



Introduction

We have audited the accompanying financial statements of EADS N.V., Amsterdam ("EADS" or "the Company") for the year 2002. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Matters affecting opinion

For business reasons pertaining to Dassault Aviation's management, EADS did not obtain 2002 current figures of Dassault Aviation's financial performance. As a consequence, we have not performed the audit procedures we normally would have performed in relation with the Dassault Aviation investment, which is accounted for under the equity method. The estimated level of net income from this equity investment accounted for by EADS for the period ended 31st December 2002 represented €111 million and the estimated equity investment of EADS in Dassault Aviation as of 31st December 2002 amounted to €1,333 million.

As mentioned in Note 2 ("Summary of significant accounting policies") of the consolidated financial statements, EADS has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standard Board, except that all development costs have been expensed as incurred. When certain criteria for asset recognition are met, IFRS require that development costs be capitalized as an intangible asset in the period in which they are incurred.

Furthermore, it is KPMG Accountants N.V.'s understanding that the following also constitutes a departure from IFRS : EADS accounts for its 37.5% interest in the MBDA joint venture using a proportionate consolidation of 50% of MBDA and accounts for a minority interest of 12.5%. IFRS require a venturer to report its effective net proportionate interest in a jointly controlled entity. The principal effects of consolidating amounts in excess of its proportionate ownership interest in MBDA are to overstate cash and cash equivalents by 10% in the 31st December 2002 consolidated balance sheet, to overstate the company's cash position (including short term securities) in 2002 cash flow statement by 3% and to overstate revenues for the Segment Defence and Civil Systems by 7%.

Opinion

In the opinion of the two auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had EADS been able to obtain current year figures and had we been able to perform the audit procedures we normally would have performed in relation to the Dassault Aviation investment and, except for the effect of the departure from IFRS with regards to development costs, and, in the opinion of KPMG Accountants N.V., except for the effect of the departure from IFRS with regard to the MBDA proportionate consolidation, the financial statements give a true and fair view of the company's financial position as of 31st December 2002 and of the result for the year then ended in accordance with IFRS and in accordance with the financial accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

The Hague, 7th March 2003
KPMG Accountants N.V.

Amsterdam, 7th March 2003
Ernst & Young Accountants