Approx. half of EADS US\$ revenues naturally hedged by US\$ procurement.
- In Q1 matured hedges of \$ 3.5 bn at an average hedge rate of €1 = 1.09\$.

EADS hedge portfolio, 31st March 2006
 (\$ 51.9 bn), average rate €1 = 1.14 \$ and £1 = 1.59 \$



€ vs \$	1.12	1.14	1.14	1.16	1.21	1.22
£ vs \$	1.56	1.57	1.56	1.61	1.67	1.67

Mark-to-market value = €3.7 bn
 (excluding swap instruments)

Growth Drivers at Airbus



“Plateau” beyond 2008

- India
 - China
 - Middle East
 - US legacy carriers
 - Global Industrial Development
- } subject to
economy &
political stability

A380 ramp-up

- Progressive EBIT & cash contribution reflect learning curve
- A350 development : new segment in LR a/c

Ongoing cost initiatives

- Route06
- Leverage mindset & organization
- Hunt new cost saving pools

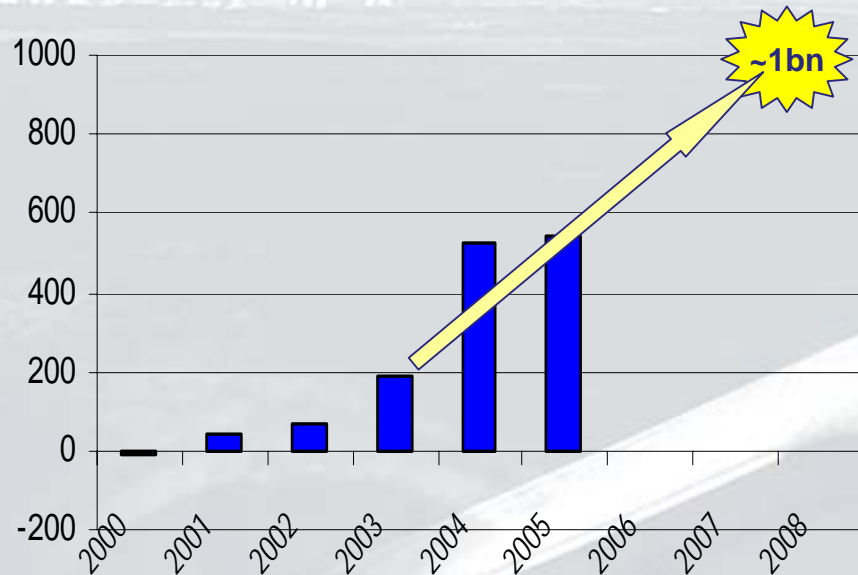


**Growth & savings counteract currency,
afford product & market investments**

Growth Outside of Airbus



EADS EBIT* ex-Airbus (€M)



Margin growth driven by:

- 25% top line growth 2005-2008
- Planned export orders
- Optimized cost structure
- Proactive portfolio management

Over and above plan

- Major US campaigns
- UK - Saudi Eurofighter and further exports
- A400M export opportunities

**Moving product developments ahead,
transitioning to production, diversifying into services**