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# AIRBUS

## Q1 Results

### 2017

27 April 2017

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• **Harald Wilhelm**  
Chief Financial Officer

**AIRBUS**

# SAFE HARBOUR STATEMENT

## 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' 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' 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 the Airbus “Registration Document” dated 4 April 2017, including the Risk Factors section.**

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

# Q1 Results 2017

Company  
Highlights

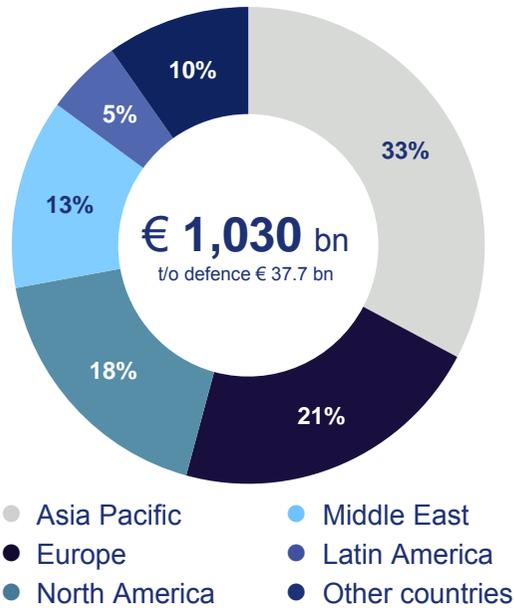
Divisional  
Highlights

Guidance  
Highlights

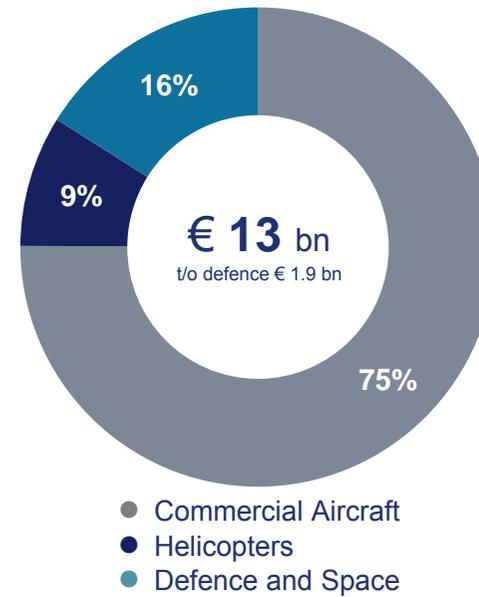


- Strong commercial backlog of 6,744 a/c, supporting ramp-up plans
- Q1 financials reflect phasing and divestments
- 2017 Guidance confirmed

**Airbus Order Book\*  
by Region (by value)**



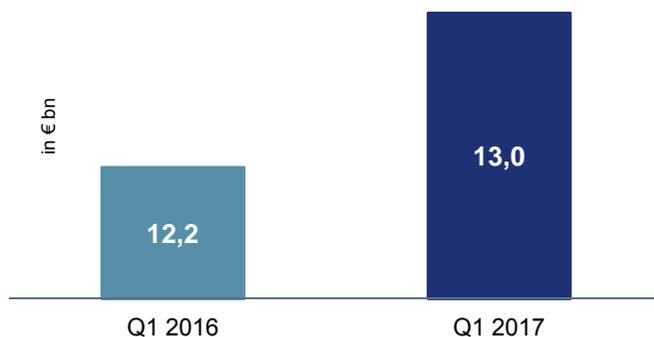
**Airbus External  
Revenue Split by Division**



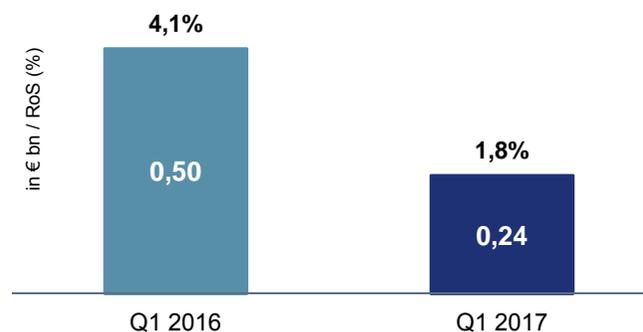
- **COMMERCIAL AIRCRAFT:** 26 gross, 6 net orders. Backlog: 6,744 a/c
- **HELICOPTERS:** 60 net orders (incl. 10 Super Puma, 3 H175 and 14 H145)
- **DEFENCE AND SPACE:** Successful repositioning through portfolio reshaping

\* Commercial Order Intake and Order Book based on list prices

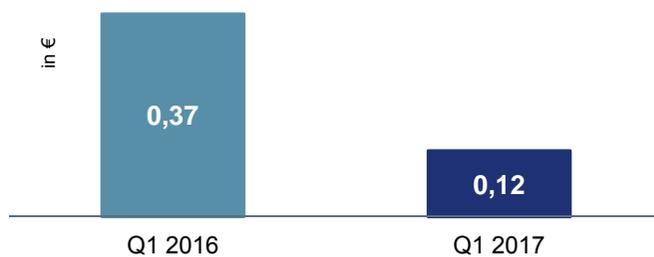
## Revenues



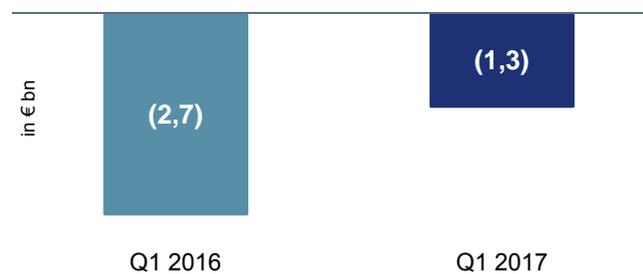
## EBIT Adjusted



## EPS<sup>(1)</sup> Adjusted

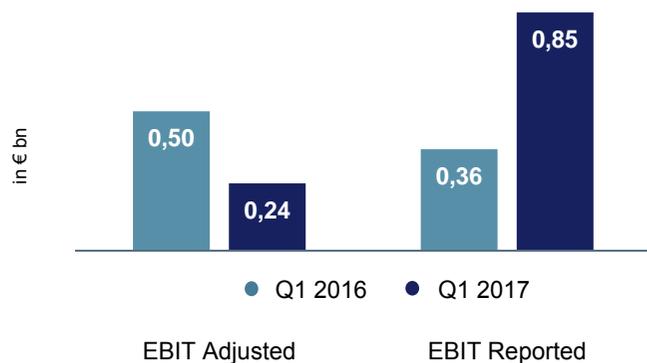


## FCF before M&A and Customer Financing



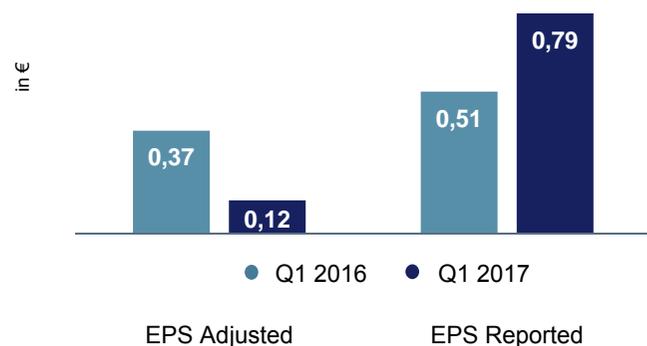
(1) Q1 2017 Average number of shares: 772,728,699 compared to 776,552,505 in Q1 2016.  
Capitalised R&D: € 61 m in Q1 2017 and € 51 m in Q1 2016.

## EBIT Performance



- Q1 2017 EBIT reported of € 0.9 bn
- Q1 2017 Adjustments resulting from:
  - € + 560 m Defence Electronics net capital gain
  - € + 55 m \$ PDP mismatch / BS Revaluation
  - € - 3 m Other AD Portfolio
- **€+ 612 m Net Adjustments**

## EPS Performance

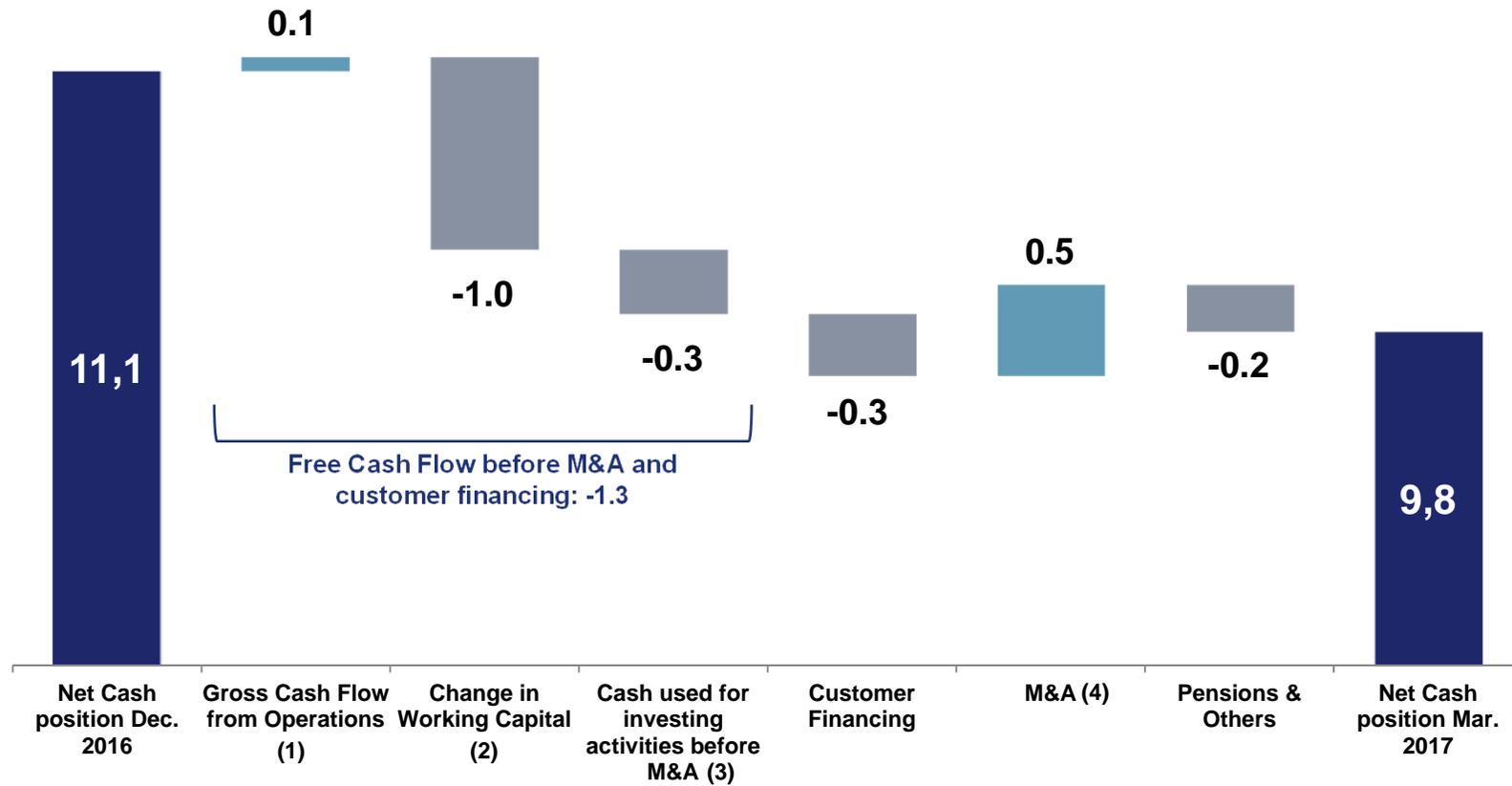


- Q1 2017 Net Income of € 0.6 bn
- Q1 2017 Net Income Adjusted of € 0.1 bn
- Q1 2017 tax rate on core business is 28%

Average number of shares: Q1 2017= 772,728,699, Q1 2016= 776,552,505

# Q1 2017 CASH EVOLUTION

IN €BILLION



(1) Excluding net customer financing (2) Excluding net customer financing (3) Thereof Capex of € - 0.5 bn; (4) M&A transactions include acquisitions and disposals of subsidiaries and businesses

# Q1 Results 2017

Company  
Highlights

Divisional  
Highlights

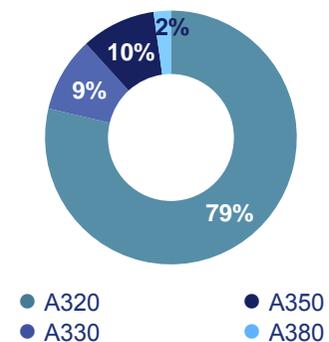
Guidance  
Highlights



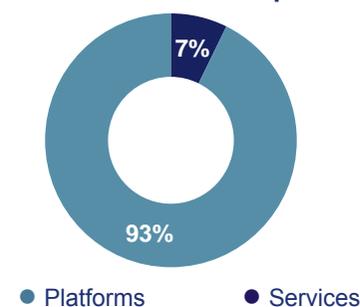
**AIRBUS**

IN € MILLION		Q1 2017	Q1 2016	Change
Order Intake (net)	Units	6	10	-40.0%
Order Book		6,744	6,716	0.4%
Order Intake (net)	Value	1,153	4,311	-73.3%
Order Book		981,958	904,589	8.6%
Deliveries (Units)		136	125	8.8%
Revenues		9,825	8,668	13.3%
R&D Expenses		403	380	6.1%
<i>in % Revenues</i>		4.1%	4.4%	
EBIT Adjusted		281	406	-30.8%
<i>in % Revenues</i>		2.9%	4.7%	
EBIT		336	289	16.3%
<i>in % Revenues</i>		3.4%	3.3%	

Deliveries by programme (Units)



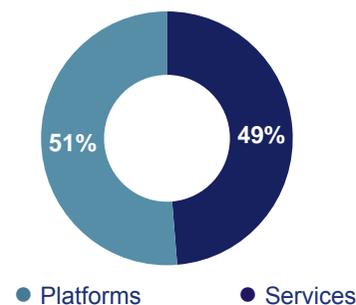
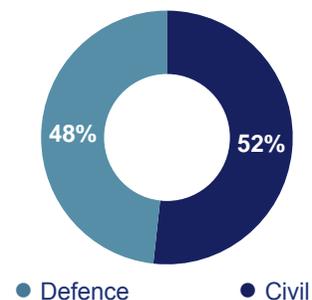
External Revenue split



- Deliveries reflect mainly higher A350 volume (13 deliveries). Delivery profile backloaded in 2017.
- A350-1000 flight test in progress, focus on A350 RC convergence
- Revenue increase reflects higher deliveries
- EBIT Adjusted reflects delivery mix, transition pricing and ramp-up cost

IN € MILLION		Q1 2017	Q1 2016	CHANGE
Order Intake (net)	Units	60	51	17.6%
Order Book		748	826	-9.4%
Order Intake (net)	Value	1,417	1,004	41.1%
Order Book		11,392	11,615	-1.9%
Deliveries (Units)		78	56	39.3%
Revenues		1,291	1,158	11.5%
R&D Expenses		65	63	3.2%
<i>in % Revenues</i>		5.0%	5.4%	
EBIT Adjusted		(2)	33	-106.1%
<i>in % Revenues</i>		-0.2%	2.8%	
EBIT		(2)	33	-106.1%
<i>in % Revenues</i>		-0.2%	2.8%	

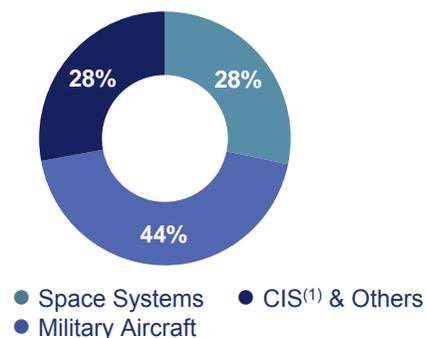
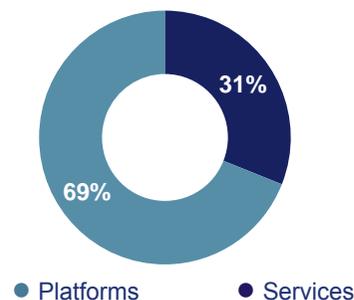
External Revenue Split



- Despite higher deliveries and Revenues, EBIT Adjusted reflects unfavourable mix and lower commercial flight hour services as well as the impacts associated with the partial H225 grounding

IN € MILLION	Q1 2017	Q1 2016	CHANGE
<b>Order Intake (net)</b>	<b>1,521</b>	<b>2,515</b>	<b>-39.5%</b>
<b>Order Book</b>	<b>39,421</b>	<b>42,596</b>	<b>-7.5%</b>
<b>Revenues</b>	<b>2,114</b>	<b>2,534</b>	<b>-16.6%</b>
<b>R&amp;D Expenses</b>	<b>60</b>	<b>66</b>	<b>-9.1%</b>
<i>in % Revenues</i>	<i>2.8%</i>	<i>2.6%</i>	
<b>EBIT Adjusted</b>	<b>63</b>	<b>107</b>	<b>-41.1%</b>
<i>in % Revenues</i>	<i>3.0%</i>	<i>4.2%</i>	
<b>EBIT</b>	<b>620</b>	<b>88</b>	<b>604.5%</b>
<i>in % Revenues</i>	<i>29.3%</i>	<i>3.5%</i>	

External Revenue Split



- Decrease in Revenues driven by perimeter change impact from portfolio reshaping. Q1 2017 deconsolidation impact on Revenues ~ € -0.5bn
- EBIT Adjusted mainly reflects perimeter change
- Underlying business performing in line with expectations
- A400M: 4 a/c delivered in Q1. Execution and capability enhancement remain areas of concern

(1) Communications, Intelligence & Security  
Capitalised R&D: € 3 m in Q1 2017 and € 6 m in Q1 2016

# Q1 Results 2017

Company  
Highlights

Divisional  
Highlights

Guidance  
Highlights



**AIRBUS**

*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
- Before M&A, Airbus expects mid-single-digit % growth in EBIT Adjusted and EPS Adjusted compared to 2016
- 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

- Deliver commercial aircraft ramp-up and transition
- De-risk A400M and strengthen programme execution
- Implement new organisation
- Invest in our future for improved efficiency

▶ **Deliver EPS / FCF growth**

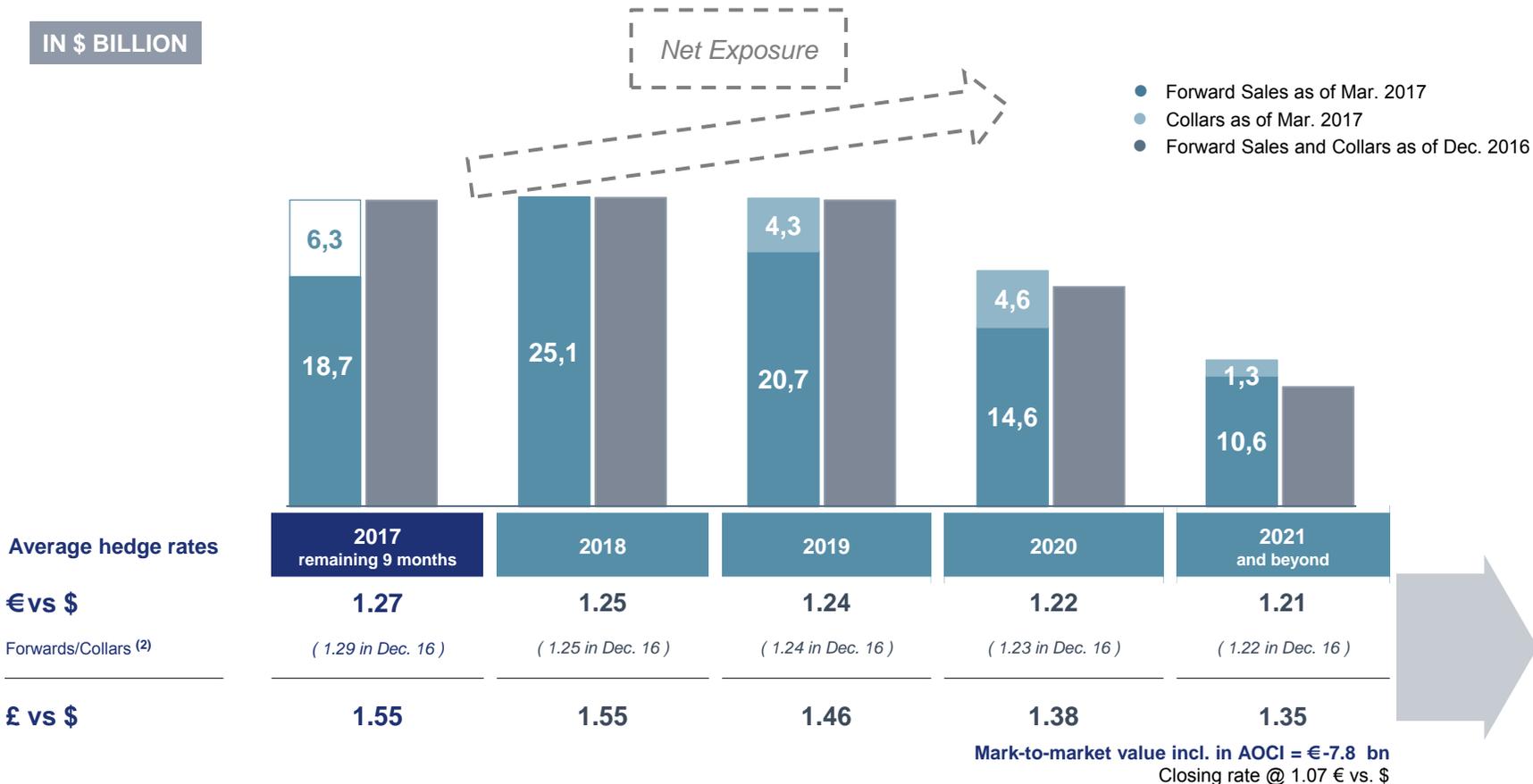
# Q1 Results 2017

APPENDIX



**AIRBUS**

# CURRENCY HEDGE POLICY

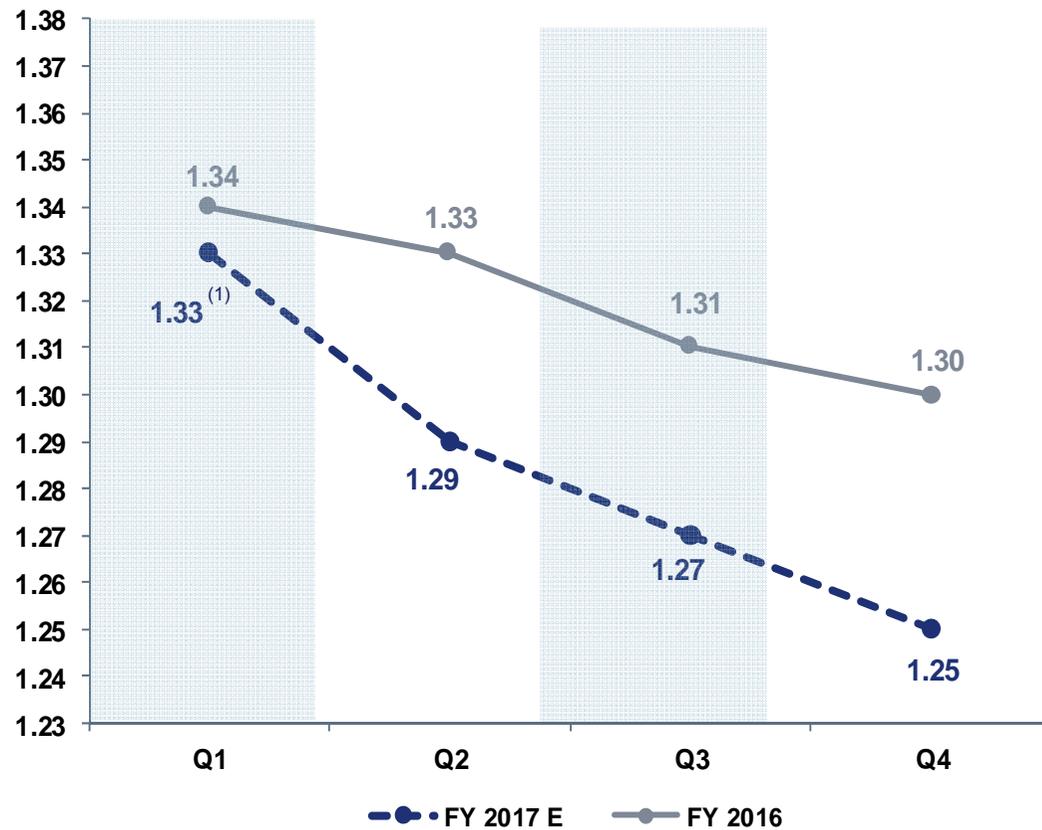


- In Q1 2017, new hedge contracts of \$ 3.8 bn <sup>(1)</sup> were added at an average rate of € 1 = \$ 1.18 <sup>(2)</sup> of which \$ 3.2 bn Forwards at € 1 = \$ 1.16 and \$ 0.6 bn Zero-cost Collars
- \$ 6.3 bn of hedges matured at an average rate of € 1 = \$ 1.33
- Hedge portfolio <sup>(1)</sup> 31 March 2016 at \$ 99.9 bn (vs. \$ 102.4 bn in Dec. 2016), at an average rate of \$ 1.24 <sup>(2)</sup>

Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars, net exposure trend for illustrative purposes  
<sup>(1)</sup> Total hedge amount contains \$/€ and \$/£ designated hedges; <sup>(2)</sup> Blended Forwards and Collars rate includes Collars at least favourable rate

# EXPECTED AIRBUS AVERAGE HEDGE RATES €VS. \$

## Active exposure management



	Average Hedge Rates
FY 2016	1.32
FY 2017E	1.29

(1) Q1 actual

## Q1 2017 FOREX EBIT IMPACT BRIDGE

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IN €BILLION	Bridge
Hedge rates (from €/€ 1.34 to €/€ 1.33)	0.00
Other one-off forex effect including PDP reversal	0.19
<b>Compared to Q1 2016</b>	<b>0.19</b>

## Q1 2017 DETAILED INCOME STATEMENT AND ADJUSTMENTS

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IN € MILLION

	Q1 2017	thereof Adjustments			Q1 2017 Adjusted
		Impact on EBIT		Financial Result	
		Operational	FX		
		Defence and Space	Commercial Aircraft		
<b>EBIT</b>	<b>852</b>	<b>557</b>	<b>55</b>		<b>240</b>
in % of revenues	6.6%				1.8%
Interest income	39				39
Interest expenses	(127)				(127)
Other Financial Result	(118)			(97)	(21)
<b>Finance Result</b>	<b>(206)</b>			<b>(97)</b>	<b>(109)</b>
<b>Income before taxes</b>	<b>646</b>	<b>557</b>	<b>55</b>	<b>(97)</b>	<b>131</b>
Non-controlling interest	(1)				(1)
<b>Net Income reported</b>	<b>608</b>				<b>93</b>
Number of shares	772,728,699				772,728,699
<b>EPS reported (in €)</b>	<b>0.79</b>				<b>0.12</b>

### Net Income Adjusted excludes the following items:

- Adjustments impacting the EBIT line (as reported in the EBIT Adjusted)
- The Other Financial Result, except for the unwinding of discount on provisions

The tax effect on Adjusted Income before taxes is calculated at 28%

## Q1 2016 DETAILED INCOME STATEMENT AND ADJUSTMENTS

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IN € MILLION

	Q1 2016	thereof Adjustments			Financial Result	Q1 2016 Adjusted
		Impact on EBIT				
		Operational	FX			
		Commercial Aircraft	Defence and Space	Commercial Aircraft		
<b>EBIT</b>	<b>362</b>	<b>19</b>	<b>(19)</b>	<b>(136)</b>		<b>498</b>
in % of revenues	3.0%					4.1%
Interest income	75					75
Interest expenses	(143)					(143)
Other Financial Result	261				284	(23)
<b>Finance Result</b>	<b>193</b>				<b>284</b>	<b>(91)</b>
<b>Income before taxes</b>	<b>555</b>	<b>19</b>	<b>(19)</b>	<b>(136)</b>	<b>284</b>	<b>407</b>
Non-controlling interest	1					1
<b>Net Income reported</b>	<b>399</b>					<b>290</b>
Number of shares	776,552,505					776,552,505
<b>EPS reported (in €)</b>	<b>0.51</b>					<b>0.37</b>

### Net Income Adjusted excludes the following items:

- Adjustments impacting the EBIT line (as reported in the EBIT Adjusted)
- The Other Financial Result, except for the unwinding of discount on provisions

The tax effect on Adjusted Income before taxes is calculated at 29%

## Q1 2017 KEY FIGURES

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IN € MILLION	Q1 2017	Q1 2016
Order Intake	3,823	7,245
Revenues	12,988	12,183
EBIT Adjusted	240	498
EBIT	852	362
Net Income	608	399
FCF before M&A	(1,599)	(2,986)
FCF before M&A and Customer Financing	(1,269)	(2,731)

IN € MILLION	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
	Revenues		EBIT Adjusted		EBIT	
Commercial Aircraft	9,825	8,668	281	406	336	289
Helicopters	1,291	1,158	(2)	33	(2)	33
Defence and Space	2,114	2,534	63	107	620	88
HQ / Elim.	(242)	(177)	(102)	(48)	(102)	(48)
Airbus	12,988	12,183	240	498	852	362



(1) US Debt Capital Markets: On April 10, Airbus issued \$1.5bn under 144A Rule as a dual-tranche: \$ 750 m with 10y maturity and \$ 750 m with a 30y maturity

## DETAILED FREE CASH FLOW

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IN € MILLION	Q1 2017	Q1 2016
<b>Net Cash position</b> at the beginning of the period	11,113	10,003
<b>Gross Cash Flow from Operations</b> <sup>(1)</sup>	74	396
<b>Change in working capital</b> <sup>(2)</sup>	(1,337)	(2,814)
<b>Cash used for investing activities</b> <sup>(3)</sup>	147	(713)
of which Industrial Capex (additions) <sup>(4)</sup>	(482)	(563)
<b>Free Cash Flow</b> <sup>(5)</sup>	(1,116)	(3,131)
of which M&A	483	(145)
<b>Free Cash Flow</b> before M&A	(1,599)	(2,986)
of which Customer Financing	(330)	(255)
<b>Free Cash Flow</b> before M&A and Customer Financing	(1,269)	(2,731)
Change in capital and non-controlling interests		2
Change in treasury shares / share buyback		(378)
Contribution to plan assets of pension schemes	(106)	(57)
Cash distribution to shareholders / non - controlling interests		
Others	(141)	(1)
<b>Net cash position</b> at the end of the period	<b>9,750</b>	<b>6,438</b>

(1) Including net customer financing and excluding working capital change, contribution to plan assets of pension schemes and realised FX results on Treasury swaps

(2) Including net customer financing and, in 2016, 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, bank activities and, in 2016, reclassification of certain trade liabilities

## NET CASH POSITION

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IN € MILLION	Mar. 2017	Dec. 2016
<b>Gross Cash</b>	<b>20,324</b>	<b>21,591</b>
<b>Financing Debts</b>	<b>(10,574)</b>	<b>(10,478)</b>
Short-term Financing Debts	(1,839)	(1,687)
Long-term Financing Debts	(8,735)	(8,791)
<b>Reported Net Cash</b>	<b>9,750</b>	<b>11,113</b>
Airbus non-recourse debt	46	43
<b>Net Cash excl. non-recourse</b>	<b>9,796</b>	<b>11,156</b>

## CUSTOMER FINANCING EXPOSURE

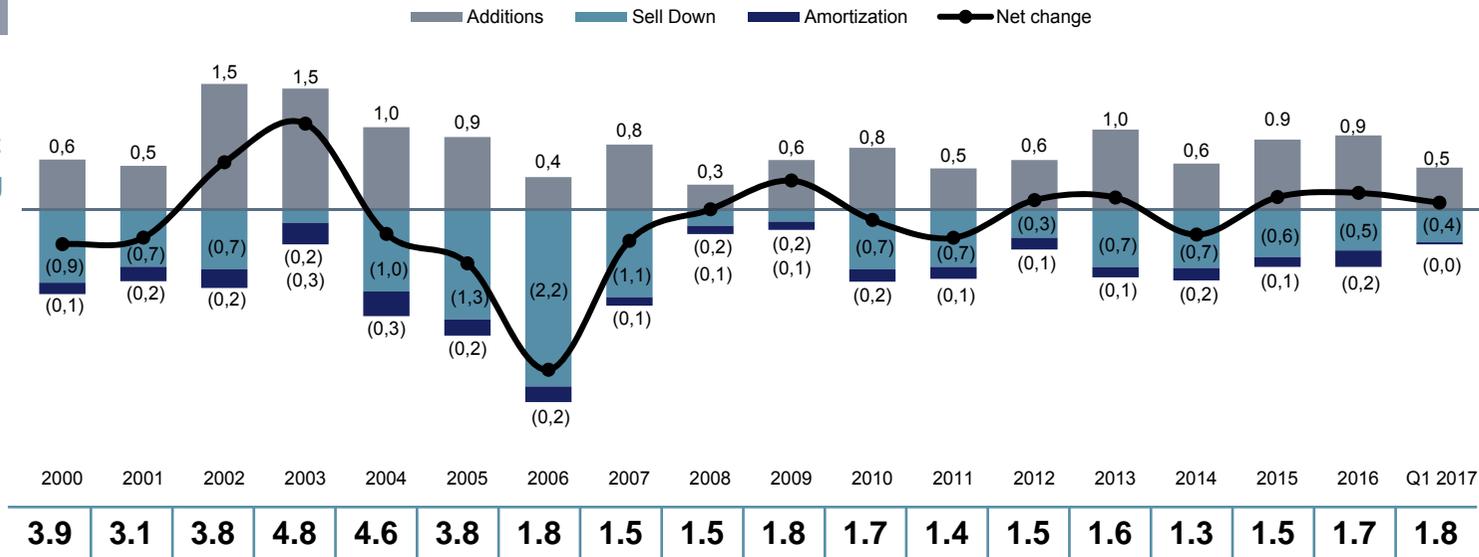
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IN € MILLION	Commercial Aircraft		Helicopters	
	Mar. 2017	Dec. 2016	Mar. 2017	Dec. 2016
Closing rate € 1 =	\$ 1.07	\$ 1.05	\$ 1.07	\$ 1.05
<b>Total Gross Exposure</b>	<b>1,673</b>	<b>1,572</b>	<b>160</b>	<b>119</b>
of which off-balance sheet	175	182	18	21
<b>Estimated value of collateral</b>	<b>(1,299)</b>	<b>(1,157)</b>	<b>(101)</b>	<b>(60)</b>
<b>Net Exposure</b>	<b>374</b>	<b>415</b>	<b>59</b>	<b>59</b>
<b>Provision and asset impairment</b>	<b>(374)</b>	<b>(415)</b>	<b>(59)</b>	<b>(59)</b>
<b>Net Exposure after provision</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# AIRBUS COMMERCIAL AIRCRAFT CUSTOMER FINANCING

IN €BILLION

## Commercial Aircraft Customer Financing Gross Exposure



### Net Exposure fully provisioned



### Net Exposure fully provisioned



## BALANCE SHEET HIGHLIGHTS: ASSETS

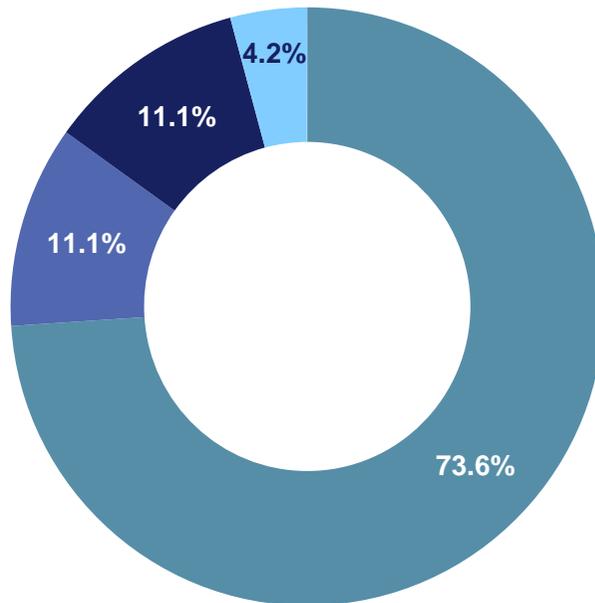
28

IN € MILLION	Mar. 2017	Dec. 2016
<b>Non-current Assets</b>	<b>54,628</b>	<b>55,037</b>
of which Intangible & Goodwill	12,047	12,068
of which Property, plant & equipment	16,785	16,913
of which Investments & Financial assets	5,556	5,263
of which positive hedge mark-to-market	853	893
of which Non-current securities	9,804	9,897
<b>Current Assets</b>	<b>58,998</b>	<b>54,948</b>
of which Inventory	33,484	29,688
of which Cash	9,186	10,143
of which Current securities	1,334	1,551
of which positive hedge mark-to-market	296	258
<b>Assets of disposal groups classified as held for sale</b>	<b>136</b>	<b>1,148</b>
<b>Total Assets</b>	<b>113,762</b>	<b>111,133</b>
Closing rate € vs. \$	1.07	1.05

## BALANCE SHEET HIGHLIGHTS: LIABILITIES

29

IN € MILLION	Mar. 2017	Dec. 2016
<b>Total Equity</b>	<b>5,605</b>	<b>3,652</b>
of which OCI (Other Comprehensive Income)	(3,542)	(4,845)
of which Non-controlling interests	(18)	(5)
<b>Non-current liabilities</b>	<b>49,781</b>	<b>50,789</b>
of which pensions	8,277	8,342
of which other provisions	2,374	2,484
of which financing debts	8,735	8,791
of which European governments refundable advances	6,610	6,340
of which Customer advances	16,001	15,714
of which negative hedge mark-to-market	4,886	6,544
<b>Current liabilities</b>	<b>58,359</b>	<b>55,701</b>
of which pensions	279	314
of which other provisions	5,569	5,829
of which financing debts	1,839	1,687
of which European governments refundable advances	447	730
of which Customer advances	25,776	24,115
of which negative hedge mark-to-market	4,245	4,476
<b>Liabilities of disposal groups classified as held for sale</b>	<b>17</b>	<b>991</b>
<b>Total Liabilities and Equity</b>	<b>113,762</b>	<b>111,133</b>



**Free Float** **73.6%**

**Shareholder Agreement** **26.4%**

**SOGEPA** **11.1%**

**GZBV** **11.1%**

**SEPI** **4.2%**

**Treasury shares** **0.0%**

- 772,912,869 shares issued as at 31 March 2017

## QUARTERLY ORDER INTAKE BREAKDOWN (CUMULATIVE)

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IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Commercial Aircraft</b>	<b>1,153</b>	4,311		32,302		63,103		114,938
<b>Helicopters</b>	<b>1,417</b>	1,004		2,338		3,588		6,057
<b>Defence and Space <sup>(1)</sup></b>	<b>1,521</b>	2,515		5,189		8,189		15,393
<b>HQ / Elim.</b>	<b>(268)</b>	(585)		(694)		(1,662)		(1,908)
<b>Airbus</b>	<b>3,823</b>	<b>7,245</b>		<b>39,135</b>		<b>73,218</b>		<b>134,480</b>

(1) Defence and Space figures reflect perimeter change impact

## QUARTERLY ORDER BOOK BREAKDOWN (CUMULATIVE)

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IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Commercial Aircraft</b>	<b>981,958</b>	904,589		930,885		939,079		1,010,200
<b>Helicopters</b>	<b>11,392</b>	11,615		11,421		11,075		11,269
<b>Defence and Space <sup>(1)</sup></b>	<b>39,421</b>	42,596		37,665		38,355		41,499
<b>HQ / Elim.</b>	<b>(2,613)</b>	(1,820)		(1,884)		(2,508)		(2,521)
<b>Airbus</b>	<b>1,030,158</b>	<b>956,980</b>		<b>978,087</b>		<b>986,001</b>		<b>1,060,447</b>

(1) Defence and Space figures reflect perimeter change impact

## QUARTERLY REVENUES BREAKDOWN (CUMULATIVE)

33

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Commercial Aircraft</b>	<b>9,825</b>	8,668		21,061		31,511		49,237
<b>Helicopters</b>	<b>1,291</b>	1,158		2,687		4,282		6,652
<b>Defence and Space <sup>(1)</sup></b>	<b>2,114</b>	2,534		5,440		7,714		11,854
<b>HQ / Elim.</b>	<b>(242)</b>	(177)		(433)		(802)		(1,162)
<b>Airbus</b>	<b>12,988</b>	<b>12,183</b>		<b>28,755</b>		<b>42,705</b>		<b>66,581</b>

(1) Defence and Space figures reflect perimeter change impact

## QUARTERLY EBIT BREAKDOWN (CUMULATIVE)

34

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Commercial Aircraft</b>	<b>336</b>	289		420		773		1,543
<b>Helicopters</b>	<b>(2)</b>	33		144		200		308
<b>Defence and Space <sup>(1)</sup></b>	<b>620</b>	88		475		579		(93)
<b>HQ / Elim.</b>	<b>(102)</b>	(48)		812		804		500
<b>Airbus</b>	<b>852</b>	<b>362</b>		<b>1,851</b>		<b>2,356</b>		<b>2,258</b>

(1) Defence and Space figures reflect perimeter change impact

## QUARTERLY EBIT ADJUSTED BREAKDOWN (CUMULATIVE)

35

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
Commercial Aircraft	281	406	1,269	1,836	2,811			
Helicopters	(2)	33	144	200	350			
Defence and Space <sup>(1)</sup>	63	107	322	436	1,002			
HQ / Elim.	(102)	(48)	(56)	(64)	(208)			
<b>Airbus</b>	<b>240</b>	<b>498</b>	<b>1,679</b>	<b>2,408</b>	<b>3,955</b>			

(1) Defence and Space figures reflect perimeter change impact

## Q1 2017 IFRS VS. APM CASH FLOW RECONCILIATION

36

IN €BILLION	Q1 17	IN €BILLION	Q1 17
<b>Cash provided by operating activities</b>	(1.4)	<b>Cash provided by operating activities</b>	(1.4)
t/o Reimbursement from / contribution to plan assets	(0.1)	Cash provided by (used for) investing activities	0.3
t/o Treasury swaps	0.0	t/o Payment for investments in securities	(0.5)
t/o Change in working capital	(1.3)	t/o Proceeds from disposals of securities	0.8
<b>Gross Cash Flow from Operations</b>	0.1	Others	0.3
		<b>Free Cash Flow</b>	(1.1)
		t/o Disposal of NCA (incl. DE)	0.6
		t/o Proceeds from disposals of subs	0.0
		t/o Others M&A transactions	(0.1)
		<b>Free Cash Flow before M&amp;A</b>	(1.6)
		t/o Customer Financing	(0.3)
		<b>FCF before M&amp;A and Customer Financing</b>	(1.3)

## 2016 QUARTERLY EBIT\* BEFORE ONE-OFF TO EBIT ADJUSTED RECONCILIATION

37

IN € MILLION

	Q1			H1		
	EBIT* before one-off	Exceptionals	EBIT Adjusted	EBIT* before one-off	Exceptionals	EBIT Adjusted
Commercial Aircraft	407	(1)	406	1,270	(1)	1,269
Helicopters	33	0	33	144	0	144
Defence and Space	109	(2)	107	325	(3)	322
HQ / Elim.	(48)	0	(48)	(55)	(1)	(56)
<b>Airbus</b>	<b>501</b>	<b>(3)</b>	<b>498</b>	<b>1,684</b>	<b>(5)</b>	<b>1,679</b>

	9m			FY		
	EBIT* before one-off	Exceptionals	EBIT Adjusted	EBIT* before one-off	Exceptionals	EBIT Adjusted
Commercial Aircraft	1,838	(2)	1,836	2,813	(2)	2,811
Helicopters	200	0	200	350	0	350
Defence and Space	440	(4)	436	1,007	(5)	1,002
HQ / Elim.	(63)	(1)	(64)	(171)	(37)	(208)
<b>Airbus</b>	<b>2,415</b>	<b>(7)</b>	<b>2,408</b>	<b>3,999</b>	<b>(44)</b>	<b>3,955</b>

\* Pre-goodwill impairment and exceptionals

**AIRBUS**

## GLOSSARY ON ALTERNATIVE PERFORMANCE MEASURES (APM)

38

The following Presentation also contains certain “non-GAAP financial measures”, *i.e.* financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. For example, Airbus makes use of the non-GAAP measures “EBIT Adjusted”, “EPS Adjusted” and “Free Cash Flow”.

Airbus uses these non-GAAP financial measures to assess its consolidated financial and operating performance and believes they are helpful in identifying trends in its performance. These measures enhance management’s ability to make decisions with respect to resource allocation and whether Airbus is meeting established financial goals.

Non-GAAP financial measures have certain limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of Airbus’ results as reported under IFRS. Because of these limitations, they should not be considered substitutes for the relevant IFRS measures.

- **EBIT:** Airbus continues to use the term EBIT (Earnings before interest and taxes). It is identical to Profit before finance cost and income taxes as defined by IFRS Rules.
- **Adjustment** is an alternative performance measure used by Airbus which includes material charges or profits caused by movements in provisions related to programmes, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
- **EBIT Adjusted:** Airbus uses an alternative performance measure, EBIT Adjusted as a key indicator capturing the underlying business margin by excluding material charges or profits caused by movements in provisions related to programmes, restructuring or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.
- **EPS Adjusted** is an alternative performance measure of a basic EPS as reported whereby the net income as the numerator does include Adjustments. For reconciliation see slide 20.
- **Gross Cash position:** Airbus defines its consolidated gross cash position as the sum of (i) cash and cash equivalents and (ii) securities (all as recorded in the consolidated statement of financial position).
- **Net cash position:** Airbus defines its consolidated net cash position as the sum of (i) cash and cash equivalents and (ii) securities, minus (iii) financing liabilities (all as recorded in the consolidated statement of financial position) as defined in MD&A section 2.1.6.
- **Gross cash flow from operations:** Gross cash flow from operations is an alternative performance measure and an indicator used by Airbus to measure its operating cash performance before changes in working capital. It is defined in Registration Document, MD&A section 2.1.6 as cash provided by operating activities, excluding (i) changes in other operating assets and liabilities (working capital), (ii) contribution to plan assets of pension schemes and (iii) realised foreign exchange results on Treasury swaps.
- **Change in working capital:** it is identical to changes in other operating assets and liabilities as defined by IFRS Rules. It is comprised of inventories, trade receivables, other assets and prepaid expenses netted against trade liabilities, other liabilities (including customer advances), deferred income and customer financing.
- **FCF:** For the definition of the alternative performance measure free cash flow, see Registration Document, MD&A section 2.1.6.1. It is a key indicator which allows the Company to measure the amount of cash flow generated from operations after cash used in investing activities.
- **FCF before M&A** refers to FCF as defined in the Registration Document, MD&A section 2.1.6.1 adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and indicator that is important in order to measure FCF excluding those cash flows from the disposal and acquisition of businesses.
- **FCF before M&A and customer financing** refers to free cash flow before mergers and acquisitions adjusted for cash flow related to aircraft financing activities. It is an alternative performance measure and indicator that may be used from time to time by the Company in its financial guidance, esp. when there is higher uncertainty around customer financing activities, such as during the suspension of ECA financing support.