

AIRBUS GROUP 9M RESULTS **2016**

26 OCTOBER 2016

HARALD WILHELM
Chief Financial Officer

AIRBUS
GROUP

DISCLAIMER

This presentation includes forward-looking statements. Words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements made about strategy, ramp-up and delivery schedules, introduction of new products and services and market expectations, as well as statements regarding future performance and outlook.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

THESE FACTORS INCLUDE BUT ARE NOT LIMITED TO:

- Changes in general economic, political or market conditions, including the cyclical nature of some of Airbus Group’s businesses;
- Significant disruptions in air travel (including as a result of terrorist attacks);
- Currency exchange rate fluctuations, in particular between the Euro and the U.S. dollar;
- The successful execution of internal performance plans, including cost reduction and productivity efforts;
- Product performance risks, as well as programme development and management risks;
- Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- Competition and consolidation in the aerospace and defence industry;
- Significant collective bargaining labour disputes;
- The outcome of political and legal processes including the availability of government financing for certain programmes and the size of defence and space procurement budgets;
- Research and development costs in connection with new products;
- Legal, financial and governmental risks related to international transactions;
- Legal and investigatory proceedings and other economic, political and technological risks and uncertainties.

As a result, Airbus Group’s actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see Airbus Group “Registration Document” dated 5 April 2016.

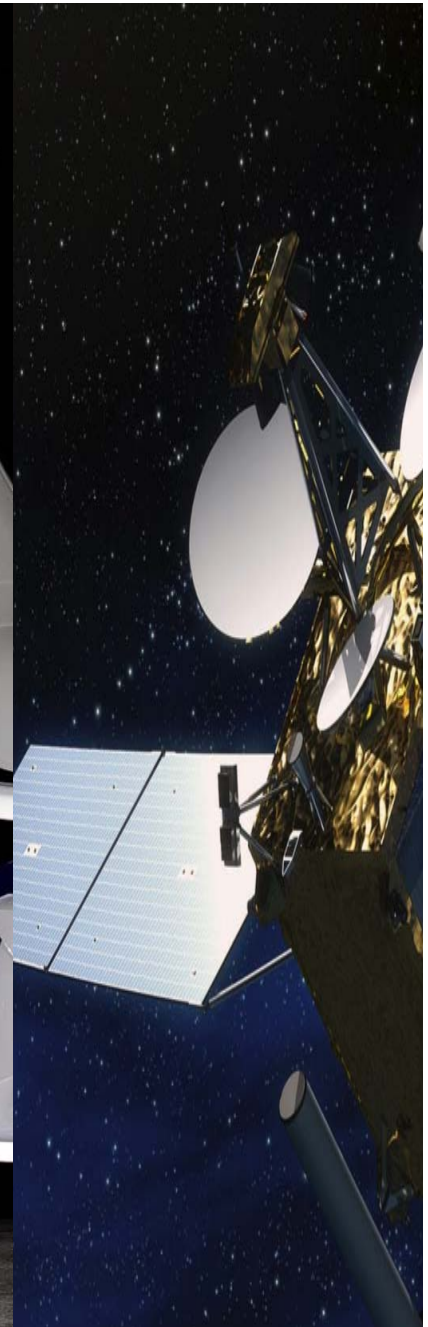
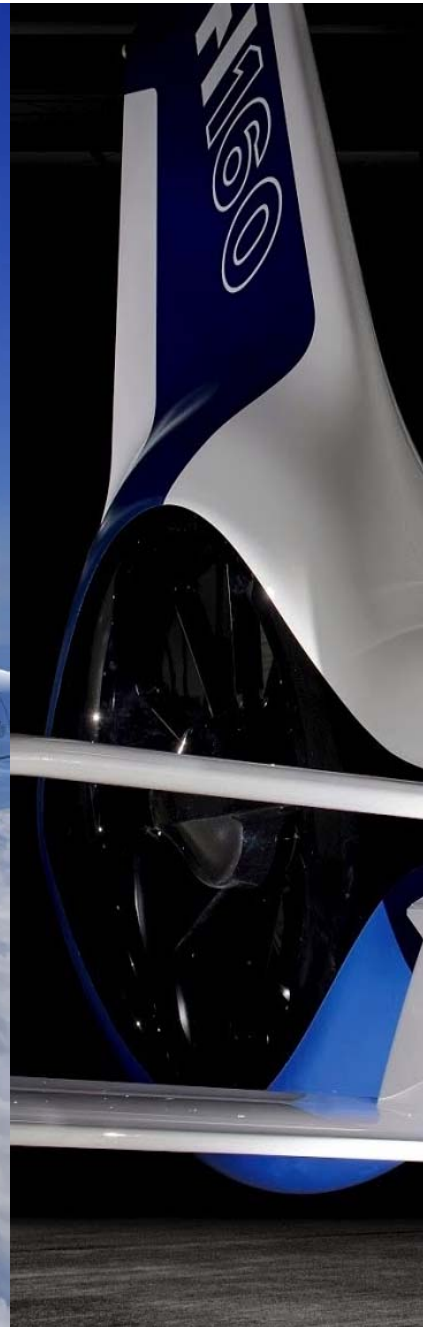
Any forward-looking statement contained in this presentation speaks as of the date of this presentation. Airbus Group undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

9M RESULTS 2016

**GROUP
HIGHLIGHTS**

**DIVISIONAL
HIGHLIGHTS**

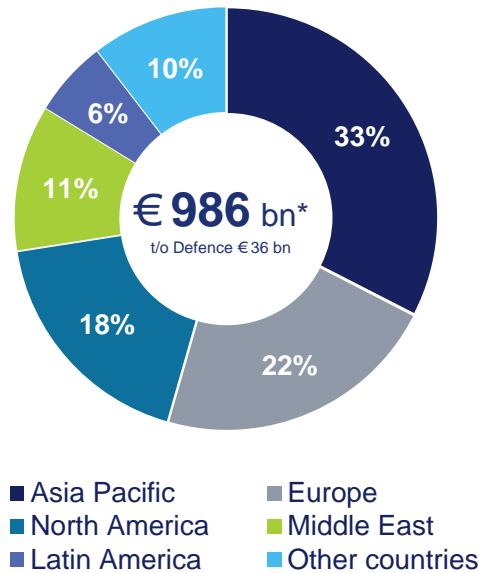
**GUIDANCE 2016
& KEY TAKEAWAYS**



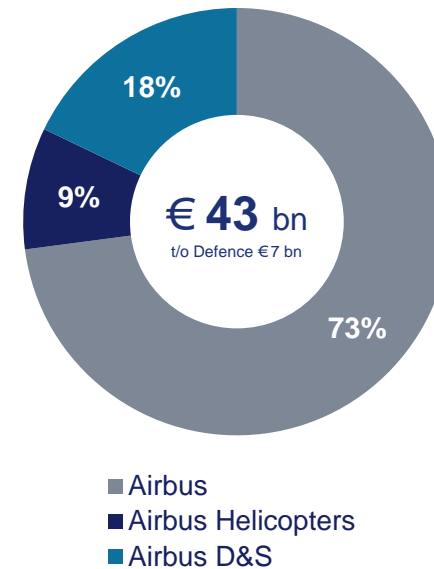
- Healthy orders and backlog support ramp-up
- Delivery schedule Q4 loaded
- 9m 2016 financials reflect ongoing ramp-up and transition
- Further integration step-up launched
- 2016 Guidance*:
Earnings guidance maintained. FCF guidance maintained excluding the impact from aircraft financing
- S&P rating upgrade to A+ Stable from A Positive

* On a constant perimeter

Airbus Group Order Book*
by Region (by value)



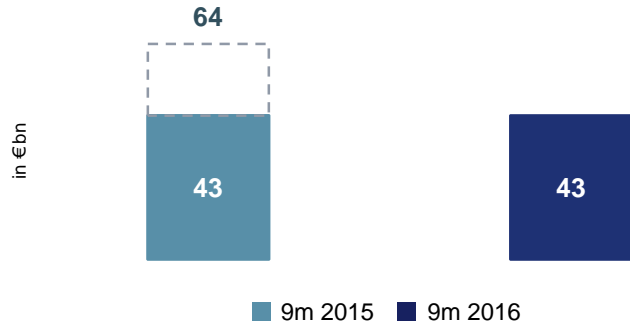
Airbus Group External Revenue Split by Division



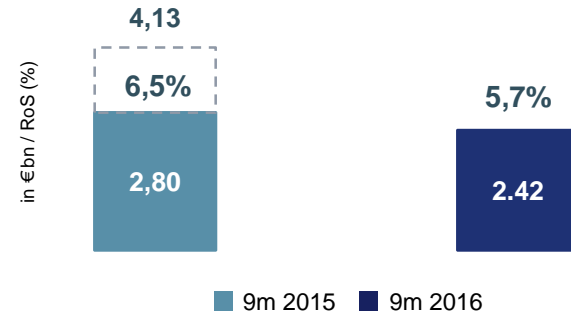
- **AIRBUS:** 566 gross orders (380 net) including 35 A350XWB, 14 A330neo; Backlog 6,749 a/c
- **AIRBUS HELICOPTERS:** 211 net orders including 47 H145 and 42 H135
- **AIRBUS DEFENCE & SPACE:** Good order momentum mainly in Space within earth observation and satellites, 2 MRTTs for Netherlands and Luxembourg

* Commercial Order Book based on list prices

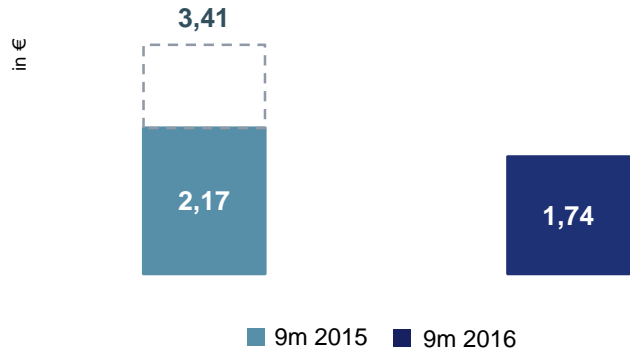
Revenues



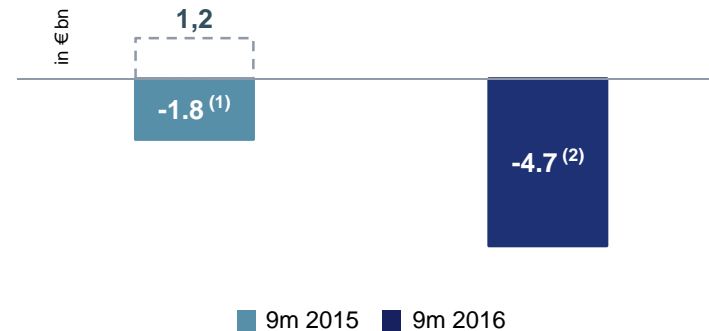
EBIT* before one-off



EPS** before one-off



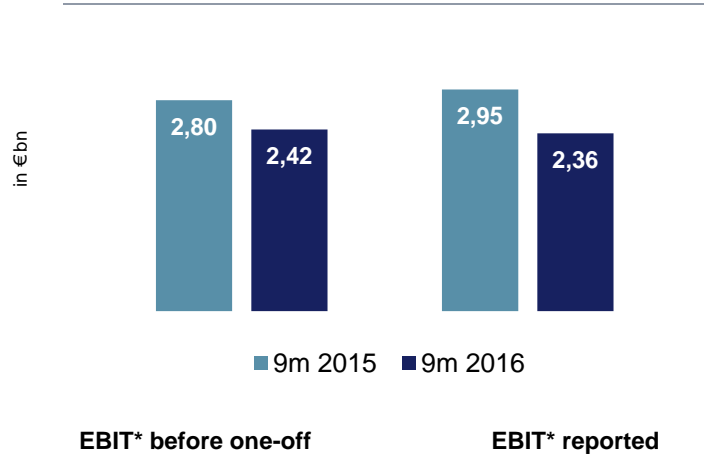
FCF before M&A



--- FY Results

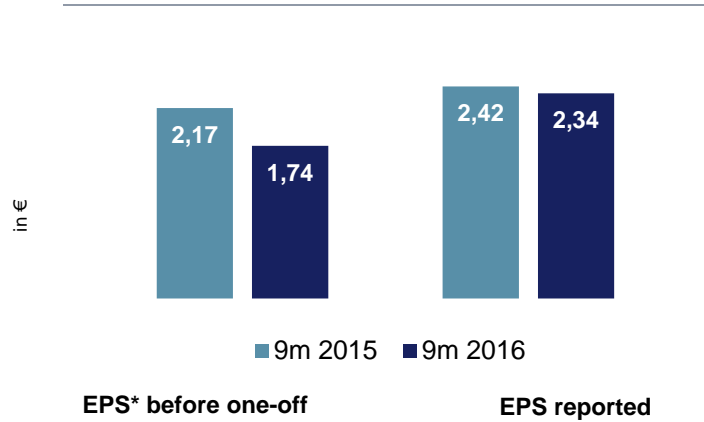
* Pre-goodwill impairment and exceptionals; ** 9m 2016 Average number of shares: 774,211,224 compared to 786,189,743 in 9m 2015; Capitalised R&D: € 178 m in 9m 2016 and € 176 m in 9m 2015
 (1) Of which -117m€ of customer financing; (2) Of which -545m€ of customer financing

EBIT* Performance



- 9m 2016 EBIT* reported of €2.4 bn
- 9m 2016 one-offs resulting from:
 - € - 723 m \$ PDP mismatch / BS Revaluation
 - € + 75 m Portfolio (€19 m at Airbus and €56 m at Airbus DS)
 - € - 1,026 m A400M LMC *Unchanged since H1*
 - € - 385 m A350 LMC
 - € + 1,139 m ASL creation
 - € + 868 m Dassault disposal
- € - 52 m **Net one-offs**

EPS Performance



- 9m 2016 Net Income of €1.8 bn
- 9m 2016 EPS of €2.34; ~1.5% accretion from SBB
- 9m 2016 tax rate 10.1%, driven by capital gain taxation and deferred tax income on provisions

9m 2016 Average number of shares: 774,211,224 compared to 786,189,743 in 9m 2015

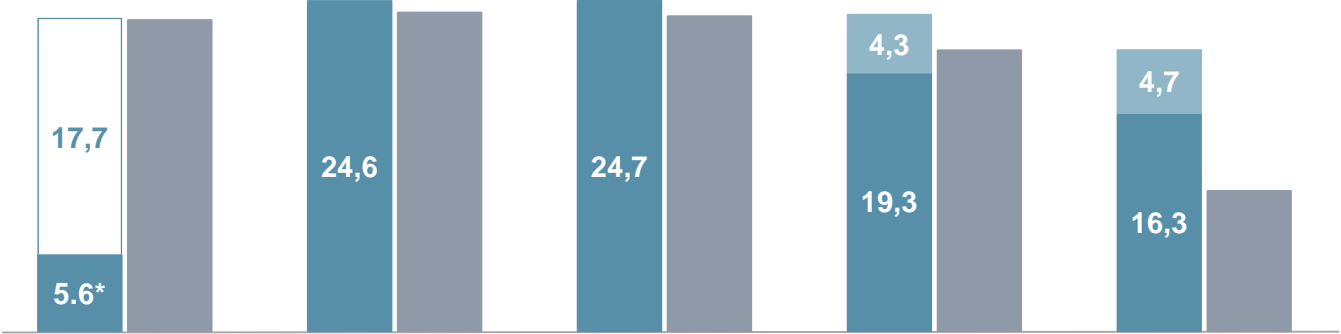
* Pre-goodwill impairment and exceptionals

CURRENCY HEDGE POLICY

IN \$ BILLION

Net Exposure

■ Forward Sales as of September 2016
■ Collars as of September 2016
■ Forward Sales and Collars as of December 2015



Average hedge rates	2016 remaining 3 months	2017	2018	2019	2020 and beyond
€ vs \$	1.30*	1.29	1.25	1.25	1.23
Forwards/Collars***	(1.32 in Dec. 15)	(1.30 in Dec. 15)	(1.25 in Dec. 15)	(1.26 in Dec. 15)	(1.25 in Dec. 15)
£ vs \$	1.57	1.59	1.57	1.55	1.46



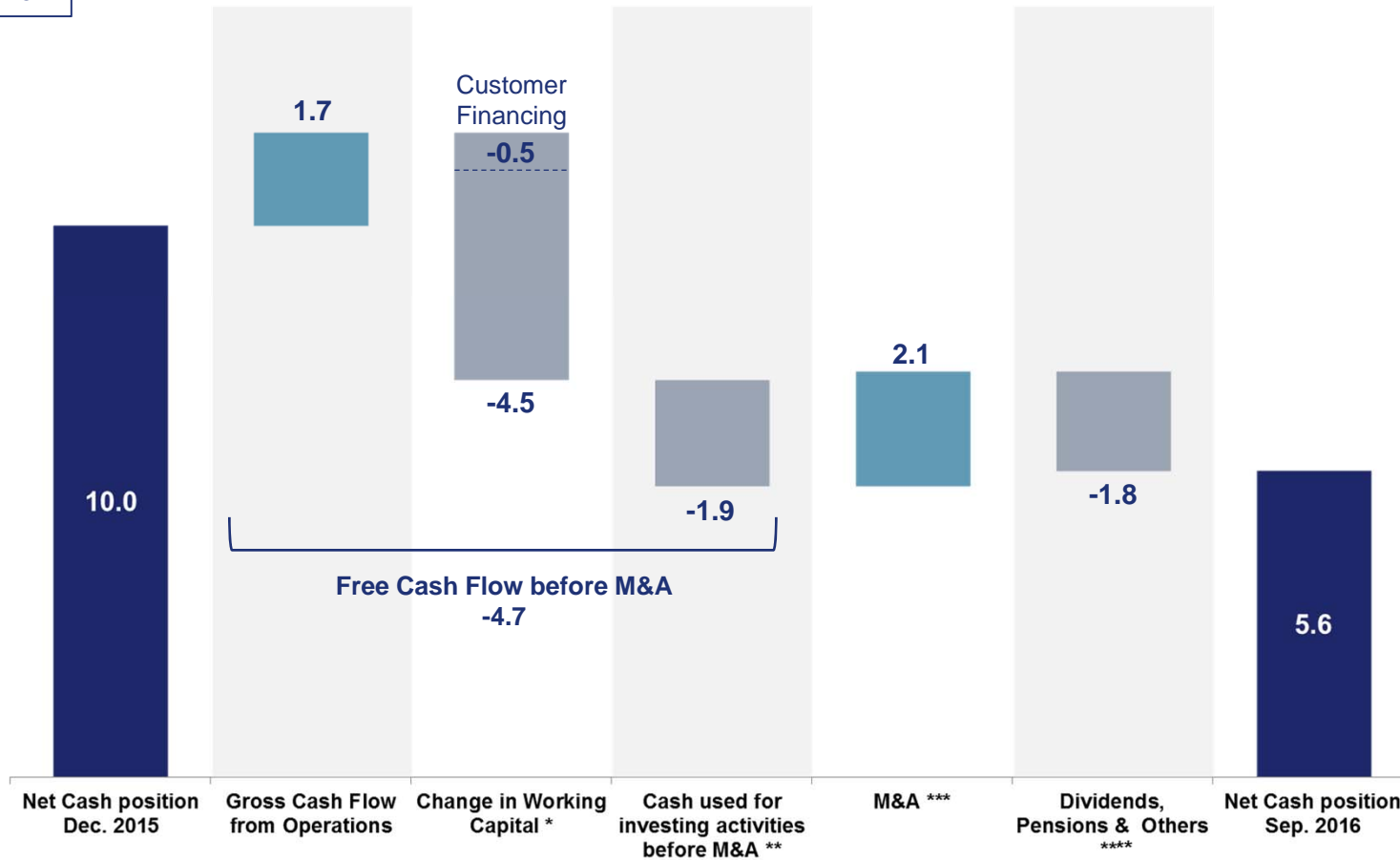
Mark-to-market value incl. in AOCI = €- 6.0 bn
Closing rate @ 1.12 € vs. \$

- In 9m 2016, new hedge contracts of \$ 15.3 bn* were added at an average rate of € 1 = \$ 1.20*** of which \$ 14.4 bn Forwards at € 1 = \$ 1.19 and \$ 0.9 bn Zero-cost Collars
- \$ 17.7 bn of hedges matured at an average rate of € 1 = \$ 1.33
- Hedge portfolio** 30 September 2016 at \$ 99.5 bn* (vs. \$ 101.9 bn in Dec. 2015), at an average rate of \$ 1.26***

Approximately 60% of Airbus Group's US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars, net exposure trend for illustrative purposes
 * Excluding \$ 1.5 bn of new hedges entered into to address intra-year shifts in Net Exposure linked to delivery phasing.
 ** Total hedge amount contains \$/€ and \$/£ designated hedges; *** Blended Forwards and Collars rate includes Collars at least favourable rate

9M 2016 CASH EVOLUTION

IN € BILLION



- Temporary unavailability of European Export Credit Financing as a result of heightened compliance programme

* Excluding reclassification of certain trade liabilities and including €-545 m of Customer Financing; ** Thereof Capex of €- 2.0 bn; *** M&A transactions include acquisitions and disposals of subsidiaries and businesses; **** thereof share buyback / change in treasury shares of €-0.7 bn

9M RESULTS 2016

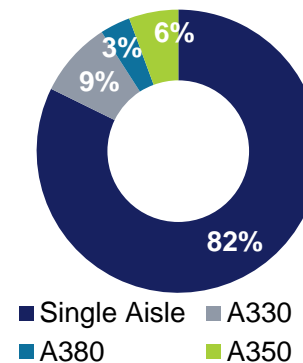
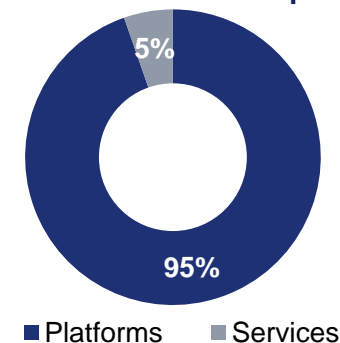
**GROUP
HIGHLIGHTS**

**DIVISIONAL
HIGHLIGHTS**

**GUIDANCE 2016
& KEY TAKEAWAYS**

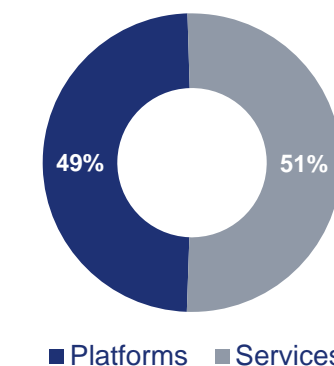
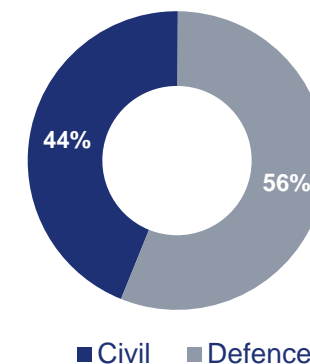


IN € MILLION		9m 2016	9m 2015	Change
Order Intake (net)	(Units)	380	815	-53.4%
Order Book		6,749	6,755	-0.1%
Order Intake (net)	(Value)	63,103	100,061	-36.9%
Order Book		939,079	914,692	2.7%
Deliveries	(Units)	462	446	3.6%
Revenues		31,511	31,119	1.3%
R&D expenses**		1,479	1,732	-14.6%
in % of revenues		4.7%	5.6%	
EBIT* before one off		1,838	2,226	-17.4%
in % of revenues		5.8%	7.2%	
EBIT*		775	1,902	-59.3%
in % of revenues		2.5%	6.1%	

Deliveries by programme
(Units)

External Revenue split


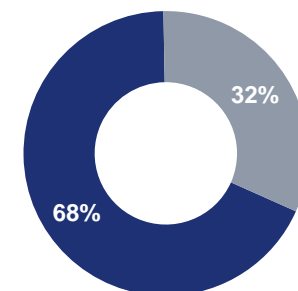
- Deliveries reflect A320 ramp-up and transition, A350 ramp-up and lower A330 rate. Delivery profile Q4 loaded.
- EBIT* before one-off driven by lower A330 rate, delivery profile, transition pricing, ramp-up cost and R&D reduction
- Continuing focus on ramp-up to deliver FY16 earnings and cash guidance

IN € MILLION		9m 2016	9m 2015	Change
Order Intake (net)	(Units)	211	181	16.6%
Order Book		784	837	-6.3%
Order Intake (net)	(Value)	3,588	4,013	-10.6%
Order Book		11,075	11,818	-6.3%
Deliveries	(Units)	258	237	8.9%
Revenues		4,282	4,423	-3.2%
R&D expenses**		226	221	2.3%
in % of revenues		5.3%	5.0%	
EBIT* before one off		200	241	-17.0%
in % of revenues		4.7%	5.4%	
EBIT*		200	241	-17.0%
in % of revenues		4.7%	5.4%	

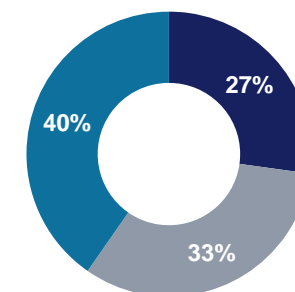
External revenue split


- Despite higher deliveries, Revenues and EBIT* before one-off reflect unfavorable mix and lower commercial flight hours in service
- EBIT* before one-off burdened by H225 accident and campaign costs
- Transformation efforts continue to deliver results

IN € MILLION	9m 2016	9m 2015	Change
Order Intake (net)	8,189	8,483	-3.5%
Order Book	38,355	41,657	-7.9%
Revenues	7,714	8,383	-8.0%
R&D expenses**	237	245	-3.3%
in % of revenues	3.1%	2.9%	
EBIT* before one off	440	431	2.1%
in % of revenues	5.7%	5.1%	
EBIT*	583	149	291.3%
in % of revenues	7.6%	1.8%	

External revenue split


■ Platforms ■ Services


 ■ CIS & Others⁽¹⁾ ■ Space Systems⁽²⁾
 ■ Military Aircraft

- Q3 perimeter change from portfolio reshaping: Revenues ~ € -450 m,
- 9m 2016 EBIT* before one-off supported by contract mix, risk reduction and restructuring
- A400M: 11 aircraft delivered in 9m 2016. € 1 bn net charge unchanged since H1

* Pre-goodwill impairment and exceptionals; ** Capitalised R&D: € 28 m in 9m 2016 and € 28 m in 9m 2015
 (1) Communications, Intelligence & Security; (2) including Space Electronics

9M RESULTS 2016

GROUP
HIGHLIGHTS

DIVISIONAL
HIGHLIGHTS

**GUIDANCE 2016
& KEY TAKEAWAYS**



As the basis for its 2016 guidance, Airbus Group expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

Airbus Group 2016 earnings and FCF guidance is based on a constant perimeter:

- Airbus expects to deliver more than 650 aircraft and the commercial order book is expected to grow.
- Before M&A, Airbus Group expects stable EBIT* before one-off and EPS* before one-off compared to 2015.
- Before M&A and Customer Financing, Airbus Group expects to deliver stable Free Cash Flow compared to 2015.

The perimeter change in Airbus Defence & Space implemented at H1 2016 is expected to reduce EBIT* before one-off and Free Cash Flow before M&A by around € 200 million and EPS* before one-off by around 20 cents.

- Healthy orders and backlog support ramp-up
- Continuing focus on ramp-up and transition
- Stepping up further integration to improve competitiveness
- Setting the groundwork to achieve EPS / FCF growth potential

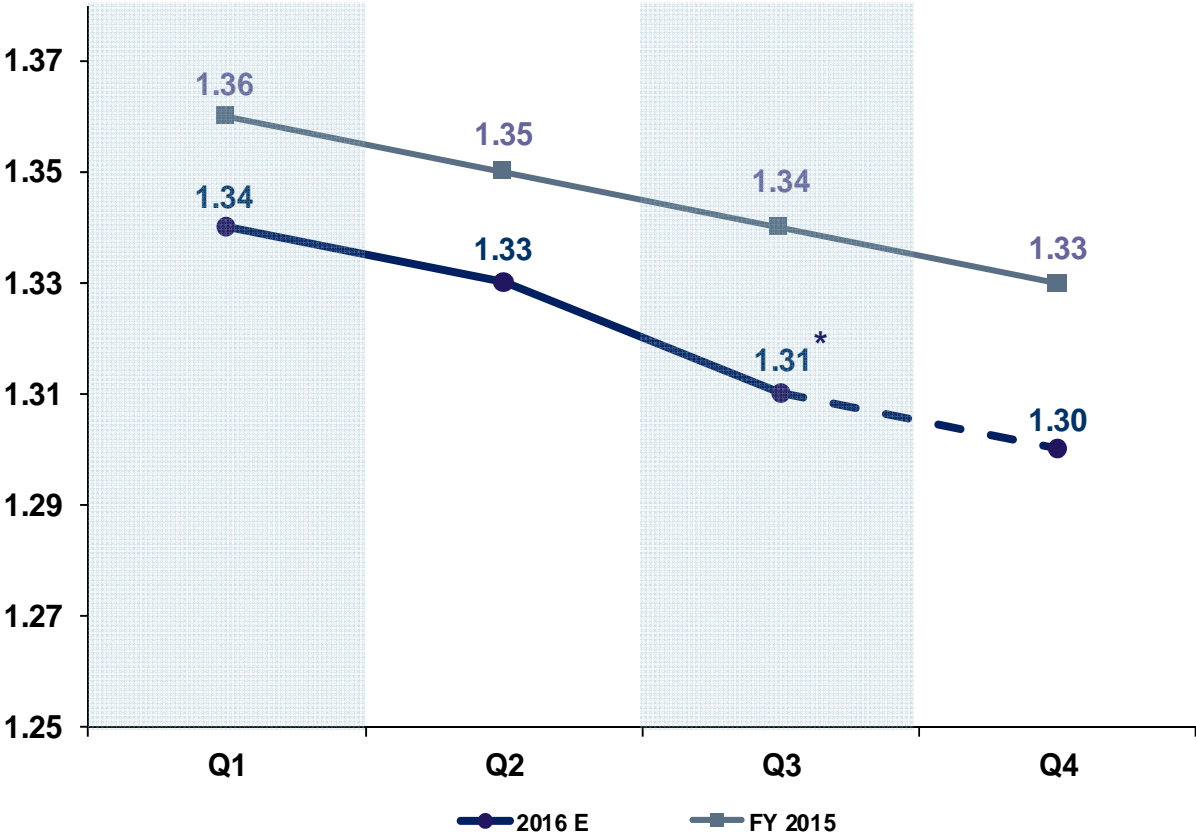
9M RESULTS 2016

APPENDIX



EXPECTED AIRBUS GROUP AVERAGE HEDGE RATES € VS. \$

Active exposure management



Average Hedge Rates

FY 2015	1.34
FY 2016E	1.32

* Q3 2016 Actual

IN €BILLION	Bridge
Hedge rates (from €/\$ 1.35 to €/\$ 1.33)	0.09
Other one-off forex effect including PDP reversal	(0.37)
Compared to 9m 2015	(0.28)

* Pre-goodwill impairment and exceptionals

9M 2016 DETAILED INCOME STATEMENT AND ADJUSTMENTS

20

IN € MILLION

	9m 2016	thereof	9m 2016 *	thereof adjustments				9m 2016 * before one-off	
		Goodwill Impair. & FV dep.		Impact on EBIT*			Financial Result		
				Operational	HQ	FX***			
				Airbus	AD&S**	Dassault Sale			
EBIT	2,356	(7)	2,363	(366)	169	868	(723)	(73)	2,415
in % of revenues	5.5%		5.5%						5.7%
Interest income	186		186						186
Interest expenses	(389)		(389)						(389)
Other Financial Result	(139)		(139)					(73)	(66)
Finance Result	(342)		(342)					(73)	(269)
Income before taxes	2,014	(7)	2,021	(366)	169	868	(723)	(73)	2,146
Income taxes	(204)	2	(206)	116	261	(20)	217	22	(802)
Non-controlling interest	1		1						1
Net Income reported	1,811	(5)	1,816	(250)	430	848	(506)	(51)	1,345
Number of shares	774,211,224		774,211,224						774,211,224
EPS reported	2.34		2.35						1.74

▪ **Net Income* before one-off excludes the following items:**

- One-offs impacting the EBIT* line (as reported in EBIT* before one-off)
- Other Financial Result, except for the unwinding of discount on provisions

* Pre-goodwill impairment and exceptionals

** thereof € - 1,026 m A400M LMC, € + 1,139m ASL creation and €56 m portfolio

*** thereof € - 697 m Airbus, € - 26 m Defence & Space

9M 2015 DETAILED INCOME STATEMENT AND ADJUSTMENTS

21

IN € MILLION

	9m 2015	thereof	9m 2015 *	thereof adjustments				9m 2015 * before one-off
		Goodwill Impair. & FV dep.		Impact on EBIT*			Financial Result	
				Operational	HQ	FX***		
				AD&S**	Dassault Sale			
EBIT	2,922	(24)	2,946	(246)	748	(360)		2,804
in % of revenues	6.8%		6.9%					6.5%
Interest income	131		131					131
Interest expenses	(429)		(429)					(429)
Other Financial Result	(238)		(238)				(156)	(82)
Finance Result	(536)		(536)				(156)	(380)
Income before taxes	2,386	(24)	2,410	(246)	748	(360)	(156)	2,424
Income taxes	(484)	7	(491)	94	(26)	108	47	(714)
Non-controlling interest	(2)		(2)					(2)
Net Income reported	1,900	(17)	1,917	(152)	722	(252)	(109)	1,708
Number of shares	786,189,743		786,189,743					786,189,743
EPS reported	2.42		2.44					2.17

▪ **Net Income* before one-off excludes the following items:**

- One-offs impacting the EBIT* line (as reported in EBIT* before one-off)
- Other Financial Result, except for the unwinding of discount on provisions

* Pre-goodwill impairment and exceptionals

** thereof A400M € - 290 m, Portfolio € + 44 m

*** thereof € - 324 m Airbus, € - 36 m Defence & Space

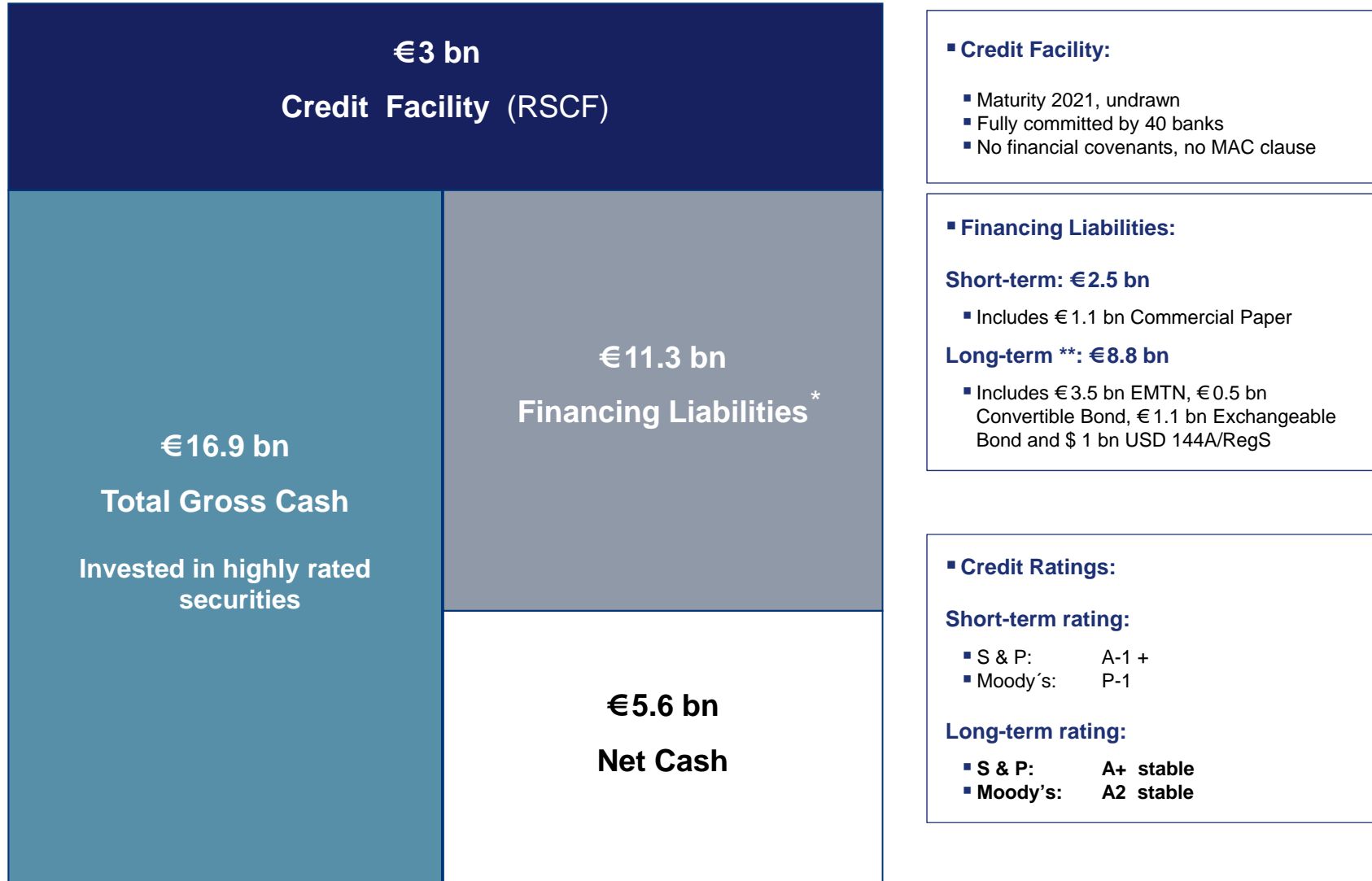
Q3 2016 KEY FIGURES

22

IN € MILLION	Q3 2016	Q3 2015
Order Intake	34,083	58,004
Revenues	13,950	14,072
EBIT* before one-off	731	921
EBIT*	507	717
Net Income	50	376
FCF before M&A	(1,493)	(726)
FCF before M&A before Customer Financing	(1,535)	(672)

IN € MILLION	Revenues		EBIT* before one-off		EBIT*	
	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015
Airbus	10,450	10,038	568	693	354	478
Airbus Helicopters	1,595	1,473	56	79	56	79
Airbus Defence & Space	2,274	2,852	115	164	105	175
HQ / Elim.	(369)	(291)	(8)	(15)	(8)	(15)
Airbus Group	13,950	14,072	731	921	507	717

* Pre-goodwill impairment and exceptionals



* On 13th May 2016, Airbus Group issued a dual tranche transaction under its EMTN Programme. In total, the group raised € 1.5 bn across a 10-yr (€600 m) and 15-yr (€900 m), carrying respectively a coupon of 0.875% and 1.375%.
 On 14th June 2016, Airbus Group issued a € 1.078 bn exchangeable bond with 5-yr maturity in the context of the sell down of its remaining Dassault shareholding. The exchangeable bond was issued at 103.75% with a coupon of 0%, which is equivalent to a yield to maturity of -0.73%. The bond can be exchanged into Dassault shares at an exchange price of € 1,306.25
 ** In August 2016 €1bn outstanding bonds have been repaid at maturity

DETAILED FREE CASH FLOW

24

IN € MILLION

	9m 2016	9m 2015
Net Cash position at the beginning of the period	10,003	9,092
Gross Cash Flow from Operations ⁽¹⁾	1,675	3,146
Change in working capital ⁽²⁾	(4,475)	(3,302)
of which Customer Financing	(545)	(117)
Cash used for investing activities ⁽³⁾	151	44
of which Industrial Capex (additions) ⁽⁴⁾	(1,990)	(1,663)
Free Cash Flow ⁽⁵⁾	(2,649)	(112)
of which M&A	2,080	1,639
Free Cash Flow before M&A	(4,729)	(1,751)
Free Cash Flow before M&A before customer financing	(4,184)	(1,634)
Free Cash Flow before customer financing	(2,104)	5
Change in capital and non-controlling interests	54	153
Change in treasury shares / share buy-back	(736)	0
Contribution to plan assets of pension schemes	(203)	(99)
Cash distribution to shareholders / non - controlling interests	(1,010)	(947)
Others	94	(289)
Net Cash position at the end of the period	5,553	7,798

(1) Gross Cash Flow from Operations, excluding working capital change, contribution to plan assets of pension schemes and realised FX results on Treasury swaps

(2) Including net customer financing and excluding reclassification of certain trade liabilities; (3) Excluding change of securities and change in cash from changes in consolidation and excluding bank activities;

(4) Excluding leased and financial assets; (5) Excluding change in securities, change in cash from changes in consolidation, contribution to plan assets, realised FX results on Treasury swaps, reclassification of certain trade liabilities, and bank activities

NET CASH POSITION

25

IN € MILLION	9m 2016	Dec. 2015
Gross Cash*	16,872	19,128
Financing Debts		
Short-term Financing Debts	(2,494)	(2,790)
Long-term Financing Debts	(8,825)	(6,335)
Reported Net Cash	5,553	10,003
Airbus non-recourse debt	44	94
Net Cash excl. non-recourse	5,597	10,097

* Excluding reclassification of certain securities

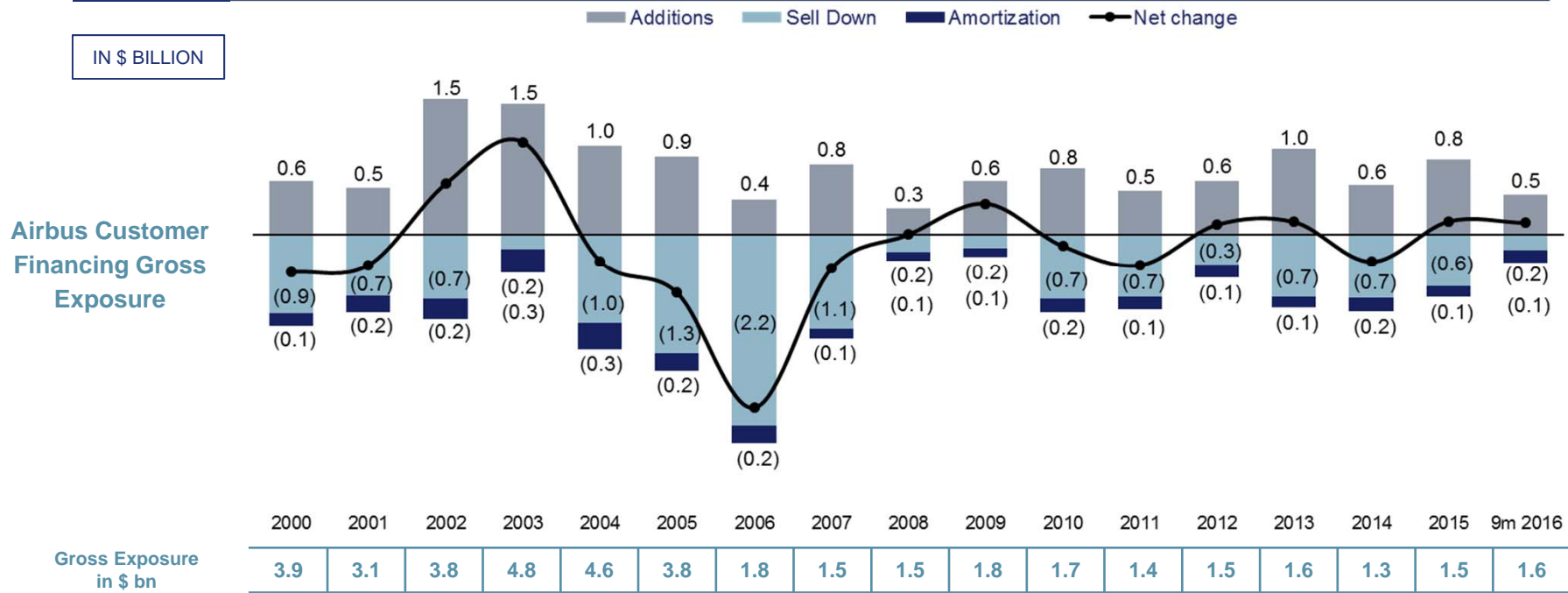
CUSTOMER FINANCING EXPOSURE

	Airbus		Airbus Helicopters	
	9m 2016	Dec. 2015	9m 2016	Dec. 2015
Closing rate €1 =	\$ 1.12	\$ 1.09	\$ 1.12	\$ 1.09
Total Gross Exposure	1,450	1,366	75	69
of which off-balance sheet	106	60	21	8
Estimated value of collateral	(1,155)	(922)	(25)	(20)
Net Exposure	295	444	50	49
Provision and asset impairment	(295)	(444)	(50)	(49)
Net Exposure after provision	0	0	0	0

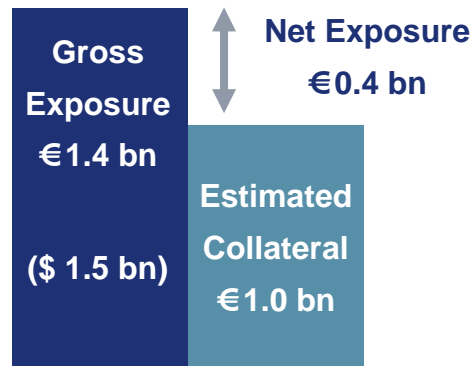
IN € MILLION

AIRBUS CUSTOMER FINANCING

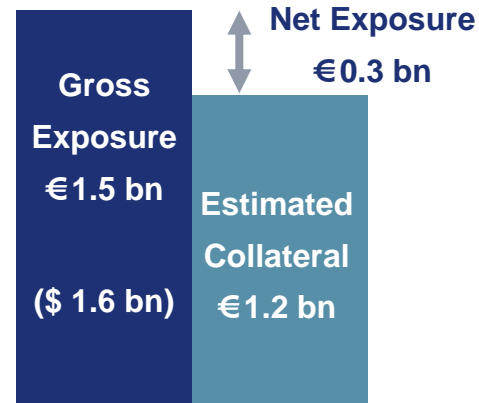
IN \$ BILLION



Net Exposure fully provisioned



Net Exposure fully provisioned



BALANCE SHEET HIGHLIGHTS: ASSETS

28

IN € MILLION	9m 2016	Dec. 2015
Non-current Assets	54,303	53,438
of which Intangible & Goodwill	11,837	12,555
of which Property, plant & equipment	16,595	17,127
of which Investments & Financial assets	5,309	3,818
of which positive hedge mark-to-market	1,030	931
of which Non-current securities	9,660	9,851
Current Assets*	53,906	50,565
of which Inventory	33,481	29,051
of which Cash*	5,694	6,590
of which Current securities	1,518	1,788
of which positive hedge mark-to-market	237	349
Assets of disposal groups classified as held for sale	1,197	1,779
Total Assets*	109,406	105,782
Closing rate € vs. \$	1.12	1.09

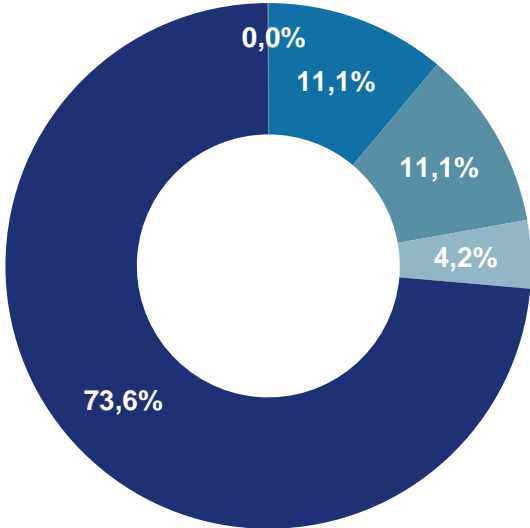
* Investments made by Airbus Group SE in certain securities and trade liabilities have been reassessed and reclassified. Previous year figures are adjusted by € - 899 m

BALANCE SHEET HIGHLIGHTS: LIABILITIES

29

IN € MILLION	9m 2016	Dec. 2015
Total Equity	6,296	5,973
of which OCI (Other Comprehensive Income)	(2,777)	(4,316)
of which Non-controlling interests	8	7
Total Non-current liabilities	48,564	46,700
of which pensions	8,869	7,172
of which other provisions	2,270	2,699
of which financing debts	8,825	6,335
of which European governments refundable advances	6,427	6,716
of which Customer advances	14,977	14,472
of which negative hedge mark-to-market	4,100	6,703
Total Current liabilities*	53,600	52,878
of which pensions	395	443
of which other provisions	4,671	4,766
of which financing debts	2,494	2,790
of which European governments refundable advances	635	570
of which Customer advances	23,900	23,612
of which negative hedge mark-to-market	3,216	3,884
Liabilities of disposal groups classified as held for sale	946	231
Total Liabilities* and Equity	109,406	105,782

* Investments made by Airbus Group SE in certain securities and trade liabilities have been reassessed and reclassified. Previous year figures are adjusted by € - 899 m



- **Free Float** **73.6%**
- **Shareholder Agreement** **26.4%**
 - SOGEPA
 - GZBV
 - SEPI
- **Treasury shares** **0.0%**

▪ **772,712,046** shares issued as at 30 September 2016

QUARTERLY ORDER INTAKE BREAKDOWN (CUMULATIVE)

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	4,311	17,217	32,302	46,334	63,103	100,061		139,062
Airbus Helicopters	1,004	1,428	2,338	2,726	3,588	4,013		6,168
Airbus Defence & Space	2,515	2,390	5,189	5,371	8,189	8,483		14,440
HQ / Elim.	(585)	(41)	(694)	(512)	(1,662)	(634)		(703)
Airbus Group	7,245	20,994	39,135	53,919	73,218	111,923		158,967

IN € MILLION

QUARTERLY ORDER BOOK BREAKDOWN (CUMULATIVE)

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	904,589	901,565	930,885	875,018	939,079	914,692		952,450
Airbus Helicopters	11,615	12,371	11,421	12,004	11,075	11,818		11,769
Airbus Defence & Space	42,596	41,854	37,665	41,683	38,355	41,657		42,861
HQ / Elim.	(1,820)	(1,226)	(1,884)	(1,727)	(2,508)	(1,297)		(1,216)
Airbus Group	956,980	954,564	978,087	926,978	986,001	966,870		1,005,864

IN € MILLION

QUARTERLY REVENUES BREAKDOWN (CUMULATIVE)

33

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	8,668	8,565	21,061	21,081	31,511	31,119		45,854
Airbus Helicopters	1,158	1,285	2,687	2,950	4,282	4,423		6,786
Airbus Defence & Space	2,534	2,603	5,440	5,531	7,714	8,383		13,080
HQ / Elim.	(177)	(375)	(433)	(669)	(802)	(960)		(1,270)
Airbus Group	12,183	12,078	28,755	28,893	42,705	42,965		64,450

QUARTERLY EBIT* BREAKDOWN (CUMULATIVE)

34

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	290	419	421	1,424	775	1,902		2,301
Airbus Helicopters	33	52	144	162	200	241		427
Airbus Defence & Space	90	133	478	(26)	583	149		745
HQ / Elim.	(48)	637	813	669	805	654		613
Airbus Group	365	1,241	1,856	2,229	2,363	2,946		4,086

* Pre-goodwill impairment and exceptionals

QUARTERLY EBIT* BEFORE ONE-OFF BREAKDOWN (CUMULATIVE)

35

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	407	569	1,270	1,533	1,838	2,226		2,780
Airbus Helicopters	33	52	144	162	200	241		427
Airbus Defence & Space	109	90	325	267	440	431		1,060
HQ / Elim.	(48)	(60)	(55)	(79)	(63)	(94)		(135)
Airbus Group	501	651	1,684	1,883	2,415	2,804		4,132

* Pre-goodwill impairment and exceptionals