

AIRBUS

FY Results

2017

15 February 2018



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.

Rounding disclaimer:

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

IFRS 15 Estimate Disclaimer:

The actual IFRS 15 impacts may differ from the estimates when adopting the standard as of 1st January 2018. The Company has not finalised the re-run of the IFRS 15 changes on IT systems. The new accounting policies are subject to change until the Company presents its first consolidated financial statements that include the date of initial application.

FY Results 2017

**Company
Highlights**

**Divisional
Highlights**

**Guidance
Highlights**



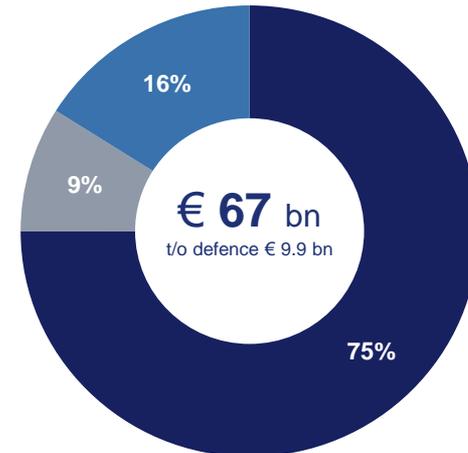
- All 2017 KPIs overachieved, driven by strong underlying business performance
- Solid commercial environment, book to bill 1.5; record backlog supporting ramp-up plans
- A400M FY17 € 1.3 bn charge; remaining exposure significantly reduced
- Dividend proposal of € 1.50 per share, +11% v FY16, at upper end of policy
- 2018 Guidance supports EPS / FCF growth potential
- Ready for the future

Airbus Order Book*
by Region (by value)



- Asia Pacific
- Middle East
- Europe
- Latin America
- North America
- Other countries

Airbus External Revenue
by Division



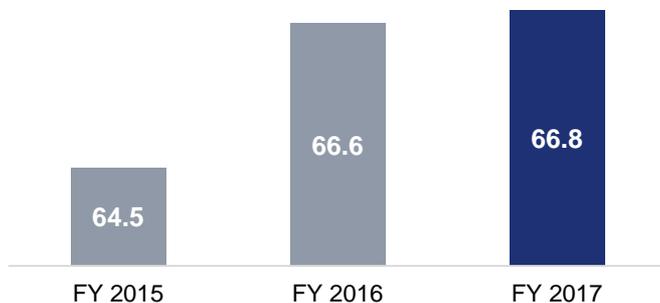
- Commercial Aircraft
- Helicopters
- Defence and Space

- **COMMERCIAL AIRCRAFT:** Net book to bill of 1.5; 1,109 net orders (1,229 gross). Backlog: 7,265 a/c
- **HELICOPTERS:** Net book to bill > 1; 335 net orders, including 48 Super Pumas and 17 H175
- **DEFENCE AND SPACE:** Net book to bill of ~0.8. Good momentum in military aircraft. 2 Telecom Satellites booked in a soft market environment. Order book perimeter change of €1.9 bn

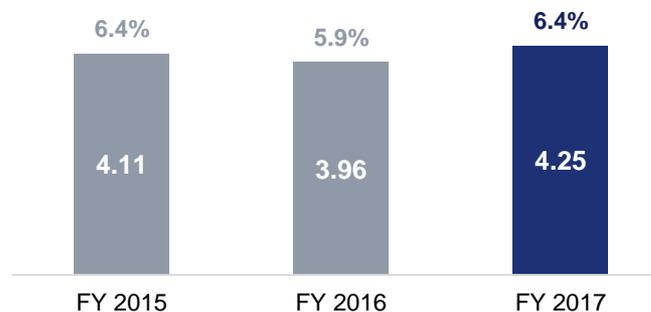
* Commercial Order Intake and Order Book based on list prices

FY 2017 FINANCIAL PERFORMANCE

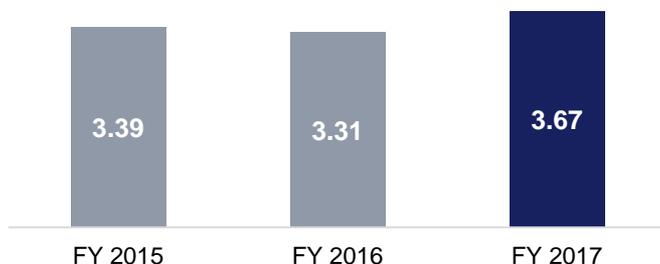
Revenues
in € bn



EBIT Adjusted
in € bn / RoS (%)



EPS⁽¹⁾ Adjusted
in €



FCF before M&A and Customer Financing
in € bn



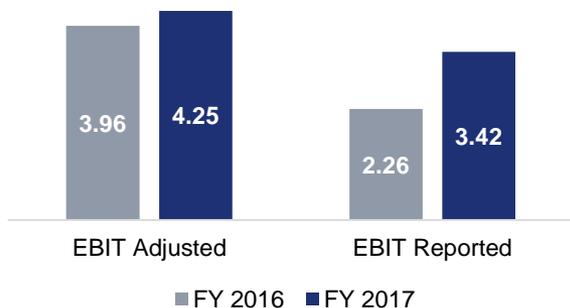
- Strong underlying business performance
- Cumulative perimeter changes vs. 2015 compensated: Revenues: ~ - € 3 bn; EBIT Adjusted: ~ - € 0.3 bn

(1) FY 2017 Average number of shares: 773,772,702 compared to 773,798,837 in FY 2016
Capitalised R&D: € 219 m in FY 2017 and € 311 m in FY 2016. All figures before IFRS15

FY 2017 PROFITABILITY

EBIT Performance

in € bn



- FY 2017 EBIT Reported of € 3.4 bn
- FY 2017 Adjustments resulting from:
 - € - 1,299 m A400M LMC
 - € - 117 m Compliance
 - € - 7 m \$ PDP mismatch / BS revaluation
 - € + 7 m Other AD Portfolio
 - € - 20 m Other M&A
 - € + 604 m Defence Electronics net capital gain Unchanged since 9m17
- € - **832 m Net Adjustments**

EPS Performance

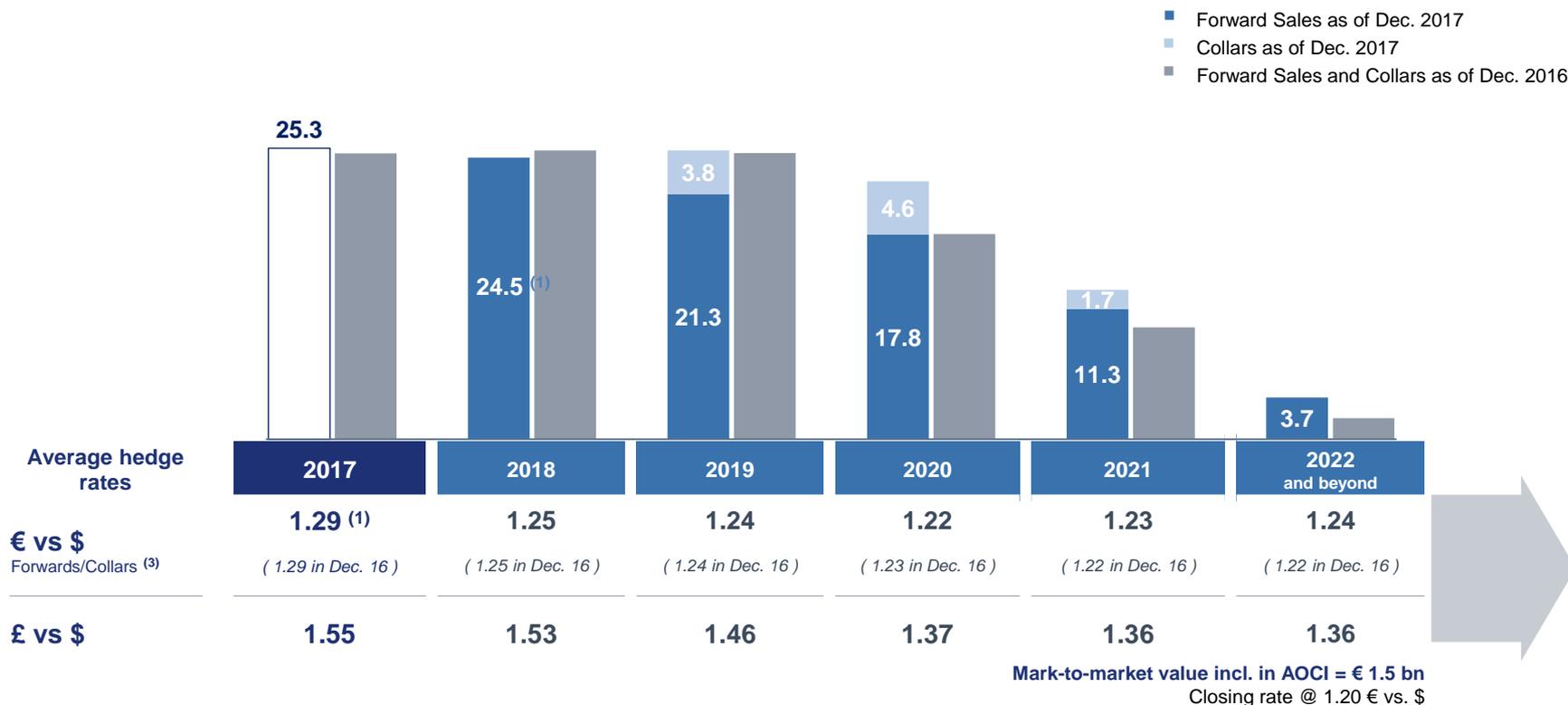
in €



- FY 2017 Net Income of € 2.9 bn
- Other Financial Result incl. € 1.5 bn of Adjustments
- FY 2017 Net Income Adjusted of € 2.8 bn
- FY 2017 tax rate on core business is 26 %

CURRENCY HEDGE POLICY

IN \$ BILLION

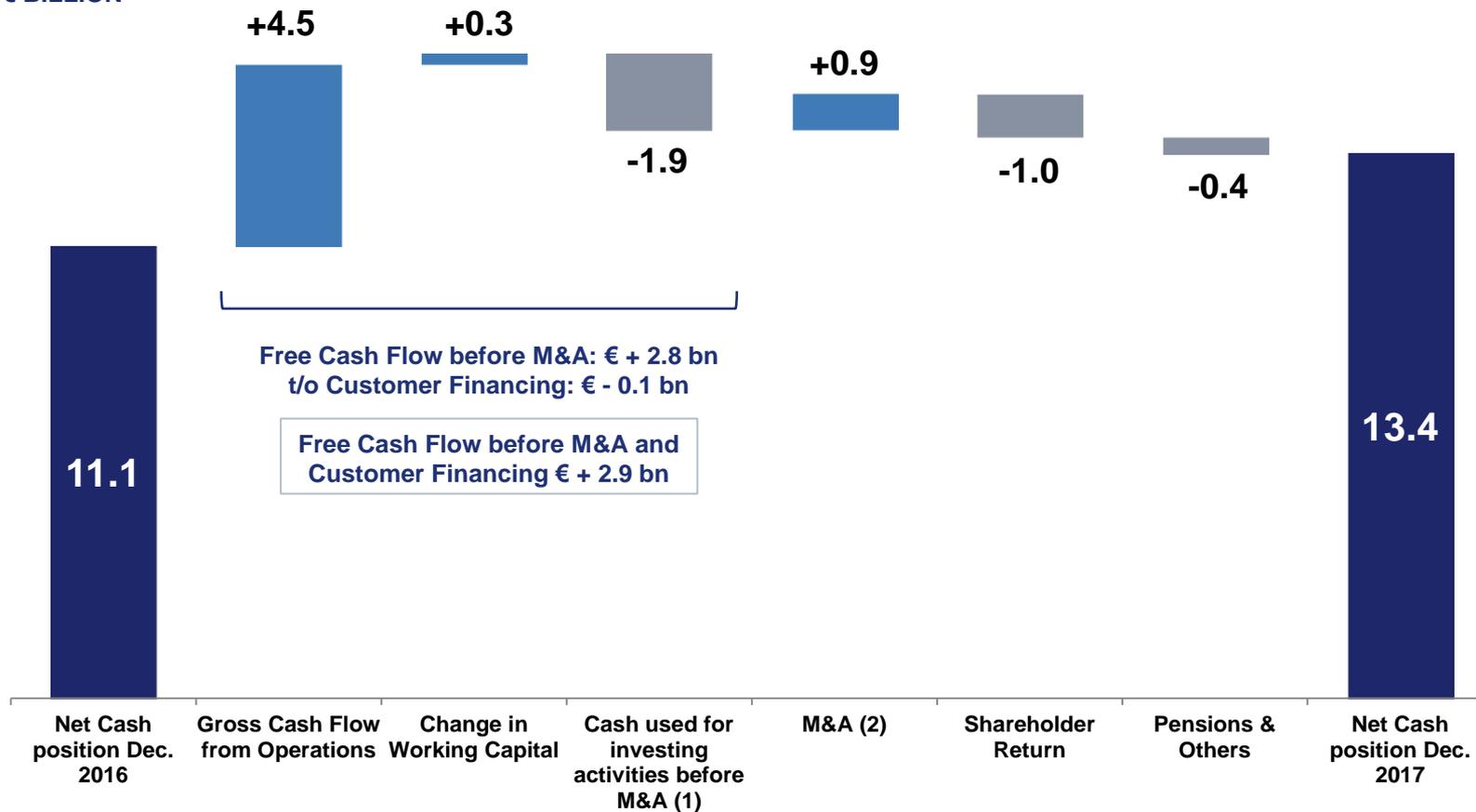


- In FY 2017, new hedge contracts of \$ 12.4 bn were added at an average rate of € 1 = \$ 1.22⁽²⁾ of which \$ 11.8 bn Forwards at € 1 = \$ 1.21 and \$ 0.6 bn Zero-cost Collars
- \$ 25.3 bn of hedges matured at an average rate of € 1 = \$ 1.29
- Hedge portfolio⁽²⁾ 31 December 2017 at \$ 88.7 bn (vs. \$ 102.4 bn in Dec. 2016), at an average rate of \$ 1.23⁽³⁾

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
(1) Excluding \$ 0.8 bn of hedges closed out due to delivery phasing ; (2) Total hedge amount contains \$/€ and \$/£ designated hedges; (3) Blended Forwards and Collars rate includes Collars at least favourable rate

FY 2017 CASH EVOLUTION

IN € BILLION



(1) Thereof Capex of € - 2.6 bn; (2) M&A transactions include acquisitions and disposals of subsidiaries and businesses

FY Results 2017

Company
Highlights

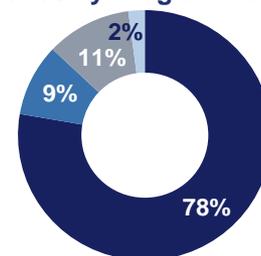
Divisional
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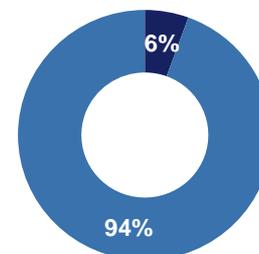
IN € MILLION		FY 2017	FY 2016	Change
Order Intake (net)		1,109	731	51.7%
	Units			
Order book		7,265	6,874	5.7%
	Value			
Order Intake (net)		143,361	114,938	24.7%
Order Book		950,354	1,010,200	-5.9%
Deliveries (Units)		718	688	4.4%
Revenues		50,958	49,237	3.5%
R&D Expenses		2,011	2,147	-6.3%
<i>in % of Revenues</i>		<i>3.9%</i>	<i>4.4%</i>	
EBIT Adjusted		3,554	2,811	26.4%
<i>in % Revenues</i>		<i>7.0%</i>	<i>5.7%</i>	
EBIT		3,428	1,543	122.2%
<i>in % Revenues</i>		<i>6.7%</i>	<i>3.1%</i>	

Deliveries by Programme (units)



■ A320 ■ A330
■ A350 ■ A380

External Revenue Split

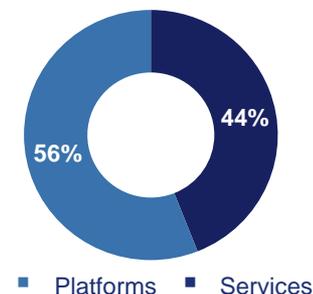
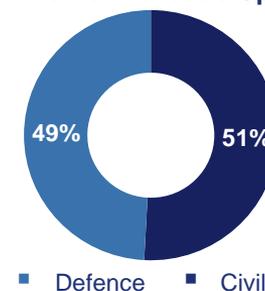


■ Platforms ■ Services

- EBIT Adjusted reflects strong underlying performance supported by ramp-up, A350 and FX
- Record deliveries: 718 aircraft. 558 single aisle, incl. 181 A320 neos and 78 A350
- A320 industrial ramp-up ongoing
- A350 recurring cost convergence progressing well
- Increased visibility on A380 programme

IN € MILLION		FY 2017	FY 2016	Change
Order Intake (net)		335	353	-5.1%
	Units			
Order book		692	766	-9.7%
	Value			
Order Intake (net)		6,544	6,057	8.0%
Order Book		11,201	11,269	-0.6%
Deliveries (Units)		409	418	-2.2%
Revenues		6,450	6,652	-3.0%
R&D Expenses		306	327	-6.4%
<i>in % of Revenues</i>		<i>4.7%</i>	<i>4.9%</i>	
EBIT Adjusted		337	350	-3.8%
<i>in % Revenues</i>		<i>5.2%</i>	<i>5.3%</i>	
EBIT		337	308	9.3%
<i>in % Revenues</i>		<i>5.2%</i>	<i>4.6%</i>	

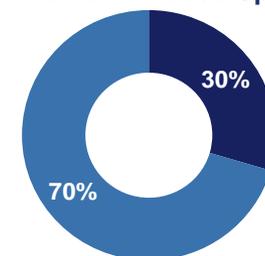
External Revenue Split



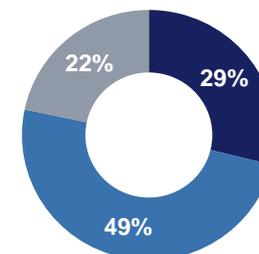
- Revenues and EBIT Adjusted reflect lower deliveries, unfavourable mix, compensated by Transformation
- Business performance stable on a comparable basis. Divestment of Vector Aerospace closed on November 3, 2017
(Perimeter change impact on Revenues ~ € 0.1 bn)

IN € MILLION	FY 2017	FY 2016	Change
Order Intake (net)	8,893	15,393	-42.2%
Order Book	37,407	41,499	-9.9%
Revenues	10,804	11,854	-8.9%
R&D Expenses	322	332	-3.0%
<i>in % of Revenues</i>	<i>3.0%</i>	<i>2.8%</i>	
EBIT Adjusted	872	1,002	-13.0%
<i>in % Revenues</i>	<i>8.1%</i>	<i>8.5%</i>	
EBIT	212	(93)	-
<i>in % Revenues</i>	<i>2.0%</i>	<i>-0.8%</i>	

External Revenue Split



■ Platforms ■ Services



■ Space Systems ■ Military Aircraft
■ CIS(1) & Others

- Revenues and EBIT Adjusted reflect perimeter change and stable core business performance. *(Perimeter change impact on Revenues ~ € 1.7 bn)*
- Portfolio reshaping complete
- A400M: 19 a/c delivered in FY 2017; € 1.3 bn LMC provision update. Remaining exposure significantly reduced

(1) Communications, Intelligence & Security
Capitalised R&D: € 27 m in FY 2017 and € 32 m in FY 2016

FY Results 2017

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INTRODUCING IFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS”

- IFRS15 effective from January 1st 2018, now the standard for revenue recognition, measurement, and disclosure
- IFRS 15 will not impact cumulative profit or cash over the lifetime of a contract
- FY 2018 will be prepared under full application of IFRS 15, with FY 2017 restated
- Airbus has chosen the full retrospective method of implementation. Cumulative estimated catch-up adjustment to opening equity balance as of 1st January 2017 of € -2.1 bn
- Revenues now recorded net of engine concessions for **all** Commercial Aircraft programmes, resulting in an estimated reduction in 2017 revenues and cost of sales of ~ € -7 bn, with **no impact to EBIT**
- **2018 Earnings guidance is issued under IFRS 15; the application of IFRS 15 is expected to bring an increase of ~ € 0.1 bn to 2018 EBIT Adjusted**

2018 GUIDANCE AND DIVIDEND PROPOSAL

As the basis for its 2018 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

Airbus 2018 earnings and FCF guidance is based on a constant perimeter, before M&A

- Airbus expects to deliver around 800 commercial aircraft which depends on engine manufacturers meeting commitments

Based on around 800 deliveries:

- Compared to 2017 EBIT Adjusted of € 4,253 m, Airbus expects, before M&A:
 - An increase in EBIT Adjusted of approximately 20%
 - IFRS15 is expected to further increase EBIT Adjusted by an estimated € 0.1bn
- 2017 Free Cash Flow before M&A and Customer Financing was € 2,949 m
Free Cash Flow is expected to be at a similar level as 2017, before M&A and Customer Financing

2017 Dividend Proposal:

- Airbus proposes a dividend for 2017 of € 1.50 per share, +11% vs. FY'16
- Pay-out ratio at the upper end of the dividend policy

KEY PRIORITIES

**End of
Decade**



**End
2016**

Earnings and FCF taking off!

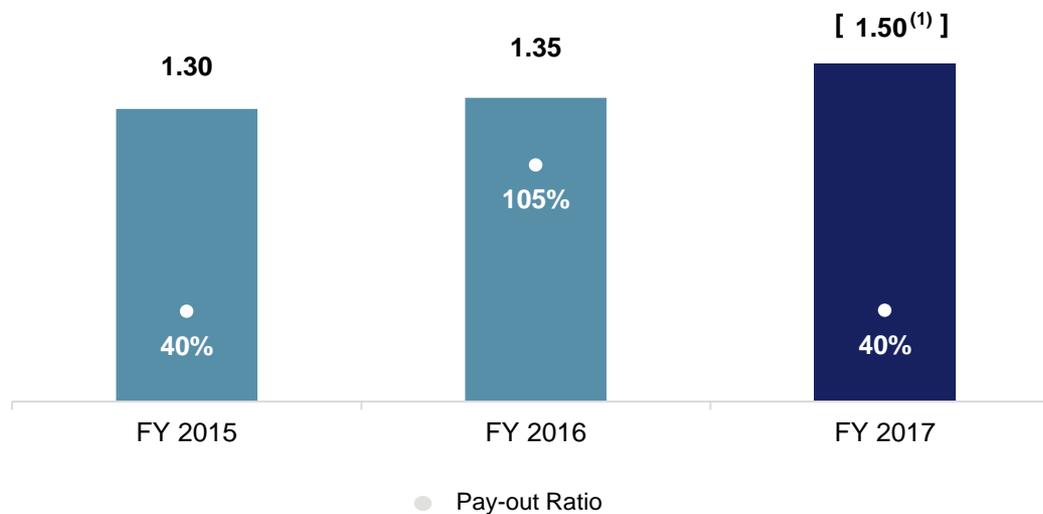
FY Results 2017

Appendix



DIVIDEND PER SHARE

IN €



- **Ex-dividend date:** Monday 16 April 2018
- **Record date:** Tuesday 17 April 2018
- **Payment date:** Wednesday 18 April 2018

(1) Board Proposal to be submitted to the AGM 2018. Subject to AGM approval

EXPECTED AIRBUS AVERAGE HEDGE RATES € VS. \$

Active exposure management



	Average Hedge Rates
FY 2016	1.32
FY 2017	1.29
FY 2018E	1.25

(1) Q4 actual

FY 2017 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

	FY 2017	thereof Adjustments			Financial Result	FY 2017 Adjusted
		Impact on EBIT				
		Operational	HQ	FX		
		Defence and Space ⁽¹⁾	Compliance and Other M&A	Comm. a/c and DS ⁽²⁾		
EBIT	3,421	(779)	(46)	(7)		4,253
in % of revenues	5.1%					6.4%
Interest income	189					189
Interest expenses	(517)					(517)
Other Financial Result	1,477				1,538	(61)
Finance Result	1,149				1,538	(389)
Income before taxes	4,570	(779)	(46)	(7)	1538	3,864
Non-controlling interest	(4)					(4)
Net Income reported	2,873					2,836
Number of shares	773,772,702					773,772,702
EPS reported (in €)	3.71					3.67

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 26%. The effective tax rate on Income before taxes is 37%

(1) Thereof € -1,299 m A400M LMC, € + 604 m Defence Electronics net capital gain, € - 84 m Other Defence and Space portfolio; (2) Thereof € - 126 m Commercial Aircraft, € + 119 m Defence and Space

FY 2016 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION

	FY 2016	thereof Adjustments					Financial Result	FY 2016 Adjusted
		Impact on EBIT						
		Operational	HQ	FX				
		Commercial Aircraft ⁽¹⁾	Helicopters	Defence and Space ⁽²⁾	Dassault Sale /Gemini	Com. Aircraft and DS ⁽³⁾		
EBIT	2,258	(366)	(42)	(1,067)	708	(930)		3,955
in % of revenues	3.4%							5.9%
Interest income	247							247
Interest expenses	(522)							(522)
Other Financial Result	(692)						(627)	(65)
Finance Result	(967)						(627)	(340)
Income before taxes	1,291	(366)	(42)	(1,067)	708	(930)	(627)	3,615
Non-controlling interest	(5)							(5)
Net Income reported	995							2,562
Number of shares	773,798,837							773,798,837
EPS reported	1.29							3.31

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%

(1) Thereof A350 XWB € - 385 m, € + 19 m Airbus Portfolio; (2) Thereof € - 2,210 m A400M LMC, € + 1,175 m ASL creation and € - 32 m Defence and Space portfolio ; (3) Thereof € - 902 m Commercial Aircraft, € - 28 m Defence and Space

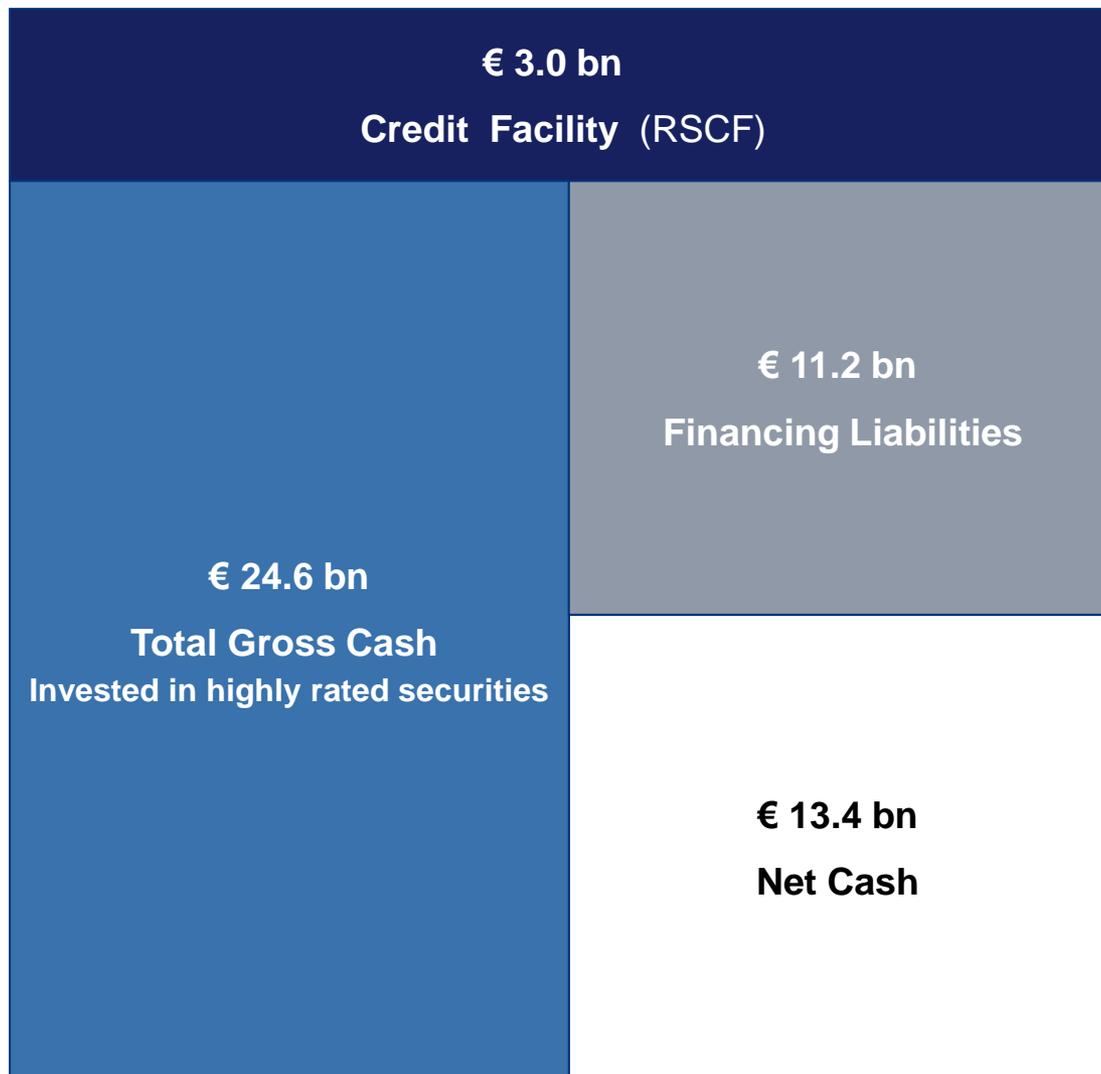
Q4 2017 KEY FIGURES

23

IN € MILLION	Q4 2017	Q4 2016
Order Intake	106,900	61,262
Revenues	23,814	23,876
EBIT Adjusted	2,457	1,547
EBIT	1,109	(98)
Net Income	1,022	(816)
FCF before M&A	6,630	5,885
FCF before M&A and Customer Financing	6,293	5,592

IN € MILLION	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016
	Revenues		EBIT Adjusted		EBIT	
Commercial Aircraft	18,315	17,726	2,009	975	1,910	770
Helicopters	2,062	2,369	172	150	172	108
Defence and Space	4,071	4,140	515	566	(688)	(672)
HQ / Elim.	(634)	(359)	(239)	(144)	(285)	(304)
Airbus	23,814	23,876	2,457	1,547	1,109	(98)

AIRBUS: STRONG LIQUIDITY POSITION AS AT 31 DECEMBER 2017



Credit Facility:

- Maturity 2021, undrawn
- Fully committed by 40 banks
- No financial covenants, no MAC clause

Financing Liabilities:

of which long-term : € 9.0 bn

- Includes € 3.0 bn EMTN, € 0.5 bn Convertible Bond, € 1.1 bn exchangeable bond and \$ 2.5 bn USD 144A/RegS

Credit Ratings:

Short-term rating:

- S & P: A-1+
- Moody's: P-1

Long-term rating:

- S & P: A+ stable
- Moody's: A2 stable

DETAILED FREE CASH FLOW

IN € MILLION	FY 2017	FY 2016
Net Cash position at the beginning of the period	11,113	10,003
Gross Cash Flow from Operations ⁽¹⁾	4,451	3,565
Change in working capital ⁽²⁾	266	346
Cash used for investing activities ⁽³⁾	(982)	(730)
of which Industrial Capex (additions) ⁽⁴⁾	(2,558)	(3,060)
Free Cash Flow ⁽⁵⁾	3,735	3,181
of which M&A	886	2,025
Free Cash Flow before M&A	2,849	1,156
of which Customer Financing	(100)	(252)
Free Cash Flow before M&A and Customer Financing	2,949	1,408
Change in capital and non-controlling interests	83	60
Change in treasury shares / share buyback		(736)
Contribution to plan assets of pension schemes	(458)	(290)
Cash distribution to shareholders / non - controlling interests	(1,046)	(1,012)
Others	(36)	(93)
Net cash position at the end of the period	13,391	11,113

(1) 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

IN € MILLION	Dec. 2017	Dec. 2016
Gross Cash	24,587	21,591
Financing Debts	(11,196)	(10,478)
Short-term Financing Debts	(2,212)	(1,687)
Long-term Financing Debts	(8,984)	(8,791)
Reported Net Cash	13,391	11,113
Airbus non-recourse debt	29	43
Net Cash excl. non-recourse	13,420	11,156

CUSTOMER FINANCING EXPOSURE

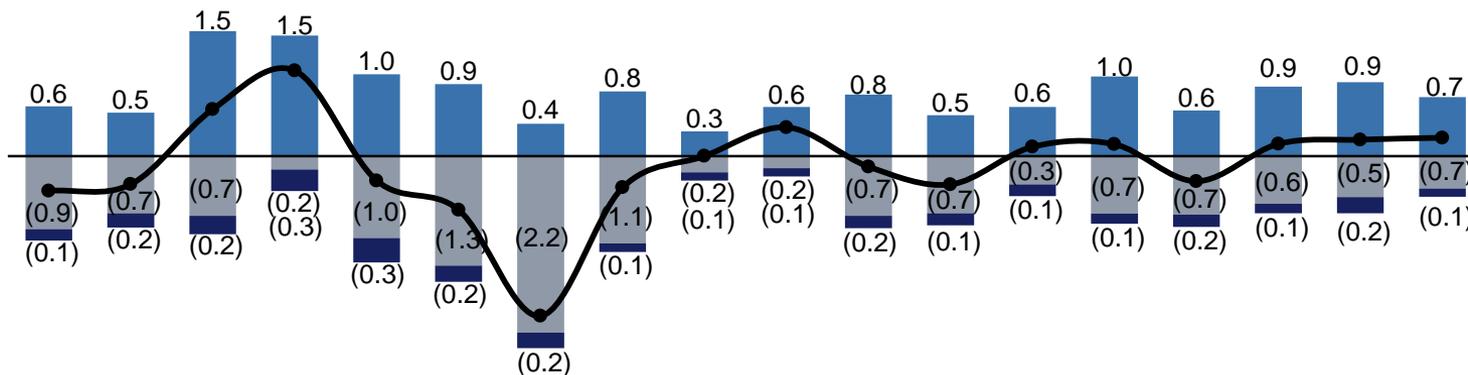
IN € MILLION	Dec. 2017	Dec. 2016	Dec. 2017	Dec. 2016
	Commercial Aircraft		Helicopters	
Closing rate € 1 =	\$1.20	\$ 1.05	\$ 1.20	\$ 1.05
Total Gross Exposure	1,264	1,572	135	119
of which off-balance sheet	144	182	4	21
Estimated value of collateral	(953)	(1,157)	(64)	(60)
Net Exposure	311	415	71	59
Provision and asset impairment	(311)	(415)	(71)	(59)
Net Exposure after provision	0	0	0	0

AIRBUS COMMERCIAL AIRCRAFT CUSTOMER FINANCING

IN € BILLION

■ Additions ■ Sell Down ■ Amortization ● Net change

Commercial Aircraft Customer Financing Gross Exposure



Gross Exposure in \$ bn

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross Exposure in \$ bn	3.9	3.1	3.8	4.8	4.6	3.8	1.8	1.5	1.5	1.8	1.7	1.4	1.5	1.6	1.3	1.5	1.7	1.5

Net Exposure fully provisioned

Net Exposure fully provisioned



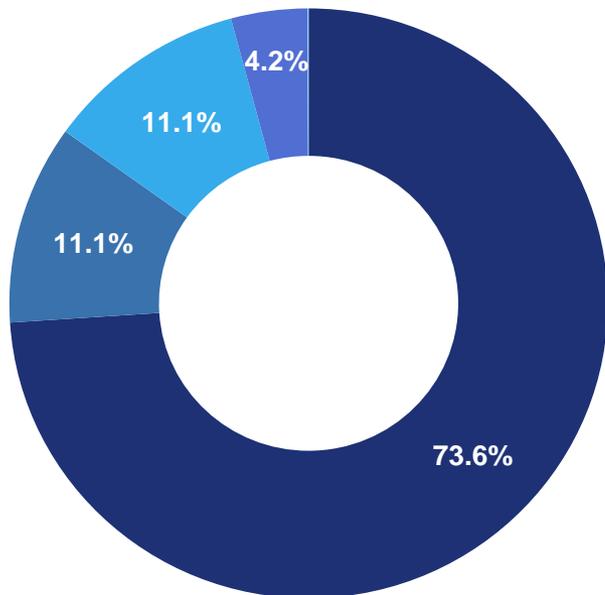
BALANCE SHEET HIGHLIGHTS: ASSETS

IN € MILLION	Dec. 2017	Dec. 2016
Non-current Assets	53,941	55,037
of which Intangible & Goodwill	11,629	12,068
of which Property, plant & equipment	16,610	16,913
of which Investments & Financial assets	5,882	5,263
of which positive hedge mark-to-market	2,901	893
of which Non-current securities	10,944	9,897
Current Assets	59,794	54,948
of which Inventory	31,464	29,688
of which Cash	12,016	10,143
of which Current securities	1,627	1,551
of which positive hedge mark-to-market	663	258
Assets of disposal groups classified as held for sale	202	1,148
Total Assets	113,937	111,133
Closing rate € vs. \$	1.20	1.05

BALANCE SHEET HIGHLIGHTS: LIABILITIES

IN € MILLION	Dec. 2017	Dec. 2016
Total Equity	13,351	3,652
of which OCI (Other Comprehensive Income)	2,742	(4,845)
of which Non-controlling interests	3	(5)
Non-current liabilities	44,455	50,789
of which pensions	8,025	8,342
of which other provisions	2,128	2,484
of which financing debts	8,984	8,791
of which European governments refundable advances	5,537	6,340
of which Customer advances	16,659	15,714
of which negative hedge mark-to-market	1,127	6,544
Current liabilities	56,025	55,701
of which pensions	336	314
of which other provisions	6,239	5,829
of which financing debts	2,212	1,687
of which European governments refundable advances	364	730
of which Customer advances	25,284	24,115
of which negative hedge mark-to-market	1,144	4,476
Liabilities of disposal groups classified as held for sale	106	991
Total Liabilities and Equity	113,937	111,133

SHAREHOLDING STRUCTURE AS AT 31 DECEMBER 2017



Free Float 73.6%

Shareholder Agreement 26.4%

SOGEPA 11.1%

GZBV 11.1%

SEPI 4.2%

Treasury Shares 0.0%

■ 774,556,062 shares issued as at 31 December 2017

QUARTERLY ORDER INTAKE BREAKDOWN (CUMULATIVE)

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
Commercial Aircraft	1,153	4,311	30,272	32,302	40,814	63,103	143,361	114,938
Helicopters	1,417	1,004	3,630	2,338	4,729	3,588	6,544	6,057
Defence and Space ⁽¹⁾	1,521	2,515	3,616	5,189	5,714	8,189	8,893	15,393
HQ / Elim.	(268)	(585)	(354)	(694)	(467)	(1,662)	(1,108)	(1,908)
Airbus	3,823	7,245	37,164	39,135	50,790	73,218	157,690	134,480

(1) Defence and Space figures reflect perimeter change impact

QUARTERLY ORDER BOOK BREAKDOWN (CUMULATIVE)

33

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
Commercial Aircraft	981,958	904,589	932,291	930,885	897,128	939,079	950,354	1,010,200
Helicopters	11,392	11,615	11,996	11,421	11,636	11,075	11,201	11,269
Defence and Space ⁽¹⁾	39,421	42,596	38,708	37,665	38,551	38,355	37,407	41,499
HQ / Elim.	(2,613)	(1,820)	(2,138)	(1,884)	(2,129)	(2,508)	(2,140)	(2,521)
Airbus	1,030,158	956,980	980,857	978,087	945,186	986,001	996,822	1,060,447

(1) Defence and Space figures reflect perimeter change impact

QUARTERLY REVENUES BREAKDOWN (CUMULATIVE)

34

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
Commercial Aircraft	9,825	8,668	21,789	21,061	32,643	31,511	50,958	49,237
Helicopters	1,291	1,158	2,921	2,687	4,388	4,282	6,450	6,652
Defence and Space ⁽¹⁾	2,114	2,534	4,625	5,440	6,733	7,714	10,804	11,854
HQ / Elim.	(242)	(177)	(626)	(433)	(811)	(802)	(1,445)	(1,162)
Airbus	12,988	12,183	28,709	28,755	42,953	42,705	66,767	66,581

(1) Defence and Space figures reflect perimeter change impact

QUARTERLY EBIT BREAKDOWN (CUMULATIVE)

35

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
Commercial Aircraft	336	289	1,078	420	1,518	773	3,428	1,543
Helicopters	(2)	33	93	144	165	200	337	308
Defence and Space ⁽¹⁾	620	88	816	475	900	579	212	(93)
HQ / Elim.	(102)	(48)	(196)	812	(271)	804	(556)	500
Airbus	852	362	1,791	1,851	2,312	2,356	3,421	2,258

(1) Defence and Space figures reflect perimeter change impact

QUARTERLY EBIT ADJUSTED BREAKDOWN (CUMULATIVE)

36

IN € MILLION	Q1		H1		9m		FY	
	2017	2016	2017	2016	2017	2016	2017	2016
Commercial Aircraft	281	406	954	1,269	1,545	1,836	3,554	2,811
Helicopters	(2)	33	93	144	165	200	337	350
Defence and Space ⁽¹⁾	63	107	248	322	357	436	872	1,002
HQ / Elim.	(102)	(48)	(196)	(56)	(271)	(64)	(510)	(208)
Airbus	240	498	1,099	1,679	1,796	2,408	4,253	3,955

(1) Defence and Space figures reflect perimeter change impact

FY 2017 IFRS VS. APM CASH FLOW RECONCILIATION

IN € BILLION	FY 2017	IN € BILLION	FY 2017
Cash provided by (used for) operating activities	4.5	Cash provided by (used for) operating activities	4.5
t/o Reimbursement from / contribution to plan assets	(0.5)	Cash provided by (used for) investing activities	(2.5)
t/o Treasury swaps	0.2	t/o Net proceeds (payment)	(1.2)
t/o Change in working capital	0.3	Others	0.6
Gross Cash Flow from Operations	4.5	Free Cash Flow	3.7
		t/o Proceeds from disposals (incl. DE)	1.1
		t/o Others M&A transactions	(0.2)
		Free Cash Flow before M&A	2.8
		t/o Customer Financing	(0.1)
		FCF before M&A and Customer Financing	2.9

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

38

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)
Airbus	501	(3)	498	1,684	(5)	1,679

	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)
Airbus	2,415	(7)	2,408	3,999	(44)	3,955

* Pre-goodwill impairment and exceptionals

AIRBUS

GLOSSARY ON ALTERNATIVE PERFORMANCE MEASURES (APM)

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 21.
- **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.