Healthy commercial aircraft environment; robust backlog of 6,771 a/c supports ramp-up plans

H1 financials reflect delivery pattern mainly impacted by engine issues

Continued focus on ramp-up, operations and integration

2017 Guidance maintained
H1 2017 COMMERCIAL POSITIONING

- **COMMERCIAL AIRCRAFT**: 248 gross orders, 203 net of cancellations including 4 A350 Qatar. Backlog: 6,771 a/c
- **HELICOPTERS**: 151 net orders, including 30 H225 military for Kuwait
- **DEFENCE AND SPACE**: Order book reflects perimeter change (€ 1.9 bn). 19 Light and Medium booked in Military Aircraft

* Commercial Order Intake and Order Book based on list prices
MARKET ENVIRONMENT

Air Traffic continues to run ahead of GDP

* Based on IATA monthly traffic report which covers ~50% of world passenger traffic
Source: IATA, IHS Economics, OAG, Airbus
LONG TERM DEMAND FOR AIRCRAFT

2016-2035 demand for 33,070 aircraft

Asia-Pacific will be a key driver for growth in the next 20 years (40% of demand)
>60% of future demand to come from growth, with strong SA potential in most regions

Propensity to travel in Emerging regions will progressively catch up with Developed markets
Market size among the regions will converge towards the demographic share

Emerging markets will drive long-term growth as their propensity to travel will catch up with developed economies

Source: Airbus GMF 2016
COMMERCIAL AIRCRAFT BACKLOG AND DELIVERIES

Airbus backlog* well aligned with regional needs and demand forecast

Over 10 years production in backlog

North America 9% / 17%
Europe & CIS 15% / 23%
Asia Pacific 29% / 42%
Middle East 8% / 7%
Latin America 6% / 8%
Africa 1% / 3%
Lessors 20%

% Backlog as of end of August 2017
% Share of 2016-2035 PAX deliveries (GMF 2017)

Europe, North America and Lessors to take highest share of our deliveries in the short term

Our backlog supports our ramp-up

Strong and well diversified backlog, aligned with demand, supports our ramp-up

*12% of undisclosed customers; ** Cancellations (excluding Ceo-Neo conversions) / backlog
COMPREHENSIVE COMMERCIAL AIRCRAFT PRODUCT LINE FOR ANY MARKET

A comprehensive and versatile family from 100 to 600+ seats

- **A320 Family**: 13,243 orders including 5,169 neo
  - Up to 240 passengers, flying up to 10 hours
  - LR: new market opportunities to long range markets

- **A330 Family**: 1,685 orders from 115 customers
  - Flying from 30 minutes to over 15 hours

- **A350XWB**: 847 orders from 45 customers
  - Long-range and ultra-long haul routes

- **A380**: 317 orders from 18 customers
  - Capacity to capture traffic growth
KEY PROGRAMME STATUS

**A320**
- SA remains very healthy: essentially sold out until 2022, which protects our ramp-up plans
- Deliveries end August: 310 A320 family delivered, t/o 76 A320/A321neo
- Neo ramp-up remains challenging. Customers are still experiencing a number of in-service engine issues
- We still target total A320neo deliveries to be ~200 but in view of these engine issues, this target becomes more challenging

**A350**
- Good progress on A350 industrial ramp-up (43 deliveries end August 2017)
- Confident that we are on track for our FY ramp-up and the rate 10 target by end 2018
- -1000 Flight Test campaign well underway – First delivery target remains end of 2017
- We remained focused on Recurring Cost convergence and we made progress on the ramp-up curve in line with our latest programme targets

**A400M**
- 8 a/c delivered in H1
- Challenges remain; discussions with customers to de-risk the programme are ongoing
- Adjustment of production levels to absorb inventory

**H225**
- H225 ban lift announced by UK and Norway authorities
- Working with customers on return to service
H1 2017 FINANCIAL PERFORMANCE

Revenues
- H1 2016: € 28.8bn
- H1 2017: € 28.7bn

Capitalised R&D:
- H1 2017: € 149m
- H1 2016: € 112m

EPS (1) Adjusted
- H1 2016: € 1.40bn
- H1 2017: € 0.83bn

EBIT Adjusted
- H1 2016: € 1.68bn, RoS: 5.8%
- H1 2017: € 1.10bn, RoS: 3.8%

FCF before M&A and Customer Financing
- H1 2016: (€ 2.6bn)
- H1 2017: (€ 2.1bn)

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(1) H1 2017 Average number of shares: 773,223,614 compared to 775,116,098 in H1 2016.
Capitalised R&D: € 149 m in H1 2017 and € 112 m in H1 2016.
H1 2017 PROFITABILITY

EBIT Performance

- H1 2017 EBIT reported of € 1.79 bn
- H1 2017 Adjustments resulting from:
  - € - 70 m A400M LMC
  - € + 174 m $ PDP mismatch / BS Revaluation
  - € + 28 m Other AD Portfolio
  - € + 560 m Defence Electronics net capital gain
  - € + 692 m Net Adjustments

Net Income

- H1 2017 Net Income of € 1.5 bn
- H1 2017 Net Income Adjusted of € 0.6 bn
- H1 2017 tax rate on core business is 28%

Average number of shares: H1 2017 = 773,223,614, H1 2016 = 775,116,098
In H1 2017, new hedge contracts of $7.4 bn were added at an average rate of €1 = $1.19 (1) of which $6.8 bn Forwards at €1 = $1.18 and $0.6 bn Zero-cost Collars

$13.0 bn of hedges matured at an average rate of €1 = $1.31

Hedge portfolio (1) 30 June 2017 at $96.8 bn (vs. $102.4 bn in Dec. 2016), at an average rate of $1.24 (2)
H1 2017 CASH EVOLUTION

IN € BILLION

Free Cash Flow before M&A: € - 2.5 bn
t/o Customer Financing: € - 0.5 bn

Free Cash Flow before M&A and Customer Financing € - 2.1 bn

Net Cash Position Dec. 2016 11.1
Gross Cash Flow from Operations
Change in Working Capital
Cash used for investing activities before M&A(1)
M&A (2)
Shareholder Return
Pensions & Others
Net Cash Position Jun. 2017 7.9

(1) Thereof Capex of € - 1.1 bn; (2) M&A transactions include acquisitions and disposals of subsidiaries and businesses
As the basis for its 2017 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions.

Airbus 2017 earnings and FCF guidance is based on a constant perimeter.

- Airbus expects to deliver more than 700 commercial aircraft which depends on engine manufacturers meeting commitments.


- Free Cash Flow is expected to be similar to 2016 before M&A and Customer Financing.

The perimeter change in Defence and Space is expected to reduce EBIT Adjusted and Free Cash Flow before M&A and Customer Financing by around € 150 million and EPS Adjusted by around 14 cents.
2017 KEY PRIORITIES

- Focus on key programmes
- Drive innovation and digitalisation for the longer term to secure our future
- Work to secure EPS / FCF as platform to deliver 2018 / 2019 growth
DRIVING EARNINGS AND CASH PERFORMANCE

EPS Growth

End of decade

- Boost Performance
- A350 Turning Profitable
- A320 Volume and Price
- FX Hedging Impact

End 2017

FCF Growth

End of decade

- EPS Growth
- A400M*
- Capex Reduction
- Working capital Control

End 2017

* A400M will continue to weigh significantly in 2017 & 2018 in particular

FY 2016 Adjusted Net Profit to FCF conversion ~1x Before A400M
INCREASING SHAREHOLDER RETURNS

Dividend policy since 2013, Total Shareholder Returns 2012-2017 ~ € 7 bn

* Actual cash out each year
** 2016 Dividend paid: April 2017