

# INVESTOR MEETING

FARNBOROUGH AIRSHOW 2016

13 JULY 2016

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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.

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### 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.

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**Macroeconomic environment**

**Dynamic landscape**



**Resilient air travel**

**Structural demand for competitive products**



**Long term growth market**

**Commercial aircraft demand 4.5% growth p.a. for next 20 years**

***Healthy commercial aircraft environment confirmed***



**Managing short-term challenges to drive operational progress**



**Continuing focus on competitiveness**



**Implementing strategy to focus on Core**

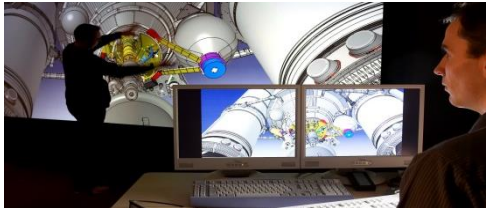
***Progressing to achieve EPS and FCF growth potential***



**State of the art products**



**New concepts**



**Digitalisation**

***Innovation will shape tomorrow's Aerospace***



**Strong product portfolio**

**Competitive product family**



**Robust backlog**

**Regionally diversified backlog, supporting production plans**



**Focus on delivery**

**Managing ramp-up and transition**

***Robust backlog with FY 2016 book to bill target > 1 maintained, supporting production plans***

## A320 Ramp-up & Transition



- Backlog: 5,466 (t/o 4,575 NEOs), orders 127 and deliveries 244 (t/o 8 NEOs)
- Managing ramp-up to rate 60 in mid-2019
- Deliveries H2 loaded
  - GTF “Golden engine” being delivered
  - 1<sup>st</sup> delivery with LEAP engine expected soon

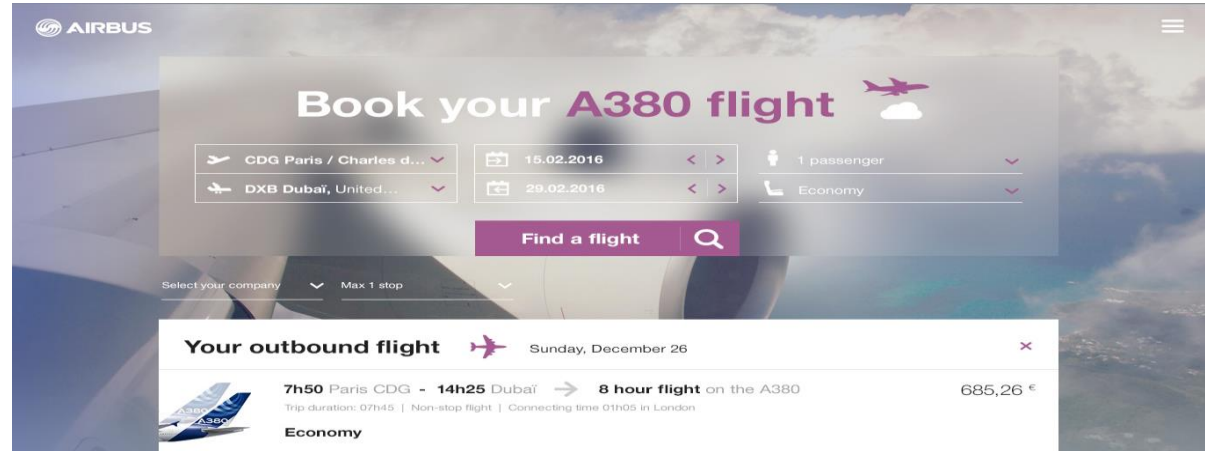
## **A350** *Ramp-up*



- **Backlog 775, orders 25 and deliveries 12**
- **Improving dispatch reliability and performance**
- **Driving the ramp-up: target 50+ aircraft in 2016**
- **First A350-1000 delivery in H2 2017**
- **Rate 10 target confirmed end of 2018, breakeven expected before end of decade**



**A380**  
**Passengers' Choice**

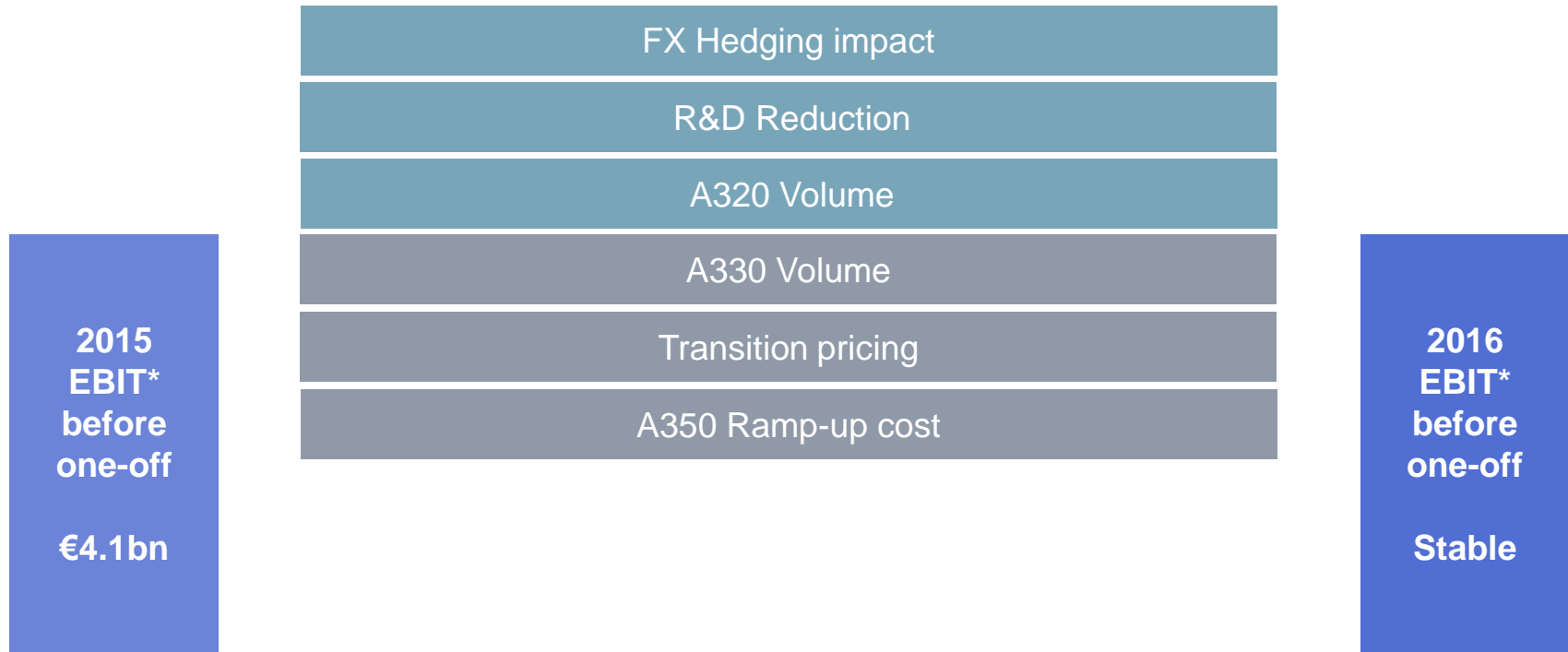


- **Backlog 126 and deliveries 14**
- **Breakeven achieved at 27 deliveries**
- **New baseline: 12 deliveries p.a from 2018. Target further cost reduction to lower breakeven level**
- **Traffic growth supports long term programme perspective**
- **I FLY A380**

## A330 Neo Development & Transition

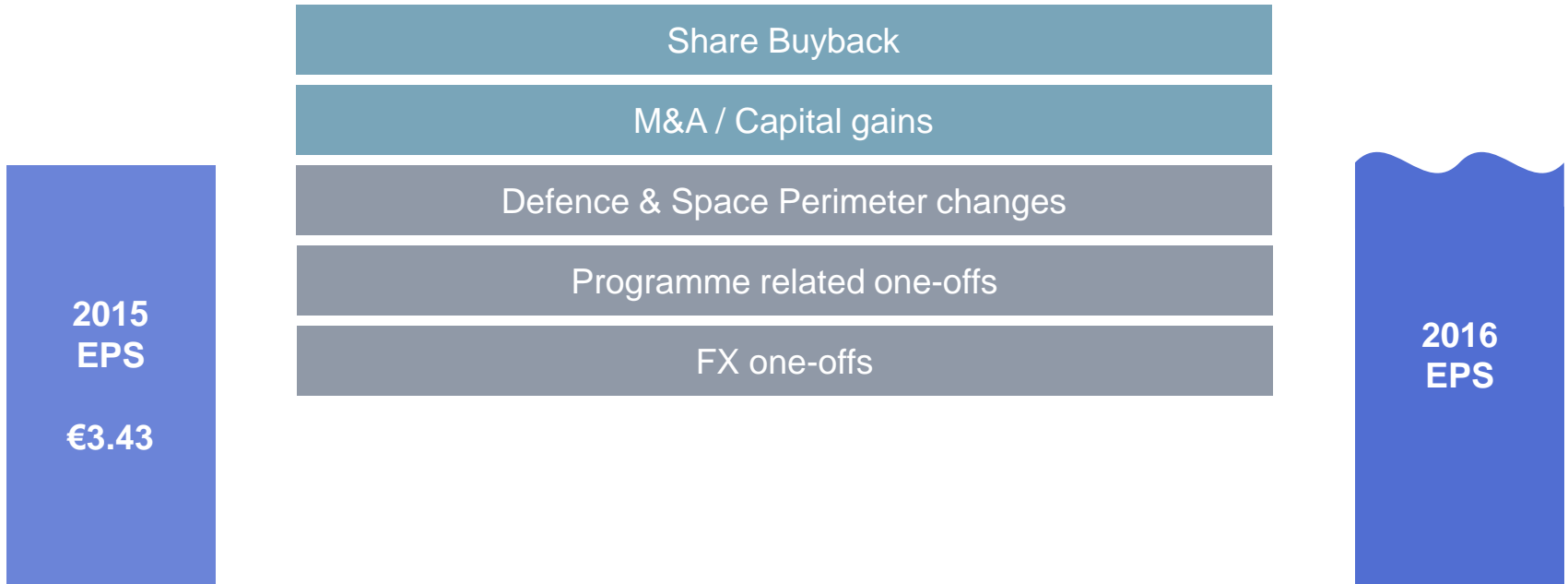


- Backlog 349 (t/o 186 NEOs), orders 31 and deliveries 28
- A330 transition secured rate 6, increase to rate 7 in 2017
- NEO brings 14% fuel efficiency improvement per seat
- Development on track, 1<sup>st</sup> delivery targeted end 2017

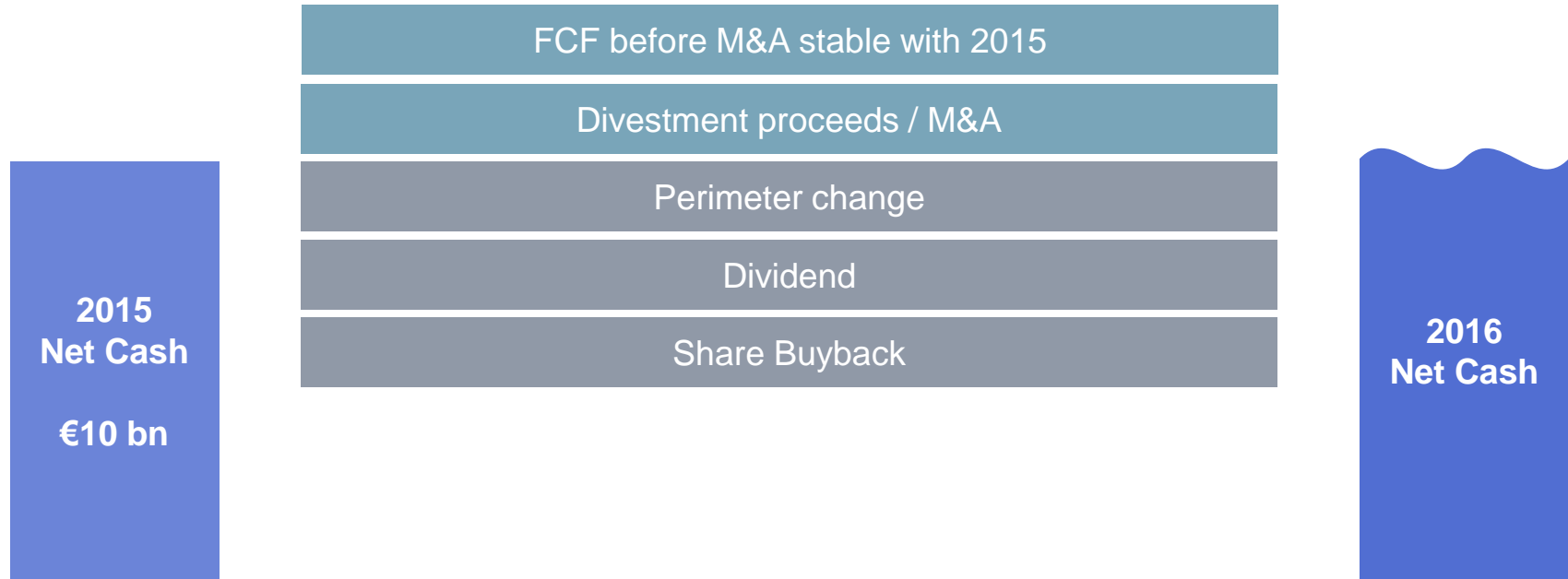


**2016 stable EBIT\* before one-off at stable perimeter vs 2015 Earnings profile H2 loaded**

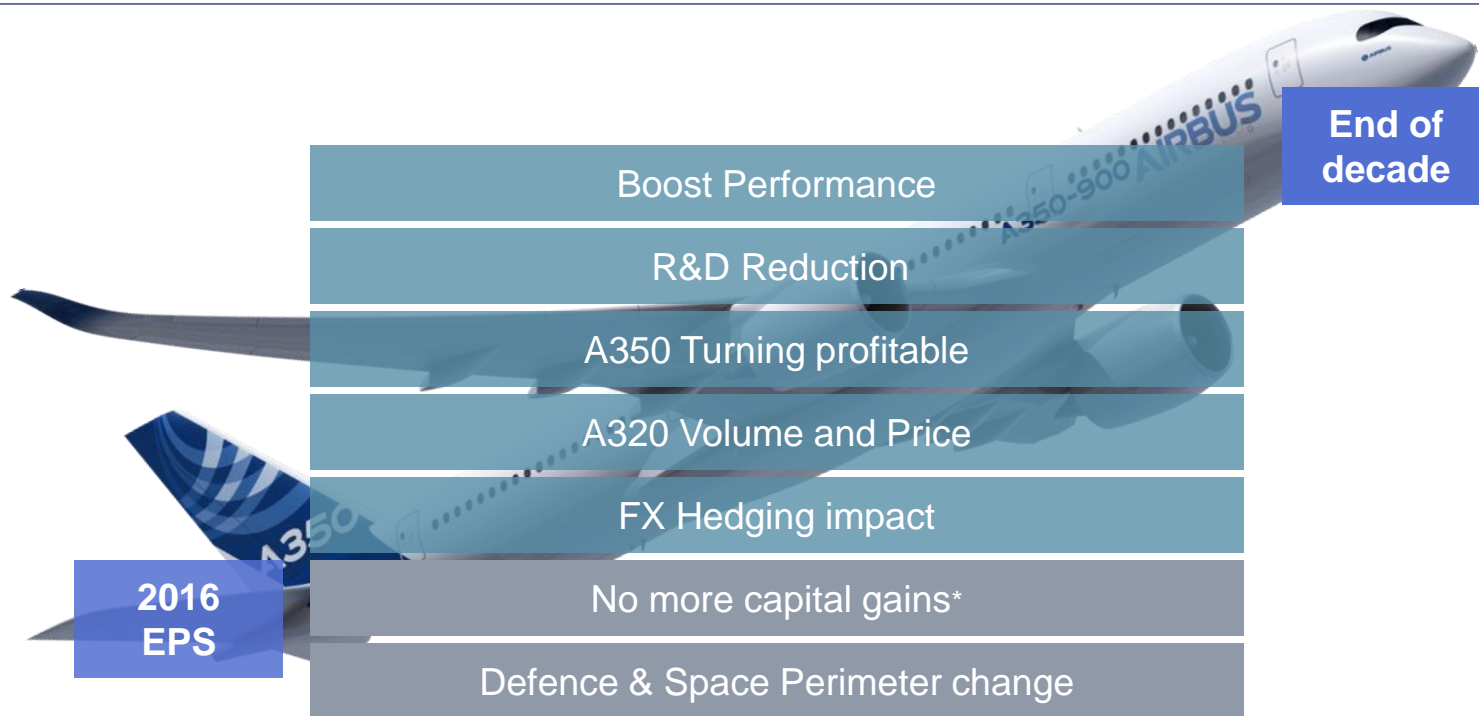
\* Pre-goodwill impairment and exceptionals  
Box sizes for illustration only



***Stable EPS before one-off – 2016 EPS supported by divestments***

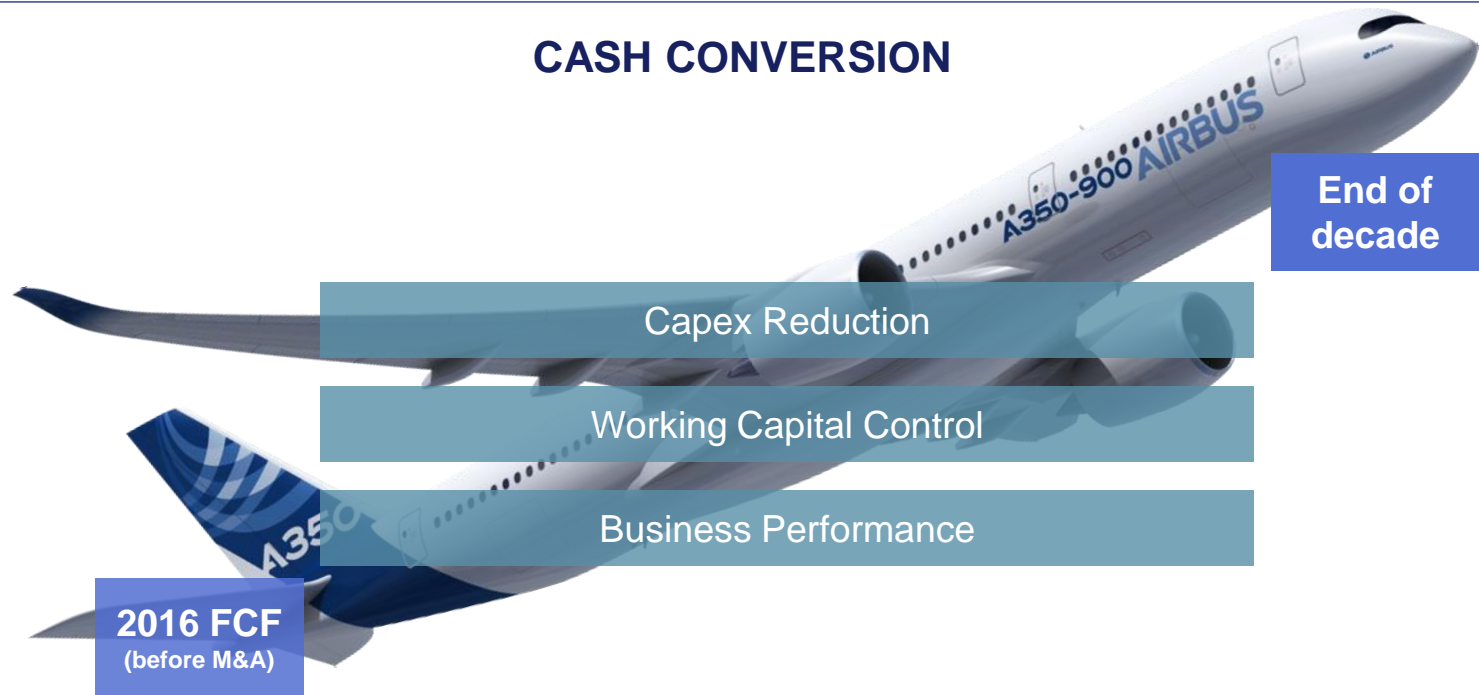


***2016 Net Cash supported by proceeds from divestments***



***On track to deliver significant EPS growth potential***

## CASH CONVERSION



***FCF generation and increasing cash conversion by end of decade***

- Robust and diversified backlog supporting production plans
- Continued focus on ramp-up and transition
- Driving competitiveness and innovation
- EPS and FCF growth story confirmed
- Sustainable shareholder returns

*Enhancing shareholder value and securing the future*