

Airbus Group Shows Continued Progress In Half-Year (H1) 2014 Results

- Revenues increase six percent to € 27.2 billion
- EBIT* before one-off up 10 percent to € 1.77 billion
- Net income rises 50 percent to € 1.14 billion
- 2014 guidance confirmed with Airbus net book-to-bill above 1
- 2015 return on sales guidance pre A330neo unchanged

Amsterdam, 30 July 2014 – Airbus Group (stock exchange symbol: AIR) reported solid results for the first half of 2014, reflecting operational improvement and the continued focus on programme execution.

Demand for the Group's products remains strong as shown at July's Farnborough Air Show, where Airbus announced 496 aircraft orders and commitments confirming the health of the commercial aircraft market. The A330neo was endorsed by the market with 121 commitments announced at the show. Group **order intake**⁽²⁾ in the first half was € 27.7 billion (H1 2013: € 95.6 billion⁽¹⁾), with the **order book**⁽²⁾ worth € 677.4 billion on 30 June, 2014 (year-end 2013: € 680.6 billion⁽¹⁾). Airbus received 290 net commercial aircraft orders (H1 2013: 722 net orders⁽¹⁾). Net order intake at Airbus Helicopters was 148 units (H1 2013: 167 units) while in July agreements were signed to supply 123 rotorcraft to China. Airbus Defence and Space's order intake by value was stable, with continued momentum in space activities and 17 light and medium transport aircraft orders received.

"The first half of 2014 was all about keeping our main development and series programmes on track and implementing our restructuring plans in defence and space," said Airbus Group CEO Tom Enders. "This is shown in the solid improvement in revenues and profitability. We saw good commercial order momentum at Farnborough and have shown our commitment to ensure the Group's long-term competitiveness through the A330neo launch and the joint venture in space launchers."

Group **revenues** increased six percent to € 27.2 billion (H1 2013: € 25.7 billion⁽¹⁾), driven by Airbus Commercial Aircraft and Airbus Helicopters with flat revenues at Airbus Defence and Space. Airbus' revenues rose seven percent, reflecting the increase in deliveries to

303 aircraft (H1 2013: 295 deliveries⁽¹⁾) and a more favourable mix, including five additional A380s compared to a year earlier. Airbus Helicopters' revenues rose eight percent as deliveries increased to 200 units (H1 2013: 190 units) including the NH90 ramp up. At Airbus Defence and Space, satellite launches in the second quarter included the Earth observation satellite Spot 7.

Group **EBIT* before one-off** – an indicator capturing the underlying business margin by excluding material non-recurring charges or profits caused by movements in provisions related to programmes and restructurings or foreign exchange impacts – improved to € 1,769 million (H1 2013: € 1,614 million⁽¹⁾). It included a capital gain of € 60 million from the sale of the Paris Headquarters building. EBIT* before one-off for Airbus rose to € 1,287 million (H1 2013: € 1,231 million⁽¹⁾), reflecting operational improvement but was weighed down by A350 XWB support costs and a more front-loaded research and development (R&D) expense profile compared to 2013. EBIT* before one-off at Airbus Helicopters rose to € 150 million (H1 2013: € 128 million), reflecting the Super Puma recovery and services activities. Airbus Defence and Space's EBIT* before one-off was stable at € 223 million (H1 2013: € 216 million⁽¹⁾). The Group EBIT* before one-off return on sales was 6.5 percent (H1 2013: 6.3 percent).

The A350 XWB programme is on track for certification in the third quarter of 2014 and entry-into-service by year-end. All five development aircraft are now flying with more than 2,250 flight test hours accumulated. The first A320neo is being prepared for the first flight in September with the programme on track for entry-into-service in the fourth quarter of 2015. Entry-into-service for the A330neo is scheduled for the final quarter of 2017. At Airbus Helicopters, the EC175 programme is progressing towards entry-into-service in the fourth quarter of 2014. Airbus Defence and Space's restructuring plan is progressing and on track. After the delivery of Turkey's first aircraft in April and France's third in late July, the A400M programme enters in progressive enhancement with military capability with some delays incurred. The sequence of progressive enhancements is under final negotiation with customers. Risks related to the cost envelope and military functionality are being closely monitored. Airbus Group and Safran agreed in June to create a 50:50 joint venture to improve competitiveness in the space launcher segment. As part of a portfolio review, Airbus Group continues to pursue disposal options for its investment in Dassault Aviation.

Reported EBIT*⁽³⁾ increased 24 percent to € 1,839 million (H1 2013: € 1,478 million⁽¹⁾) and included a € 70 million positive contribution from the dollar pre-delivery payment mismatch and balance sheet revaluation. The finance result was € -252 million (H1 2013: € -417 million⁽¹⁾) while **net income⁽⁴⁾** increased to € 1,135 million (H1 2013: € 758 million⁽¹⁾), or **earnings per share (EPS)** of € 1.45 (EPS H1 2013: € 0.94⁽¹⁾). Net income and EPS also reflected favourable foreign exchange effects. Group **self-financed R&D** expenses increased to € 1,564 million (H1 2013: € 1,399 million⁽¹⁾). **Free cash flow before acquisitions** improved significantly to € -2,270 million (H1 2013: € -4,060 million⁽¹⁾), reflecting tight cash control and investment in production and development programmes. The net cash position on June 30, 2014 was € 5.4 billion (year-end 2013: € 8.5 billion⁽¹⁾) after the 2013 dividend payment of € 587 million and € 336 million pension plan contribution. The gross cash position was € 13.5 billion.

Outlook

As the basis for its 2014 guidance, Airbus Group expects the world economy and air traffic to grow in line with prevailing independent forecasts and assumes no major disruptions. In 2014, Airbus deliveries should be about the same level as in 2013, including the first A350 XWB delivery. Net commercial aircraft orders should be above the level of deliveries. Assuming an exchange rate of € 1 = \$ 1.35, Airbus Group revenues should be stable compared to 2013⁽⁵⁾.

Using EBIT* before one-off, Airbus Group expects moderate return on sales growth in 2014⁽⁵⁾. The 2015 return on sales target of 7-8 percent⁽⁶⁾ is unchanged pre A330neo development, which is assessed to have a net impact of around -70 basis points. The EBIT* and EPS* performance of Airbus Group will depend on the Group's ability to limit "one-off" charges. Going forward, from today's point of view, the one-offs should be limited to potential charges on the A350 XWB programme and foreign exchange effects linked to the pre-delivery payment mismatch and balance sheet revaluation. The A350 XWB programme remains challenging. Any change to the schedule and cost assumptions could lead to an increasingly higher impact on provisions.

Airbus Group is targeting breakeven free cash flow before acquisitions in 2014.

* Airbus Group 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.

Airbus Group

Airbus Group is a global leader in aeronautics, space and related services. In 2013, the Group – comprising Airbus, Airbus Defence and Space and Airbus Helicopters – generated revenues of € 57.6 billion (restated) and employed a workforce of around 139,000 (restated).

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Note to editors: You can listen to the **Half-Year 2014 Results Analyst Conference Call** with CEO Tom Enders and CFO Harald Wilhelm today at 10:30 a.m. CET via the Airbus Group website:

<http://view-w.tv/p/154-155-14737/en>.

A recording of the call will be made available in due course.

Airbus Group – Half-Year (H1) Results 2014
(Amounts in euro)

| Airbus Group | H1 2014 | H1 2013 ⁽¹⁾ | Change |
|---|----------------|------------------------|--------|
| Revenues , in millions | 27,200 | 25,670 | +6% |
| thereof defence, in millions | 4,614 | 4,476 | +3% |
| EBITDA ⁽⁷⁾ , in millions | 2,773 | 2,335 | +19% |
| EBIT ⁽³⁾ , in millions | 1,839 | 1,478 | +24% |
| Research & Development expenses , in millions | 1,564 | 1,399 | +12% |
| Net Income ⁽⁴⁾ , in millions | 1,135 | 758 | +50% |
| Earnings Per Share (EPS) ⁽⁴⁾ | 1.45 | 0.94 | +54% |
| Free Cash Flow (FCF) , in millions | -2,244 | -4,073 | - |
| Free Cash Flow before Acquisitions , in millions | -2,270 | -4,060 | - |
| Free Cash Flow before Customer Financing , in millions | -2,112 | -4,020 | - |
| Order Intake ⁽²⁾ , in millions | 27,708 | 95,561 | -71% |

| Airbus Group | 30 June 2014 | 31 Dec 2013 ⁽¹⁾ | Change |
|--|---------------------|----------------------------|--------|
| Order Book ⁽²⁾ , in millions | 677,447 | 680,560 | 0% |
| thereof defence, in millions | 41,223 | 42,630 | -3% |
| Net Cash position , in millions | 5,361 | 8,454 | -37% |
| Employees | 138,133 | 138,404 | 0% |

For footnotes please refer to page 8.

| by Division | Revenues | | | EBIT ⁽³⁾ | | |
|-----------------------------|-------------------------------|---------|------------------------|---------------------|---------|------------------------|
| | (Amounts in millions of Euro) | H1 2014 | H1 2013 ⁽¹⁾ | Change | H1 2014 | H1 2013 ⁽¹⁾ |
| Airbus | 19,429 | 18,102 | +7% | 1,357 | 1,095 | +24% |
| Airbus Helicopters | 2,801 | 2,584 | +8% | 150 | 128 | +17% |
| Airbus Defence and Space | 5,516 | 5,564 | -1% | 223 | 216 | +3% |
| Headquarters / Eliminations | -760 | -785 | - | 121 | 37 | - |
| Other Businesses | 214 | 205 | +4% | -12 | 2 | - |
| Total | 27,200 | 25,670 | +6% | 1,839 | 1,478 | +24% |

| by Division | Order Intake ⁽²⁾ | | | Order Book ⁽²⁾ | | |
|-----------------------------|-------------------------------|---------|------------------------|---------------------------|--------------|----------------------------|
| | (Amounts in millions of Euro) | H1 2014 | H1 2013 ⁽¹⁾ | Change | 30 June 2014 | 31 Dec 2013 ⁽¹⁾ |
| Airbus | 22,880 | 89,302 | -74% | 625,620 | 625,595 | 0% |
| Airbus Helicopters | 2,183 | 2,448 | -11% | 11,802 | 12,420 | -5% |
| Airbus Defence and Space | 3,831 | 3,948 | -3% | 41,566 | 43,208 | -4% |
| Headquarters / Eliminations | -1,359 | -284 | - | -1,792 | -1,017 | - |
| Other Businesses | 173 | 147 | +18% | 251 | 354 | -29% |
| Total | 27,708 | 95,561 | -71% | 677,447 | 680,560 | 0% |

For footnotes please refer to page 8.

Airbus Group – Second Quarter Results (Q2) 2014

| Airbus Group | Q2 2014 | Q2 2013 ⁽¹⁾ | Change |
|--|----------------|------------------------|--------|
| Revenues , in millions | 14,552 | 13,576 | +7% |
| EBIT ⁽³⁾ , in millions | 1,120 | 889 | +26% |
| Net Income ⁽⁴⁾ , in millions | 696 | 531 | +31% |
| Earnings Per Share (EPS) ⁽⁴⁾ | 0.89 | 0.66 | +35% |

| by Division | Revenues | | | EBIT ⁽³⁾ | | |
|--------------------------------------|-----------------|------------------------|--------|----------------------------|------------------------|--------|
| <i>(Amounts in millions of Euro)</i> | Q2 2014 | Q2 2013 ⁽¹⁾ | Change | Q2 2014 | Q2 2013 ⁽¹⁾ | Change |
| Airbus | 10,492 | 9,343 | +12% | 811 | 632 | +28% |
| Airbus Helicopters | 1,619 | 1,546 | +5% | 92 | 108 | -15% |
| Airbus Defence and Space | 2,773 | 2,900 | -4% | 138 | 132 | +5% |
| Headquarters / Eliminations | -406 | -340 | - | 89 | 11 | - |
| Other Businesses | 74 | 127 | -42% | -10 | 6 | - |
| Total | 14,552 | 13,576 | +7% | 1,120 | 889 | +26% |

Q2 2014 revenues rose seven percent compared to the second quarter of 2013 driven by higher deliveries at Airbus.

Q2 EBIT* rose 26 percent to € 1,120 million, mainly driven by Airbus' operational performance while positive one-offs were higher in the quarter compared to the second quarter of 2013.

For footnotes please refer to page 8.

Footnotes:

- 1) The 2013 figures have been restated to reflect the application of IFRS 10 and 11. Wherever necessary, Divisional figures are also restated to reflect the new Group structure as of 1 January 2014.
- 2) Contributions from commercial aircraft activities to Order Intake and Order Book based on list prices.
- 3) Earnings before interest and taxes, pre goodwill impairment and exceptionals.
- 4) Airbus Group continues to use the term Net Income. It is identical with Profit for the period attributable to equity owners of the parent as defined by IFRS Rules.
- 5) Compared to 2013 reported figures (pre IAS 11 restatements).
- 6) Return on sales for EBIT* before one-off, including A350 XWB dilution with a €/€ exchange rate of 1.35.
- 7) Earnings before interest, taxes, depreciation, amortisation and exceptionals.

Safe Harbour Statement:

Certain statements contained in this press release are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect Airbus Group's views and assumptions as of the date of the statements and involve known and unknown risk and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

When used in this press release, words such as "anticipate", "believe", "estimate", "expect", "may", "intend", "plan to" and "project" are intended to identify forward-looking statements.

This forward looking information is based upon a number of assumptions including without limitation: assumption regarding demand, current and future markets for Airbus Group's products and services, internal performance, customer financing, customer, supplier and subcontractor performance or contracts negotiations, favourable outcomes of certain pending sales campaigns.

Forward looking statements are subject to uncertainty and actual future results and trends may differ materially depending on variety of factors including without limitation: general economic and labour conditions, including in particular economic conditions in Europe, North America and Asia, legal, financial and governmental risk related to international transactions, the cyclical nature of some of Airbus Group's businesses, volatility of the market for certain products and services, product performance risks, collective bargaining labour disputes, factors that result in significant and prolonged disruption to air travel worldwide, the outcome of political and legal processes, including uncertainty regarding government funding of certain programs, consolidation among competitors in the aerospace industry, the cost of developing, and the commercial success of new products, exchange rate and interest rate spread fluctuations between the euro and the U.S. dollar and other currencies, legal proceeding and other economic, political and technological risk and uncertainties. Additional information regarding these factors is contained in the Company's "registration document" dated 4 April 2014. For more information, please refer to www.airbusgroup.com.