AIRBUS GROUP

2016 CAPITAL MARKETS UPDATE

NEW YORK, 1 MARCH 2016
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 16 April 2015.

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.
CFO AGENDA

MARKET ENVIRONMENT

PERFORMANCE ROADMAP
Driving value

CFO AGENDA

Increase capital efficiency

Drive business performance & support programme execution

Manage risks & opportunities for bids and campaigns

Develop “Enterprise Risk Management”

People

Lean Processes

Efficient Systems

Digital
Driving value

CFO AGENDA

People

Lean Processes

Manage risks & opportunities for bids and campaigns

Drive business performance & support programme execution

Develop “Enterprise Risk Management”

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Digital
Driving value

CFO AGENDA

Increase capital efficiency
Drive business performance & support programme execution
Develop “Enterprise Risk Management”
Manage risks & opportunities for bids and campaigns

Lean Processes

People

Efficient Systems

Digital
Driving value

CFO AGENDA

1. Increase capital efficiency
2. Drive business performance & support programme execution
3. Manage risks & opportunities for bids and campaigns
4. Develop “Enterprise Risk Management”
5. Increase capital efficiency

Lean Processes

Efficient Systems

Digital

People
CFO AGENDA

Driving value

People
- Manage risks & opportunities for bids and campaigns
- Drive business performance & support programme execution
- Develop “Enterprise Risk Management”
- Increase capital efficiency

Lean Processes

Efficient Systems

Digital
Continuous improvement of financial performance between 2012-2015
Significant investment, controlled inventory build for future growth

Emphasis on other working capital
Dividend policy since 2013, total shareholder returns 2012-2016 ~ € 6 bn

* Based on 2015 Dividend proposal and completion of €1bn SBB
Maximise and diversify access to liquidity, maintain financial flexibility and secure “A” credit rating
Air traffic continues to run ahead of GDP
Oil price drops, commercial momentum continues
Cancellations below historical levels

* Yearly cancellations – excluding CEO-Neo conversions / backlog
MARKET ENVIRONMENT – AIRLINE PROFITABILITY

Airline Profitability

Source: ICAO, IATA Economics

Orders and Deliveries

Financial health of airlines allows investment into efficient products
Historically low cost of money facilitates customers’ access to financing and limits Airbus Group’s financing exposure.
MARKET ENVIRONMENT – FX / HEDGING

EUR / USD Exchange Rates

Leveraging FX environment & increasing credit capacity

Approximately 60% of Airbus Group’s US$ revenues are naturally hedged by US$ procurement. Graph shows US$ Forward Sales and Collars

** Total hedges maturing in 2015; *** Total hedge amount contains $/€ and $/£ designated hedges; **** Blended Forwards and Collars rate includes Collars at least favourable rate

Source: Bloomberg
DRIVING EARNINGS PERFORMANCE

Significant EPS growth potential

- Boost Performance
- R&D Reduction
- A350 Turning Profitable
- A320 Volume and Price
- FX Impact
- A330 Rate Reduction & Disposals in Defence & Space

End of decade

€ 3.43
EPS 2015

* Box sizes for illustration purpose only
A320 – RAMP UP

**OPERATIONAL**
- Robust Backlog
- Aircraft Performance
- Supply Chain Management
- Productivity & Quality

**FINANCIAL**
- Volume Increase
- Neo Premium
- Recurring Cost Control
- Inventory Lead Time Reduction

Additional EBIT and FCF contribution from A320
Secure A350 ramp-up on the way to profitability
CASH CONVERSION

- Capex Reduction
- Working Capital Control
- Business Performance

FCF generation & increasing cash conversion by end of decade

2015 FCF (before M&A)

End of decade

* Box sizes for illustration purpose only
CONCLUSION: KEY TAKEAWAYS

- Delivering on commitments
- Driving programme execution and competitiveness
- Innovation and digital driving future value
- Substantial EPS and FCF growth
- Sustainable shareholder returns