We have what it takes.

The document is in the middle of the following address:
European Aeronautic Defense and Space Company EADS N.V.
P.O. Box 32008
2303 DA Leiden
The Netherlands

Please refer to www.eads.com for further information.
We have what it takes.
Our staff and pioneering technologies make EADS an aerospace and defence leader. Airbus consistently captures about half the market for passenger jets with 100 seats or more. Leveraging Airbus’ commercial expertise, Airbus Military develops special mission aircraft and is responsible for the A400M transport aircraft programme. Eurocopter is the world’s largest helicopter company. Astrium is the European leader in space programmes. Our Defence & Security Division is a major partner in the Eurofighter consortium, a stakeholder in the missile systems provider, MBDA, and also supplies comprehensive systems solutions. Our skilled engineers, scientists and managers provide cutting-edge technologies, scientific excellence and programme leadership that give the Group a competitive advantage, enabling us to design, build and service products that the world needs. EADS’ innovations foster economic growth, security and eco-efficiency, driving value for all our stakeholders.
REVENUES rose by 11% to €43.3 billion, reflecting strong top line growth Group-wide.

EBIT of €2.8 billion resulted from improvements across all Divisions.

NET CASH reached the unprecedented level of €9.2 billion, supported by better than expected free cash flow.

ORDER BOOK grew by 18% to a record of €400.2 billion. The remarkable €98.6 billion order intake underlined the attractiveness of EADS’ products.

EADS GROUP

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues ¹)</td>
<td>€m</td>
<td>43,265</td>
<td>39,123</td>
</tr>
<tr>
<td>EBIT * ¹)</td>
<td>€m</td>
<td>2,830</td>
<td>52</td>
</tr>
<tr>
<td>Net Income ²)</td>
<td>€m</td>
<td>1,572</td>
<td>-446</td>
</tr>
<tr>
<td>Earnings per share ²)</td>
<td>€</td>
<td>1.95</td>
<td>-0.56</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>€</td>
<td>0.20</td>
<td>0.12</td>
</tr>
<tr>
<td>Net cash position ³)</td>
<td>€m</td>
<td>9,193</td>
<td>7,024</td>
</tr>
<tr>
<td>Order intake ³)²)</td>
<td>€m</td>
<td>98,648</td>
<td>136,799</td>
</tr>
<tr>
<td>Order book ³)²)</td>
<td>€m</td>
<td>400,248</td>
<td>339,532</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td>118,349</td>
<td>116,493</td>
</tr>
</tbody>
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EADS AT A GLANCE 2008

STRONG 2008 RESULTS were supported by excellent underlying programme results and demonstrated resilience in the difficult global economic environment. EADS is in a robust position to face the crisis.

* Unless otherwise indicated, EBIT figures presented in this report are Earnings Before Interest and Taxes, pre-goodwill impairment and exceptionals.

¹) MBDA consolidated at 37.5% in 2008 and 2007, compared to 50% in 2006; figures of 2006 are not restated; to achieve a comparable basis, the following impacts of the consolidation change on 2006 figures have to be taken into account: €-418 million on Financial Year (FY) 2006 revenues, €-30 million on FY 2006 EBIT *, €-249 million on FY 2006 net cash position, €-329 million on FY 2006 order intake, €-1,691 million on FY 2006 order book.

²) EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity holders of the parent as defined by IFRS Rules.

³) To be proposed to the EADS Annual General Meeting 2009.

⁴) Contributions from commercial aircraft activities to EADS order intake and order book based on list prices.
AIRBUS is a leading commercial aircraft manufacturer. Its customer focus, commercial know-how, technological leadership and manufacturing efficiency consistently win it 40–60% of all orders for aircraft of 100 seats or more.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>27,453</td>
<td>25,216</td>
<td>+9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,790</td>
<td>-881</td>
<td>–</td>
</tr>
<tr>
<td>Order intake</td>
<td>82,041</td>
<td>117,323</td>
<td>-30%</td>
</tr>
<tr>
<td>Order book</td>
<td>344,818</td>
<td>283,829</td>
<td>+21%</td>
</tr>
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In number of aircraft

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</thead>
<tbody>
<tr>
<td>Deliveries</td>
<td>483</td>
<td>453</td>
<td>+7%</td>
</tr>
<tr>
<td>Order book</td>
<td>3,715</td>
<td>3,421</td>
<td>+9%</td>
</tr>
</tbody>
</table>

Leveraging Airbus’ commercial expertise, AIRBUS MILITARY (formerly Military Transport Aircraft) develops aircraft for military and security tasks, including in-flight refueling and maritime surveillance. Airbus Military is also responsible for the European heavy military transport A400M programme.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2,759</td>
<td>1,140</td>
<td>+142%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-16</td>
<td>-155</td>
<td>–</td>
</tr>
<tr>
<td>Order intake</td>
<td>5,083</td>
<td>784</td>
<td>+548%</td>
</tr>
<tr>
<td>Order book</td>
<td>22,269</td>
<td>19,932</td>
<td>+12%</td>
</tr>
</tbody>
</table>

EUROCOPTER is the world’s leading helicopter manufacturer. It captures more than 50% of sales for civil and parapublic helicopters and has a strongly growing military business.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>4,486</td>
<td>4,172</td>
<td>+8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>293</td>
<td>211</td>
<td>+39%</td>
</tr>
<tr>
<td>Order intake</td>
<td>4,855</td>
<td>6,584</td>
<td>-26%</td>
</tr>
<tr>
<td>Order book</td>
<td>13,824</td>
<td>13,455</td>
<td>+3%</td>
</tr>
</tbody>
</table>
ASTRIUM is Europe’s preeminent space group and the third largest worldwide. It is the leading European supplier of satellites, launchers and space services. It plays a key role in Europe’s institutional and military space programmes.

<table>
<thead>
<tr>
<th>(£ m)</th>
<th>2008</th>
<th>2007</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>4,289</td>
<td>3,550</td>
<td>+21%</td>
</tr>
<tr>
<td>EBIT</td>
<td>234</td>
<td>174</td>
<td>+34%</td>
</tr>
<tr>
<td>Order intake</td>
<td>3,294</td>
<td>4,492</td>
<td>-27%</td>
</tr>
<tr>
<td>Order book</td>
<td>11,035</td>
<td>12,895</td>
<td>-14%</td>
</tr>
</tbody>
</table>

DEFENCE & SECURITY is the main pole for EADS’ military and global security activities. It has a wide range of platforms, including EADS’ role in Eurofighter, missile systems, defence communication systems, defence electronics and services.

<table>
<thead>
<tr>
<th>(£ m)</th>
<th>2008*</th>
<th>2007*</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>5,668</td>
<td>5,392</td>
<td>+5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>408</td>
<td>345</td>
<td>+18%</td>
</tr>
<tr>
<td>Order intake</td>
<td>5,287</td>
<td>7,460</td>
<td>-29%</td>
</tr>
<tr>
<td>Order book</td>
<td>17,032</td>
<td>17,836</td>
<td>-5%</td>
</tr>
</tbody>
</table>

OTHER BUSINESSES This includes activities in turboprop aircraft, general aviation and freighter conversion, aerostructure and aircraft seats business as well as its activities managed in the US. The Business Units ATR, EADS EFW, EADS Sogerma, Socata and EADS North America fall within Other Businesses.

<table>
<thead>
<tr>
<th>(£ m)</th>
<th>2008*</th>
<th>2007*</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,528</td>
<td>1,407</td>
<td>+9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>80</td>
<td>84</td>
<td>-5%</td>
</tr>
<tr>
<td>Order intake</td>
<td>1,895</td>
<td>1,963</td>
<td>-3%</td>
</tr>
<tr>
<td>Order book</td>
<td>3,364</td>
<td>2,740</td>
<td>+23%</td>
</tr>
</tbody>
</table>

* As of 1 January 2008, the consolidation of EADS North America was changed by transferring parts from Defence & Security Division to Other Businesses. Nevertheless, the lead of material business elements remains within the respective Divisions. The figures for FY 2007 and 31 December 2007 are adjusted accordingly. In the full year of 2008, EADS North America’s revenues mainly include revenues linked to the prime contractorship of the LUH programme.
Airbus

**A380** Delivering the world’s most efficient aircraft

The new **A380** double-decker is the most spacious and efficient aircraft flying today. The aircraft has 525 seats and allows airlines to offer customers an unrivalled level of comfort. Conceived to bring airlines specific economic and environmental benefits, it increases capacity on long haul routes and lowers costs per passenger.

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**A320 family** The world’s most popular aircraft

This single-aisle plane is the best selling family of commercial jets ever. The **A320 family** responds to airlines’ needs for optimised cabin layouts, better baggage and cargo handling, maximum operational flexibility on short- and medium-haul routes and lower operating costs.

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**A350 XWB** Responding to airline demand

The **A350 XWB** (extra wide body) is Airbus’ newest aircraft and its response to demand for a medium-capacity, long-range, wide-body family. With a fuselage made largely of carbon fibre, its low weight cuts fuel costs and emissions. The wide body gives passengers greater comfort. Launched in 2006, the A350 XWB is still in development.

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**A330/A340** Providing versatility

The **A330/A340** family has the versatility for either regional routes or long-range flights. Its airframe comes in six different configurations, powered by two or four engines. The twin-engine A330 is designed to generate maximum revenue and to reduce operating costs on regional routes, while the four-engine A340 provides flexibility on long-range flights.
**AIRBUS MILITARY**

**A400M**  *Designed for demanding operations*

The **A400M** is designed to fulfil the most demanding operational requirements. Intended to replace ageing fleets of heavy transport aircraft in service with air forces around the world, it typically has more than twice their payload and volume.

**A330 MRTT**  *Innovative air-to-air refuelling*

The **A330 MRTT** (Multi-Role Tanker Transport) is the world’s leading air-to-air refuelling aircraft with a huge basic fuel capacity. It has been selected by air forces in Australia, the Middle East, the United Kingdom and the United States. Fuel is passed through an innovative fly-by-wire refuelling boom that delivers a larger refuelling envelope and gives better control than other systems. The aircraft is a derivative of the successful Airbus A330/A340 family.

**CN-235 | C-295**  *World-leading medium-weight transports*

The **CN-235** and **C-295** are medium-weight, twin-engine turboprop transport aircraft capable of operating from short and unpaved runways. They are world leaders in their category, having been sold to air forces all over the world.
EUROSTAR 3000  Carrying an enhanced payload
The Eurostar 3000 is a new-generation, modular geostationary telecommunications satellite that can accommodate enhanced payloads. As the latest version of the proven Eurostar series, it has a reputation for exceptional reliability and in-orbit performance. The Eurostar series is constantly being upgraded through development and integration of new technologies.

ARIANE 5  The next-generation launcher
Ariane 5 is a powerful heavy-lift satellite launcher. Its payload capacity of up to ten tonnes meets the evolving demands of both commercial and government markets. Since becoming operational in 2005, it has proved reliable and flexible.

SKYNET 5  Telecom service provider for armed forces
Skynet 5 is the world’s first commercial provider of military satellite communications. The programme will deliver secure communications to the UK armed forces up to at least 2020. The Skynet 5 contract is an innovative Private Finance Initiative scheme worth £3.6 billion.

COLUMBUS & ATV  Europe contributes to the International Space Station
The Columbus space laboratory and the unmanned Automated Transfer Vehicle (ATV) were successfully launched in early 2008.
MBDA  Delivering innovation and technological excellence

MBDA, the world’s largest missile company, has a record for innovation and technological excellence. The ASTER 30 SAMP/T, a next-generation medium range surface-to-air missile, is among the most modern missile systems. The Meteor is a next-generation air-to-air missile with a range exceeding 100 kilometres and a speed of more than Mach 4.

EUROFIGHTER  The most modern combat aircraft

Eurofighter is the most modern multi-role combat aircraft currently in production. Optimised for complex air-to-air and air-to-surface combat operations, it is network-enabled and extremely agile. It has a strong order book in Europe, where deliveries are in progress. Bidding processes are under way with India, Greece and Switzerland.

UAV  Surveying the enemy

In the field of Unmanned Aerial Vehicles (UAVs), EADS Defence & Security (DS) is the only European supplier able to provide both large and small systems. In 2008, work on the risk reduction study for the Advanced UAV continued with identification of France, Germany and Spain’s capability requirements for an intelligence, surveillance and reconnaissance system. DS also delivered to the French Air Force the medium-altitude, long-endurance SIDM UAV, which is now in service in Afghanistan.

SECURITY SOLUTIONS  Managing security threats

Threats to security are an increasingly global phenomenon. Their varying nature, and the different security organisations involved, demands integrated security solutions. EADS Defence & Security (DS) delivers integrated systems for border security, maritime security, crisis and emergency response, as well as for the protection of infrastructure and populations. Furthermore, DS Professional Mobile Radio (PMR) solutions enable security organisations to communicate effectively, reliably and securely.
EC225/725  Effectively applying technology
The EC225/725 brings Eurocopter’s latest rotor and all-weather technology to the 11-ton helicopter class. The EC225 flies for offshore oil and gas facilities, governmental VIPs, and search and rescue services. Its military twin, the EC725, is in service with the French Army and Air Force. Technology reduces rotor operating and maintenance costs, while enabling flying in icy conditions.

ECUREUIL FAMILY  A high-performance helicopter
The Ecureuil family, which carries up to seven passengers, is renowned for its high performance, safety and low operating costs. Extensive use of composites, significant load-carrying capacity and a roomy cabin give it the flexibility to be used both as a utility helicopter and for ferrying passengers.

NH90  Pioneering multi-role helicopter
The NH90 medium-weight, multi-role military helicopter has state-of-the-art in rotary wing and mission systems technology. It has two basic variants, the Tactical Transport Helicopter and NATO Frigate Helicopter.

EC135 and EC145  Matching innovation to customer needs
The EC135 and EC145 light twin-engine, multi-mission helicopters are made from the latest carbon fibre technologies. They have bearingless main rotors and innovative tail rotor systems designed to ensure outstanding manoeuvrability, as well as an exceptionally quiet and smooth ride. Variations have been designed specifically for VIPs, as well as rescue and police work.
Other Businesses

**ATR** The answer for regional routes

The ATR family of turboprop aircraft can land on short runways and burns relatively little fuel. At the family’s core are the 50-seater ATR 42-500, which entered service in 1995, and the stretched 70-seater ATR 72-500 version, which followed in 1997. They fly regional routes with low passenger per kilometre costs and proven reliability.

**EFW** Freighers with Airbus advantages

**EFW** (Elbe Flugzeugwerke GmbH) is EADS’ centre of competence for converting Airbus passenger aircraft into freighters. The freighters have all the advantages of commonality and fly-by-wire controls associated with Airbus aircraft.

**EADS NORTH AMERICA**

EADS North America is a growing US aerospace and defence company, contributing more than US$ 10 billion to the local economy annually. Among other programmes, it is supplying the US Army’s new UH-72A Light Utility Helicopter.

**TIGER** Battlefield efficiency

The Tiger is a medium-weight air-to-air combat and fire support helicopter, fitted with twin engines. It is difficult to detect on the battlefield – visually, by radar or infrared. Weapons and associated fire control systems are designed for maximum efficiency.
1 FEBRUARY  A380 starts alternative fuel tests
The Airbus A380 completed the world’s first ever flight by a commercial aircraft using a liquid fuel processed from gas. This three-hour flight between Filton in the UK and Toulouse in France was the first stage of a test programme to evaluate the environmental impact of alternative fuels.

7 FEBRUARY  Europe’s space laboratory lifts off
Carried by the US space shuttle Atlantis, the Columbus laboratory – Europe’s contribution to the International Space Station – entered the Earth’s orbit. Built by Astrium for the European Space Agency, Columbus brings a new dimension to research in space.

24 FEBRUARY  Eurocopter unveils the new EC175
The EC175, Eurocopter’s new 7-ton civil helicopter, was launched at Heli-Expo 2008. A joint programme with China’s Harbin Aviation Industry Group, the EC175 deploys the latest technology and is designed to customer requirements. The maiden flight is scheduled for 2009 and European Aviation Safety Agency-type certification is expected for 2011.

27 MARCH  EADS-led AirTanker signs UK contract
AirTanker, the EADS-led consortium, signed a 27-year contract with the UK Ministry of Defence to provide an air refuelling capability for the Royal Air Force. From 2011, the Future Strategic Tanker Aircraft programme will deliver fuel by way of 14 new tanker aircraft, based on the Airbus A330-200.

22 APRIL  EADS North America acquires PlantCML
EADS announced the acquisition of California-based PlantCML, a leading provider of emergency response solutions and services in North America. The acquisition gave EADS’ fast-growing PMR business access to the US market.

26 JUNE  First A400M military transport rolls out
The first A400M airframe departed its final assembly line in Seville in June 2008, at a ceremony presided over by His Majesty Juan Carlos I, King of Spain.

17 JULY  Airbus announces orders exceeding US$ 40 billion at Farnborough Air Show
At the Farnborough Air Show, based in the UK, Airbus revealed transactions covering 256 aircraft, valued at US$ 40.5 billion. These included firm orders for 247 aircraft and nine commitments. Orders from DAE Capital and Etihad Airways in the Middle East dominated.

28 SEPTEMBER  Airbus inaugurates Chinese final assembly line
Airbus officially opened its first final assembly line outside Europe in Tjanjin, China, at a ceremony attended by Chinese Premier Wen Jiabao and Airbus CEO Tom Enders. The Airbus A320 family final assembly line, a joint venture between Airbus and a Chinese consortium, is set to deliver its first aircraft in mid-2009.

29 SEPTEMBER  Europe’s Jules Verne mission accomplished
The Jules Verne Automated Transfer Vehicle (ATV), which docked with the International Space Station (ISS) in April, successfully completed its final manoeuvres and disintegrated in the upper layers of the atmosphere over the South Pacific as planned. Designed and built by Astrium on behalf of the European Space Agency, the ATV had delivered supplies to the ISS.

25 OCTOBER  First anniversary of A380’s entry into service
The A380 celebrated the first anniversary of its entry into service. By the end of 2008, 13 aircraft had been delivered to Singapore Airlines, Qantas and Emirates. At this date, the in-service A380 fleet had flown more than 2,200 commercial flights, carrying almost 1,000,000 passengers and accumulating 21,000 revenue flight hours.

16 DECEMBER  50th UH-72A helicopter delivered
EADS North America delivered the 50th UH-72A Lakota Light Utility Helicopter to the US Army. Following its entry into service in 2007, the UH-72A’s excellent performance and reliability has attracted interest from other US military services. The US Navy has ordered five additional UH-72A.

23 DECEMBER  Brazil signs historic helicopter contract
The Brazilian government ordered 50 EC725 helicopters from a consortium formed by Eurocopter and its Brazilian subsidiary Helibras. The 11-ton helicopter will enable Brazil’s armed forces to perform an extremely wide range of missions.
2008 WAS A ROLLERCOASTER RIDE FOR EADS SHARES AS THE ECONOMIC SLOWDOWN HIT EQUITY MARKETS.

Investors focused primarily on two key drivers of EADS’ performance. Firstly, the Euro/US Dollar exchange rate and, secondly, the impact of the slowdown on Airbus through order deferrals, cancellations and customer financing requirements. Other influences included the volatile oil price (the price fell 74% from its July peak) and difficulties with major programmes (A400M development and A380 ramp-up). Even so, EADS’ solid cash flow, net cash position and strong order book were viewed as providing resilience.

On 31 December, EADS’ share price closed at €12.03, 45% lower than year end 2007, tracking the 43% fall of the CAC 40 index.
PROFILE

ISIN code NL0000235190
Number of shares as of 31 December 2008: 814,769,112
High in 2008 on Paris Stock Market: € 21.35 on 2 January
Low in 2008 on Paris Stock Market: € 9.55 on 16 October

Shareholder structure as of 31 March 2009

- 22.50% Sogeade (Lagardère and French state holding company Sogepa)
- 22.50% Daimler*
- 5.49% SEPI (Spanish state holding company)
- 0.39% Treasury shares (without economic or voting rights)
- 49.12% Institutional, retail and employee ownership plus shares held out of the contractual partnership by the French state

* On 9 February 2007, Daimler reached an agreement with a consortium of private and public-sector investors by which it effectively reduced its shareholding in EADS by 7.5%, while retaining its voting rights over the entire 22.5% package of EADS shares.

Please refer to www.eads.com for further information.
EADS in North America is a supplier and industrial partner to US defence and homeland security, commercial aviation, telecommunications and services. It has been selected to provide major equipment programmes for the Army and the Coast Guard. EADS sources significant, and growing, volumes of engines, systems and equipment in North America, building on the local aerospace industry’s expertise.

EADS leverages Europe’s capabilities and competitiveness. Transforming Airbus is renewing the spirit of European aerospace, while the ramp-up of defence programmes is supporting growth. Additionally, EADS is expanding its cooperation with Russia. Sourcing relationships have grown over decades particularly in EADS’ home countries, taking advantage of the well-established European aerospace industry and covering all areas and materials.

Within the Asia-Pacific region, countries like China, India and South Korea are a high priority. In joint projects such as the EC175, the KHP helicopter development or the set-up in China of an A320 family final assembly line, EADS has teamed with highly qualified local partners combining industrial capabilities with market know-how. EADS has to be a committed citizen in these markets to participate in their medium-term growth.
The Middle East is becoming a key market for EADS. Divisions have either consolidated their presence or made significant breakthroughs in new fields such as border surveillance or air-to-air refuelling aircraft. In commercial aircraft, almost all the region’s major carriers have chosen to grow and modernise their fleets with Airbus. These are important customers for the A380 and the A350 XWB.

Widespread business successes in other growth regions provide the basis for EADS’ further internationalisation. All sourcing efforts are designed to open up the most attractive markets and to develop the Group’s industrial base. Latin America is a dynamic economic region offering numerous commercial and industrial opportunities for all of EADS’ activities. South Africa is a partner in the A400M programme.
The Board actively shapes the Group’s mission and strategic priorities, which are implemented under the leadership of the Chief Executive Officer (CEO), who provides the impetus for major operational initiatives. Group Functions and the Divisions operate under the leadership of the CEO.
The four Divisions – Airbus, Eurocopter, Astrium and Defence & Security – serve the specific needs of their respective customers, while the Group functions enhance the Company offering through information exchange, technology sharing and working practice synergies.

1) responsible as Executive Committee member of a permanent Group-wide mission to ensure EADS enhanced operational performance.

2) 100% EADS owned, management delegated to Airbus.

3) until 30 April 2009; successor to be nominated by the shareholders of Eurofighter GmbH.
We have what it takes.
Shareholder Information

FINANCIAL CALENDAR:

Full Year 2008 results release: 10 March 2009

First Quarter 2009 results release: 12 May 2009

Annual General Meeting: 27 May 2009, Amsterdam, The Netherlands

Shareholders’ Information meeting: 25 June 2009, Paris, France

First Half 2009 results release: End of July 2009

Nine-Month 2009 results release: Mid November 2009

INVESTOR RELATIONS CONTACT:

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Germany: 00 800 00 02 2002
Spain: 00 800 00 02 2002

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An e-mailbox is dedicated to answering shareholders’ enquiries:
ir@eads.com

Visit our website at:
www.eads.com

We are a leading participant in a market that is important for the future. This world needs aerospace and defence for successful and secure living, for the development of our societies, for economic growth. We set standards in quality and innovation. We develop products and technologies for a cleaner, and safer, world.
“The Board is committed to helping management improve EADS’ long-term value”

Rüdiger Grube
DEAR SHAREHOLDERS,

Over the past year, the far-reaching governance decisions taken in 2007 have started to pay off. EADS has gained in focus, unity and efficiency. The 2008 financial results reflect not only the strength of our underlying business performance, but also the progress achieved in terms of accountability and strategic direction. All in all, it is fair to say that EADS has regained traction. On behalf of the entire Board of Directors, let me thank everyone who contributed to last year’s outstanding commercial successes and restored profitability.

Yet, although the results achieved in 2008 are very positive, they are now behind us and we need to address today’s challenges. The results show our resilience in the face of the macroeconomic uncertainties that characterise the present and will persist for some time. Difficult times call for prudent investment decisions as well as continuous efforts to increase operational efficiency. In this context, the Board of Directors is closely monitoring the development and execution of EADS’ key programmes. As always, the Board is committed to helping management improve EADS’ long-term value.

Notably, over the past year, the Group’s management has started to implement the Group-wide strategic roadmap called Vision 2020, launched by our Chief Executive Officer (CEO) Louis Gallois in late 2007. Today’s economic environment also underlines the importance of Airbus’ Power8 efficiency programme and the recently launched “Future EADS” integration and change project. The Board entirely supports our experienced CEO’s implementation of these timely initiatives and receives regular progress reports.

To sustain EADS’ global competitiveness and reinforce the Group’s high ethical and compliance standards, the Board has established a dedicated compliance organisation with responsibility for the entire Group. A Chief Compliance Officer has been nominated by the Board. As a key measure, he is introducing a system designed to alert him to compliance breaches. The Audit Committee is supervising his implementation of the EADS Compliance Programme.

The Board conducted a self-evaluation in 2008, which concluded that it is satisfied with its ability to co-operate and to fulfil its duties in the best interest of EADS. Playing to their respective strengths, all of the Directors have made vital contributions to analysing the effects of the economic turbulence and financial crisis. I am convinced that the Board’s wider set of skills and experience brings greater insight and enables us to consider situations from different perspectives.

While we share management’s conviction that EADS is poised to grow further and become a truly global industry leader, as envisaged in Vision 2020, the Board decided in 2008 to slow down the Company’s Mergers and Acquisitions (M&A) plans temporarily, insisting that cash conservation is more important at a time when future market visibility is low.

Prudence is currently of the utmost importance. Even so, the improved operational performance and the Group’s strong cash flow lifted earnings per share to €1.95, enabling the Board to propose an increased dividend of €0.20 to the Annual General Meeting. This recognises your loyalty while demonstrating our confidence in the Group’s medium-term solidity and long-term outlook. I am sure that EADS will master the enormous challenges ahead, thanks to our highly motivated employees and management.

Rüdiger Grube  
Chairman of the Board

BODO UEBBER succeeded Rüdiger Grube as Chairman of the Board of Directors with effect as of 14 April 2009 when Mr Grube resigned due to his new responsibility as CEO of Deutsche Bahn.
Mr Arnaud Lagardère has been General Partner and Chief Executive Officer of Lagardère since 2003. He has been Managing Partner of Lagardère SCA since 1998. He joined Lagardère in 1990 as advisor to the Chairman of the Board of Management of Daimler AG. He previously held various financial positions within Dasa AG, Dornier Luftfahrt and MTU Aero Engines GmbH. Mr Uebber graduated in engineering and economics at the Technical University of Karlsruhe.

Mr Louis Gallois has been Chief Executive Officer (CEO) of EADS since August 2007, after having been Co-CEO of EADS, and President and CEO of Airbus since 2006. Previously, he served successively as Chairman and CEO of SNECMA, Chairman and CEO of Aerospatiale and Chairman of SNCF: Earlier in his career, he held positions in the French Ministry of Economy and Finance, the Ministry of Research and Industry, and the Ministry of Defence. Mr Gallois graduated from the École des Hautes Études Commerciales in economic sciences and is an alumnus of the École Nationale d’Administration.

Mr Rolf Bartke is Chairman of Kuka AG. He was Head of the vans business unit at DaimlerChrysler AG from 1995 to 2006. Previously, he was Mercedes Benz’s Managing Director in the fields of commercial vehicle planning and projects, commercial vehicle development, marketing and sales planning for Unimog and MB-trac. He started his career in 1976 as Managing Director of commercial agents of Unomat GmbH in Düsseldorf. Mr Bartke holds a PhD in industrial engineering from the University of Karlsruhe.

Mr Dominique D’Hinnin has been Chief Financial Officer (CFO) of Lagardère SCA since 1998. He joined Lagardère in 1990 as advisor to the Chairman of the Finance Committee of the Group. After that, he held different positions within the Group, first being appointed as Internal Audit Manager, and then CFO of Hachette Live in 1993, before being appointed Executive Vice President of Grolier Inc. in the United States. Mr D’Hinnin is an alumnus of the École Normale Supérieure and is an Inspecteur des Finances.

Mr Juan Manuel Eguiagaray Ucelay is Director of Studies at the Madrid-based think tank Fundación Alternativas. Formerly Spain’s Minister for Public Administration, Management of Daimler Services AG, as well as Deputy Member of the Board of Management of Daimler AG. He previously held various financial positions within Dasa AG, Dornier Luftfahrt and MTU Aero Engines GmbH. Mr Uebber graduated in engineering and economics at the Technical University of Karlsruhe.

Mr Michel Pébereau has been BNP Paribas’s Chairman of the Board since 2003. He presided over the merger that created BNP Paribas in 2000, becoming Chairman and Chief Executive Officer (CEO). In 1999 he was appointed Chairman and CEO of the Banque Nationale de Paris and privatised it. Previously, he was Chairman and CEO of the Crédit Commercial de France. He started his career in 1967 at the Inspection Générale des Finances. In 1970 he joined the French Treasury where he held various high ranking posts. Mr Pébereau is an alumnus of the École Nationale d’Administration and of the École Polytechnique.

Mr Wilfried Porth has been a Member of the Board of Management of Daimler AG since April 2009. He is currently responsible for Human Resources and for the Labour relations of the company. Since 2006, he was Executive Vice President, MB Van and prior to that was Chief Executive Officer of Mitsubishi Fuso Truck & Bus Corp. He previously held various engineering and management positions within the Daimler Group, including several years’ experience abroad. Mr Porth graduated in engineering at the University of Stuttgart.

Mr Hermann-Josef Lamberti has been a Member of the Management Board of Deutsche Bank AG since 1999 and is the bank’s Chief Operating Officer. From 1985, he held various management positions within IBM, working in Europe and the United States, in the fields of controlling, internal application development, sales, personal software, marketing and brand management. In 1997, he was appointed Chairman of the Management of IBM Germany. He started his career in 1982 with Touche Ross in Toronto, before joining the Chemical Bank in Frankfurt. Mr Lamberti studied business administration at the Universities of Cologne and Dublin, and graduated with a Master’s degree.

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BOARD MEETINGS
The Board met nine times during 2008. The Chief Executive Officer kept it regularly informed of developments through business reports, including rolling forecasts as well as strategic and operational plans. Average attendance at the meetings was 80%.

Board members were informed, debated and reached decisions about the following topics: strategy (M&A matters, competitive environment); operational issues such as the A380 and the A400M recovery efforts; implementation of the “Future EADS” and Power8 Plus efficiency programmes; the A350 development progress; regular updates on other programmes; approval of budget and operational plans; reorganisation issues; Group financial results and forecasts; and creation of a new compliance organisation.

The Board also dealt with human resources, including management qualification, targets, performance and remuneration.
From a structural perspective, the Board supported decisions to streamline the Group (merger of Military Transport Aircraft Division and of Airbus, under the name of Airbus Military; co-ordination between the Astrium and Defence & Security Divisions to achieve technical and commercial synergies).

Finally, the Board debated the impacts of the financial and economic crisis on EADS.

**ASSESSMENT OF THE BOARD’S PERFORMANCE**

The 2008 self-assessment of the Board was conducted internally, based on individual discussions with each director, exploring the Board’s role and its effectiveness. The Board was generally satisfied with its ability to work as a team and to tackle topics in EADS’ best interests. It felt that, as a body, it had matured through its first year of operation, particularly when dealing with issues related to the crisis. The diversity of the skill set and experience, and the focus on the agenda, were considered to be the most tangible improvements. The findings will be further discussed and proposals to improve the focus of information and the articulation of committees with the Board will be made. Continuous improvement in governance and management will remain a priority.

**THE AUDIT COMMITTEE**

The Audit Committee met five times in 2008, with an average 75% attendance. It evaluated EADS’ 2007 results, the 2008 half-year results, the quarterly financial reviews and topics like enterprise risk management and compliance.

**THE REMUNERATION AND NOMINATION COMMITTEE**

The Remuneration and Nomination Committee met four times in 2008, with a 94% average attendance. In addition to making recommendations to the Board for major Group appointments, the Committee reviewed compensation policy (including pension schemes), 2007 performance and variable pay, the long-term incentive plan and the 2008/2009 employee share ownership plan. It also conducted the Executive Committee members’ 2008 salary review.

**THE STRATEGIC COMMITTEE**

The Strategic Committee met four times in 2008. In addition to approving the Strategic Committee Charter, it monitored the implementation of the Group’s Vision 2020 strategic roadmap, screened share price movements, made recommendations to the Board on M&A projects and reviewed the Power8 Plus programme and European consolidation process.

For more detailed information, please refer to the Corporate Governance section at: [www.eads.com](http://www.eads.com) or to the REGISTRATION DOCUMENT 2008.
“Our Group is geared towards crafting a long-term perspective of global leadership”

Louis Gallois
To improve our programme management efficiency, we have integrated the Military Transport Aircraft Division into Airbus. This is an important step within our “Future EADS” integration programme. The recently launched initiative is creating a leaner organisation, building on the transformation drive initiated two years ago to strengthen profitability and organisational effectiveness.

Within the framework of Power8, more than half of the targeted savings of €2.1 billion by 2010 have already been confirmed. Additionally, we have launched Power8 Plus, targeting €1 billion savings in 2012 at Group level. I believe that what we have learned in redesigning our Company in the past years will help us to weather the current downturn and to forge a more integrated, more efficient, more effective EADS. We are better prepared than ever to face the challenges of the next few years.

Our Group is – and has been since its creation – geared towards crafting a long-term perspective of global competitiveness, employment, and technological leadership. That is why our ambitious R&D investment level is growing, despite the crisis. We are preparing for the future with prudence, but mindful of the overarching responsibility this Company has for providing mobility, advancing security, fostering sustainability and achieving technological breakthroughs. I look beyond the current crisis with confidence. And because EADS is now more resilient and more efficient, the crisis could be an opportunity to become even stronger. I believe in what this Company, its management and employees can achieve. EADS, for all these reasons, is a valuable enterprise.

Louis Gallois
Chief Executive Officer
THE EXECUTIVE COMMITTEE

LOUIS GALLOIS
Chief Executive Officer (CEO)
Mr Gallois was appointed in August 2007, having been Co-CEO of EADS and Head of Airbus since 2006. He spent almost 20 years working for various French Ministries, and was then Chairman and CEO of SNECMA, Chairman and CEO of Aerospatiale and Chairman of SNCF. He graduated from École des Hautes Études Commerciales and is an alumnus of École Nationale d’Administration.

HANS PETER RING
Chief Financial Officer (CFO)
Mr Ring was appointed EADS CFO in 2002, Chief Operating Officer in 2005 and Airbus CFO (in a dual role) in 2007. In 1996, he was made Senior Vice President of Controlling at Dasa and subsequently at EADS. From 1992, he was CFO and Board member of Dornier Luftfahrt. He holds a degree in Business Administration from the University of Erlangen-Nuremberg.

THOMAS ENDERS
Head of Airbus
Mr Enders was appointed in August 2007. From 2005 to 2007, he was Co-CEO of EADS and from 2000 to 2005, Head of the EADS Defence and Security Systems Division. Prior to that, he was Director Corporate Development and Technology at Dasa, having joined Dasa in 1991. Mr Enders holds a Doctorate degree from the University of Bonn.

STEFAN ZOLLER
Head of Defence & Security
Mr Zoller was appointed in 2005, having held top management positions within the Division since 2000. Previously, he held various management positions within Dasa, DaimlerChrysler, Dornier and Senstar/Canada. Mr Zoller graduated from the University Tübingen with a PhD.

FABRICE BRÉGIER
Airbus Chief Operating Officer (COO) and Head of EADS Operational Performance
Mr Brégier was appointed Airbus COO in 2006, with additional responsibility for EADS operational performance. He became President and Chief Executive Officer (CEO) of Eurocopter in 2003. Previously, he was CEO of MBDA. He joined Matra Défense in 1993 as Chairman of the Apache MAW and Eurodrone GIEs. He is an alumnus of Ecole Polytechnique and Ecole des Mines.

RALPH D. CROSBY JR.
Head of EADS North America
Mr Crosby has been Chairman and Head of EADS North America since 2002. He serves on the supervisory boards of American Electric Power and the Ducommun Corporation. Mr Crosby holds degrees from the US Military Academy, the Graduate Institute of International Studies in Geneva and Harvard University.
**FRANÇOIS AUQUE**  
Head of Astrium, Coordination Space and Defence  
Mr Auque was appointed in 2000. He was previously Chief Financial Officer (CFO) of Aérospatiale and Managing Director for satellites. He spent his earlier career with the Suez Group and the French Cour des Comptes. Mr Auque graduated from École des Hautes Études Commerciales, Institut d’Études Politiques and is an alumnus of École Nationale d’Administration.

**JEAN BOTTI**  
Chief Technical Officer (CTO)  
Mr Botti was appointed in 2006. He joined EADS from General Motors, where he was Chief Technologist and then Business Line Executive of the Delphi Powertrain business. He started his career in 1978 as product engineer for Renault. Mr Botti holds a degree from INSA Toulouse, an MBA from Central Michigan University, a PhD from the Conservatoire des Arts et Métiers and is an SAE fellow.

**MARWAN LAHOUD**  
Chief Strategy and Marketing Officer  
Mr Lahoud was appointed in June 2007. Previously, he was CEO of MBDA. He worked for Aérospatiale on its merger with Matra and on the foundation of EADS. Within EADS, he served as Senior Vice President of Mergers & Acquisitions. Mr Lahoud is an alumnus of École Polytechnique and graduated from the École Nationale Supérieure de l’Aéronautique et de l’Espace.

**LUTZ BERTLING**  
Head of Eurocopter  
Mr Bertling was appointed in 2006, following a year as CEO of Eurocopter Deutschland. He joined Eurocopter in 2003 as Head of Governmental Programs, coming from the Defence & Security Division. Previously, he held various positions at DaimlerChrysler Rail Systems and Braunschweig University. He earned a PhD in Engineering at Braunschweig University.

**DOMINGO UREÑA-RASO**  
Head of Airbus Military  
Mr Ureña-Raso was appointed in February 2009. He was previously in charge of the Power8 and “Future EADS” programmes. From 1989 on, he held various positions at CASA, EADS PZL, the Defence & Security and Airbus Divisions and other companies. Mr Ureña-Raso holds degrees from the Polytechnic University of Madrid, from ESSEC in Paris and has an MBA from the International Board of Social Sciences (UNESCO).

**JUSSI ITÄVUORI**  
Head of Human Resources  
Mr Itävuori joined EADS in 2001 and became a member of the Executive Committee in 2003. Prior to that, he had worked for KONE Corporation, where he began in 1982 and was appointed Head of Human Resources and a member of the Executive Committee of KONE Corporation in 1995. Mr Itävuori graduated from the Vaasa School of Economics, Finland, and served as an air force pilot.
As EADS’ CFO, how do you view the 2008 results?
We are proud of this year’s strong results and, in particular, of the healthy cash position we have established through a lot of hard work by the teams in all our Divisions. We have certainly delivered on our promises in the defence, space and helicopter businesses. We do not think everything is perfect, however. We realise that the A400M, and also still the A380, need a lot of care and attention before they are running according to plan.

OK, these are good results but they relate to the past. What about the challenges EADS is facing now?
Let’s look into 2009 and the following years. The challenges we face are certainly motivating us to succeed.
There is a mismatch between the top-down macroeconomic scenario and the bottom-up position of our order backlog at the end of 2008. To understand this, we are closely following the macroeconomic and air traffic developments while micro-managing our delivery positions through close contact with airlines. From what we learn, we will make proactive decisions about production rates.

To what extent would you say EADS’ efficiency drive will help you to weather the economic storm in the short term?
We are developing a more integrated group, which is not easy, but EADS is making real progress! With Power8 we launched a reorganisation and integration process at Airbus that we have now spread to the entire Group with Power8 Plus. As a second step, we are improving the integration of the Group and its support functions, which is why we have launched “Future EADS”.
From my perspective, improved integration is a significant enabler of financial performance.
How will Finance contribute to the development of long-term efficiency in the Group?

I would say that a large part of my team’s job is active performance and cash management. Both of these functions have a part to play in the efficiency and cost saving drives just mentioned. Active performance management means our daily job is to engage with the Divisions to identify and realise value creation opportunities, so that we deliver on our targets and, more strategically, on the goals of Vision 2020. Every one of Vision 2020’s major goals has a performance metric attached. Wherever possible, we need to measure ourselves relative to the performance of our peers, which means permanent benchmarking.

Regarding integration, how will you work constructively with the Divisions?

Every aspect of Vision 2020’s implementation requires active partnership with the Divisions. We don’t want to inhibit the commercial creativity of our sales and programme networks. But it is clear that Finance must actively ensure that new contracts anticipate and minimise the performance risk to EADS. This requires asking the right questions, setting realistic performance criteria and sharing responsibility with our customers and suppliers. The avoidance of fixed price contracts is an important element here.

We have decided, therefore, to create a more integrated process which, firstly, links corporate finance directly to the CFOs at the respective Business Units in a continuous feedback loop; secondly, links Vision 2020’s strategic ambitions to operative actions; and, additionally, allows me to directly engage with my CFO network on performance optimisation measures in “real time”.

How are you balancing investment requirements with prudent cash management at a time of such uncertainty?

EADS intends to keep its conservative balance sheet structure, as we believe this is the safest way to cope with today’s risks while maintaining financial flexibility. As of today, EADS has no refinancing needs. We held €13.7 billion in gross cash at the end of 2008 and had limited debt totalling €4.5 billion. We also have substantial financial headroom, comprising an undrawn credit facility of €3 billion, fully committed by 36 banks. This facility has no financial covenants or material adverse change clause. Additionally, there remains €1.5 billion available from our €3 billion Euro Medium-Term Note programme.

At the same time, we are diligently protecting our cash by taking a prudent, low-risk approach to cash management and by closely monitoring the banking system’s financial health.

How are you managing financial risks?

Our hedging policy affords us substantial protection against US dollar volatility. Additionally, and importantly, while we are prepared to provide some financing to support our customers, this will be approached cautiously and provided on a discretionary basis. Whether we do so will depend on an airline’s traffic volumes and its profitability. We have a policy, however, of selling our exposure as soon as the market allows. In 2008, we reached our lowest level of customer financing in 20 years.

So you can see we are working to stabilise our cash to maintain our strong liquidity position. All these measures protect our investment capacity, allowing us to continue investing in our major programmes for the long-term future.
Vision 2020 at work

STRATEGY

Through Vision 2020, EADS is now following a clear roadmap for the future. The current economic challenges underscore the relevance of our long-term objectives.

SHARING LONG-TERM OBJECTIVES
Following the initiative of CEO Louis Gallois, EADS has formulated a strategic roadmap called Vision 2020. This blueprint for EADS’ future was presented to the Board of Directors in January 2008. Since then, it has been turned into a Group-wide action plan, applied by every Division.

HOLDING THE COURSE THROUGH THE CRISIS
The unstable economic climate validates the core of our long-term strategy: to make EADS a better balanced and even more resilient company.

More than ever we aim to achieve:

➤ **A better balance between platforms and services.** With a strong customer base for advanced platforms and systems, EADS is in a position to develop high-value related services, which are not only highly profitable but also counter-cyclical. Our target is to raise service’s share of revenues from 10% to 25% by 2020.

➤ **A better balance between our European roots and our global footprint.** To gain access to new markets and technology resources, as well as low-cost and multi-currency-based sourcing, we need to expand our international footprint. Our target is to have 20% of employees and 40% of sourcing outside Europe.

Furthermore, we aim to become **truly eco-efficient**. We are determined to demonstrate our responsible attitude and to make eco-efficiency a competitive advantage.

Reaching these targets will require **significant technological and human resources.** We will continue to deliver the best of European technology, and will encourage greater mobility and international diversity.
WE WILL:

ADAPT EADS to the downturn of its commercial markets, with a clear priority on cash-generating and cost-saving programmes. We will sharpen the focus on our core business and grow our presence in the defence, security and services markets.

IMPLEMENT a leaner, faster, more integrated organisation through “Future EADS”.

RESHAPE A400M contracts via customer and supplier negotiations to achieve a better balance, and we are also implementing a new A400M programme organisation inside Airbus.

DEMONSTRATE excellence in delivering on operations in all Divisions and all major programmes.

ACHIEVE significant progress in organic growth of services activities and make acquisitions as financial markets and our cash situation allow.

CONTINUE progressing in globalisation with a special focus on the US and Asia.

MOVE towards an eco-efficient enterprise, developing eco-efficient products.

MAINTAIN and develop key competencies and skills.

REINFORCE communication with employees and seek to connect them more closely with the success of the Company.

PROMOTE innovation and reduce the lead time for implementation.

TOP PRIORITIES FOR 2009

VISION AT WORK

The drive to implement Vision 2020 has already achieved significant objectives in 2008:

- Focusing on our core business, we carved out major aero-structure activities, establishing Aerolia in France and Premium AEROTEC in Germany. We completed the sale of Filton (UK) and Laupheim (Germany), and 70% of EADS Socata.

- Working toward better efficiency, we exceeded the targets of Power8. We launched Power8 Plus and “Future EADS” to further strengthen profitability and improve organisational effectiveness.

- Reinforcing programme management, in 2008 we delivered 12 A380 according to plan and met A350 XWB development targets. The production of Ariane 5 ramped up as planned. All Light Utility Helicopters delivered to the US Army were ahead of schedule.

- Continuing globalisation, we acquired US-based PlantCML in the field of secured networks and set up a new A320 final assembly line in China. Partnering with Northrop Grumman, we won the initial US Air Force tanker competition.

- Expanding services, we defined ambitious roadmaps in all Divisions, focusing on high-value services.
WE have
products and services that make more things possible. We have aircraft that fly further with lower emissions, security systems that make public gatherings safer, helicopters that fly in extreme conditions. Consequently, we are among the world's leading designers and manufacturers of passenger jets, helicopters, satellites and other critical products.
The outstanding abilities of our highly motivated employees drive our success and we are building this expertise to fuel our future growth. Everyone at EADS is encouraged to take advantage of tailored training and development programmes. Whether technical experts or business managers, there is a structured and rewarding career path for all. In this way, we are continuously improving the quality of our workforce, for their benefit, and for the benefit of our customers.

GETTING THE BEST FROM ALL OUR PEOPLE
THE SKILLED EADS WORKFORCE IS OUR GREATEST ASSET

7,081 new EADS employees. New entries 25% women. 44% of workforce with university or college degree.
As a global leader in aerospace and defence, we develop game-changing technologies that define the future of our industry. Just as fly-by-wire controls revolutionised flying, so we are now making it a priority to invent 'eco-efficient' products for a cleaner world. Year after year, we file countless patents in cutting-edge technologies.

1,088 patents filed in 2008 – up almost 40% in two years.
LEVERAGING OUR SYNERGIES

INTELLIGENT INTEGRATION MAKES US MORE THAN THE SUM OF OUR PARTS

Across the Group, we work together to get results. This gives us the budgets and shared expertise to pioneer technologies in areas such as eco-efficiency and develop important management techniques such as lean processes. It enables us to secure raw materials at competitive prices through joint procurement, and it means we can offer fulfilling career opportunities to new engineering talent.

This adds up to a unique competitive advantage.
WE HAVE

what
developed and developing economies around the world are increasingly demanding as they become wealthier over the long-term. Thanks to our extensive international presence, our order books already extend many years into the future.
RESILIENT, GROWING MARKETS OVER TIME

While our markets are not immune to uncertainty, they have proved resilient over time. As income rises globally, spending patterns are evolving from basic needs to more discretionary items, including transportation and security.

As economic power moves East, China and India are seeing growing medium-term demand for air travel. And there is a large number of smaller developing countries with increasing wealth as well.

In addition, medium-term demand for our products and services is set to grow in the developed markets. For example, the United States is forecast to order twice as many passenger jets as China between now and 2026. ¹

¹ Source: Airbus Global Market Forecast 2007-2026

According to the United Nations, there are 27 emerging or potentially emerging countries with a combined population of almost three billion.
CONTINUAL DEMAND FOR EADS’ DIVERSIFIED PRODUCT RANGE

EVEN IN TIMES OF CRISIS OUR EVOLVING WORLD HAS A STEADY NEED FOR THE AIRCRAFT, DEFENCE & SECURITY SYSTEMS AND SPACECRAFT THAT WILL ADDRESS ITS CHALLENGES.

Demand for more modern, fuel-efficient jets and helicopters is growing. And our interconnected world wants more satellite communications and has more security concerns. EADS is able to address all of these challenges, as our strong 2008 order book shows.
SOLID FINANCIALS 2008: PROTECTION FOR DIFFICULT TIMES
A RECORD ORDER BOOK AND STRONG BALANCE SHEET PROVIDE STABILITY IN A FRAGILE GLOBAL ECONOMY.

Our order book grew 18% to a record €400 billion.

- We have a record net cash position, which increased from €7.0 billion at year end 2007 to €9.2 billion.
- Our free cash flow exceeded expectations at €2.6 billion.
- Excellent performance supported our EBIT of €2.8 billion.
- Strong demand for our products and services lifted revenues by 11% to €43.3 billion.

€1,572 million net income earned in 2008.
WE HAVE WHAT
takes.

A clear vision.

A strategy that combines foresight and pragmatism.

An experienced and dedicated team.

Room for manoeuvre.
As air traffic tends to follow the trend in economic growth, there has been a pronounced fall in passenger and freight volumes. In defence, security and space, the role of the public sector has reduced sensitivity to the downturn.

* Revenue Passenger Kilometres

Air traffic proven to be a growth market

Source: ICAO, Airbus
COMMERCIAL AVIATION

After several years of expansion, air traffic started to slow at the beginning of 2008 and fell sharply in the year’s last quarter. Cargo traffic, which is a strong forward indicator of economic growth, plummeted by 22.6% in December, while international passenger traffic dropped 4.6%.

Asia Pacific, recently the fastest expanding region, shrank more than any other area. Passenger traffic fell by 9.7% in December and freight by 26.0%.

Overall, passenger traffic grew by just 1.6% in 2008, which is dramatically down from the 7.4% increase in 2007. Full-year freight traffic fell 4.0%, compared to 4.3% growth in 2007.

Airlines lost US$ 8 billion during 2008 due to the combination of high jet fuel prices, which peaked at approximately US$ 180 per barrel in the summer, and falling traffic volumes. For 2009, a further loss of US$ 2.5 billion is forecast, based on a fuel price of US$ 60 per barrel.

In the second half of 2008, after a relatively strong start to the year, fluctuating oil prices and exchange rates created a more turbulent environment. At the same time, the credit crisis infected general growth prospects, household wealth and industry liquidity.

The overall impact of the crisis is difficult to assess as many factors are unprecedented. Air traffic growth tends to trace economic growth and, consequently, the slowdown has affected air transport and passenger traffic. However, the immediate financial crisis poses a significant short-term threat to development.

In the public sector, the effect is less evident and more dispersed over time. Currently, governments are boosting budgets to stimulate their economies. In the medium term, they may have to make hard choices regarding their investment priorities. Defence spending is, however, closely correlated with geopolitical tensions and security needs. Also, the long-term nature of defence and space procurement contracts reduces their sensitivity to the economy.

Looking forward, aerospace and defence will continue addressing the challenges of increasing environmental efficiency, developing alternative fuels and integrating emerging economies into supply chains.

1) The International Air Traffic Association (IATA) is the source for all air traffic data (figures do not include some low-cost airlines).

2) IATA, March 2009
Unmanned Aerial Vehicles are fast becoming essential reconnaissance tools. While commercial aerospace manufacturers have record order books, totalling more than 8,000 aircraft at the beginning of 2009, falling passenger numbers and financial losses have led some airlines to delay deliveries. Airlines are having difficulty financing orders, as the credit crisis has caused some banks to exit the market and others to suspend lending. Aircraft manufacturers may have to supply finance – either directly themselves, or indirectly.

The current crisis will accelerate restructuring of the airline industry. “Low cost carriers” have grown quickly in recent years and need to adapt to the changing conditions, even if some of them are winning traffic from legacy airlines. Even so, air traffic growth is likely to continue over time. Airbus forecasts that over the next 20 years the world’s airlines will require 23,385 new passenger aircraft with more than 100 seats to serve demand for air travel, which is expected to grow by 4.9% per annum.

Looking to the longer term, technologies and operational improvements are being tested that will accomplish a step change in the efficiency of air travel. Aircraft manufacturers are developing lighter planes with better aerodynamics. And engine manufacturers are testing far more efficient propulsion systems. It is likely that emissions will be significantly reduced by 2020 in line with targets set by the Advisory Council for Aeronautics Research in Europe. This encompasses: simplifying air navigation systems, improving airport operating procedures and introducing aircraft with considerably lower fuel consumption.

Air travel correlates with world Gross Domestic Product (GDP) (in %)

World passenger traffic growth          World GDP growth

1986  88  90  92  94  96  98  00  02  04  06  08  2008

Source: Global Insight, IATA, OMC, IMF, Airbus

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3) Source: Airbus Global Market 9 2007-2026.

4) 50% reduction of CO2; 80% reduction of NOx; 50% reduction of external noise; green design, manufacturing, maintenance and disposal product lifecycle.
DEFENCE

As defence spending is more correlated with geopolitical tensions and security needs than with economic trends, it is expected to remain relatively stable in the short-term, although the global slowdown makes this less certain. Additionally, defence spending is an efficient way of sustaining a country’s industrial base and supporting high-technology jobs.

The United States represents by far the largest defence market, with 50% of world spending. Top-line spending, which includes baseline and emergency supplemental spending, has more than tripled from 2000 to 2008, and amounted to US$ 663.8 billion in 2008. Due to uncertainties surrounding the future of US defence spending, however, the long-term trajectory is difficult to assess.

Defence spending in Asia Pacific has risen steadily. As India modernises its defence forces, its defence budget has been growing at an annual rate of 7% and is expected to reach US$ 36 billion by 2013.

Across the globe, spending on military aircraft is a major part of any procurement budget. Particularly helicopters and Unmanned Aerial Vehicles (UAVs) are expected to attract high expenditure over the next ten years worldwide. Established military powers are replacing helicopters bought in the 1960s and 1970s. Meanwhile, UAVs have become essential for surveillance and reconnaissance.

Today’s military is increasingly tasked with asymmetric warfare and “non-combat” missions such as peace-keeping. Consequently, defence forces are concentrating spending on equipment that facilitates rapid deployment, precision engagement, improved tactical information systems and co-operation between different forces.

The model for defence financing continues to change, with an increasing trend towards long-term partnerships and full outsourcing of capability-based services, which are evolving towards comprehensive support and managed services.

SECURITY

Terrorism remains the greatest external threat to public safety in many parts of the world, driving significant growth in the young security industry. Technologies and system integration capabilities are being developed and refined, with the priority to protect civil populations, critical infrastructure and air transport.

Geographically, the security industry is expanding across the globe. The complexity of security solutions is increasing, and customers are demanding the capability to integrate larger systems. In the United States, Department of Homeland Security spending continues to increase steadily, and is also growing in Europe, Asia Pacific, the Middle East and many developing countries.
The European Space Agency’s Ministerial Conference in November 2008 confirmed that its budget will grow at 2.5% per annum until 2013.

Within the European Union, the European Security Research Program has been granted a budget of €1.4 billion to develop security technologies from 2007 to 2013. This is specifically to protect Europe’s citizens from threats such as terrorism, natural disasters and crime.

**SPACE**

The European Space Agency’s ministerial conference in November 2008 confirmed its budget, which will grow at an annual rate of 2.5% from 2009 to 2013. Additionally, key European Union programmes, like Global Monitoring for Environment and Security (GMES) and the Galileo navigation initiatives, have their own budgets, as do individual European nations.

Within the commercial satellite sector, pressure from both the economic downturn and price competition may impact the near-term prospects for launchers and satellites.

Yet, the practical application of satellite technology is opening up new commercial activities for the space sector. Both earth observation imaging and secure satellite communications are growth areas.
Towards a leaner organisation

The “Future EADS” programme will deliver cost savings and greater efficiency through shared services, a leaner and clearer Group organisation, and better integration of support functions.

Taking a decisive step towards a leaner Group structure, the Board has decided to integrate the Military Transport Aircraft Division into Airbus, so simplifying supervision of the A400M programme and improving management of resources. Furthermore, Astrium and Defence & Security Divisions are becoming more closely coordinated, thus ensuring a consistent approach towards common customers, as well as developing commercial, technical and strategy synergies.
Airbus

Airbus delivered a record number of aircraft in 2008 and, with a highest-ever order backlog and ongoing cost reductions, is prepared to face current economic challenges.
CREATING A MORE EFFICIENT ORGANISATION

Costs fell substantially, as the Power8 programme continued to increase efficiency. Exceeding targets for the second year, the programme provided cost savings of about €1.3 billion. This is more than half way to the 2010 objective of €2.1 billion – and Power8 Plus will add a further €650 million in savings by 2012.

Through a new organisational structure, leaner processes and careful cash management, Power8 has significantly reduced Airbus’ cost base. Power8 Plus, an EADS-wide effort, will meet its targets through continuing existing cost reduction projects and increasing production in low-cost countries.

Key to Power8 was the divestment of non-core aerostructure manufacturing sites. The Laupheim and Filton (Germany and UK) sites have now been sold to long-term Airbus partners, Diehl/Thales and GKN respectively. Meanwhile, EADS’ new wholly-owned aerostructures companies, Aerolia in France and Premium AEROTEC in Germany, began operation in December 2008. This enables Airbus to concentrate on its core business as an aircraft architect and integrator.

In parallel with Power8, Airbus continues to expand its industrial footprint. The A320 Final Assembly Line in Tianjin, China opened in September 2008 and will secure access to the growing Chinese market, as well as tapping into the country’s engineering talents.

COMMERCIAL AIRCRAFT

In 2008 Airbus achieved record deliveries, expanded its order book and exceeded its cost reduction targets.

Some 483 civil aircraft were delivered – 30 more than in 2007, marking the sixth successive year that Airbus has increased its deliveries.

Airbus’ order book totalled 3,715 aircraft at year end, representing a list-price value of US$ 438 billion and six years of full production. New orders were strong, as Airbus booked 777 net orders, with a value of approx. US$100 billion at list prices, which represents a 54% share of its market. This substantial backlog gives Airbus flexibility to adapt if customers want to reschedule deliveries.

Reflecting the higher deliveries, revenues for 2008 increased by 9% to €27.5 billion (€25.2 billion in 2007). The Division recorded an EBIT of €1,790 million, lifted by both higher revenues and savings from the Power8 programme. This compares to a €881 million loss in 2007, when there were more exceptional charges relating to the A400M delay, Power8 and the launch of the A350 XWB.

Airbus

<table>
<thead>
<tr>
<th>(€m)</th>
<th>2008</th>
<th>2007</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>27,453</td>
<td>25,216</td>
<td>+9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,790</td>
<td>-881</td>
<td>–</td>
</tr>
<tr>
<td>Order intake</td>
<td>82,041</td>
<td>117,323</td>
<td>-30%</td>
</tr>
<tr>
<td>Order book</td>
<td>344,818</td>
<td>283,829</td>
<td>+21%</td>
</tr>
<tr>
<td><strong>In number of aircraft</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliveries</td>
<td>483</td>
<td>453</td>
<td>+7%</td>
</tr>
<tr>
<td>Order book</td>
<td>3,715</td>
<td>3,421</td>
<td>+9%</td>
</tr>
</tbody>
</table>
Almost a million passengers have flown on the A380, which is already servicing seven major international routes connecting four continents. While airlines benefit from approximately 20% lower operating costs, the airport operators have new growth opportunities in the mid-long term. For example, one A380 can replace two smaller aircraft – reducing cost, air space occupancy, noise and emissions.

The A380 had a total of 198 orders from 16 customers at year end, including nine new orders in 2008, which amounts to a 75% market share in this segment.

Airbus anticipates a market of 1,700 aircraft in this category over the next 20 years, as eco-efficiency becomes more critical.

**NEW A350 XWB, THE PLAYER OF TOMORROW**

Airbus’ newest aircraft, the A350 XWB long-range, has already won 478 net orders from 29 customers in the two years since its launch, including some 163 net orders and 16 customers added during 2008, which represents a 64% market share in its class.

The development of the A350 XWB progressed well. Having passed its detailed-definition freeze review at aircraft level in December 2008, its architecture is now final. Introduction of the “Unified Planning Tool” in April 2008 accelerated achievement of this milestone. Also, for the first time, Airbus has a single, unified DMU (digital mock-up) and a single tool set, uniting the whole A350 XWB team – both within Airbus and throughout its supply chain.

All key supply chain partners are now on board, with major fuselage work packages assigned, as well as the major work packages for the wings. In line with the new supplier policy, many packages are much larger than before, with suppliers becoming involved earlier and assuming greater responsibility.

**A380 COMPLETES ITS FIRST YEAR IN SERVICE**

Twelve A380 were delivered in 2008, in line with programme targets, and the ramp-up will continue in 2009 as Airbus finalises the switchover to “Wave 2” production.

Almost a million passengers have flown on the A380, which is already servicing seven major international routes connecting four continents. While airlines benefit from approximately 20% lower operating costs, the airport operators have new growth opportunities in the mid-long term. For example, one A380 can replace two smaller aircraft – reducing cost, air space occupancy, noise and emissions.

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**ROBUST ORDERS ACROSS THE RANGE**

The A320 family booked 472 net orders in 2008, raising the programme’s backlog to around 2,600 aircraft.

To maintain its position as the leading single-aisle family, the A320 is being continuously enhanced. Innovations include a lighter and brighter cabin, a passenger-to-freighter conversion and the possibility of extending the passenger aircraft’s service life by 10 to 20 years via a programme of “extended service goals” for longer maintenance intervals. Flight testing was also carried out on the A320 with new Blended Winglet devices designed to reduce drag.
Airbus increased single-aisle production to a record 36 aircraft per month. The planned ramp-up to over 38 aircraft per month was stopped in December 2008 due to economic conditions and will be adjusted downwards in 2009. Airbus is constantly monitoring customer demand and will adapt production as necessary.

The long-range A330/A340 aircraft family won 138 net orders. The A330 is particularly in demand and recorded its 1,000th sale, increasing the combined A330/A340 programme order book to around 1,500 aircraft.

Production of A330/A340 models at Toulouse has reached a record high of eight aircraft per month.

The family’s newest member, the A330-200 Freighter, is progressing towards final assembly and its initial flight in 2009.

Airbus Corporate Jetliners proved popular, with customers placing firm orders for 23 aircraft. Orders comprised 14 single-aisle aircraft and nine wide-bodies – a record number of larger aircraft.

PREPARING TOMORROW’S ECO-EFFICIENT TECHNOLOGY

Airbus continued its research and development of ground-breaking – and game-changing – technologies.

In particular, management is focusing on eco-efficiency and has taken a number of initiatives in this direction. A series of flight tests trialled Pratt & Whitney’s new “Geared Turbofan” engine architecture, which is one of a new generation of engines with the potential to reduce fuel burn substantially. Airbus was also the first to fly with alternative fuels and fuel cells.

Another important development was the official start of the seven-year European Union (EU) “Clean Sky” joint initiative, in which Airbus and Saab will lead the Smart Fixed Wing Aircraft Integrated Technology Demonstrator. The programme’s objectives are closely related to three of the four environmental challenges set by the Advisory Council for Aeronautics Research in Europe: to reduce fuel consumption and CO₂ emissions by 50%, perceived external noise by 50% and NOₓ by 80% by the year 2020.

In order to improve future aircraft and air traffic operational performance, the EU selected Airbus to support the Single European Sky ATM Research project to reorganise Europe’s air traffic management systems by 2020. This will increase air traffic capacity threefold, improve safety by a factor of 10 and reduce the environmental impact of each flight by 10%.
In order to simplify the management structure and exploit synergies with Airbus, EADS announced in December 2008 that it would integrate the Military Transport Aircraft Division into Airbus to create Airbus Military. In particular, integration will strengthen management of the challenging A400M military transport programme, which was delayed in 2008.

This came at the end of a year in which the Military Transport Aircraft Division achieved a significant financial advance and won substantial orders, especially for its tanker airborne refuelling aircraft. Revenues grew by more than 140% to €2.8 billion (€1.14 billion in 2007), due to the effect of moving the delayed A400M to early-stage accounting methodology. It also benefited from higher tanker sales.

EBIT improved correspondingly, moving to €-16 million, up from a loss of €155 million in 2007. Once again, tankers played a part in this improvement, as did the medium-light turboprop aircraft range, as well as a tax credit related to the A400M programme.

Buoyant demand for Airbus tankers resulted in the order book expanding by over a quarter to more than €23 billion, with the Division winning approximately €5 billion of new orders. Across the world, four air forces have ordered a total of 23 tankers.

AIRBUS MILITARY
(FORMERLY MILITARY TRANSPORT AIRCRAFT)

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Airbus’ Multi-Role Tanker Transport (MRTT) aircraft won four out of the five competitive tenders worldwide, confirming its status as the most advanced and capable tanker transport. Orders for A330 MRTT included the UK’s Future Strategic Tanker Aircraft programme for 14, the United Arab Emirates’ order for three and Saudi Arabia’s order for one. Additionally, the Northrop Grumman/EADS KC-45 – based on the A330 MRTT – was selected in April 2008 by the US Air Force to replace their aging KC-135 tankers, but the order was cancelled in September pending a review of tanker requirements by the new US administration.

Development of tankers progressed well. The first of Australia’s A330 MRTT successfully tested its fuel pods during flights in December and will be delivered in 2009. Furthermore, the Air-to-air Refuelling Boom System was finalised following several airborne contacts. It enters series production in 2009.

In the medium-light turboprop range, the US Coast Guard ordered an additional three CN-235 maritime patrol aircraft, and has now bought 11 of these aircraft. The Mexican Navy ordered two CN-235 maritime patrol aircraft. There were additional orders for three CN-235 and three C-212.

<table>
<thead>
<tr>
<th>Military Transport Aircraft</th>
<th>2008</th>
<th>2007</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2,759</td>
<td>1,140</td>
<td>+142%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-16</td>
<td>-155</td>
<td>–</td>
</tr>
<tr>
<td>Order intake</td>
<td>5,083</td>
<td>784</td>
<td>+548%</td>
</tr>
<tr>
<td>Order book</td>
<td>22,269</td>
<td>19,932</td>
<td>+12%</td>
</tr>
</tbody>
</table>
DELAYS ON THE A400M – NEW APPROACH PROPOSED

In 2008, the A400M programme suffered further delays. The first flight was postponed mainly due to the unavailability of the engine software control.

Management is now working with the engine consortium to confirm a date for the first flight. The turboprop propulsion system of the A400M is specifically designed for the most demanding operational requirements.

By integrating the Military Transport Aircraft Division into Airbus, the EADS Board of Directors has strengthened the A400M programme’s management. Airbus Military has proposed a new approach - including a new timetable and certain technical changes - to the European launch customers. Regarding the timetable, the first delivery is now expected to take place approximately three years after the first test flight.

The first A400M airframe rolled off its final assembly line in Seville in June 2008 at a ceremony presided over by His Majesty Juan Carlos I, King of Spain.

There are currently orders for 192 A400M, 180 from the European launch customers, eight from South Africa and four from Malaysia.

OUTLOOK

As with most industries, aviation is affected by the economic recession and Airbus expects the level of new aircraft orders to fall in 2009.

Airbus’ priorities for the year are fourfold: to maintain a close dialogue with customers; to anticipate their needs early; to manage the order book carefully; and to protect the cash position.

Management will also seek to agree on a new approach to the A400M with its launch customers, while confirming a new date for the first flight with the engine consortium and therefore a firm programme schedule.

With its large order book and the creation of a leaner organisation through Power8, Airbus enters the downturn in a strong position to face what will be a difficult period for airlines and manufacturers alike. In the longer term, demand for more efficient and environmentally friendly aircraft will continue to rise. Securing long-term competitiveness and employment remain key objectives for 2009.

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1) The European launch customers are the members of the Organisation Conjointe de Coopération en matière d’Armement (OCCAR), the European organisation formed to organise joint arms procurement.
Eurocopter's global industrial presence and technological advantages drove another year of significant growth, with the order book maintaining its high level.

The EC135 is a light, twin-engine multi-mission helicopter that provides outstanding manoeuvrability, as well as a quiet and smooth ride.

Eurocopter's production rate has almost doubled in the past four years, allowing it to deliver 588 helicopters in 2008.

The Brazilian government has ordered 50 EC725 medium-weight helicopters for its armed forces, demonstrating the value of an international presence.
In 2008, Eurocopter achieved its second highest ever level of orders while delivering more helicopters than ever before. With the benefit of its global industrial presence and practical technology, Eurocopter also maintained its leadership in the worldwide civil helicopter market in terms of deliveries.

Substantial reorganisation of production lines and recently opened industrial facilities enabled Eurocopter to deliver 588 helicopters in 2008. The rate of production has increased by over 20% compared with 2007’s 488 helicopters and has almost doubled in the past four years.

Revenues rose by 7.5% to €4.5 billion (€4.2 billion in 2007). EBIT rose to €293 million (€211 million in 2007). A 44% rise in self-funded research and development costs, as well as adverse foreign exchange movements impacted the EBIT margin.

Research and development was mainly related to the new EC175 medium-weight civil helicopter being jointly developed with Chinese partners, as well as new developments to continue making Eurocopter helicopters the safest and most fit for each purpose.

**WELL-BALANCED ORDER BOOK**

Eurocopter won orders of €4.9 billion (€6.6 billion in 2007), including 715 new aircraft as well as after-sales service. The order intake was well-balanced between serial helicopters (59%), support and services (35%) and development and other activities (6%). Military and civil products respectively split 36% and 64%, and the total export rate amounts to 64%.

At year end, the order book was €13.8 billion (€13.5 billion in 2007), the equivalent of 1,515 helicopters or approximately three years’ production at current rates. Cancellations were limited and concentrated in the civil/corporate market.

In the United States, Eurocopter’s relationship with the armed forces expanded, with the US Armed Forces ordering 44 UH-72A Lakota helicopters. The 50th of the 123 Lakotas ordered by the US Army was delivered, including the first from the new Mississippi final assembly line.

The December announcement that the Brazilian government signed an agreement for the acquisition of 50 new EC725 medium-weight helicopters for its armed forces demonstrates the importance of Eurocopter’s international presence. Eurocopter has been active in Brazil for more than 30 years through its subsidiary Helibras.

**EXPANSION IN SERVICES**

In line with the goal of making up 50% of sales through services by 2020, investment in services increased notably, particularly in flight simulation. Furthermore, the number of power-by-the-hour service contracts increased by 20%. In 2008 Eurocopter acquired German maintenance, repair and overhaul specialist, Motorflug.

**OUTLOOK**

At a time of uncertainty, Eurocopter has a large order book diversified across commercial, corporate, oil and gas, para-public and military customers. Furthermore, the military market is still likely to grow as developed nations replace helicopter fleets and emerging nations build defence forces. Management is monitoring the financial crisis, maintaining production flexibility and close relationships with key customers.

Research and development will continue to increase as Eurocopter maintains product leadership and prepares the next generation of helicopters.

Strategically, the global industrial footprint will continue to be developed, as will service capabilities.

Eurocopter has confidence in its customer base and will continue to strengthen its competitive advantages.
Astrium accomplished exceptional, profitable growth, demonstrating how successful innovation has generated a strong competitive position across its businesses.

As part of the new organisation, a coordination between Astrium and Defence & Security Divisions has been installed.

Skynet 5 satellites deliver secure communications to the UK Ministry of Defence.

Improvement programmes are delivering significant efficiencies across Astrium.

The docking of EADS’ Automated Transfer Vehicle with the International Space Station (ISS) was an important scientific achievement.
High levels of innovation, proven reliability and a sharp focus on efficiency all contributed to a successful year for Astrium, highlighting its strong competitive position. Astrium’s contributions to the International Space Station (ISS) entered the Earth’s orbit during the year, its Ariane 5 launchers promoted an unrivalled record of success and efficiencies were delivered across the Division.

Revenues increased by 21% to €4.3 billion (€3.6 billion in 2007), with contributions from all three Business Units – Satellites, Services and Space Transportation. Specifically, telecom satellite sales grew, the UK’s Paradigm secure communications system was completed and the Ariane 5 launcher production rate was stepped up.

Correspondingly, EBIT rose by 34% to €234 million (€174 million in 2007). The EBIT margin continued the last four years’ progressive expansion, reaching 5.5% compared with 4.9% in 2007. This growth was achieved despite adverse currency movements – especially the decline of the UK pound which impacted Paradigm earnings – and slightly higher research and development costs.

The order book secures around three years of activity, reaching €11.0 billion at year end (€12.9 billion in 2007).

**Revenues by markets**

<table>
<thead>
<tr>
<th>Market</th>
<th>2008</th>
<th>2007</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil</td>
<td>65%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defence</td>
<td>35%</td>
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**BROAD-BASED GROWTH**

The Space Transportation Business Unit, the prime contractor on Europe’s contribution to the ISS, made a historic technical achievement as the Columbus laboratory and Automated Transfer Vehicle connected with the ISS early in 2008. Space Transportation’s growth was supported by Ariane 5 activities and the powerful Ariane 5 launcher won 13 orders, more than half of the open market volume. It has proved highly reliable, performing 28 launches in succession since 2003. Also within the Business Unit, France’s new-generation M51 ballistic missile completed its final trial flight.

The Satellites Business Unit maintained its market share, winning seven satellites while launching seven telecommunication and two observation satellites. The European Space Agency awarded Astrium an order for three major scientific satellites, Chile and Spain each ordered an observation satellite, and two telecommunications satellites were ordered.

The Services Business Unit reached maturity. The Paradigm secure communications system became fully operational and capable of servicing the UK Ministry of Defence following delivery of the third and final satellite, Skynet 5C. Progress was satisfactory on similar communications programmes for Germany and the United Arab Emirates, and a first service contract was inked with the Pentagon.

**COMPLEMENTARY ACQUISITIONS**

Several acquisitions boosted growth prospects. Services acquired Imass Ltd, a UK company providing precise positioning products. It also lifted its stake in Spot Image, the French company that owns commercial rights to French Ministry of Defence satellite images, from 40% to 80%. Satellites acquired Surrey Satellite Technology Ltd, an innovative UK business that designs and manufactures small and micro satellites.

**OUTLOOK**

At the end of 2008, all three Astrium Business Units have a strong outlook, benefiting from an order book across the Division equivalent to around three years of activity. The majority of its products and services are based on technically mature lines of business, such as Ariane 5 and Eurostar 3000. Astrium anticipates delivering the Satcom BW secure communications system to Germany’s Defence Ministry in 2009. Additionally, it looks forward to the European Space Agency awarding procurement contracts for the reorganised Galileo satellite navigation system, following the award of the production contract for the next 35 Ariane 5 launchers to Arianespace in January 2009.

Management expects further profitable growth, with progressive expansion of the EBIT margin in the medium-term but is also monitoring closely any potential impact of the current economic crisis.
Defence & Security made a strong contribution to EADS’ financial performance through profitable growth and successful integration.

As part of the new organisation, coordination between Astrium and Defence & Security Divisions has been installed.

EADS is the only European defence company capable of supplying both large and small Unmanned Aerial Vehicles.

EADS has ambitious targets to increase security activities, particularly as defence and security products converge over the long term.

The Eurofighter is the most modern fighter plane currently in production.
Growth across a range of mature programmes as well as efficiencies from site consolidation generated strong financial performance. Additionally, there was order book expansion in export and high-growth areas such as border and harbour surveillance, radar and secure communications whereby Defence & Security (DS) acquired PlantCML, a leading US provider of emergency response solutions.

Revenues increased by 5.1% to €5.7 billion in 2008 (€5.4 billion in 2007), lifted by contributions from radar, services for airborne military systems and the consolidation of April’s PlantCML acquisition. Growing profitability in maturing programmes – including MBDA missiles, radar and services for airborne military systems – drove an 18% increase in EBIT to €408 million (€345 million in 2007). The return-on-sales margin rose to 7.2% (6.4% in 2007).

STABLE ORDER BOOK

The order book ended the year at €17.0 billion (€17.8 billion in 2007), with the balance continuing to shift towards high-growth products and services. While the Eurofighter, missile and radar businesses account for most orders, a growing share is represented by global security systems.

For Eurofighter, the 148 tranche-one multi-role combat aircraft delivery ended in 2008. Delivery of the export orders for Austria is well in progress, as are the 236 tranche-two aircraft for the partner nations. Formal bidding processes are progressing with India, Greece and Switzerland. Discussions are ongoing on Eurofighter tranche three.

BALANCING PRODUCTS AND SYSTEMS INTEGRATION

Security capabilities continued to expand significantly. Acquiring PlantCML brought access to the US market, notably to sell the new Professional Mobile Radio (PMR) P25 standard. DS is developing its PMR TETRA business, which helped to secure the Olympic Games 2008.

Installation of integrated security systems for Qatar, other Middle East contracts and Morocco’s new Tanger Med port began. The Tanger Med system’s versatility is designed to cope with a diverse range of passenger and container traffic.

For Unmanned Aerial Vehicles (UAVs), DS is the only European supplier able to provide both large and small systems. Work on the risk reduction study for the Advanced UAV continued with identification of France, Germany and Spain’s capability requirements. Delivery milestones were reached for two French programmes, DRAC and SIDM, and aerial target drones were delivered to the US Army.

Defence Electronics sold air traffic control radars for Germany’s military airfields and delivered TRS-3D radar systems to customers such as the US Coast Guard and the German armed forces. TRS-3D is the global market leader for medium-range naval radars.

The METEOR realignment contract amendment was signed after all partners (Spain, France, UK, Germany, Italy and Sweden) signed the Memorandum of Understanding.

OPERATIONAL EFFICIENCIES

November’s inauguration of the Military Air Systems Centre in Manching (Bavaria, Germany) was important, as it consolidated several sites, creating operational efficiencies and scale in activities such as servicing.

OUTLOOK

In 2009, despite tougher economic conditions, the Division will seek to expand its local operations in export countries – both organically and by bolt-on acquisition – in order to facilitate growth in exports.

Management aims to increase security activities, particularly as defence and security products converge. DS intends to become the main driver of programmes within Europe and has ambitious growth targets from a balance of integrated systems, mission-critical products and value-added services.

In order to accelerate organic growth, research & technology investment is increasing, focused mainly on UAVs, future generation radars and the System Design Centre.

Finally, improvements will continue to be implemented.
EADS DRIVERS & RESPONSIBILITY
Based on our Vision 2020, we are transforming ourselves. Doing this in a way that is both commercially and environmentally sustainable means balancing a range of factors, such as:

- Building a global business while ensuring that ethics are an integral part of our business culture and fostering mutually beneficial supplier relationships;
- Becoming eco-efficient while developing state-of-the-art aerospace and defence technology; and
- Growing talent for the future while sharpening consciousness of social responsibility.

Innovation, Eco-efficiency, Human Resources, Sourcing and Ethics and Compliance are all driving forward our evolution – in the interests of external stakeholders and employees.
Innovation

The Corporate Technical Office introduced initiatives to support Vision 2020’s strategic goals, while further improving research and technology productivity.
In 2008 EADS’ Corporate Technical Office (CTO) introduced measures to foster EADS’ sustainable growth by developing leading edge, including “eco-efficient”, technologies. At the same time, it continued to improve the efficiency of Research and Technology (R&T), technical processes and information management.

**RESEARCH & TECHNOLOGY**

The CTO introduced many measures needed to achieve the R&T goals associated with Vision 2020. These included establishing roadmaps for key technologies, starting a group-wide “green” technologies group, planning how to recruit sufficient engineering talent, improving R&T management and taking steps to make its budget go further.

Measures introduced over the past few years to enhance R&T management achieved results. EADS now has an R&T leadership team across the Divisions, implementing a streamlined approach to capture synergies. For example, EADS Innovation Works, the research arm of EADS, and the Defence & Security Division have a new co-located research facility in Newport, in the United Kingdom.

Management is focusing R&T spending on a number of large projects, decreasing the number of smaller projects. To maximise the resources of the R&T budget, EADS continued to increase its contracting activities with European governments. Additionally, R&T operations targets are to increase efficiency by 10–15% and to reinvest the proceeds in technology development.

Global R&T collaboration continued to grow outside Europe in order to access a diverse pool of scientific and engineering expertise. Partnerships with leading research institutes expanded in Canada, India, Russia, Singapore, China and the United States.

Across EADS, 2008 was a significant year for technology development, with notable innovations ranging from civil aircraft fuel cell research to synthetic fuel testing.

EADS filed 1,088 patent applications during 2008, up from 792 in 2006. In the United States, EADS ranked fourth for patent applications in the aerospace sector, according to The Patent Board. Management is actively marketing EADS-patented technology to companies in other sectors.

**IMPROVEMENT PROGRAMMES**

The former Corporate Quality Office changed its name to Corporate Quality and Business Improvement (QBI) in order to reflect more accurately its role. QBI plays an important role in improving efficiency. “Lean” techniques are being introduced across product development, manufacturing and the supply chain. The Black Belt improvement programme delivered significant annual savings.

The PHENIX programme was launched, with a target of saving several million euros annually from streamlining product design and manufacturing processes and tools. PHENIX, which stands for PLM Harmonisation Enhanced Integration and Excellence, is successfully creating deeper integration between mechanical, electrical and software components of product development. This will significantly improve the quality of EADS’ product design in the future.

**INFORMATION MANAGEMENT**

EADS appointed Airbus’ Chief Information Officer to the role across the Group, with a mandate to introduce shared IT services and to integrate IT infrastructure. This will be implemented through the EADS Global Information Management Services initiative.

**OUTLOOK**

The CTO will continue to introduce measures to support Vision 2020 for sustainable growth. The business plans of the Group’s Divisions continue to drive the direction of future technology development, improvement programmes and the information management infrastructure.

A three-year R&T operating plan that tracks development and associated budgets of critical technologies has been developed. Additionally, the PHENIX and Information Management integration projects will continue to be implemented, as will the more efficient operating culture being introduced.
Eco-efficiency

Moving swiftly to place protection of the environment at the core of its industrial processes and business model, EADS introduced a new environmental policy and took specific actions to improve its efficiency.
Balancing protection of the environment with economic success graduated from strategic goal to operational reality during 2008. After introducing eco-efficiency as a key tenet in its Vision 2020 medium-term strategy blueprint during the previous year, management embarked on transforming the Group’s environmental credentials.

GUIDING TECHNOLOGY AND PROCESS INNOVATION

A new environmental policy established a framework for managing the opportunities and risks of eco-efficiency. This framework will guide the development of innovative technologies and processes aimed at minimising EADS’ environmental impact in the years ahead.

The new policy is now the cornerstone of EADS’ environmental management system, which intends to cover all activities and products globally, with products managed across their lifecycles.

As a broad principle, the policy commits EADS to assessing the environmental performance of its products and operations and to finding the best ways of improving them.

When managing its manufacturing and service activities, the policy states that EADS intends not only to comply with applicable environmental laws and regulations, but also to develop state-of-the-art environmental standards.

With regard to products, the Group is striving for environmental excellence in its technologies. To this end, it is mobilising greater resources to research, design and development green technologies and products.

In order to achieve the environmental policy’s goals, management has engineered a roadmap that details specific targets for operational and product performance up to 2020.

GREEN ACHIEVEMENTS

At the implementation level, the Group made significant progress towards reducing its environmental impact. By year end, approximately 90% of EADS’ employees operated in facilities covered by specific environmental standards – either ISO 14001 or the EU Eco-Management & Audit Scheme (EMAS). The Group is working towards ensuring 100% ISO 14001 certification for all of EADS, covering both sites and products.

EADS is aiming to reduce aircraft carbon emissions substantially, both by itself and in partnership with others. At the European level, the Group is a leading participant in the EU “Clean Sky” joint technology initiative, which was launched in 2008, as well as the Single European Sky ATM Research programme. The former is developing breakthrough aerospace technologies, while the latter is introducing a single European air traffic management system. Between them, these two programmes will prepare the way for achievement of the Advisory Council for Aeronautics Research in Europe’s (ACARE) goals by 2020. These are to reduce emissions as follows: carbon dioxide by 50% through a substantial reduction in fuel consumption, nitrogen oxide by 80% and external noise by 50%. ACARE also aims to introduce green product lifecycles.

In February, Airbus completed the first ever flight using gas-to-liquid (GTL) fuel obtained from natural gas conversion. An A380 super-jumbo flew from Filton to Toulouse with one engine powered by GTL fuel, which has low sulphur content and attractive characteristics for local air quality. This marked the beginning of a programme for studying alternative fuels.

Finally, the Group continued to study ways of designing products that will be environmentally friendly throughout their lifecycles, with particular attention to the carbon embedded in products. Carbon footprint evaluations have been initiated in line with the internationally recognised greenhouse gas protocol standards. Lessons have been learned from the PAMELA (Process for Advanced Management of End-of-Life Aircraft) project completed in 2006. Through dismantling and deconstructing an A300, the project established a benchmark for recycling 85% of an aircraft.

EADS is also heavily involved in international initiatives to manage compliance with emerging regulations such as REACH (Registration Evaluation Authorisation and Restriction of Chemicals). This European regulation calls for the most hazardous chemicals to be replaced with alternative substances.

Photo in the middle:
Aerolia has developed and introduced a mechanical milling for 3D aerostructure panels to replace the usual chemical milling. This innovative process drastically reduces water and energy consumptions and does not create any gas harmful to the ozone layer.
Human Resources is focusing on preparing EADS’ workforce to deliver Vision 2020’s strategic goals. The core levers are to enhance employee engagement and increase Group integration.
Human Resources (HR) is preparing for an increasingly international workforce while enhancing EADS’ ability to attract and develop the best talents at a time when skilled technical experts are becoming scarce.

At the same time HR is fostering integration, increasing operational efficiency and reducing costs through shared services.

EADS is addressing topics related to social responsibility, such as diversity – exceeding regulatory requirements. An agreement was signed in 2008 with Chaire Dauphine, a French university, to promote diversity.

**SKILLS MANAGEMENT**

HR has enhanced its approach to Competency Management, combining long-term core competency analysis with individual development planning. The focus of recruitment, training and career development is to meet programmes’ evolving requirements and concentrate on key competencies.

Processes were introduced to anticipate long-term requirements, while also adjusting to medium and short-term changes in programmes.

**RECRUITMENT AND CAREER DEVELOPMENT**

EADS is investing in maintaining its position as one of Europe’s most recognised employers of engineering graduates, allying with universities to attract the best talent and facilitate technological collaboration. Agreements were signed with three Spanish universities. Employees’ careers are being managed through a structured, Group-wide process based on annual interviews with potential and performance assessments. Interviews are followed by departmental development conferences and Divisional and Group-wide “People Reviews”. There is now a common process and shared e-HR tool for performance and development management within the Group.

Group talent development programmes are preparing future leaders for assignments to new, expanded responsibilities. A pan-EADS leadership development programme, called Leadership 2020, is being designed to create a management culture suited to achieving Vision 2020’s goals. Participation in Corporate Business Academy activities is increasing.

**INTERNATIONAL MOBILITY**

HR has harmonised legacy divisional policies and introduced a common EADS International Mobility Policy for the management of expatriates. A centre of competence for international assignments will be implemented in 2009.

**SOCIAL DIALOGUE**

The quality of dialogue enabled Airbus to achieve outstanding results in spite of significant structural changes, particularly the sale and separation of sites in France, Germany and the UK.

**EFFICIENCY**

In areas like Human Resources Information Systems and payroll, where shared services have been introduced, cost reductions exceeded 30%. With the launch of the EADS Learning Services and EADS Recruitment Centre, the implementation of shared services is ongoing.

**OUTLOOK**

During 2009 HR will implement many initiatives introduced in 2008, recognising the workforce’s role in Vision 2020.

Employees will be asked to complete an “Engagement Survey” intended to alert HR to areas where management and team members’ performance can be optimised.

Implementation of shared services will be extended to recruitment, and EADS Learning Services will become fully operational. The recruitment centre aims to reduce recruitment lead times by 50%.

A recruitment and development plan based on Divisions’ strategic roadmaps will be introduced, focusing on competence development. National HR policies and organisations will be developed in China, India and the United States.
Sourcing

Acting as an agent of change, Sourcing significantly contributes to achieving Vision 2020’s strategic goals, and is maximising synergies across the Group.
Sourcing functions across EADS worked towards the strategic Vision 2020 goals of optimising total costs of acquisition, building focused networks of strong suppliers and creating a more global supply base.

Sourcing plays an important role in achieving these objectives, as the associated spending equates to approximately 75% of revenues. As EADS concentrates on its core strengths of designing, marketing and assembling, this percentage is likely to rise.

REducing costs and fostering integration
Within Airbus, the “Smart Buying” procurement module is contributing to the cost reductions of the Power8 transformation project through reshaping the supply chain and improving logistics. Similar improvement initiatives are underway in the other Divisions.

Joint procurement across Divisions increased, thus exploiting EADS’ scale to secure supplies and reduce costs. All targets were met.

As part of the “Future EADS” programme intended to increase synergies, all general procurement will be consolidated at Group level. During 2009, a new EADS General Procurement Shared Services organisation, operated by Airbus, will procure all general goods and services.

Forming partnerships
Significant steps were taken to form risk-sharing partnerships that will consolidate and strengthen the supply chain.

EADS’ focus on core activities led to the establishment of major new aerostructure partners in France and the UK. Airbus manufacturing sites in Laupheim and Filton were sold to Diehl/Thales and GKN, respectively, and the formation of French and German aerostructures subsidiaries – Aerolia and Premium AEROTEC – paved the way for their sale.

For the A350 XWB aircraft, EADS is awarding larger work contracts to partners sharing investments, risks and opportunities.

Across EADS, 28 preferred strategic suppliers of engineering services were selected from the existing pool of around 2,000. Agreements struck with these suppliers will benefit all Divisions.

Procuring globally
Sourcing planned an implementation roadmap to lift procurement outside Europe from 25% to 40% by 2020, in line with Vision 2020.

Targets per country have been established for each Division, focusing mainly on the United States, China, India, Russia, Eastern Europe, Latin America and Northern Africa.

To assist procurement in China, an office was established in Beijing with a subsidiary in Shanghai.

Planning supply chain eco-efficiency
Compliance with the first phase of the European REACH (Registration, Evaluation and Authorisation of Chemicals) regulation, which aims to ensure the safety of chemicals, was achieved with the support of suppliers.

An initiative to improve the eco-efficiency of the supply chain was launched during 2008. Its objectives, including those assigned to suppliers, will be set during 2009.

outlook
An immediate Sourcing priority is to monitor and manage the impact of the economic downturn on suppliers. A system is being developed to provide an early warning of any supplier difficulties.

In preparation for the longer term, Sourcing will further implement EADS’ Vision 2020 objectives. Procurement’s Shared Services organisation will begin operations and the Group’s eco-efficiency objectives will be defined and communicated to suppliers. Continued progress will be made regarding compliance with environmental regulations.

Sourcing will focus on new approaches to develop supplier performance and to intensify relationship management with major suppliers. This will include areas such as supply chain risk management, supplier development, environmental performance and social responsibility practices.
EADS is committed to good ethics, compliance and transparency, with its Vision 2020 making the promotion of ethical behaviour a key Group responsibility.
Commitment to compliance means ensuring that the Group’s business practices conform with applicable laws and regulations, as well as with ethical principles and best practices endorsed by the Group.

In order to achieve this goal, the Group believes that its management, which bears overall responsibility for compliance, should be provided with appropriate support from a compliance resource dedicated to sourcing profitable business in a compliant way. This resource should also be entrusted with controlling compliance responsibilities.

The Board therefore decided in late 2008 to appoint a Chief Compliance Officer (CCO) who is tasked with setting up the Group-wide, integrated Compliance Organisation. As CCO, Pedro Montoya is also designing and implementing the EADS Ethics and Compliance Programme, which focuses on the Group’s core compliance risks.

The CCO reports to the Chief Executive Officer, and his independence is guaranteed through direct access to the Board and its Audit Committee. He relies on the expertise of divisional compliance officers, as well as on Group functional compliance officers, building on an existing network of approximately 150 compliance professionals across the Group.

EADS’ Chief Executive Officer has set the CCO’s mission and objectives, after discussion with the Audit Committee.

The CCO will regularly report the status of the Ethics and Compliance Programme’s implementation to the Board and the Audit Committee.

INTERVIEW WITH THE CHIEF COMPLIANCE OFFICER, PEDRO MONTOYA

Why is it so important for EADS to implement an Ethics and Compliance Programme?

To safeguard EADS’ competitiveness and protect it from potential liability by mitigating compliance risks. It’s a way of ensuring that we remain a top global aerospace and defence supplier. In the US, for example, under the public procurement processes and in the Federal Acquisition Regulations, the government is requesting that contractors show they have effective ethics and compliance programmes. If we didn’t put adequate compliance controls in place, our business could suffer. We have also to face the bad reputation of the defence industry, which is unfair.

We are leading efforts to promote a level playing field externally. EADS has promoted Common Industry Standards in the Aerospace and Defence Industries Association of Europe and we are now in discussions with our American counterparts to establish these standards globally.

You’re establishing a new organisation. Does this mean that compliance is a new concern within EADS?

No. There have been processes in place for many years, starting with export controls which are a legal requirement in defence. In addition, the fight against corruption has long been considered critical for our industry and this led us previously to develop our international trade programme. The new EADS initiative was the outcome of extensive management discussions and studies. To cover all compliance risks, we are setting up a dedicated compliance organisation throughout the Group, comprising the existing functions in export control and international trade. Previously we may not have put enough emphasis on the education of people regarding compliance and this is something stakeholders expect. We must understand that it is everyone’s responsibility.

What specific actions are taking place in 2009?

A compliance risk map will be presented to the Audit Committee and we will establish an alert system before the end of 2009. We are also working to update the Group’s Code of Ethics and main Business Ethics Standards.
Glossary

ASYMMETRIC WARFARE
Conflict between combatants with different characteristics, for example conventional forces and terrorists.

ATV
Automated Transfer Vehicle – a space cargo vehicle which will supply the International Space Station (ISS) with scientific equipment, spares and fuel, together with supplies of food, air and water. As prime contractor to the European Space Agency (ESA), Astrium is leading the ATV programme, a key element of the European contribution to the ISS.

BLACK BELT
EADS’ skills improvement programme.

CLEAN SKY
Europe’s technology research programme designed to make air travel more sustainable.

CO₂
Carbon dioxide. It is a greenhouse gas.

CORPORATE BUSINESS ACADEMY
EADS’ proprietary business training college.

CORPORATE GOVERNANCE
The control and monitoring of a company to ensure that management acts in the interests of stakeholders, no undue risks are taken and relevant legislation is complied with.

EADS INNOVATION WORKS
The Group-wide research centre.

EBIT
Earnings Before Interest and Taxes – EADS uses EBIT pre-goodwill impairment and exceptionals as a key indicator of its economic performance.

ECO-EFFICIENCY
The term that describes balancing care for the environment with economic success.

EASA
European Aviation Safety Agency – responsible for the advancement, safety and regulation of civil aviation.

ESA
European Space Agency.

EMAS
The European Commission’s Eco-Management & Audit System.

FLY-BY-WIRE
An aircraft control system relying on electronics rather than mechanical linkages.

FUTURE EADS
The improvement programme focusing on better transversal integration of all support functions.
GDP
Gross Domestic Product – a measure of an economy’s output.

GMES
The European Commission’s Global Monitoring for Environment & Security programme designed to improve access to timely and accurate information from satellites.

GREEN
Environmentally friendly.

HEDGE
Financial tool designed to minimise exposure to adverse foreign exchange rate fluctuations.

ISO 14001
Certification standard for Environmental Management Systems (EMS) developed by the International Organization for Standardization (IOS). International standard requires organisations to develop an integrated, structured approach in setting and achieving environmental policies and objectives with the goal of supporting protection of the environment, prevention of pollution and compliance with regulatory requirements.

LCC
Low Cost Carrier.

LEAN PRODUCTION
The practice of production with minimum waste.

LONG-RANGE AIRCRAFT
An aircraft capable of exceeding 3,000 nautical miles with a full payload at normal cruising conditions. Airbus’ long-range aircraft are the A330, the A340, the A380 and the A350.

LUH
US Army programme for Light Utility Helicopters.

MRTT
Multi-Role Tanker Transport aircraft.

NOx
Group of highly reactive gases, all of which contain nitrogen and oxygen in varying amounts and causes a wide variety of health and environmental impacts.

OCCAR
Organisation Conjointe de Coopération en matière d’Armement, the European organisation formed to jointly procure arms.

POWER8
Turnaround programme to restore Airbus’ competitiveness.

POWER8 PLUS
Extension of Power8, extending not only across Airbus but across all EADS Divisions.

R&T
Research & Technology – all activities in the field of research and generic technologies not directly attributable to products, and designed to maintain or expand knowledge of the technological base.

RAMP-UP
The process of increasing a production programme’s level of activity.

REACH
The European Commission’s Registration Evaluation Authorisation and Restriction of Chemicals regulation, aiming to replace hazardous chemicals with less hazardous substances.

RPK
Revenue Passenger Kilometres – a measure of overall airline volume. It is calculated by multiplying the number of passenger revenue by the flight stage distance.

SECURITY
State security designed for border security, crisis management and large event protection.

SESAR
Single European Sky ATM Research – the pan-European programme tasked with creating a single European air traffic management system by 2020.

SHARED SERVICES
Central functions such as Human Resources that are shared across EADS.

SINGLE-AISLE AIRCRAFT
An aircraft with one aisle. At Airbus, single-aisle is used for the A320 family.

SKYNET 5
The programme to provide the UK Ministry of Defence with three secure communications satellites.

UAV
Unmanned Aerial Vehicle.
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“The Board is committed to helping management improve EADS’ long-term value”

Rüdiger Grube

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CHAIRMAN OF THE BOARD

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Shareholder Information

FINANCIAL CALENDAR:

Full Year 2008 results release: 10 March 2009
First Quarter 2009 results release: 12 May 2009
Annual General Meeting: 27 May 2009, Amsterdam, The Netherlands
Shareholders’ Information meeting: 25 June 2009, Paris, France
First Half 2009 results release: End of July 2009
Nine-Month 2009 results release: Mid November 2009

INVESTOR RELATIONS CONTACT:

Toll-free telephone numbers:
France: 0 800 01 2001
Germany: 00 800 00 02 2002
Spain: 00 800 00 02 2002

Shareholders from other countries can contact us at:
+ 33 1 45 30 85 82

An e-mailbox is dedicated to answering shareholders’ enquiries:
ir@eads.com

Visit our website at:
www.eads.com

We are a leading participant in a market that is important for the future. This world needs aerospace and defence for successful and secure living, for the development of our societies, for economic growth. We set standards in quality and innovation. We develop products and technologies for a cleaner, and safer, world.
Our staff and pioneering technologies make EADS an aerospace and defence leader. Airbus consistently captures about half the market for passenger jets with 100 seats or more. Leveraging Airbus’ commercial expertise, Airbus Military develops special mission aircraft and is responsible for the A400M transport aircraft programme. Eurocopter is the world’s largest helicopter company. Astrium is the European leader in space programmes. Our Defence & Security Division is a major partner in the Eurofighter consortium, a stakeholder in the missile systems provider, MBDA, and also supplies comprehensive systems solutions. Our skilled engineers, scientists and managers provide cutting-edge technologies, scientific excellence and programme leadership that give the Group a competitive advantage, enabling us to design, build and service products that the world needs. EADS’ innovations foster economic growth, security and eco-efficiency, driving value for all our stakeholders.
We have what it takes.