



Trading of EADS shares went through two distinct phases in 2002:

- **Robust performance mirrored EADS success stories**

EADS shares soundly outperformed the CAC 40, DAX 30 and IBEX 35 indices in the first half of 2002. This strong showing reflected EADS' business achievements, renewed market confidence due to improving air travel passenger traffic statistics, and successes with defence products: the selection of EADS team "Paradigm" for Skynet 5, positive momentum for the A400M programme, the successful maiden flight of the first German series Eurofighter, and inclusion in the US Coast Guards "Deepwater" programme all contributing to raised investor awareness of the value of EADS' defence segment.

- **Market forces cast cloud on share performance**

EADS' stock underwent strong pressure in the second half of the year, precipitated by US Airways' bankruptcy filing and exacerbated by the anticipated filing of United Airlines and negative news from American Airlines. This trend was amplified by the general climate of economic and political uncertainty and by further delays in the A400M and Meteor programmes which cast shadows on the budgetary backdrop of European defence programmes.

As general market uncertainties rose during the year, there was a transition from investment predicated on fundamental analysis towards more technical investing styles such as pair-trading, and increased volatility arising from short-term positions triggered by news flow. Investor focus on near term liquidity and cash, brought about by the unsure environment, did not allow prospects from the A380 "Superjumbo", the A400M military transport aircraft, Eurofighter or our helicopter programmes, Tiger or NH90, to be factored into the share price. Management expects that as the market focus returns to growth, the contribution of these long term programmes will increasingly be reflected in EADS' stock performance.

Dividend and cash distribution for 2002.

The EADS Board of Directors has decided to propose to the Annual General Meeting on 6th May 2003, to vote a dividend of €0.30 (gross amount) per share for the business year 2002 to be paid on 12th June 2003. This proposal is consistent with EADS dividend policy to pay out about 2% of EADS' market capitalisation, based on an average 2002 share price of about €14. The utmost focus of management at this time is to maintain the highest standard of financial discipline.