



Press Release

Customer Nations and EADS Come to Principle Agreement on A400M – Additional Provision to be Booked

Leiden, 5 March 2010 – The Customer Nations and EADS have come to a principle agreement regarding the A400M military transport aircraft with the intention to amend the original contract accordingly in the coming weeks.

In this principle agreement, the Customer Nations agree to

- Increase the price of the contract by €2 billion;
- Waive all liquidated damages related to current delays;
- Provide an additional amount of €1.5 billion in exchange for a participation in future export sales (Export Levy Facilities).
- Accelerate pre-delivery payments in the period of 2010 to 2014, a new schedule of which will be finalised in the amended contract;

Based on this agreement, an estimate at completion of updated revenues and costs including an assessment of risks, reviewed by the EADS Board of Directors, leads to an increase of the A400M loss provision of € 1.8 billion pre tax for the full year 2009. The update of the provision is based on a management assessment taking into consideration the principle agreement between EADS and the seven Nations.

EADS EBIT* and net income will be negative in 2009 after incorporating this charge. Results will be released at EADS' Full Year 2009 disclosure on 9 March 2010, including notes to the financial statements to be released with the full year accounts comprising of more information about details of the principle agreement including underlying management assessment. If substantial changes on the assessment were to occur, EADS performance could be significantly impacted. EADS will provide further information of the amended contract once the negotiations are finalized.

The A400M cash flow profile for the coming years is still to be negotiated in the contract amendment; all parties are willing to mitigate negative cash impacts as far as possible.

EADS considers that this agreement provides a sound basis for a successful evolution of the A400M programme. EADS will strive to identify opportunities

to significantly reduce risks in the A400M programme and to deliver a state-of-the-art product within the new frame of the contract. EADS thanks the nations for the decisive support they are bringing to the programme through this agreement.

* EADS uses EBIT pre goodwill impairment and exceptionals as a key indicator of its economic performance. The term "exceptionals" refers to such items as depreciation expenses of fair value adjustments relating to the EADS merger, the Airbus Combination and the formation of MBDA, as well as impairment charges thereon.

EADS is a global leader in aerospace, defence and related services. In 2008, the group - comprising Airbus, Eurocopter, EADS Astrium and EADS Defence & Security – generated revenues of € 43.3 billion and employed a workforce of about 118,000.

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