

AIRBUS GROUP

H1 RESULTS 2016

27 JULY 2016

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 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 5 April 2016.

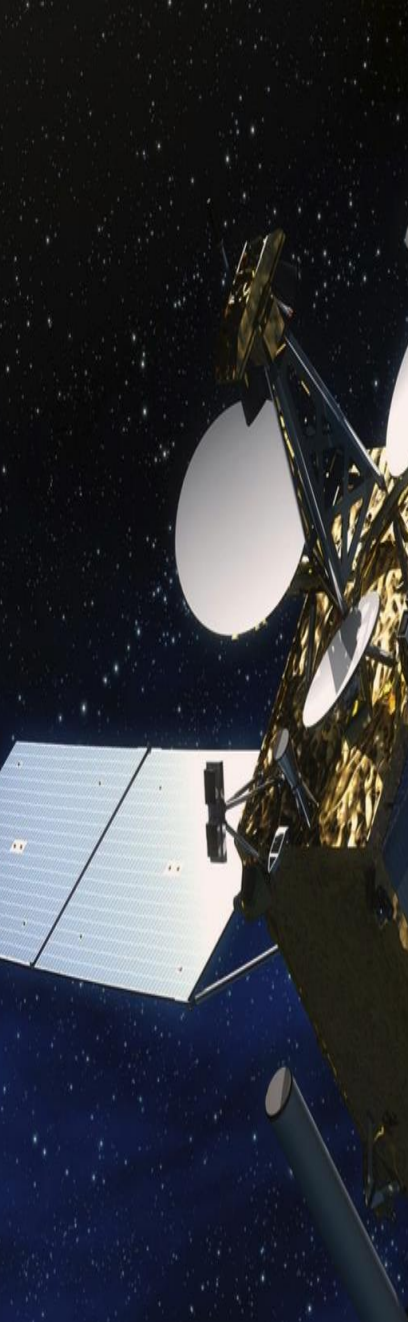
Any forward-looking statement contained in this presentation speaks as of the date of this presentation. Airbus Group undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

H1 RESULTS 2016

**GROUP
HIGHLIGHTS**

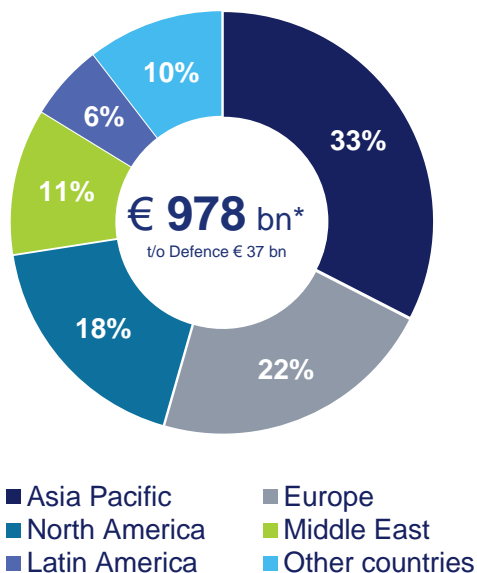
**DIVISIONAL
HIGHLIGHTS**

**GUIDANCE 2016
& KEY TAKEAWAYS**

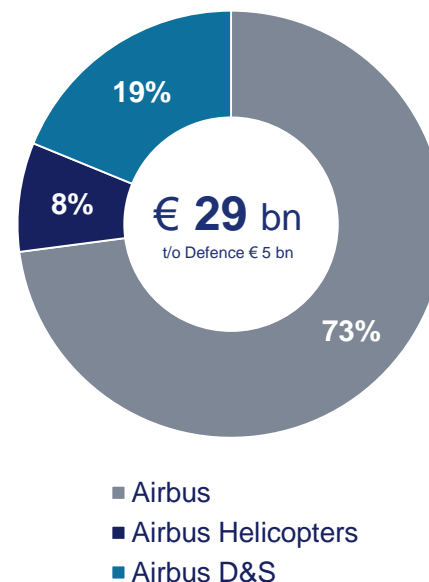


- Robust and diversified commercial backlog supporting ramp-up
- H1 financials driven by back-loaded delivery schedule
- Continued focus on ramp-up and transition
- A400M and A350 programme charges recognised in Q2 2016
- Significant progress on strategy to focus on core – material capital gains
- 2016 Guidance confirmed*

Airbus Group Order Book* by Region (by value)



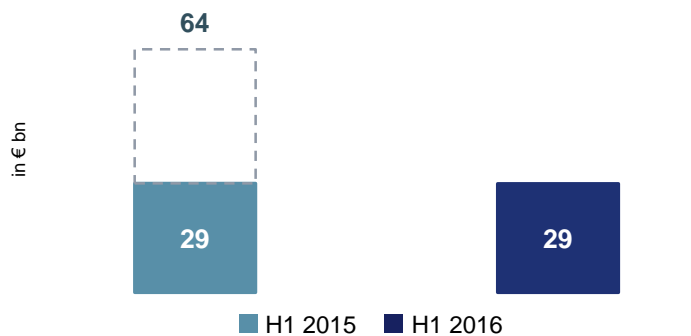
Airbus Group External Revenue Split by Division



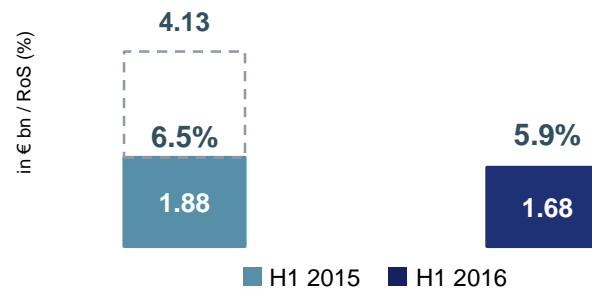
- AIRBUS:** 227 gross orders (183 net) including 27 A350XWB, 14 A330neo (19 CEO to NEO conversions).
 Backlog 6,716 a/c
 Farnborough: 197 firm orders and 82 commitments not in H1 numbers
 A380: 12 aircraft deliveries p.a. from 2018
- AIRBUS HELICOPTERS:** 127 net orders including 67 Ecureuil
 Services contract for UK Military Flying Training System and agreement for 100 H135 with Chinese consortium
- AIRBUS DEFENCE & SPACE:** Continuing order momentum, mainly in Space driven by earth observation and telecom satellites. Order book decrease due to perimeter change (€ - 4.6 bn)

* Commercial Order Book based on list prices

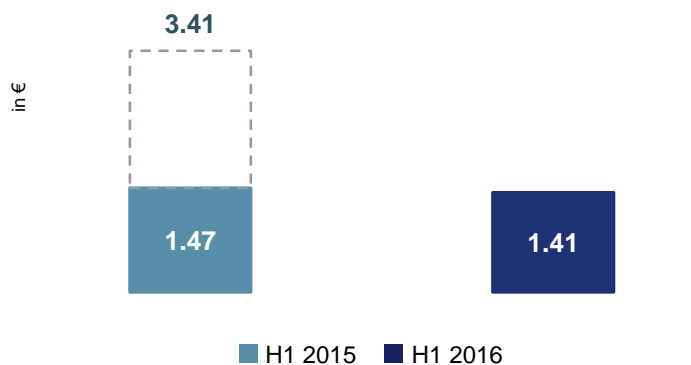
Revenues



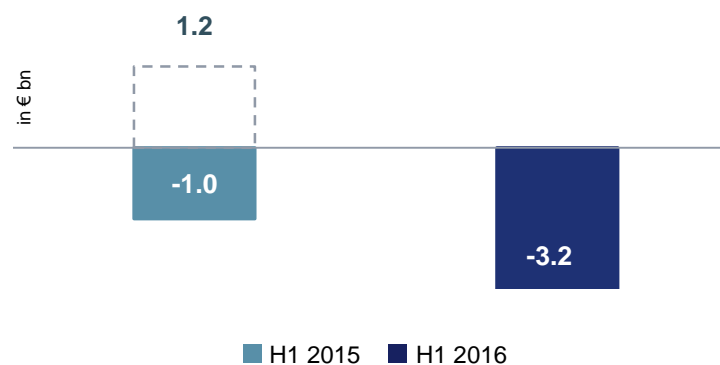
EBIT* before one-off



EPS** before one-off



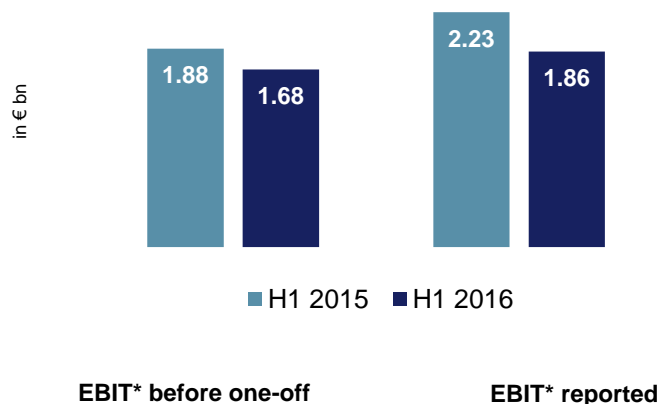
FCF before M&A



--- FY Results

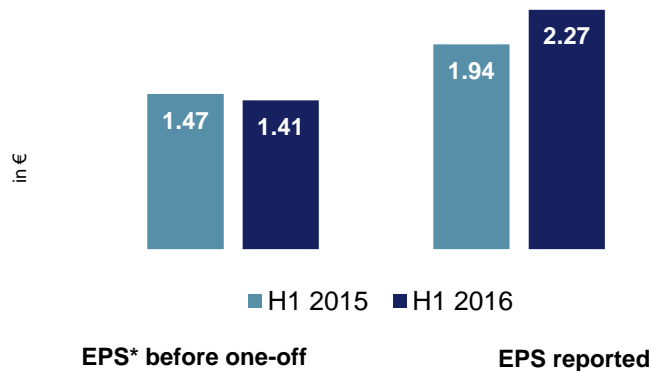
* Pre-goodwill impairment and exceptionals; ** H1 2016 Average number of shares: 775,116,098 compared to 785,672,234 in H1 2015; Capitalised R&D: € 112 m in H1 2016 and € 76 m in H1 2015

EBIT* Performance



- H1 2016 EBIT* reported of € 1.9 bn
- H1 2016 one-offs resulting from:
 - € - 1,026 m A400M LMC
 - € - 385 m A350 LMC
 - € - 509 m \$ PDP mismatch / BS Revaluation
 - € + 1,139 m ASL creation
 - € + 868 m Dassault disposal
 - € + 85 m Portfolio (€ 19 m at Airbus and € 66 m at Airbus DS)
- **€ + 172 m Net one-offs**

EPS Performance



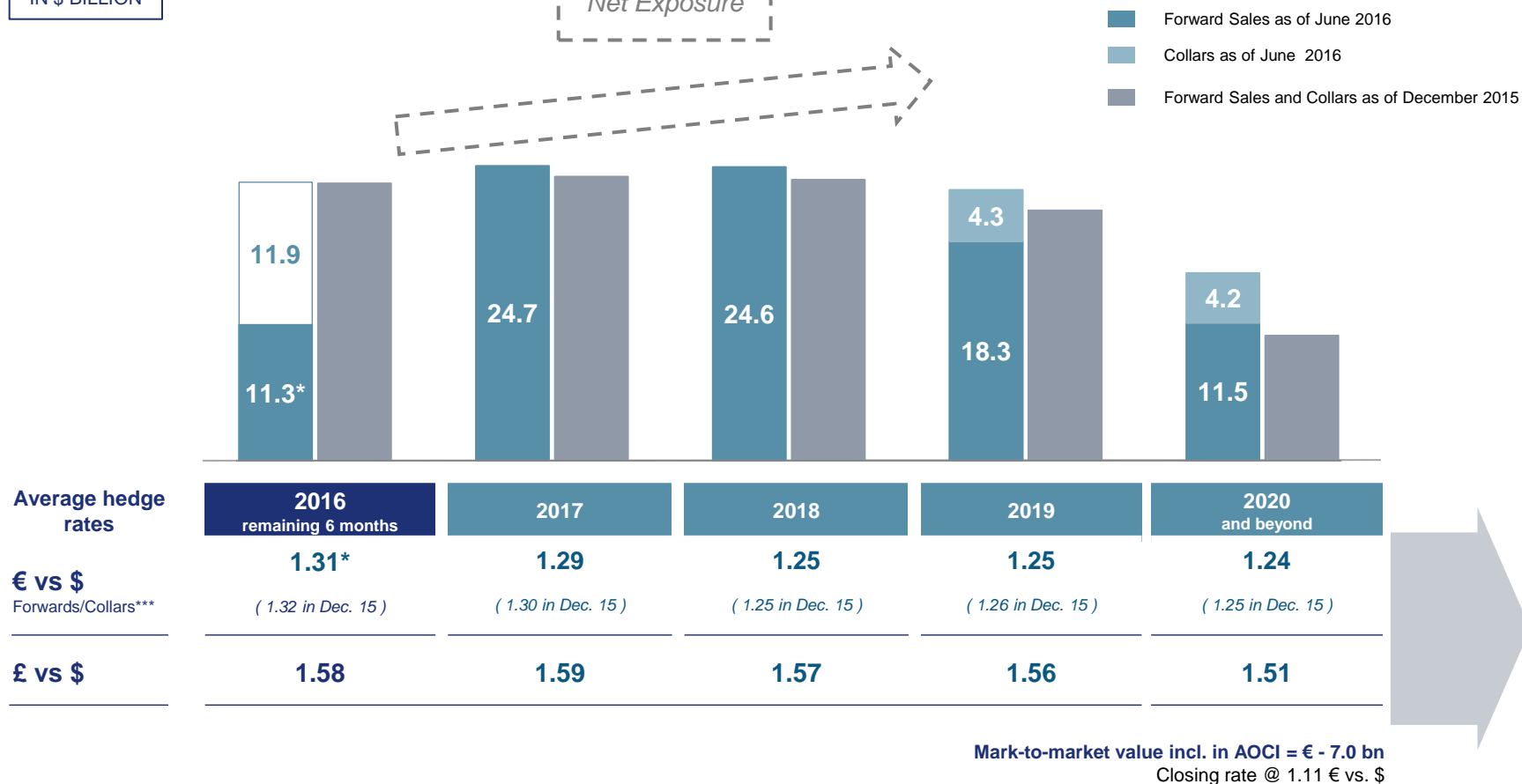
- H1 2016 Net Income of € 1.8 bn
- H1 2016 EPS of € 2.27; ~1.5% accretion from SBB
- H1 2016 tax rate -3.4%, driven by capital gain taxation and deferred tax income on provisions

H1 2016 Average number of shares: 775,116,098 compared to 785,672,234 in H1 2015

* Pre-goodwill impairment and exceptionals

IN \$ BILLION

Net Exposure



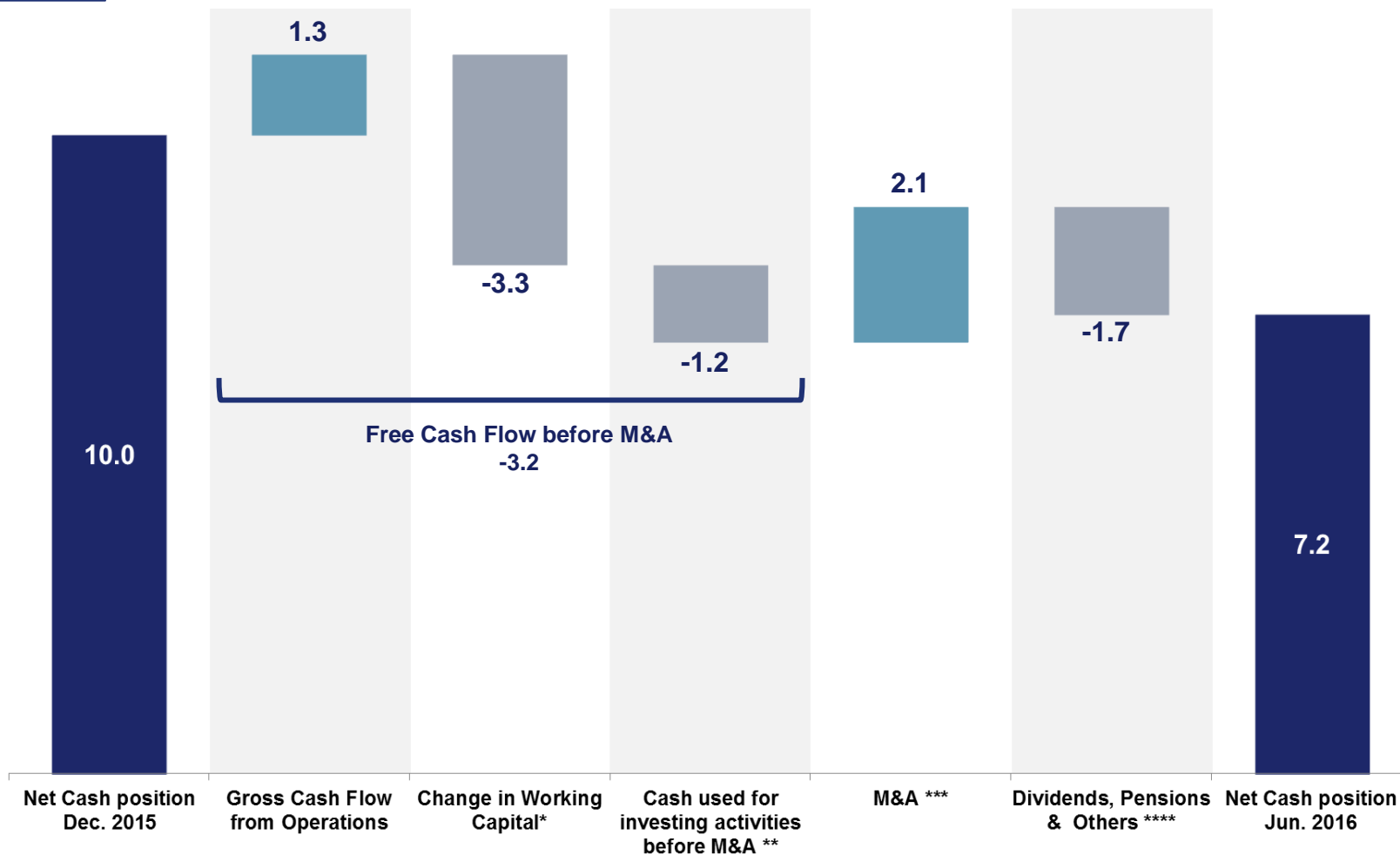
- In H1 2016, new hedge contracts of \$ 8.9 bn* were added at an average rate of € 1 = \$ 1.18*** of which \$ 8.5 bn Forwards at € 1 = \$ 1.18 and \$ 0.4 bn Zero-cost Collars
- \$ 11.9 bn of hedges matured at an average rate of € 1 = \$ 1.34
- Hedge portfolio** 30 June 2016 at \$ 98.9 bn* (vs. \$ 101.9 bn in Dec. 2015), at an average rate of \$ 1.26***

Approximately 60% of Airbus Group's US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars, net exposure trend for illustrative purposes

* Excluding \$ 1.5 bn of new hedges entered into to address intra-year shifts in Net Exposure linked to delivery phasing.

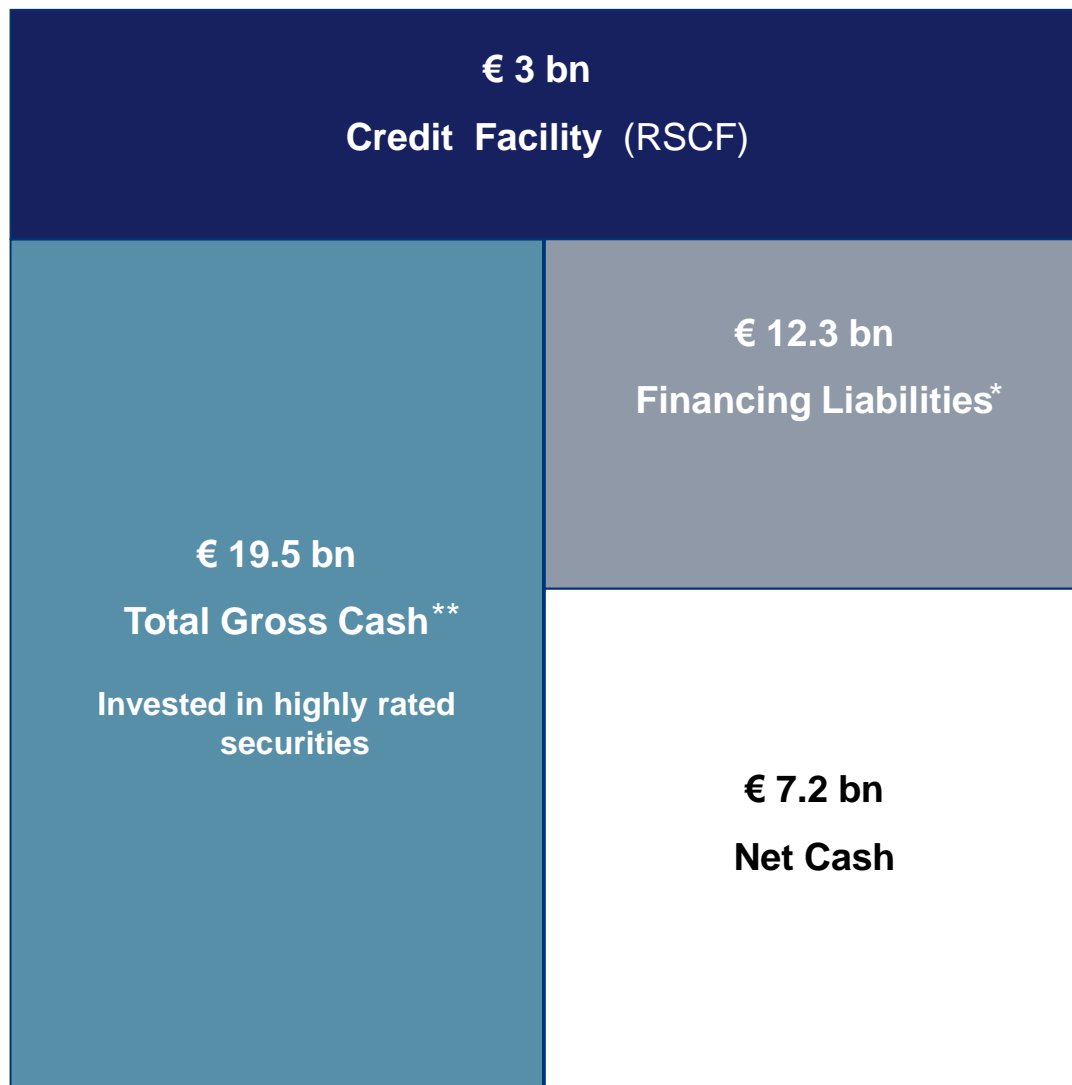
** Total hedge amount contains \$/€ and \$/£ designated hedges; *** Blended Forwards and Collars rate includes Collars at least favourable rate

IN € BILLION



- Temporary unavailability of European Export Credit Financing as a result of heightened compliance programme

* Excluding reclassification of certain trade liabilities ** Thereof Capex of € - 1.3 bn; *** M&A transactions include acquisitions and disposals of subsidiaries and businesses; **** thereof share buyback / change in treasury shares of € 0.7 bn



▪ Credit Facility:

- Maturity 2020, undrawn
- Fully committed by 40 banks
- No financial covenants, no MAC clause

▪ Financing Liabilities:

Short-term: € 3.4 bn

- Includes € 1.1 bn Commercial Paper and € 1 bn EMTN maturing in August 2016

Long-term: € 8.9 bn

- Includes € 3.5 bn EMTN, € 0.5 bn Convertible Bond, € 1.1 bn Exchangeable Bond and \$ 1 bn USD 144A/RegS

▪ Credit Ratings:

Short-term rating:

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

Long-term rating:

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

* On 13th May 2016, Airbus Group issued a dual tranche transaction under its EMTN Programme. In total, the group raised € 1.5 bn across a 10-yr (€ 600 m) and 15-yr (€ 900 m), carrying respectively a coupon of 0.875% and 1.375%.

On 14th June 2016, Airbus Group issued a € 1,078 bn exchangeable bond with 5-yr maturity in the context of the sell down of its remaining Dassault shareholding. The exchangeable bond was issued at 103.75% with a coupon of 0%, which is equivalent to a yield to maturity of -0.73%. The bond can be exchanged into Dassault shares at an exchange price of € 1,306.25

** Excluding reclassification of certain securities

H1 RESULTS 2016

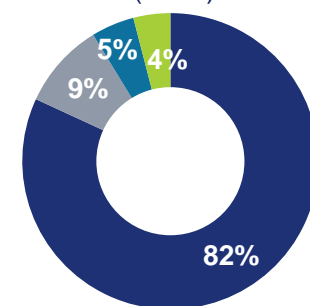
**GROUP
HIGHLIGHTS**

**DIVISIONAL
HIGHLIGHTS**

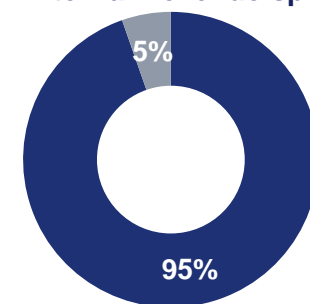
**GUIDANCE 2016
& KEY TAKEAWAYS**



IN € MILLION		H1 2016	H1 2015	Change
Order Intake (net)	(Units)	183	348	-47.4%
Order Book		6,716	6,430	4.4%
Order Intake (net)	(Value)	32,302	46,334	-30.3%
Order Book		930,885	875,018	+6.4%
Deliveries	(Units)	298	304	-2.0%
Revenues		21,061	21,081	-0.1%
R&D expenses**		957	1,148	-16.6%
in % of revenues		4.5%	5.4%	
EBIT* before one off		1,270	1,533	-17.2%
in % of revenues		6.0%	7.3%	
EBIT*		421	1,424	-70.4%
in % of revenues		2.0%	6.8%	

Deliveries by programme
(Units)


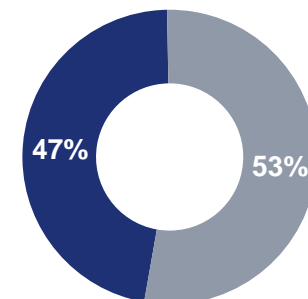
■ Single Aisle
 ■ A330
■ A380
 ■ A350

External Revenue split


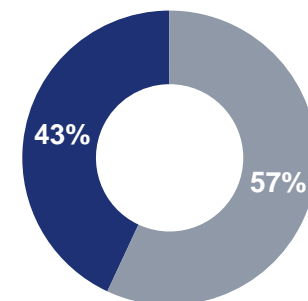
■ Platforms
 ■ Services

- Deliveries reflect lower A330 rate and back-loaded delivery profile; revenues also include favourable FX impact
- EBIT* before one-off driven mainly by back-loaded profile of deliveries, lower A330 rate and transition pricing; R&D reduction materialising
- A320neo: Progress on transition and focus on ramp-up
- A350: € - 385 m charge recognised to reflect latest view on escalation, recurring costs and delivery phasing

IN € MILLION		H1 2016	H1 2015	Change
Order Intake (net)	(Units)	127	135	-5.9%
Order Book		795	876	-9.2%
Order Intake (net)	(Value)	2,338	2,726	-14.2%
Order Book		11,421	12,004	-4.9%
Deliveries	(Units)	163	152	+7.2%
Revenues		2,687	2,950	-8.9%
R&D expenses**		151	153	-1.3%
in % of revenues		5.6%	5.2%	
EBIT* before one off		144	162	-11.1%
in % of revenues		5.4%	5.5%	
EBIT*		144	162	-11.1%
in % of revenues		5.4%	5.5%	

External revenue split


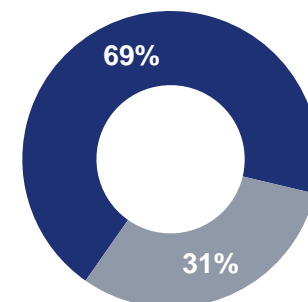
■ Civil ■ Defence



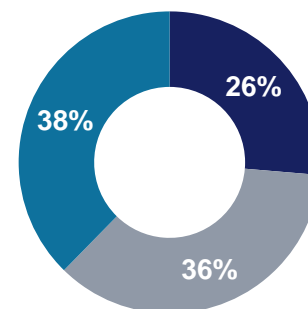
■ Platforms ■ Services

- Revenues and EBIT* before one-off reflect unfavourable mix despite higher deliveries
- H225 accident: investigation ongoing. Financial impact cannot be reliably estimated

IN € MILLION	H1 2016	H1 2015	Change
Order Intake (net)	5,189	5,371	-3.4%
Order Book	37,665	41,683	-9.6%
Revenues	5,440	5,531	-1.6%
R&D expenses**	152	159	-4.4%
in % of revenues	2.8%	2.9%	
EBIT* before one off	325	267	+21.7%
in % of revenues	6.0%	4.8%	
EBIT*	478	(26)	-
in % of revenues	8.8%	-0.5%	

External revenue split


■ Platforms ■ Services



■ CIS & Others⁽¹⁾ ■ Space Systems⁽²⁾
■ Military Aircraft

- EBIT* before one-off supported by programme execution, portfolio re-focus and efficiency measures
- A400M: 5 aircraft delivered in H1 2016
Net charge € - 1.0 bn reflects delays to military capability and updated assessment of available technical and industrial impacts linked to the Propeller Gear Box. Commercial consequences cannot be reliably estimated
- FY 2016 expected earnings reduction from perimeter change ~ € - 200 m
- Portfolio re-shaping: ASL JV finalised, Business Communications divested, net portfolio gains ~ € 1.2 bn

* Pre-goodwill impairment and exceptionals ** Capitalised R&D: € 15 m in H1 2016 and € 18 m in H1 2015
(1) Communications, Intelligence & Security (2) including Space Electronics

H1 RESULTS 2016

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**GUIDANCE 2016
& KEY TAKEAWAYS**



As the basis for its 2016 guidance, Airbus Group expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

Airbus Group confirms its 2016 earnings and Free Cash Flow guidance based on a constant perimeter:

- Airbus expects to deliver more than 650 aircraft and the commercial order book is expected to grow.
- Before M&A, Airbus Group expects stable EBIT* before one-off and EPS* before one-off compared to 2015.
- Before M&A, Airbus Group expects to deliver stable Free Cash Flow compared to 2015, although the A400M industrial situation and delivery re-scheduling makes the achievement of 2016 free cash flow guidance more difficult. Export Credit Agency financing is targeted to resume in the fourth quarter of 2016.

The perimeter change in Airbus Defence & Space implemented at H1 2016 is expected to reduce EBIT* before one-off and Free Cash Flow before M&A by around € 200 million and EPS* before one-off by around 20 cents.

- Robust and diversified backlog, supporting ramp-up plans
- Continued focus on ramp-up and transition
- EPS / FCF growth story confirmed

H1 RESULTS 2016

APPENDIX



Active exposure management



	Average Hedge Rates
FY 2015	1.34
FY 2016E	1.32

* Q2 2016 Actual

IN € BILLION	Bridge
Hedge rates (from €/ \$ 1.35 to €/ \$ 1.34)	0.09
Other one-off forex effect including PDP reversal	(0.37)
Compared to H1 2015	(0.28)

H1 2016 DETAILED INCOME STATEMENT AND ADJUSTMENTS

21

IN € MILLION

	H1 2016	thereof	H1 2016 *	thereof one-offs				H1 2016 * before one-off	
		Goodwill Impair. & FV dep.		Impact on EBIT*			Financial Result		
				Operational	HQ	FX***			
				Airbus	AD&S**	Dassault Sale			
EBIT	1,851	(5)	1,856	(366)	179	868	(509)	(7)	1,684
in % of revenues	6.4%		6.5%						5.9%
Interest income	137		137						137
Interest expenses	(234)		(234)						(234)
Other Financial Result	(51)		(51)					(7)	(44)
Finance Result	(148)		(148)					(7)	(141)
Income before taxes	1,703	(5)	1,708	(366)	179	868	(509)	(7)	1,543
Income taxes	58	1	57	116	256	(20)	153	2	(450)
Non-controlling interest	0		0						0
Net Income reported	1,761	(4)	1,765	(250)	435	848	(356)	(5)	1,093
Number of shares	775,116,098		775,116,098						775,116,098
EPS reported	2.27		2.28						1.41

- **Net Income* before one-off excludes the following items:**
 - One-offs impacting the EBIT* line (as reported in EBIT* before one-off)
 - Other Financial Result, except for the unwinding of discount on provisions

* Pre-goodwill impairment and exceptionals

** thereof € - 1,026 m A400M LMC, € + 1,139m ASL creation and € 66 m portfolio

*** thereof € - 483 m Airbus, € - 26 m Defence & Space

H1 2015 DETAILED INCOME STATEMENT AND ADJUSTMENTS

22

IN € MILLION

	H1 2015	thereof	H1 2015 *	thereof one-offs				H1 2015 * before one-off
		Goodwill Impair. & FV dep.		Impact on EBIT*			Financial Result	
				Operational	HQ	FX***		
				AD&S**	Dassault Sale			
EBIT	2,210	(19)	2,229	(257)	748	(145)		1,883
in % of revenues	7.6%		7.7%					6.5%
Interest income	85		85					85
Interest expenses	(274)		(274)					(274)
Other Financial Result	(155)		(155)				(100)	(55)
Finance Result	(344)		(344)				(100)	(244)
Income before taxes	1,866	(19)	1,885	(257)	748	(145)	(100)	1,639
Income taxes	(335)	6	(341)	88	(26)	44	30	(477)
Non-controlling interest	(7)		(7)					(7)
Net Income reported	1,524	(13)	1,537	(169)	722	(101)	(70)	1,155
Number of shares	785,672,234		785,672,234					785,672,234
EPS reported	1.94		1.96					1.47

▪ **Net Income* before one-off excludes the following items:**

- One-offs impacting the EBIT* line (as reported in EBIT* before one-off)
- Other Financial Result, except for the unwinding of discount on provisions

* Pre-goodwill impairment and exceptionals
 ** thereof A400M € - 290 m, Portfolio € + 33 m
 *** thereof € - 109 m Airbus, € - 36 m Defence & Space

IN € MILLION	Q2 2016	Q2 2015
Order Intake	31,890	32,925
Revenues	16,572	16,815
EBIT* before one-off	1,183	1,232
EBIT*	1,491	988
Net Income	1,362	732
FCF before M&A	(250)	111

IN € MILLION	Q2 2016	Q2 2015	Q2 2016	Q2 2015	Q2 2016	Q2 2015
	Revenues		EBIT* before one-off		EBIT*	
Airbus	12,393	12,516	863	964	131	1,005
Airbus Helicopters	1,529	1,665	111	110	111	110
Airbus Defence & Space	2,906	2,928	216	177	388	(159)
HQ / Elim.	(256)	(294)	(7)	(19)	861	32
Airbus Group	16,572	16,815	1,183	1,232	1,491	988

* Pre-goodwill impairment and exceptionals

DETAILED FREE CASH FLOW

IN € MILLION	H1 2016	H1 2015
Net Cash position at the beginning of the period	10,003	9,092
Gross Cash Flow from Operations ⁽¹⁾	1,251	2,049
Change in working capital ⁽²⁾	(3,274)	(2,101)
of which Customer Financing	(587)	(63)
Cash used for investing activities ⁽³⁾	904	601
of which Industrial Capex (additions) ⁽⁴⁾	(1,259)	(1,000)
Free Cash Flow ⁽⁵⁾	(1,119)	549
of which M&A	2,117	1,574
Free Cash Flow before M&A	(3,236)	(1,025)
Free Cash Flow before customer financing	(532)	612
Change in capital and non-controlling interests	53	96
Change in treasury shares / share buy-back	(736)	0
Contribution to plan assets of pension schemes	(174)	(87)
Cash distribution to shareholders / non - controlling interests	(1,009)	(945)
Others	178	(269)
Net Cash position at the end of the period	7,196	8,436

(1) Gross Cash Flow from Operations, excluding working capital change, contribution to plan assets of pension schemes and realised FX results on Treasury swaps

(2) Including net customer financing and 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, and bank activities

NET CASH POSITION

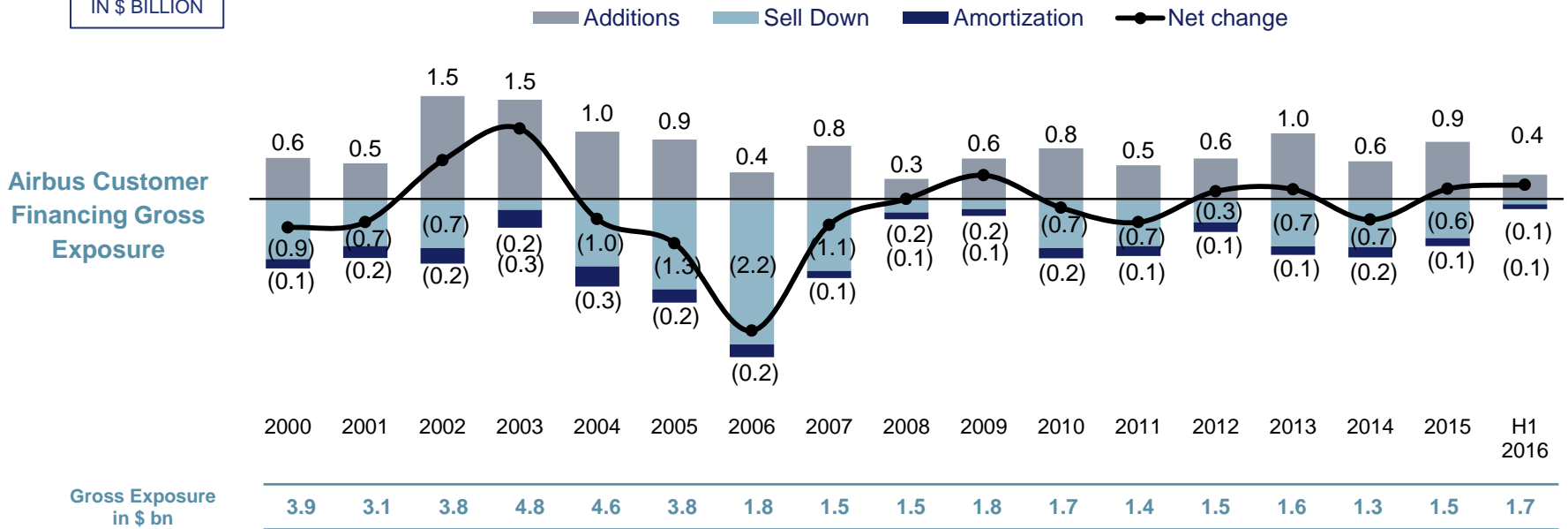
IN € MILLION	H1 2016	Dec. 2015
Gross Cash*	19,540	19,128
Financing Debts		
Short-term Financing Debts	(3,411)	(2,790)
Long-term Financing Debts	(8,933)	(6,335)
Reported Net Cash	7,196	10,003
Airbus non-recourse debt	87	94
Net Cash excl. non-recourse	7,283	10,097

* Excluding reclassification of certain securities

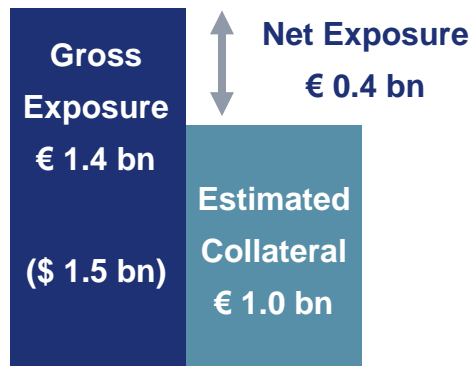
IN € MILLION

	Airbus		Airbus Helicopters	
	June 2016	Dec. 2015	June 2016	Dec. 2015
Closing rate € 1 =	\$ 1.11	\$ 1.09	\$ 1.11	\$ 1.09
Total Gross Exposure	1,528	1,366	65	69
of which off-balance sheet	45	60	10	8
Estimated value of collateral	(1,174)	(922)	(14)	(20)
Net Exposure	354	444	51	49
Provision and asset impairment	(354)	(444)	(51)	(49)
Net Exposure after provision	0	0	0	0

IN \$ BILLION



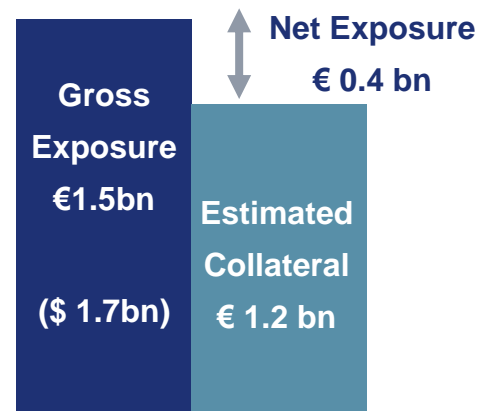
Net Exposure fully provisioned



31 December 2015

€/\$ = 1.09

Net Exposure fully provisioned



30 June 2016

€/\$ = 1.11

BALANCE SHEET HIGHLIGHTS: ASSETS

28

IN € MILLION	H1 2016	Dec. 2015
Non-current Assets	54,061	53,438
of which Intangible & Goodwill	11,849	12,555
of which Property, plant & equipment	16,598	17,127
of which Investments & Financial assets	5,184	3,818
of which positive hedge mark-to-market	1,004	931
of which Non-current securities	9,703	9,851
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Current Assets	54,274	50,565
of which Inventory	31,827	29,051
of which Cash*	7,965	6,590
of which Current securities	1,750	1,788
of which positive hedge mark-to-market	272	349
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Assets of disposal groups classified as held for sale	1,147	1,779
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Total Assets	109,482	105,782
Closing rate € vs. \$	1.11	1.09
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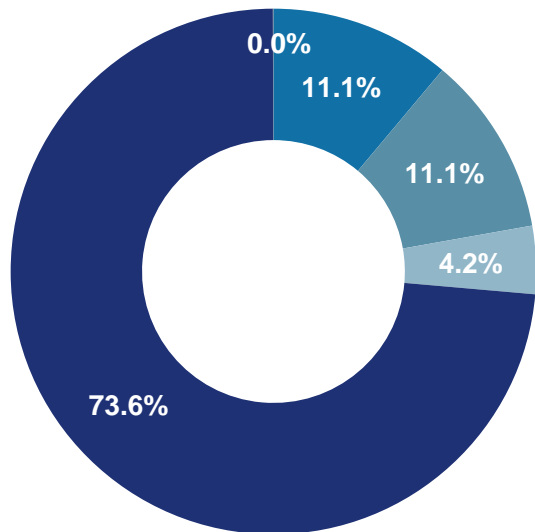
* Investments made by Airbus Group SE in certain securities and trade liabilities have been reassessed and reclassified. Previous year figures are adjusted by € - 899 m

BALANCE SHEET HIGHLIGHTS: LIABILITIES

29

IN € MILLION	H1 2016	Dec. 2015
Total Equity	6,053	5,973
of which OCI (Other Comprehensive Income)	(3,369)	(4,316)
of which Non-controlling interests	1	7
Total Non-current liabilities	48,550	46,700
of which pensions	8,472	7,172
of which other provisions	2,593	2,699
of which financing debts	8,933	6,335
of which European governments refundable advances	6,466	6,716
of which Customer advances	14,382	14,472
of which negative hedge mark-to-market	4,884	6,703
Total Current liabilities*	53,925	52,878
of which pensions	309	443
of which other provisions	4,685	4,766
of which financing debts	3,411	2,790
of which European governments refundable advances	608	570
of which Customer advances	23,490	23,612
of which negative hedge mark-to-market	3,406	3,884
Liabilities of disposal groups classified as held for sale	954	231
Total Liabilities and Equity	109,482	105,782

* Investments made by Airbus Group SE in certain securities and trade liabilities have been reassessed and reclassified. Previous year figures are adjusted by € - 899 m



Free Float 73.6%

- Institutional Investors & Retail

Shareholder Agreement 26.4%

- SOGEP
- GZBV
- SEPI

Treasury shares 0.0%

- Treasury shares (without economic or voting rights)

▪ **772,678,546** shares issued as at 30 June 2016

QUARTERLY ORDER INTAKE BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	4,311	17,217	32,302	46,334		100,061		139,062
Airbus Helicopters	1,004	1,428	2,338	2,726		4,013		6,168
Airbus Defence & Space	2,515	2,390	5,189	5,371		8,483		14,440
HQ / Elim.	(585)	(41)	(694)	(512)		(634)		(703)
Airbus Group	7,245	20,994	39,135	53,919		111,923		158,967

QUARTERLY ORDER BOOK BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	904,589	901,565	930,885	875,018		914,692		952,450
Airbus Helicopters	11,615	12,371	11,421	12,004		11,818		11,769
Airbus Defence & Space	42,596	41,854	37,665	41,683		41,657		42,861
HQ / Elim.	(1,820)	(1,226)	(1,884)	(1,727)		(1,297)		(1,216)
Airbus Group	956,980	954,564	978,087	926,978		966,870		1,005,864

QUARTERLY REVENUES BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	8,668	8,565	21,061	21,081		31,119		45,854
Airbus Helicopters	1,158	1,285	2,687	2,950		4,423		6,786
Airbus Defence & Space	2,534	2,603	5,440	5,531		8,383		13,080
HQ / Elim.	(177)	(375)	(433)	(669)		(960)		(1,270)
Airbus Group	12,183	12,078	28,755	28,893		42,965		64,450

QUARTERLY EBIT* BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	290	419	421	1,424		1,902		2,301
Airbus Helicopters	33	52	144	162		241		427
Airbus Defence & Space	90	133	478	(26)		149		745
HQ / Elim.	(48)	637	813	669		654		613
Airbus Group	365	1,241	1,856	2,229		2,946		4,086

QUARTERLY EBIT* BEFORE ONE-OFF BREAKDOWN (CUMULATIVE)

IN € MILLION

	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Airbus	407	569	1,270	1,533		2,226		2,780
Airbus Helicopters	33	52	144	162		241		427
Airbus Defence & Space	109	90	325	267		431		1,060
HQ / Elim.	(48)	(60)	(55)	(79)		(94)		(135)
Airbus Group	501	651	1,684	1,883		2,804		4,132