

Financial Statements

EADS Finance B.V.

Leiden, The Netherlands

Year ended December 31, 2009

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REPORT OF THE BOARD OF MANAGING DIRECTORS

The board of Managing Directors herewith submits the Financial Statements of EADS Finance B.V. ("**Company**") for the year ended on December 31, 2009.

ACTIVITIES

The Company's main activity is to finance companies and other entities by raising funds through, inter alia, borrowing by way of loan agreements, issuance of bonds, promissory notes and any other evidences of indebtedness, to invest and lend funds raised by the Company, to borrow and to participate in all types of financial transactions, including financial derivatives such as interest- and/or currency exchange contracts.

Activities of the Company have commenced in February 2003, when the first tranche of 1 EUR billion, of a 3 EUR billion EMTN Programme, was raised for the EADS-Group ("**EADS**"). In September 2003, the Company has issued its second Eurobond transaction for 500 EUR million under its EMTN Programme. In August 2009, the Company has issued another, third, Eurobond transaction for 1 EUR billion under this Programme. As additional part of the EMTN Programme, the Company launched a Commercial Paper Programme in late February 2004. During the year 2009, no amounts were outstanding for the Commercial Paper Programme.

The EMTN Programme is a contractual framework which allows EADS to raise debt from the capital markets through dealers by successive issues of notes governed by the same terms. Each issue, however, may bear a different maturity (due one month to thirty years).

For details on the Company's policies and position with respect to financial instruments we refer to note 15 of the financial statements.

RESULT FOR THE YEAR

The Company's result for the year ended on December 31, 2009 amounts to a profit of EUR 182.165.

STATEMENT

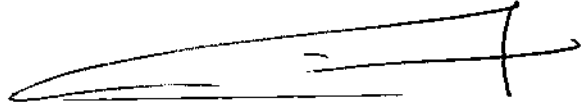
The board of Managing Directors hereby declares that, to the best of its knowledge:

- the financial statements for the year ended December 31, 2009 give a true and fair view of the assets, liabilities, financial position and profits or losses of the Company; and
- the report of the board of Managing Directors gives a true and fair view of the position as per the reporting date, and of the development and performance during the 2009 financial year of the Company, and the principal risks facing the Company have been described herein.

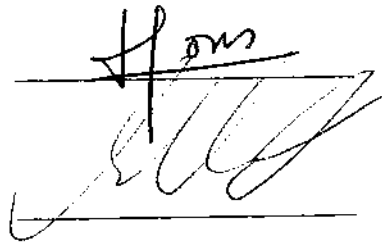
EADS Finance B.V.

BOARD OF MANAGING DIRECTORS

Mr. G. Adsuar, Director

A handwritten signature in black ink, appearing to be 'G. Adsuar', written over a horizontal line.

Mr. J.A.F. Pons, Director

A handwritten signature in black ink, appearing to be 'J.A.F. Pons', written over a horizontal line.

Mr. A. Drabert, Director

Leiden, April 15, 2010

STATEMENT OF FINANCIAL POSITION

(After appropriation of the result of the year)

	<i>Note</i>	31/12/2009 EUR	31/12/2008 EUR
Assets			
Non-Current Assets			
Long-term Loans Receivable	3	1.490.335.503	1.496.716.166
Current Assets			
Current Portion of Long-term Loans Receivable	3	1.000.000.000	-
Accrued Interest Receivable	4	59.238.904	45.905.776
Cash and Cash Equivalents	5	6.018.885	1.079.488
Positive Fair Value Derivative Instruments	6	12.403.466	4.513.646
		1.077.661.255	51.498.910
Total Assets		2.567.996.758	1.548.215.076
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Issued Capital	7	300.000	300.000
Other Reserves		(1.551)	(1.551)
Cash Flow Hedge Reserve	8	9.338.154	1.906.109
Retained Earnings		964.870	782.705
		10.601.473	2.987.263
Non-Current Liabilities			
Non-Current Interest Bearing Liabilities	9	1.483.724.957	1.496.034.766
Deferred Taxes Payable	10	3.162.884	-
		1.486.887.841	1.496.034.766
Current Liabilities			
Interest Bearing Liabilities	9	999.902.429	-
Accrued Interest Payable	11	63.897.260	45.904.110
Negative Fair Value Derivative Instruments	12	6.707.755	3.288.937
		1.070.507.444	49.193.047
Total Equity and Liabilities		2.567.996.758	1.548.215.076

EADS Finance B.V.**INCOME STATEMENT**

	<i>Note</i>	January 1 - December 31, 2009 EUR	January 1 - December 31, 2008 EUR
Financial Result			
<i>Income</i>			
Interest	13	92.653.873	79.686.122
Ineffective Component of the Cash Flow Hedge		583.828	585.428
		<u>93.237.701</u>	<u>80.271.550</u>
<i>Expenses</i>			
Interest	14	(93.053.525)	(80.078.416)
		<u>184.176</u>	<u>193.134</u>
General Administrative Expenses		(2.011)	(7.704)
		<u>182.165</u>	<u>185.430</u>
Profit for the Year attributable to Equity Holders of the Parent			

STATEMENT OF COMPREHENSIVE INCOME

	January 1 - December 31, 2009 EUR	January 1 - December 31, 2008 EUR
Profit for the Year	182.165	185.430
Other Comprehensive Income		
Gains from Cash-Flow Hedges	7.432.045	50.373.082
	<u>7.614.210</u>	<u>50.558.512</u>
Total Comprehensive Income for the Year attributable to Equity Holders of the Parent		

STATEMENT OF CASH-FLOWS

	<i>Note</i>	January 1 - December 31, 2009 EUR	January 1 - December 31, 2008 EUR
Profit for the Year		182.165	185.430
(Increase) Decrease Accrued Interest Receivable		(13.333.128)	227.532
Increase (Decrease) Accrued Interest Payable		17.993.150	(216.221)
Ineffective Component of the Cash Flow Hedge		(583.828)	(585.428)
Amortization Recharged Bond Issue Costs		(629.336)	(338.178)
Amortization Bond Issue Costs/ Interest Disagio		1.310.374	923.606
Decrease Short term Loans Receivable		-	500.665.458
Cash provided by operating Activities		4.939.397	500.862.199
Investments:			
Payments for Investments in Financial Assets:			
- Long-term Loan with EADS N.V.	3	(992.990.000)	-
Cash used for investing Activities		(992.990.000)	-
Proceeds from Non-Current Interest Bearing Liabilities	9	992.990.000	-
Decrease in short term borrowings		-	(500.665.458)
Cash provided by financing Activities		992.990.000	(500.665.458)
Net Increase in Cash and Cash Equivalents		4.939.397	196.741
Cash and Cash equivalents at beginning of Year		1.079.488	882.747
Cash and Cash equivalents at end of Year	5	6.018.885	1.079.488

The following represents supplemental information with respect to cash flows from **operating activities**:

	January 1 - December 31, 2009 EUR	January 1 - December 31, 2008 EUR
Interest received	78.691.408	83.366.410
Interest paid	(73.750.000)	(83.161.966)

EADS Finance B.V.**STATEMENT OF CHANGES IN EQUITY**

EUR	Issued Capital	Other Reserves	Cash Flow Hedge Reserve	Retained Earnings	Total
Balance at December 31, 2006	300.000	(1.551)	(30.996.494)	449.607	(30.248.438)
Movement effective portion of Interest Rate SWAPS EADS N.V. (Total other comprehensive income for the year)			(17.470.479)		(17.470.479)
Profit for the Year				147.668	147.668
Total comprehensive income for the Year			(17.470.479)	147.668	(17.322.811)
Balance at December 31, 2007	300.000	(1.551)	(48.466.973)	597.275	(47.571.249)
Movement effective portion of Interest Rate SWAPS EADS N.V. (Total other comprehensive income for the year)			50.373.082		50.373.082
Profit for the Year				185.430	185.430
Total comprehensive income for the Year			50.373.082	185.430	50.558.512
Balance at December 31, 2008	300.000	(1.551)	1.906.109	782.705	2.987.263
Movement effective portion of Interest Rate SWAPS EADS N.V. (Total other comprehensive income for the year)			7.432.045		7.432.045
Profit for the Year				182.165	182.165
Total comprehensive income for the Year			7.432.045	182.165	7.614.210
Balance at December 31, 2009	300.000	(1.551)	9.338.154	964.870	10.601.473

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

1. GENERAL

EADS Finance B.V. ("**Company**"), incorporated on December 2, 2002 and legally seated (*statutaire zetel*) in Amsterdam (registered office at Mendelweg 30, 2333 CS, Leiden, The Netherlands), is 100% owned by European Aeronautic Defence and Space Company EADS N.V. ("**EADS N.V.**").

The Company's main activity is to finance companies and other entities by raising funds through, inter alia, borrowing by way of loan agreements, issuance of bonds, promissory notes and other evidences of indebtedness, to invest and lend funds raised by the Company, to borrow and to participate in all types of financial transactions, including financial derivatives such as interest- and/or currency exchange contracts.

These financial statements were authorized for issue by the directors on April 15, 2010.

2. ACCOUNTING PRINCIPLES

New Standards, Amendments to existing Standards and new Interpretations

The IFRS rules applied by the Company for preparing 2009 year end financial statements are the same as for the previous financial year, except for those following the application of new or amended Standards or Interpretations respectively and changes in accounting policies as detailed below.

a) New or Amended Standards

The application of the following amended standards is mandatory for the Company for the financial year starting January 1, 2009. If not otherwise stated, the following new or amended Standards did not have a material impact on the financial statements of the Company.

IFRS 8 "Operating Segments" (issued in November 2006 and endorsed in November 2007) replaced IAS 14 "Segment Reporting" for accounting periods beginning on or after January 1, 2009. IFRS 8 requires the presentation and disclosure of segment information to be based on the internal management reports regularly reviewed by the Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them.

The **Amendment to IAS 23** "Borrowing Costs" removes the option of recognizing borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as an expense and therefore requires capitalizing such borrowing costs as part of the cost of the asset prospectively. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. This amendment was released in April 2007, was endorsed in December 2008 and became mandatory to the Company as of January 1, 2009.

The **Amendment to IAS 1** "Presentation of Financial Statements: A revised presentation" (issued in September 2007 and endorsed in December 2008) became effective for the Company as of January 1, 2009 and introduced the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented either according to a single statement approach (effectively combining both the income statement and all non-owner changes in equity in a single statement), or according to a two statement approach in a income statement and a separate statement of comprehensive income. The Company provides such information according to the two statement approach in an income statement as well as in a statement of comprehensive income for its Financial Statements from 2009 onwards.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

The **Amendments to IFRS 4 and IFRS 7** “Improving Disclosures about Financial Instruments” (issued in March 2009 and endorsed in December 2009) require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendments require disclosure of fair value measurements by level of a fair value measurement hierarchy.

The Company applied the amendments to **IAS 32 and IAS 1** “Puttable Financial Instruments” (issued in February 2008, endorsed in January 2009), the amendments to **IFRS 1** “First-time Adoption of International Financial Reporting Standards” and to **IAS 27** “Consolidated and Separate Financial Statements” (issued in May 2008, endorsed in January 2009) as well as the amendments to **IFRS 2** “Share Based Payments - Vesting Conditions and Cancellations” (amended in January 2008 and endorsed in December 2008).

Further, in May 2008 the IASB issued its first omnibus of amendments to its standards primarily with a view to removing inconsistencies and clarifying wording in several IFRS standards, which was endorsed in January 2009. There are separate transition rules for each amended standard.

Finally, the Company’s accounting policies were not affected by the amendments “Reclassification of Financial Assets: Amendments to **IAS 39** “Financial Instruments: Recognition and Measurement” and **IFRS 7** “Financial Instruments: Disclosures” (both Standards amended and endorsed in October 2008) as well as their related later amendments regarding the effective date and the transition rules (endorsed in September 2009), as the Company did not reclassify any such financial instruments. Furthermore, the related amendments “Embedded Derivatives: Amendments to **IFRIC 9** “Reassessment of Embedded Derivatives” and **IAS 39** “Financial Instruments: Recognition and Measurement” (both amended in December 2008 and endorsed in November 2009) also did not have an impact on the Company’s accounting policies.

b) New Interpretations

The following Interpretations became effective as of January 1, 2009. If not otherwise stated, the following Interpretations did not have a material impact on the financial statements of the Company.

IFRIC 14 “IAS 19 – The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (issued in July 2007, endorsed in December 2008 resulting in an effective date as of January 1, 2009) clarifies how the maximum amount of net plan assets is calculated and which circumstances require an additional pension liability to be recognized.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation” (issued in July 2008, endorsed in June 2009) provides additional guidance on the accounting for a hedge of a net investment, mainly regarding the identification of the foreign currency risks that qualify for hedge accounting, where within the group the hedging instruments can be held and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment.

Further, the Company’s accounting policies were not affected by **IFRIC 13** “Customer Loyalty Programmes” (issued in June 2007, endorsed in December 2008) and the sector-specific interpretation **IFRIC 15** “Agreements for the Construction of Real Estate” (issued in July 2008, endorsed in July 2009), as the Company does neither maintain such customer loyalty programs nor undertakes such construction activities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

New, Revised or amended IFRS Standards and Interpretations issued but not yet applied

A number of new or revised standards, amendments and improvements to standards as well as interpretations are not yet effective for the year ended December 31, 2009, and have not been applied in preparing these Financial Statements. The potential impacts from the application of those newly issued standards, amendments and interpretations are currently under investigation. In general and if not otherwise stated, these new, revised or amended IFRS and their interpretations are not expected to have a material impact on the Company's Financial Statements.

The amendment to **IFRS 2** "Share-based Payments - Group Cash-settled Share-based Payment Transactions" (issued in June 2009, endorsed in March 2010) amends the definitions in IFRS 2 for transactions and arrangements, as well as the scope of the Standard. In addition, guidance is given for accounting for share-based payment transactions amongst group entities. The retrospective application of the amendment is mandatory for annual periods beginning on or after January 1, 2010.

IFRS 3R "Business Combinations" and **IAS 27 (amend.)** "Consolidated and Separate Financial Statements" (revised and issued in January 2008, endorsed in June 2009) will become mandatory for the Company on January 1, 2010. IFRS 3R introduces a number of changes in the accounting for business combinations will have to be applied prospectively.

In November 2009, the IASB issued **IFRS 9** "Financial Instruments" (not endorsed yet) as the first step of its project to replace IAS 39 "Financial Instruments: Recognition and Measurement". Amongst other changes to the accounting for financial instruments, IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that is based on only two classification categories: amortised cost and fair value. Further, the classification of financial assets under IFRS 9 is driven by the entity's business model for managing its financial assets and the contractual cash flow characteristics of these financial assets. IFRS 9 has to be applied starting January 1, 2013, with early adoption permitted, and offers various transition models. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. By the end of 2010, IFRS 9 is expected to constitute a complete replacement for IAS 39.

Also in November 2009, the IASB issued a revised version of **IAS 24** "Related Party Disclosures" (endorsed in March 2010) that simplifies the disclosure requirements for government related entities and clarifies the definition of a related party. The revised standard has to be applied prospectively by the Company for annual periods beginning on January 1, 2011, with earlier application permitted.

The amendment to IAS 32 "Classification of Rights Issues – **Amendment to IAS 32** Financial Instruments: Presentation" (issued in October 2009, endorsed in December 2009) addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. In particular, when the amendment is retrospectively applied, rights (and similar derivatives) to acquire a fixed number of an entity's own equity instruments for a fixed price stated in a currency other than the entity's functional currency, would be equity instruments, provided the entity offers the rights pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The amendment has to be applied retrospectively by the Company for annual periods beginning on January 1, 2011, with earlier application permitted.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

The objective of the Amendment “Eligible Hedged Items – **Amendment to IAS 39** “Financial Instruments: Recognition and Measurement” (issued in July 2008, endorsed in September 2009) is to propose rules-based amendments to IAS 39 to simplify the hedge accounting requirements by clarifying the risks that may be designated as hedged risks and the portion of cash flows of a financial instrument that may be designated as a hedged item. The amendment will be applied retrospectively by the Company for annual periods beginning on January 1, 2010.

IFRIC 12 “Service Concession Arrangements” (issued in November 2006, endorsed in March 2009 resulting in an effective date as of January, 1st 2010) clarifies how certain aspects of existing IASB guidance are to be applied to service concession arrangements in the financial statements of service concession operators and will have to be applied retrospectively from January 1, 2010 onwards.

IFRIC 17 “Distribution of non-cash assets to owners” (issued in November 2008, endorsed in November 2009) clarifies the accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. In this context, IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The Company will apply IFRIC 17 from January 1, 2010.

IFRIC 18 “Transfers of Assets from Customers” (issued in January 2009, endorsed in December 2009) clarifies the IFRS requirements for the recognition and measurement of agreements in which an entity receives from a customer either an item of property, plant, and equipment or cash that the entity have to use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water in the utility sector). While IFRIC 18 is particularly relevant for entities in the utility sector, its prospective application will be mandatory to annual periods of the Company beginning on January 1, 2010.

In November 2009, the IFRIC issued **IFRIC 19** “Extinguishing Financial Liabilities with Equity Instruments” (endorsed in March 2010) that provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments (so called debt for equity swaps). IFRIC 19 clarifies the requirements for the application of the related IFRS Standards when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity’s shares or other equity instruments to settle the financial liability fully or partially. The interpretation has to be applied retrospectively for annual periods of the Company beginning on January 1, 2011 with earlier application permitted.

To correct an unintended consequence of IFRIC 14, the IASB issued **amendments to IFRIC 14** “Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14)” in November 2009 (endorsed in March 2010). Without the amendments, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this issue. The amendments are effective for annual periods of the Company beginning January 1, 2011, with earlier application permitted. The amendments must be applied retrospectively to the earliest comparative period presented.

In April 2009, the IASB issued its second omnibus of amendments to its standards containing 15 amendments to 10 IFRS Standards and 2 Interpretations (endorsed in March 2010). The amendments refer to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9 and IFRIC 16. Most of the amendments are mandatory for annual periods beginning on or after January 1, 2010 with separate transition provisions for each amendment.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

General

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the accounting standards and interpretations approved by the International Accounting Standards Board ("IASB") as adopted by the European Union (IFRS as adopted by the EU) and in compliance with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code as far as applicable. The financial statements are prepared on a historical cost basis unless otherwise stated, as well as prepared and reported in euros ("EUR").

Judgements and estimation uncertainty

The preparation of the financial statements in conformity with the Company's accounting policies requires the use of judgement and estimates. Actual results could differ from those estimates. Changes in such estimates and assumptions may affect amounts reported in future periods. The key area requiring application of judgement and estimation is the determination of the fair value of derivatives. Since those instruments are not traded in an active market, the Company uses valuation techniques to determine their fair values.

The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

Financial Assets

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; and
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Long-term and short-term loans receivable and accrued interest receivable are classified as loans and receivables, which are initially recognized on the settlement date at cost, being the fair value of the consideration given and including acquisition charges. Subsequently they are carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortisation process.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The amount of the loss shall be recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash in bank and cash in the Intercompany Account with EADS N.V. (cash pooling), which is available on a daily basis.

Financial Liabilities

Non-current interest bearing liabilities, short-term loans payable and accrued interest payable are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method with any difference between proceeds (net of transaction costs) and redemption amount being recognized in the income statement over the period to maturity. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortisation process.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Derivative Financial Instruments

The Company uses derivative financial instruments such as interest rate swaps to hedge its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognized and are subsequently measured at fair value in the Statement of Financial Position with changes in fair values recognized either directly in other comprehensive income or in profit and loss.

Deferred Taxes

Deferred tax assets and liabilities reflect lower or higher future tax consequences that result in certain assets and liabilities from temporary valuation differences between the financial statement carrying amounts and their respective tax bases as well as from net operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates by the reporting date of 25,5% to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the new rates are enacted or substantively enacted. As deferred tax assets anticipate potential future tax benefits, they are recorded in the financial statements of the Company only when the likelihood that the tax benefits will be realized is probable. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. The Company is part of a fiscal unity headed by EADS N.V. and therefore not subject to current taxes.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

Interest income

Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Hedge Accounting

For the purposes of hedge accounting, hedges are classified as either fair value hedges where they hedge the exposure to changes in the fair value of a recognized asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a forecasted transaction.

For derivative financial instruments designated as fair value hedges, changes in the fair value of the hedging instrument and changes in the fair value of the hedged asset or liability attributable to the hedged risk are simultaneously recognized in the Income Statement.

In relation to cash flow hedges which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly as other comprehensive income within a separate component of the Shareholders' Equity ("Revaluation Reserve"), net of applicable deferred taxes and the ineffective portion is recognized in the Income Statement.

When the cash flows that the derivative is hedging materialize, resulting in income or expense, then the associated gain or loss on the hedging derivative recognized as other comprehensive income is simultaneously transferred to the corresponding income or expense line item.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for special hedge accounting.

3. LONG-TERM LOANS RECEIVABLE	31/12/2009	31/12/2008
	EUR	EUR
Long-term Loan to EADS N.V. – Current portion Non-Current	1.000.000.000	-
Long-term Loans to EADS N.V. - Non-Current	1.490.335.503	1.496.716.166
	<u>2.490.335.503</u>	<u>1.496.716.166</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

Long-term Loan to EADS N.V. – Current portion of Non-Current

On February 27, 2003, the Company entered into a loan agreement with effect of March 3, 2003, with EADS N.V., to make a loan available for the principal amount of 1 EUR billion. This loan shall bear interest at the rate of EURIBOR three (3) months with a spread of 102,15 base points per annum from the borrowing date. Interest shall be payable quarterly in arrears each March 3, June 3, September 3 and December 3 commencing June 3, 2003 until and including March 3, 2010.

The fair market value approximates to the fair market value of the "Eurobond 1 EUR billion" (note 9) reduced by the positive carrying amount of the interest rate swap being valued at fair market value (note 6). In accordance with the terms of the loan agreement, this loan to EADS N.V. has been fully repaid on March 3, 2010.

Long-term Loans to EADS N.V. – Non-Current

On September 11, 2003, the Company entered into a second loan agreement with effect of September 25, 2003, with EADS N.V., to make a loan available for the principal amount of 500 EUR million, reduced by a discount of 5,06 EUR million. This loan originally bore interest at a rate of 5,54% per annum, payable yearly in arrears each September 25. On February 2, 2006, the Company has changed the interest terms of the loan agreement with effect of December 27, 2005. The amended loan shall bear interest at the rate of EURIBOR three (3) months with a spread of 184,965 base points per annum from December 27, 2005 onwards. Interest shall be payable quarterly in arrears each March 25, June 25, September 25 and December 25 commencing March 25, 2006 until and including September 25, 2018.

This loan to EADS N.V. is repayable on September 25, 2018. The fair market value approximates to the fair market value of the "Eurobond 500 EUR million" (note 9) reduced by the positive carrying amount of the interest rate swap being valued at fair market value (note 6).

On August 7, 2009, the Company entered into a third loan agreement with effect of August 12, 2009, with EADS N.V., to make a loan available for the principal amount of 1 EUR billion, reduced by a discount of 7,01 EUR million. This loan originally bore interest at a rate of 4,645% per annum, payable yearly in arrears each August 12. On September 29, 2009, the Company has changed the interest terms of the loan agreement with effect of September 18, 2009. For an interim period commencing September 18, 2009 up to November 12, 2009 the interest rate was amended to 2,16948% per annum. From November 12, 2009 onwards the loan shall bear interest at the rate of EURIBOR three (3) months with a spread of 158,548 base points per annum. Interest shall be payable quarterly in arrears each February 12, May 12, August 12 and November 12 commencing November 12, 2009 until and including August 12, 2016.

This loan to EADS N.V. is repayable on August 12, 2016. The fair market value approximates to the fair market value of the "Eurobond 1 EUR billion" (note 9) increased by the negative carrying amount of the interest rate swap being valued at fair market value (note 12).

4. ACCRUED INTEREST RECEIVABLE	31/12/2009	31/12/2008
	EUR	EUR
Interest Rate SWAPS EADS N.V.	54.498.937	41.806.041
Long-term Loans to EADS N.V.	4.739.967	4.099.735
	59.238.904	45.905.776

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

5. CASH AND CASH EQUIVALENTS	31/12/2009	31/12/2008
	EUR	EUR
Intercompany Account EADS N.V.	<u>6.018.885</u>	<u>1.079.488</u>
6. POSITIVE FAIR-VALUE DERIVATIVE INSTRUMENTS	31/12/2009	31/12/2008
	EUR	EUR
Interest Rate SWAP EADS N.V., 1 EURb, 4,625% (03/2010)	4.742.854	4.513.646
Interest Rate SWAP EADS N.V., 500 EURm, 5,500% (prior year: negative fair value EUR 3.288.937)	7.660.612	-
	<u>12.403.466</u>	<u>4.513.646</u>

These amounts represent the fair market value, less accrued interest, at December 31, 2009 of:

- the Interest Rate Swap for which the Company has entered into with EADS N.V. with effect of March 3rd, 2003. The notional amount of the swap is 1 EUR billion, which expires on March 3rd, 2010. The purpose of the Interest Rate Swap is to swap the variable interest in connection with the 1 EUR billion loan to EADS N.V. (see note 3), into a fixed interest rate of 4,625% per annum.

- the Interest Rate Swap for which the Company has entered into with EADS N.V. with effect of December 27th, 2005. The notional amount of the swap is 500 EUR million, which expires on September 25th, 2018. The purpose of the Interest Rate Swap is to swap the variable interest in connection with the 500 EUR million loan to EADS N.V. (see note 3), into a fixed interest rate of 5,50% per annum.

The fair value of the interest rate swaps was determined by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the swap. The effective portion of the movement of the fair value net of deferred taxes of these interest rate swaps in 2009 for a positive amount of EUR 7.432.045 (2008: positive EUR 50.373.082) was completely recognized in other comprehensive income.

7. ISSUED CAPITAL

The Company has an authorised share capital of 1,500,000 shares of EUR 1 each. As of December 31, 2009, the issued and paid-up share capital of the Company consists of 300,000 ordinary shares with a par value of EUR 1 each. The Other Reserves include capital tax paid in relation to a capital increase.

The Company complies with the capital requirements under applicable law and its articles of association. The main activity of the Company is to refinance EADS Group entities. The Company manages its capital with the interest rate spread applied on the loans provided to EADS N.V. based on market conditions.

8. CASH FLOW HEDGE RESERVE

This amount represents the change in fair value in the reporting Year of the Interest Rate Swaps (see note 6), for the effective part of the cash flow hedge, net of deferred taxes.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

9. INTEREST BEARING LIABILITIES	31/12/2009	31/12/2008
	EUR	EUR
Current portion of Non-Current		
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010 fair value EUR 1.005.620.000	999.902.429	-
Non-Current		
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010 (prior year: EUR 1.010.000.000)	-	999.318.600
5,500% Eurobond EADS Finance B.V., maturing 25/09/2018 fair value EUR 536.715.000 (prior year: EUR 465.000.000)	497.053.420	496.716.166
4,625% Eurobond EADS Finance B.V., maturing 12/08/2016 fair value EUR 1.018.550.000	986.671.537	-
	<u>2.483.627.386</u>	<u>1.496.034.766</u>

The Company has issued an inaugural Eurobond benchmark transaction under the EMTN Programme of 1 EUR billion with value date March 3, 2003. The bond has an original maturity of seven years and carries a yearly coupon of 4,625%. The bond matured and has been fully repaid on March 3, 2010.

The Company has issued a second inaugural Eurobond benchmark transaction under the EMTN Programme of 500 EUR million with value date September 25, 2003. The bond has an original maturity of fifteen years and carries a yearly coupon of 5,500%. The bond matures on September 25, 2018.

The Company has issued a third inaugural Eurobond benchmark transaction under the EMTN Programme of 1 EUR billion with value date August 12, 2009. The bond has an original maturity of seven years and carries a yearly coupon of 4,625%. The bond matures on August 12, 2016. Because of a discount of 7,01 EUR million at issuance, the net proceeds of the bond amounted to 992,99 EUR million. Changes in the fair value of the liability attributable to the hedged interest rate risk in the amount of -6.7 EUR million are recognized in the Income Statement (see Note 12).

The issued Eurobonds are covered by a guarantee from EADS N.V., the parent company. The disclosed fair values of the Eurobonds were determined using market quotations at reporting date.

10. DEFERRED TAXES

The deferred tax liability relates to the temporary difference between the valuation of the derivative financial instruments for financial statements purposes and their respective tax basis. Deferred taxes are recognized as income tax benefit or expense except for changes in fair value of derivative instruments designated as cash flow hedges which are recorded net of tax in the revaluation reserve. In 2009, a negative amount of EUR 3.162.884 has been recognized in other comprehensive income (2008: negative amount of EUR 16.589.366).

11. ACCRUED INTEREST PAYABLE	31/12/2009	31/12/2008
	EUR	EUR
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010	38.520.548	38.520.548
5,500% Eurobond EADS Finance B.V., maturing 25/09/2018	7.383.562	7.383.562
4,625% Eurobond EADS Finance B.V., maturing 12/08/2016	17.993.150	-
	<u>63.897.260</u>	<u>45.904.110</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

12. NEGATIVE FAIR-VALUE DERIVATIVE INSTRUMENTS	31/12/2009 EUR	31/12/2008 EUR
Interest Rate Swap EADS N.V., 500 EURm, 5,500%	-	3.288.937
Interest Rate Swap EADS N.V., 1 EURb, 4,625% (08/2016)	6.707.755	-
	6.707.755	3.288.937

The negative amount of EUR 6.707.755 represents the fair market value, less accrued interest, at December 31, 2009 of the Interest Rate Swap for which the Company has entered into with EADS N.V. with effect of September 18, 2009. The notional amount of the swap is 1 EUR billion, which expires on August 12, 2016. The Interest Rate Swap is designated as a fair value hedge and its purpose is to swap the fixed interest of 4,625% per annum in connection with the 1 EUR billion Eurobond expiring August 12, 2016 (see note 9), into a variable interest rate of EURIBOR three (3) months with a spread of 156,548 base points per annum from November 12, 2009 onwards. Floating rate Initial Period from September 18, 2009 to November 12, 2009 is covered by floating rate payments by the company of 2.16948 % per annum. Changes in the fair value of the Interest Rate Swap of 6.7 EUR million have been recognized in the Income Statement.

The fair value of the interest rate swap was determined by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the swap. Changes in fair value are recognized in profit and loss

13. INTEREST INCOME	2009 EUR	2008 EUR
Long-term Loans to EADS N.V.	60.176.909	96.598.957
Interest Rate SWAPS EADS N.V.	31.847.627	(22.520.203)
Short-term Loans to EADS N.V.	-	5.269.190
Amortization of Loan Disagio	629.337	338.178
	92.653.873	79.686.122

14. INTEREST EXPENSES	2009 EUR	2008 EUR
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010	(46.250.000)	(46.355.247)
5,500% Eurobond EADS Finance B.V., maturing 25/09/2018	(27.500.000)	(27.520.174)
4,625% Eurobond EADS Finance B.V., maturing 12/08/2016	(17.993.151)	-
Short-term Loans from Commercial Paper Programme	-	(5.279.389)
Amortization of Bond Issue Costs	(1.310.374)	(923.606)
	(93.053.525)	(80.078.416)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

15. INFORMATION ABOUT FINANCIAL INSTRUMENTS

a) Financial Risk Management

The Company's principal financial instruments, other than derivatives, comprise long-term Eurobond liabilities and short-term loans from Commercial Paper Programme. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various financial assets such as short- and long-term loans receivables and cash, which arise directly from its operations.

EADS Finance B.V. also enters into derivative transactions which consist of interest rate swaps only. The purpose is to manage the interest rate risks arising from the Company's operations. It is, and has been throughout the year under review, the Company's policy that no trading in derivatives shall be undertaken.

Interest Rate Risk - EADS Finance B.V. uses an asset and liability management approach with the objective to limit its interest rate risk. The Company undertakes to match the risk profile of its liabilities with a corresponding asset structure. Therefore the Company uses Interest Rate Derivatives for hedging purposes to fully hedge the interest risk on the variable interest-bearing long-term loans to EADS N.V. and to swap the variable interest into fixed interest, as well as to fully hedge the interest risk on one of the fixed interest-bearing bonds and to swap the fixed interest into variable interest.

Sensitivities of Market Risks

The approach used to measure and control market risk exposure within the Company's financial instrument portfolio is amongst other key indicators the value-at-risk ("VaR"). The VaR of a portfolio is the estimated potential loss that will not be exceeded on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified confidence level. The VaR used by the Company is based upon a 95 percent confidence level and assumes a 5-day holding period. The VaR model used is mainly based on the so called "Monte-Carlo-Simulation" method.

Deriving the statistical behaviour of the markets relevant for the portfolio out of market data from the previous two years and observed interdependencies between different markets and prices, the model generates a wide range of potential future scenarios for market price movements.

The Company's VaR computation includes the Company's external financial debt affecting the Company's profit and loss.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 5-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 95 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a five percent statistical probability that losses could exceed the calculated VaR.
- The use of historical data as a basis for estimating the statistical behaviour of the relevant markets and finally determining the possible range of future outcomes out of this statistical behaviour may not always cover all possible scenarios, especially those of an exceptional nature.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

The Company uses VaR amongst other key figures in order to determine the riskiness of its financial instrument portfolio and in order to optimize the risk-return ratio of its financial asset portfolio. Further, the Company's investment policy defines for P&L and Revaluation Reserve certain limits on total risk for the portfolio of cash, cash equivalents and securities. The total VaR as well as the different risk-factor specific VaR figures of this portfolio are measured and serve amongst other measures as a basis for the decisions of the asset management committee.

A summary of the VaR position of the Company's financial debt portfolio at December 31, 2009 and December 31, 2008 is as follows:

	31/12/2009 MEUR	31/12/2008 MEUR
Interest VaR		
Financial Liabilities	<u>1</u>	<u>1</u>

As all of the Company's external financial debt included in the VaR computation has been lended to EADS N.V. at nearly identical conditions, the interest rate risk of the total portfolio of financial instruments is nearly balanced.

Liquidity Risk

The Company's policy is to maintain sufficient liquid assets at any time to meet its present and future commitments as they fall due. The liquid assets typically consist of cash and cash equivalents. In addition, the Company maintains a set of other funding sources. Depending on its cash needs and market conditions, the Company may issue bonds, notes and commercial papers.

In MEUR	Carrying amount	Contractual cash flows	< 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years
Dec 31, 2009								
Non derivative financial liabilities	(2.547)	(3.118)	(1.120)	(74)	(74)	(74)	(74)	(1.702)
Derivative financial liabilities	(7)	3	15	6	1	(4)	(7)	(8)
Total	(2.554)	(3.115)	(1.105)	(68)	(73)	(78)	(81)	(1.710)
Dec 31, 2008								
Non derivative financial liabilities	(1.542)	(1.872)	(74)	(1.074)	(28)	(28)	(28)	(640)
Derivative financial liabilities	(3)	4	3	7	-	1	-	(7)
Total	(1.545)	(1.868)	(71)	(1.067)	(28)	(27)	(28)	(647)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

The above table analyses the Company's financial liabilities by relevant maturity groups based on the period they are remaining on the Company's Statement of Financial Position to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows, comprising all outflows of a liability such as repayments and eventual interest payments. Non-derivative financial liabilities comprise financing liabilities at amortised cost. Derivative financial liabilities are presented with their market value.

Foreign Currency Risk - The Company is not exposed to foreign currency risks because it has its financial portfolio in Euro only.

Credit Risk - The Company has only one debtor, which is EADS N.V. The maximum credit risk equals the book value of the respective items on Statement of Financial Position at reporting date. The long-term corporate credit rating of EADS N.V. is BBB+ (S&P).

In MEUR	Dec 31, 2009	Dec 31, 2008
Receivables, neither past due nor impaired	2.555	1.544
Derivative financial assets	12	4
	2.567	1.548

b) Carrying amounts and fair values of financial instruments

The fair value of a financial instrument is the price at which one party would assume the rights and/or duties of another party. Fair values of financial instruments have been determined with reference to available market information at the reporting date and the valuation methodologies discussed below. Considering the variability of their value-determining factors and the volume of financial instruments, the fair values presented herein may not be indicative of the amounts that the Company could realize in a current market environment.

The following tables present the carrying amounts and fair values of financial instruments according to IAS 39 measurement categories as of December 31, 2009 and 2008 respectively:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

In MEUR	Fair Value for Hedge Relations		Loans and Receivables and Financial Liabilities at amortised cost		Financial Instruments Total	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Dec 31, 2009						
<i>Financial Assets</i>						
Non-current assets	-	-	1.490	1.544	1.490	1.544
Derivative financial assets	12	12	-	-	12	12
Current assets	-	-	1.065	1.066	1.065	1.066
	12	12	2.555	2.610	2.567	2.622
<i>Financial Liabilities</i>						
Non-current and Current financial liabilities	-	-	(2.547)	(2.625)	(2.547)	(2.625)
Derivative financial liabilities	(7)	(7)	-	-	(7)	(7)
	(7)	(7)	(2.547)	(2.625)	(2.554)	(2.632)
Dec 31, 2008						
<i>Financial Assets</i>						
Non-current assets	-	-	1.497	1.496	1.497	1.496
Derivative financial assets	4	4	-	-	4	4
Current assets	-	-	47	47	47	47
	4	4	1.544	1.543	1.548	1.547
<i>Financial Liabilities</i>						
Non-current and Current financial liabilities	-	-	(1.542)	(1.542)	(1.542)	(1.542)
Derivative financial liabilities	(3)	(3)	-	-	(3)	(3)
	(3)	(3)	(1.542)	(1.542)	(1.545)	(1.545)

Fair value hierarchy – Financial assets and liabilities measured at fair value comprise derivative financial instruments for hedge relations. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of derivative financial assets of 12 EUR million and derivative financial liabilities of 7 EUR million are determined according to level 2 of the fair value hierarchy.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

Financial Assets and Liabilities – Generally, fair values are determined by observable market quotations or valuation techniques supported by observable market quotations. By applying a valuation technique, such as present value of future cash flows, fair values are based on estimates. However, methods and assumptions followed to disclose data presented herein are inherently judgmental and involve various limitations like estimates as of December 31, 2009 and 2008, which are not necessarily indicative of the amounts that the Company would record upon further disposal/termination of the financial instruments.

Interest Rate Contracts – The fair value of these instruments is the estimated amount that the Company would receive or pay to settle the related agreements as of December 31, 2009 and 2008 based on present value calculations. The used swap model incorporates various inputs including interest rate curves.

c) Notional amounts of derivative financial instruments

The contract or notional amounts of derivative financial instruments shown below do not necessarily represent amounts exchanged by the parties and, thus, are not necessarily a measure for the exposure of the Company through its use of derivatives.

The notional amounts of interest rate contracts are as follows, specified by year of expected maturity:

Year ended December 31, 2009 in MEUR	Remaining period						Total
	2010	2011	2012	2013	2014-2017	2018	
Interest Rate Contracts	1,000	-	-	-	1,000	500	2,500

Year ended December 31, 2008 in MEUR	Remaining period						Total
	2009	2010	2011	2012	2013-2017	2018	
Interest Rate Contracts	-	1,000	-	-	-	500	1,500

d) Derivative financial instruments and hedge accounting disclosure

The following interest rate curves are used in the determination of the fair value in respect of the derivative financial instruments as of December 31, 2009 and 2008:

	December 31, 2009	December 31, 2008
Interest rate in %	EUR	EUR
6 months	0.93	2.98
1 year	1.21	3.05
5 years	2.81	3.23
10 years	3.60	3.74

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)**

Hedging activities – At December 31, 2009, the Company has interest swap agreements in place with notional amounts totaling 2,500 EUR million (as at December 31, 2008: 1,500 EUR million). The swaps are used to swap variable interest in connection with 1,500 EUR million loans to EADS N.V. (see note 3), into a fixed interest similar to the interest rate on the EMTN-Bonds (see note 9), and partly used to swap fixed interest in connection with issue of the third EMTN-Bond amounting to 1,000 EUR million (see note 9) into a variable interest rate. The hedges were assessed highly effective.

18. NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

The Company employed no personnel in the year ended on December 31, 2009.

19. DIRECTORS

The Company had no director who received remuneration.

20. COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments or contingent liabilities on the reporting date.

21. RELATED PARTIES

EADS N.V. is a related party, as it holds 100% of the shares of EADS Finance B.V. The transactions and outstanding balances relating to EADS N.V. are detailed in the notes. We refer to the comments to long-term and short-term loan receivables, accrued interest receivables, cash and cash equivalents, equity, negative fair-value derivative instruments and interest income.

22. SUBSEQUENT EVENTS

The Company has fully repaid the first inaugural Eurobond benchmark transaction under the EMTN Programme, amounting to 1 EUR billion, on March 3, 2010. Consequently, EADS N.V. has fully repaid to EADS Finance B.V. a loan for the principal amount of 1 EUR billion on the same date. The relating interest rate swap for which the Company has entered into with EADS N.V. with effect of March 3, 2003 and a notional amount of 1 EUR billion expired on March 3, 2010.

OTHER INFORMATION

APPROPRIATION OF THE NET RESULT

According to the Company's articles of association, the annual meeting of shareholders determines the appropriation of the Company's net result for the year.

The board of Managing Directors proposes that the net profit for the year ended December 31, 2009, amounting to EUR 182,165, be transferred to the retained earnings.

To: the shareholders and the management of EADS Finance B.V.

Auditor's report

We have audited the accompanying financial statements 2009 of EADS Finance B.V., Amsterdam, which comprise the balance sheet as at December 31, 2009, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report of the Board of Management in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of EADS Finance B.V. as at December 31, 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the Board of Management is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, April 15, 2010

Ernst & Young Accountants LLP

signed by F.A.L. van der Bruggen