

Airbus and OCCAR sign A400M Contract Amendment

Amsterdam, 14 June 2019 – Airbus SE* (stock exchange symbol: AIR) has signed the A400M contract amendment with OCCAR, the Bonn, Germany-based organisation for joint armament cooperation, which manages the multinational programme on behalf of the Launch Customer Nations Germany, France, United Kingdom, Spain, Turkey, Belgium and Luxembourg. This contract signature concludes the discussions between both sides on the Global Rebaselining of the A400M programme, which had been initiated in March 2017.

“The overall aim of the Global Rebaselining – both for Airbus as well as for OCCAR and the Launch Customer Nations – was to recover a sustainable contractual basis for and to ensure a proper execution of the A400M programme,” said Dirk Hoke, Chief Executive Officer of Airbus Defence and Space. “I would like to thank our customers for their engagement and support during the discussions over the last two years. This new situation will also support our efforts to export the A400M worldwide.”

With the contract amendment, Airbus as well as OCCAR and the Launch Customer Nations have agreed on the following:

1. New capabilities development plan

Based on this new plan, Airbus aims to provide all agreed capabilities over an adjusted timeframe and to give solid visibility to the Launch Customer Nations for a better planning of operations and engagements. First elements of this new planning have already been implemented with deliveries of tactical capabilities which enable the Launch Customer Nations to operate in various mission profiles all around the world.

2. New production delivery schedule

All parties have agreed to stretch the A400M production plan while keeping the programme’s contractual timeframe until 2030. The new production delivery schedule both addresses the Launch Customer Nations’ expectations and significantly reduces the financial exposure. Furthermore, the new delivery schedule enables the A400M programme to adjust the production rate in order to accommodate export orders in the coming years.

3. New retrofit delivery schedule

The new retrofit agreement with the Launch Customer Nations will implement the final contractual standard with associated capabilities to all of the delivered A400M aircraft. This new agreement will minimise aircraft downtimes to meet customer expectations while optimising the retrofit process for Airbus.

4. New financial terms

Airbus, OCCAR and the Launch Customer Nations have agreed on the implementation of a revised financial retention mechanism. This new scheme recognises the achievement of A400M capabilities which have already been implemented in service while keeping an incentive to finalise the development of the ultimate contractual standard.

Furthermore, a significant compensation in products and services has been agreed in exchange of accrued financial obligations due to past late deliveries. This provides both the customers and industry with an opportunity to jointly enhance the A400M platform.

“The discussions with our customers towards the Global Rebaselining of the A400M programme had already provided first tangible results in 2018. On the basis of this contract amendment

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signature, Airbus is fully committed to continue on this positive path and to providing its A400M current and future customers with the most powerful and technologically advanced military transport aircraft available on the market,” said Dirk Hoke.

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* acting through its subsidiary Airbus Military S.L.

About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2018 it generated revenues of € 64 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as one of the world's leading space companies. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

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