

Airbus Group Reports First Quarter 2014 Results

- Revenues increase five percent to € 12.6 billion
- EBIT* before one-off € 700 million
- Net income rises 93 percent to € 439 million
- Airbus Group confirms guidance

Amsterdam, 13 May 2014 – Airbus Group (stock exchange symbol: AIR) reported first quarter 2014 results reflecting the company's continued focus on programme execution and achieving its operational milestones.

Group **order intake**⁽²⁾ was € 21.1 billion (Q1 2013: € 49.5 billion), with the **order book**⁽²⁾ value amounting to € 683.2 billion on 31 March, 2014 (year-end 2013: € 680.6 billion). Airbus received 103 net commercial aircraft orders (Q1 2013: 410 net orders), including 20 A380s for Amedeo. Order intake at Airbus Helicopters rose 50 percent and was broadly stable at Airbus Defence and Space, with good momentum seen in the Space Systems business.

“The Group made further progress in the opening quarter of 2014, with improved revenues and earnings per share,” said Airbus Group CEO Tom Enders. “We confirm our guidance, however there are still many challenges ahead for the rest of the year. A strong focus remains on programme execution and the implementation of our various improvement and restructuring plans.”

Revenues increased five percent to € 12.6 billion (Q1 2013: € 12.1 billion), with all three Divisions contributing positively and Airbus Helicopters showing a double-digit increase as deliveries rose to 74 units (Q1 2013: 58 units). Airbus revenues increased as a more favourable delivery mix, including two additional A380s compared to a year earlier, offset the overall reduction in volume to 141 commercial aircraft deliveries (Q1 2013: 144 deliveries). Airbus Defence and Space revenues rose three percent, driven by good programme execution in Space Systems. Two Ariane 5 launches were conducted in the quarter.

Group **EBIT* before one-off** – an indicator capturing the underlying business margin by excluding material non-recurring charges or profits caused by movements in provisions

related to programmes and restructurings or foreign exchange impacts – was € 700 million (Q1 2013: € 734 million) and € 527 million for Airbus (Q1 2013: € 608 million). The EBIT* before one-off at Airbus reflected operational improvement but was weighed down by a more front-loaded research and development (R&D) expense profile and A350 XWB support costs. EBIT* before one-off at Airbus Helicopters rose to € 58 million (Q1 2013: € 20 million), driven by increased deliveries and was stable at Airbus Defence and Space at € 85 million (Q1 2013: € 84 million). The Group EBIT* before one-off margin was 5.5 percent.

The A350 XWB programme is progressing towards certification, with four of the five development aircraft now flying and over 1,600 flight test hours accumulated. The first two customer aircraft are now in the assembly line with certification targeted for the third quarter and entry-into-service by the end of 2014. On the maturing A380 programme, as six year maintenance checks have started Airbus is acting on the lessons learnt from tests and in-service experience. At the same time, progress is being made towards achieving the 2015 breakeven objective. Within Airbus Helicopters, the industrial ramp-up preparation is underway on the EC175 programme with entry-into-service targeted in the fourth quarter of 2014. At Airbus Defence and Space, the A400M production ramp-up is ongoing with the Turkish Air Force having taken delivery of its first aircraft in early April. Progressive enhancement of military capability will follow with subsequent upgrades to be agreed and concluded with customers.

Reported EBIT*⁽³⁾ increased 22 percent to € 719 million (Q1 2013: € 589 million) and included a € 19 million positive contribution from the dollar pre-delivery payment mismatch and balance sheet revaluation after a negative charge of € 131 million a year earlier. The finance result was € -107 million (Q1 2013: € -273 million) while **net income⁽⁴⁾** increased to € 439 million (Q1 2013: € 227 million), or **earnings per share (EPS)** of € 0.56 (EPS Q1 2013: € 0.28). Net income and EPS also reflected favourable foreign exchange effects while EPS benefitted additionally from the reduction in the number of shares linked to the buyback programme. Group **self-financed R&D** expenses increased to € 727 million (Q1 2013: € 617 million), due mainly to the R&D profile at Airbus and increased activity at Airbus Helicopters for the EC175 and EC145 T2 models.

Free cash flow before acquisitions improved to € -2,034 million (Q1 2013: € -3,162 million), but remained negative due to the seasonality of the business and working capital requirements

on key programmes. The **net cash position** at the end of the first quarter was € 6.5 billion (year-end 2013: € 8.5 billion) with a gross cash position of € 13.1 billion.

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. Gross 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.

Using EBIT* before one-off, Airbus Group expects moderate return on sales growth in 2014 and confirms its 2015 return on sales target of 7-8 percent⁽⁵⁾. 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.

Airbus Group

Airbus Group is a global leader in aeronautics, space and related services. In 2013, the Group – comprising Airbus, Airbus Defence and Space and Airbus Helicopters – generated revenues of € 57.6 billion (restated) and employed a workforce of around 139,000 (restated). (The legal name change from European Aeronautic Defence and Space Company EADS N.V. ("EADS N.V.") to Airbus Group N.V. is subject to the approval of the Annual General Meeting on 27 May, 2014).

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Note to editors: Live-Transmission of the Airbus Group Analyst Conference Call on the Internet

You can listen to the **Q1 2014 Results Analyst Conference Call** today at 10:30 a.m. CET with Chief Financial Officer Harald Wilhelm on the Airbus Group website: www.airbus-group.com. Please click on the front page banner. A recording of the call will be made available in due course.

First Quarter (Q1) Results 2014

(Amounts in euro)

Airbus Group	Q1 2014	Q1 2013 ⁽¹⁾	Change
Revenues , in millions	12,648	12,094	+5%
thereof defence, in millions	2,151	2,086	
EBITDA ⁽⁶⁾ , in millions	1,180	1,013	+16%
EBIT ⁽³⁾ , in millions	719	589	+22%
Research & Development expenses , in millions	727	617	+18%
Net Income ⁽⁴⁾ , in millions	439	227	+93%
Earnings Per Share (EPS) ⁽⁴⁾	0.56	0.28	+100%
Free Cash Flow (FCF) , in millions	-2,034	-3,162	-
Free Cash Flow before Acquisitions , in millions	-2,034	-3,162	-
Free Cash Flow before Customer Financing , in millions	-1,896	-3,089	-
Order Intake ⁽²⁾ , in millions	21,101	49,545	-57%

Airbus Group	31 March 2014	31 Dec 2013 ⁽¹⁾	Change
Order Book ⁽²⁾ , in millions	683,248	680,560	0%
thereof defence, in millions	42,208	42,630	
Net Cash position , in millions	6,547	8,454	-23%
Employees	138,924	138,830	0%

For footnotes please refer to page 6.

by Division	Revenues			EBIT ⁽³⁾		
	(Amounts in millions of Euro)	Q1 2014	Q1 2013 ⁽¹⁾	Change	Q1 2014	Q1 2013 ⁽¹⁾
Airbus	8,937	8,759	+2%	546	463	+18%
Airbus Helicopters	1,182	1,038	+14%	58	20	+190%
Airbus Defence and Space	2,743	2,664	+3%	85	84	+1%
Others / Headquarters / Eliminations	-214	-367	-	30	22	-
Total	12,648	12,094	+5%	719	589	+22%

by Division	Order Intake ⁽²⁾			Order Book ⁽²⁾		
	(Amounts in millions of Euro)	Q1 2014	Q1 2013 ⁽¹⁾	Change	31 March 2014	31 Dec 2013 ⁽¹⁾
Airbus	17,938	46,668	-62%	628,910	625,595	+1%
Airbus Helicopters	1,202	804	+50%	12,439	12,420	0%
Airbus Defence and Space	2,068	2,160	-4%	42,588	43,208	-1%
Others / Headquarters / Eliminations	-107	-87	-	-689	-663	-
Total	21,101	49,545	-57%	683,248	680,560	0%

For footnotes please refer to page 6.

Footnotes:

- 1) The 2013 figures have been restated to reflect the application of IFRS 10 and 11. Wherever 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) Return on sales for EBIT* before one-off, including A350 XWB dilution with a €/€ exchange rate of 1.35.
- 6) Earnings before interest, taxes, depreciation, amortisation and exceptionals.

Safe Harbour Statement:

Certain statements contained in this press release are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect Airbus Group's views and assumptions as of the date of the statements and involve known and unknown risk and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

When used in this press release, words such as "anticipate", "believe", "estimate", "expect", "may", "intend", "plan to" and "project" are intended to identify forward-looking statements.

This forward looking information is based upon a number of assumptions including without limitation: assumption regarding demand, current and future markets for Airbus Group's products and services, internal performance, customer financing, customer, supplier and subcontractor performance or contracts negotiations, favourable outcomes of certain pending sales campaigns.

Forward looking statements are subject to uncertainty and actual future results and trends may differ materially depending on variety of factors including without limitation: general economic and labour conditions, including in particular economic conditions in Europe, North America and Asia, legal, financial and governmental risk related to international transactions, the cyclical nature of some of Airbus Group's businesses, volatility of the market for certain products and services, product performance risks, collective bargaining labour disputes, factors that result in significant and prolonged disruption to air travel worldwide, the outcome of political and legal processes, including uncertainty regarding government funding of certain programs, consolidation among competitors in the aerospace industry, the cost of developing, and the commercial success of new products, exchange rate and interest rate spread fluctuations between the euro and the U.S. dollar and other currencies, legal proceeding and other economic, political and technological risk and uncertainties. Additional information regarding these factors is contained in the Company's "registration document" dated 4 April 2014. For more information, please refer to www.airbus-group.com.