

## Wendela de Vries Speech

### Questions and answers EADS annual shareholder meeting 2013

#### Government funding of R&D

In your [annual report](#) you describe the risk of loss of government financing for research and development. Can you give a rough estimate of the percentage of government financing of R&D, notably in the defence sector?

*Answer: The defense division of the company spends about 550 million on Research & Technology, governments add 450 million.*

#### Corruption

Over the years, the name of EADS has turned up in [many corruption investigations](#), from South Africa to Austria. At present, a [corruption investigation](#) is taking place which can even cost EADS a profitable contract. Do you consider it possible to negotiate big arms deals without corruption, or is corruption so widespread in arms business that EADS would place itself outside the market if its integrity measures were completely effective?

*Answer: EADS is fully against corruption, it is completely unacceptable in the company. EADS complies fully to OESO rules against corruption.*

#### Austerity

Are you currently negotiating any new contracts with the heavy indebted countries Greece, Cyprus, Spain and Portugal?

*Answer: No*

#### Drones (Unmanned Aerial vehicles or UAV's)

[According to American media](#) EADS and Northrop Grumman decided to continue to work on the EuroHawk. Is this true? Do you expect to overcome the present shortcoming to meet aviation control standards in a technical way or do you expect European aviation standards to change in due time?

*Answer: It is nonsense that standards are not met, this is only a bureaucratic German problem. UAV's (drones) do not have to meet civilian aviation standards as they meet military aviation standards. We expect a common EU UAV aviation standard by the end of the year.*

Recently [France decided to buy two American Predator drones](#). Considering the fact that the US is not willing to share all information of the drones with other countries, it can be expected that there is still an interest in Eurodrones, at least with some parties. Do you still see prospects for French interest in a so-called 'eurodrone' with combat capability and if so, what is the status of EADS combat UAV development? Do you expect the MBDA Brimstone missile to be the UAV weapon of future armed EADS drones?

*Answer: The Predator is bought to fill a acute gap which cannot be filled at present by a European drone.*

In what way do you expect the [Missile Technology Control Regime](#) to influence export possibilities of EADS drones? Do you think the Missile Technology Control Regime should be changed to enlarge export possibilities?

*Answer: There are rumours that the US wants to change the MTCR to exclude UAV's. For that they will need the support of all parties to the Treaty. European export would also benefit from that.*

## **Syria**

The EADS Code of Ethics states: [quote]"Before engaging in export activity, we must verify the eligibility of both the location of delivery and the recipient."[/unquote] And: [quote]"Consequences to the Group for violations of export or import regulations are very serious."[/unquote] On April the 27th 2012 MBDA Milan missiles were seized by the Lebanese authorities aboard of a vessel named Lefallah II. The missiles were part of a larger arms export originating from Libya. Reports claim the materiel was destined for opposition forces in Syria. In the report of the UN Panel of Experts established pursuant to resolution 1973 (2011) concerning Libya it is stated [quote]"France responded in February 2013 that the anti-tank missiles had been produced in France and exported to various countries, but not to Libya. France did not disclose to which country the missiles had been originally exported. The Panel will investigate further."[/unquote]

Considering the seriousness of consequences for EADS, responsibility for arms exports to illegal destinations cannot be completely shifted to governmental bodies. Governments, people and companies, let alone one of the biggest arms producers in the world have their own responsibilities.

Is the EADS management asked to provide the information which country was the original destination for the MILAN missiles on their way to Syria? If yes, did it provide the requested information? If not, why not? If not yet asked, is it prepared to answer those questions by the panel? Is there any other way the EADS management takes its responsibility to prevent arms exports to illegal destination?

*Answer: EADS has its own internal sensitive countries directive but is not responsible for any illegal re-export. In the interest of ongoing investigations we cannot answer further to this question.*

## **Nuclear missiles**

The position of banks and financial institutes based in Switzerland has changed drastically since financing nuclear weapon producers is now clearly prohibited by Swiss Law. The new [Swiss War Material Act explicitly prohibits](#) direct and indirect financial transactions between Swiss banks and nuclear weapon producers. Can you share with us what implications this will have for EADS? In 2011 the company received 16.5 million US dollars in bonds and another 111.4 million US dollars as a loan from the Swiss UBS bank. What will happen with these bonds and this loan?

*Answer: EADS is not aware of any change in relations with Swiss banks.*

Does EADS have any financial connections with Irish institutions or banks? Are you aware that Irish legislation on banning investments in nuclear weapon producers is about to be adopted?

*Answer: Same answer*

Surely EADS is aware of the obligation of all countries that signed on to the Non Proliferation Treaty to negotiate in good faith on nuclear disarmament. But is EADS aware of the fact that 146 countries worldwide are calling out for a ban on nuclear

weapons?

*Answer: EADS is proud to work on the French nuclear arms. EADS is only making the transition missile, not the nuclear warhead itself.*

What amount of money did EADS make last year with work connected to the French nuclear weapons programmes? Which percentage of total revenues does this work account for?

*Answer: This is highly classified information.*

Can you elaborate on the prospects for EADS regarding the new class of French nuclear-capable "future submarines" as announced by Direction Générale de l'Armement (DGA) chief Collet-Billon? Is EADS involved in the feasibility studies?

*Answer: EADS division Astrium is involved in the feasibility studies.*

Can you comment on the recent [failure of the French M51](#) submarine-launched ballistic missile, off the coast of Brittany? Why did the self-destruct of the missile happen? **Would it not be a good idea to make a self-destruct in every nuclear missile so that it destructs itself directly after launch and no harm can be done?**

*Answer: We are investigating the cause of the problem.*