Dear Shareholders,

Welcome to this latest issue of aero-notes. As you can see from the half-year results (p.2-3), our Group continues to make progress. Our EBIT before one-off and net income rose 10% and 50% respectively. Execution remains key. Following its recent certification, the challenging A350XWB is on track for entry into service by year-end. The A320neo performed its maiden flight on plan in September (p.4). And restructuring at Airbus Defence and Space is advancing.

Through the launch of the A330neo (p.4) and the joint venture in space launchers (p.5) we have shown our commitment to ensuring the Group’s long-term competitiveness. And the impressive order haul recorded at July’s Farnborough Air Show confirms that the commercial aircraft market is in good health.

Yet there can be no room for complacency. Over the past summer we had numerous occasions to discuss a wide range of topics with you, our loyal shareholders (p.5-6). We very much look forward to continued dialogue in the months ahead (see calendar p.8).

Yours,

Philippe Balducchi
Airbus Group reported solid results for the first half of 2014, reflecting operational improvement and the continued focus on programme execution.

Demand for the Group’s products remains strong as shown at July’s Farnborough Air Show, where Airbus announced 496 aircraft orders and commitments confirming the health of the commercial aircraft market. The A330neo was endorsed by the market with 121 commitments announced at the show. Group order intake in the first half was €27.7 billion (H1 2013: €95.6 billion), with the order book worth €677.4 billion on 30 June, 2014 (year-end 2013: €680.6 billion). Airbus received 290 net commercial aircraft orders (H1 2013: 722 net orders). Net order intake at Airbus Helicopters was 148 units (H1 2013: 167 units) while in July agreements were signed to supply 123 rotorcraft to China. Airbus Defence and Space’s order intake by value was stable, with continued momentum in space activities and 17 light and medium transport aircraft orders received.

Group revenues increased six percent to €27.2 billion (H1 2013: €25.7 billion), driven by Airbus Commercial Aircraft and Airbus Helicopters with flat revenues at Airbus Defence and Space. Airbus’ revenues rose seven percent, reflecting the increase in deliveries to 303 aircraft (H1 2013: 296 deliveries) and a more favourable mix, including five additional A380s compared to a year earlier. Airbus Helicopters’ revenues rose eight percent as deliveries increased to 200 units (H1 2013: 190 units) including the NH90 ramp up. At Airbus Defence and Space, satellite launches in the second quarter included the Earth observation satellite Spot 7.

Group EBIT* before one-off improved to €1,769 million (H1 2013: €1,614 million). EBIT* before one-off for Airbus rose to €1,287 million (H1 2013: €1,231 million), reflecting operational improvement but was weighed down by A350 XWB support costs and a more front-loaded research and development (R&D) expense profile compared to 2013. EBIT* before one-off at Airbus Helicopters rose to €150 million (H1 2013: €128 million), reflecting the Super Puma recovery and services activities. Airbus Defence and Space’s EBIT* before one-off was stable at €223 million (H1 2013: €216 million). The Group EBIT* before one-off return on sales was 6.5 percent (H1 2013: 6.3 percent).

Reported EBIT** increased 24 percent to €1,839 million (H1 2013: €1,478 million) and included a €70 million positive contribution from the dollar pre-delivery payment mismatch and balance sheet revaluation. The finance result was €–252 million (H1 2013: €–417 million) while net income increased to €1,135 million (H1 2013: €758 million), or earnings per share (EPS) of €1.45 (EPS H1 2013: €0.94). Net income and EPS also reflected favourable foreign exchange effects. Group self-financed R&D expenses increased to €1,564 million (H1 2013: €1,399 million). Free cash flow before acquisitions improved significantly to €–2,270 million (H1 2013: €–4,080 million), reflecting tight cash control and investment in production and development programmes. The net cash position on June 30, 2014 was €5.4 billion (year-end 2013: €8.5 billion) after the 2013 dividend payment of €587 million and €336 million pension plan contribution. The gross cash position was €13.5 billion.

CONTINUED PROGRESS

“The first half of 2014 was all about keeping our main development and series programmes on track and implementing our restructuring plans in defence and space.” AIRBUS GROUP CEO TOM ENDERS.

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Outlook

As the basis for its 2014 guidance, Airbus Group expects the world economy and air traffic to grow in line with prevailing independent forecasts and assumes no major disruptions. In 2014, Airbus deliveries should be about the same level as in 2013, including the first A350 XWB delivery.

Net commercial aircraft orders should be above the level of deliveries. Assuming an exchange rate of €1 = $1.35, Airbus Group revenues should be stable compared to 2013(5).

Using EBIT* before one-off, Airbus Group expects moderate return on sales growth in 2014(6). The 2015 return on sales target of 7-8 percent(6) is unchanged pre A330neo development, which is assessed to have a net impact of around -70 basis points. The EBIT* and EPS* performance of Airbus Group will depend on the Group’s ability to limit "one-off" charges. Going forward, from today’s point of view, the one-offs should be limited to potential charges on the A350 XWB programme and foreign exchange effects linked to the pre-delivery payment mismatch and balance sheet revaluation.

The A350 XWB programme remains challenging. Any change to the schedule and cost assumptions could lead to an increasingly higher impact on provisions.

Airbus Group is targeting breakeven free cash flow before acquisitions in 2014.

<table>
<thead>
<tr>
<th>AIRBUS GROUP (in € million)</th>
<th>H1 2014</th>
<th>H1 2013(1)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>27,200</td>
<td>25,670</td>
<td>+6%</td>
</tr>
<tr>
<td>thereof defence</td>
<td>4,614</td>
<td>4,476</td>
<td>+3%</td>
</tr>
<tr>
<td>EBITDA(7)</td>
<td>2,773</td>
<td>2,335</td>
<td>+19%</td>
</tr>
<tr>
<td>EBIT*</td>
<td>1,839</td>
<td>1,478</td>
<td>+24%</td>
</tr>
<tr>
<td>Research &amp; Development expenses</td>
<td>1,564</td>
<td>1,399</td>
<td>+12%</td>
</tr>
<tr>
<td>Net Income(4)</td>
<td>1,135</td>
<td>758</td>
<td>+50%</td>
</tr>
<tr>
<td>Earnings Per Share (EPS)(8)</td>
<td>€1.145</td>
<td>€0.94</td>
<td>+54%</td>
</tr>
<tr>
<td>Free Cash Flow (FCF)</td>
<td>–2,244</td>
<td>–4,073</td>
<td>–</td>
</tr>
<tr>
<td>Free Cash Flow before Customer Financing</td>
<td>–2,112</td>
<td>–4,020</td>
<td>–</td>
</tr>
<tr>
<td>Order Intake(1)</td>
<td>27,708</td>
<td>95,561</td>
<td>–71%</td>
</tr>
</tbody>
</table>

*Airbus Group uses EBIT pre-goodwill impairment and exceptionals as a key indicator of its economic performance. The term “exceptionals” refers to such items as depreciation expenses of fair value adjustments relating to the EADS merger, the Airbus Combination and the formation of MBDA, as well as impairment charges therein.

(1) The 2013 figures have been restated to reflect the application of IFRS 10 and 11. Whenever necessary, Divisional figures are also restated to reflect the new Group structure as of 1 January 2014.
(2) Contributions from commercial aircraft activities to Order Intake and Order Book based on list prices.
(3) Earnings before interest and taxes, pre goodwill impairment and exceptionals.
(4) Airbus Group continues to use the term Net Income. It is identical with Profit for the period attributable to equity owners of the parent as defined by IFRS Rules.
(5) Compared to 2013 reported figures (pre IAS 11 restatements).
(6) Return on sales for EBIT* before one-off, including A350 XWB dilution with a €/$ exchange rate of 1.35.
(7) Earnings before interest, taxes, depreciation, amortisation and exceptionals.
(8) Total figure includes Headquarters Consolidation.

The full Airbus Group 2014 half-year results release is available at www.airbusgroup.com and on our iPad application Airbus Group Investors.

GROUP RESULTS BY DIVISION

REVENUES (in € billion)

<table>
<thead>
<tr>
<th>H1 2014</th>
<th>H1 2013(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.2(8)</td>
<td>19.4</td>
</tr>
<tr>
<td>2.8</td>
<td>2.6</td>
</tr>
<tr>
<td>5.5</td>
<td>5.6</td>
</tr>
<tr>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>25.6(8)</td>
<td>18.1</td>
</tr>
<tr>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>0.2</td>
<td>0.2</td>
</tr>
</tbody>
</table>

ORDER BOOK(9) (in € billion)

<table>
<thead>
<tr>
<th>30 June 2014</th>
<th>31 December 2013(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>625.6</td>
<td>625.6</td>
</tr>
<tr>
<td>12.4</td>
<td>12.4</td>
</tr>
<tr>
<td>43.2</td>
<td>43.2</td>
</tr>
<tr>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>41.8</td>
<td>41.8</td>
</tr>
<tr>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>677.4</td>
<td>680.5</td>
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</tbody>
</table>

Airbus Group exhibition at Farnborough Airshow 2014

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AIRBUS LAUNCHES THE A330NEO

Following a decision by the Board of Directors of the Group, Airbus launched in July the A330-800neo and A330-900neo, which will incorporate latest generation Rolls-Royce Trent 7000 engines, aerodynamic enhancements and new cabin features. Benefiting from the unbeatable economics, versatility and high reliability of the A330, the A330neo reduces fuel consumption by 14% per seat, making it the most cost efficient, medium range Widebody aircraft on the market. In addition to greater fuel savings, A330neo operators will benefit from a range increase of up to 400 nautical miles and all the operational commonality advantages of the Airbus Family. Deliveries of the A330neo will start in Q4 2017.

In addition to the new Rolls-Royce Trent 7000 engines, the A330neo will feature incremental innovations, including aerodynamic enhancements such as new A350 XWB inspired winglets, an increased wing span and new engine pylons. Pilots will benefit from latest generation cockpit systems, and the already very comfortable A330 cabin will be further optimised to offer up to ten additional 18 inch wide seats. Passengers are winners too, as they will be able to enjoy a 21st century on-board experience with for example, fourth generation In Flight Entertainment (3D films), mood-lighting and full connectivity.

FIRST A320NEO SUCCESSFULLY COMPLETES FIRST FLIGHT

The first A320neo to fly has landed back at Toulouse-Blagnac Airport, France after successfully completing its first flight. Kicking off a 3,000 hour flight test programme, it is paving the way for entry into airline service in the 4th quarter of 2015. To date the A320neo has won over 3,200 orders from 60 customers.

AIRBUS A350-900 RECEIVES EASA TYPE CERTIFICATION

The world’s latest generation commercial liner, the A350-900, has received Type Certification from the European Aviation Safety Agency (EASA) on 30th September 2014. The certified aircraft is powered by Rolls Royce Trent XWB engines. Federal Aviation Administration (FAA) will follow shortly.

The A350-900 Type Certification comes after successfully finishing a stringent programme of certification trials which has taken its airframe and systems well beyond their design limits to ensure all airworthiness criteria are fully met.
End of July the two companies agreed on first top management nominations and corporate governance.

Designated CEO is Alain Charmeau, currently Head of Operations at Space Systems within Airbus Defence and Space.

The Board of Directors chaired by Marc Ventre, Deputy CEO & COO of Safran, will be composed of six members, three from each partner company.

These joint decisions form the basis for the corporate governance of the 50-50 Joint Venture. Signing of the first phase of the transaction and an initial start of operations of the Joint Venture are expected before the end of 2014.

The creation of the Joint Venture is subject to regulatory approvals and to the consultation of the relevant employee representative bodies.

In this context, both companies have agreed to create a 50-50 Joint Venture, with a key role for each shareholder in their legacy activities especially in France and Germany, combining expertise in the launcher systems from Airbus Group as well as propulsion systems from Safran.

The initiative capitalises on the preparatory activities undertaken during the last two years under the leadership of the European Space Agency (ESA) and the French Space Agency CNES, in line with the guidelines set by the ESA ministerial conference in November 2012. The current industrial initiative proposes:

- to further develop and accelerate entry-into-service of the Ariane 5 ME launcher as a logical evolution of Ariane 5, including an improved upper stage based on the Vinci engine; and
- to further develop the Ariane 6 launcher in a jointly agreed configuration, able to fulfil a range of missions as expressed by ESA, the National Space Agencies, Arianespace and satellite operators.

Both Airbus Group and Safran have been close and complementary partners in the launcher business, with an unmatched row of successful Ariane launches for more than 10 years. With this new partnership, for which a memorandum of understanding was signed, both companies strive to capitalise on the successful track record of Arianespace and the Ariane family by further increasing efficiency and competitiveness.

In the first phase Airbus Group and Safran would create a joint programme company in order to contribute their respective civil programme contracts and major participations related to civil launcher activities. Subsequently, industrial assets would be contributed overtime in order to create a world class, fully-fledged jointly owned competitive company.

Airbus Group and Safran are further strengthening their relationship to propose a new family of competitive, versatile and efficient space launchers, to serve both commercial and institutional needs.

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At the Annual General Meeting, held in Amsterdam on 27 May 2014, the Group’s shareholders approved all ten resolutions proposed, including the legal name change. In July many private investors attended dedicated Shareholder Information Meetings in Paris and Munich. Airbus Group CFO Harald Wilhelm, Chief Strategy and Marketing Officer Marwan Lahoud, Executive Vice President Marketing and Sales at Airbus Defence and Space Christian Scherer and Head of Airbus Group Innovations Sébastien Remy met with shareholders to discuss the Group’s performances and perspectives. Amongst others topics, shareholders were deeply interested in the Group’s reorganisation, future potential markets, innovation and dividend policy.
SHAREHOLDER CALENDAR

24 October 2014: Site visit Getafe, Spain
13 November 2014: Site visit Illescas, Spain
14 November 2014: Q3 2014 Results
18 November 2014: Private shareholder forum (DSW), Düsseldorf, Germany
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21-22 November 2014: Salon Actionaria, Paris, France
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27 November 2014: Private shareholder forum (DSW), Hamburg, Germany
02 December 2014: Private shareholder forum (F2IC), Nuremberg, France
02 December 2014: Private shareholder forum (DSW), Nuremberg, Germany
04 December 2014: Private shareholder forum (DSW), Leipzig, Germany
04 December 2014: Site visit Getafe, Spain
08 December 2014: Private shareholder forum (F2IC), Strasbourg, France
12 December 2014: Private shareholder site visit, Stevenage, UK

TAKE A LOOK AT THE AIRBUS GROUP ANNUAL REPORT 2013
You can view or order copies at www.airbusgroup.com (under Investors & Shareholders > Annual Reports).

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TAKE PARTICIPATION IN OUR SHAREHOLDER EVENTS AND VISITS
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