PRESS RELEASE

AIRBUS GROUP

Airbus Group Reports Nine-Month (9m) 2016 Results

- Healthy orders and backlog support production ramp-up
- Aircraft delivery schedule heavily back-loaded to Q4
- 9m financials reflect ongoing ramp-up and transition from current to new aircraft models
- Revenues € 43 billion; EBIT* before one-off € 2.4 billion; Earnings per share € 2.34
- 2016 earnings guidance maintained**
- Free cash flow guidance maintained excluding the impact from aircraft financing**

Amsterdam, 26 October 2016 – Airbus Group SE (stock exchange symbol: AIR) reported nine-month 2016 results which reflect the ongoing ramp-up and transition from current to new aircraft models (NEO).

"As expected the nine-month performance reflects the heavily back-loaded aircraft delivery schedule, ongoing production ramp-up and transition to new versions of our A320 and A330 aircraft," said Tom Enders, Airbus Group Chief Executive Officer. "For the remaining months of the year we remain totally focused on deliveries to achieve our earnings and cash guidance. The commercial environment continues to be rather healthy, with a backlog of more than 6,700 aircraft supporting our production plans and reflecting the strength of the product portfolio. Further integration of the group, as recently decided, will simplify the company's governance and improve competitiveness."

Group **order intake**(1) in the first nine months of 2016 was € 73.2 billion (9m 2015: € 111.9 billion), with the **order book**(1) value totalling € 986 billion as of 30 September 2016 (year-end 2015: € 1,006 billion). Airbus received 380 net commercial aircraft orders (9m 2015: 815 net orders) with gross orders of 566 aircraft including 35 A350 XWBs and 14 A330neos. In the third quarter alone, 250 gross orders were booked for A320neo (new engine option) Family aircraft. Airbus Helicopters received 211 net orders (9m 2015: 181 net orders), including 47 H145s and 42 H135s. In August, an agreement was announced by Kuwait for 30 H225M Caracal helicopters. Defence and Space saw good order momentum, particularly in Space, while an agreement was signed with the Netherlands and Luxembourg for two A330 MRTT aircraft.

Group **revenues** were stable at € 42.7 billion (9m 2015: € 43.0 billion). Revenues at Commercial Aircraft reflected higher A350 and A320 volumes but lower A330s and were supported by the

**On a constant perimeter

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more favourable US dollar environment. In all, 462 commercial aircraft were delivered (9m 2015: 446 aircraft). Despite increased deliveries of 258 (9m 2015: 237 units), Helicopters' revenues declined three percent, reflecting a higher proportion of light helicopters and lower commercial flight hours in services. Airbus Defence and Space's revenues declined eight percent, reflecting the negative impact of the perimeter change from portfolio reshaping of around € -450 million but were broadly stable on a comparable basis. Eleven A400M military transport aircraft were delivered in the nine month period.

Group **EBIT* before one-off**[(3)] – 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 – amounted to € 2,415 million (9m 2015: € 2,804 million).

Commercial Aircraft's EBIT* before one-off was € 1,838 million (9m 2015: € 2,226 million), driven by the lower A330 rate, delivery profile, transition pricing on A330 and A320, and higher ramp-up costs, while research and development (R&D) costs decreased.

On the A350 programme, 26 aircraft were delivered over the nine month period with 14 in the third quarter alone. Good progress was made over the summer in terms of risk management to bring down the level of outstanding work in the final assembly line. Difficulties remain in the supply chain with work continuing on recurring cost convergence during the ramp-up. The company remains focused on these short-term challenges as it works towards achieving the A350 delivery target. A total of 24 A320neos were delivered from January to end September with the first CFM-engined aircraft delivered in the third quarter. The early teething problems with the Pratt & Whitney (P&W) engine are now largely over but P&W is facing some industrial ramp-up challenges which puts more pressure on the back-loading of the delivery profile. Firm commitments have been received from both engine suppliers to meet the NEO schedule and the airframes are well on track for on-time delivery to customers.

In Helicopters, EBIT* before one-off was € 200 million (9m 2015: € 241 million), burdened by an unfavourable mix and lower commercial flight hours in services as well as the H225 accident in Norway and some campaign costs. However, the underlying profit at Helicopters continues to be supported by ongoing transformation measures and efforts to adapt to market challenges.

Defence and Space's EBIT* before one-off was € 440 million (9m 2015: € 431 million) after the perimeter change from portfolio reshaping. On a comparable perimeter, EBIT* before one-off

benefited from a better contract mix and risk reduction and restructuring efforts that have been implemented in the Division.

On the A400M, progress is being made on the industrial side in terms of capability development and programme governance although the overall programme situation remains challenging. The fleet has now completed 10,000 in-service flight hours. Commercial negotiations with OCCAR and the Nations are yet to take place with regard to the revised delivery schedule and its implications. As of today, the outcome of these negotiations cannot be reliably estimated.

Group **self-financed R&D expenses** declined to € 2,015 million (9m 2015: € 2,287 million).

Reported EBIT*[(3)] of € 2,363 million (9m 2015: € 2,946 million) included net one-offs totalling € -52 million. For the first nine months of 2016, a negative impact of € 723 million was recorded related to the dollar pre-delivery payment mismatch and balance sheet revaluation, while a total net capital gain of € 75 million was booked related to portfolio adjustments mainly at Defence and Space. The remaining one-offs were unchanged since the half-year 2016 results.

Net income[(4)] was € 1,811 million (9m 2015: € 1,900 million) with **earnings per share** of € 2.34 (9m 2015: € 2.42). The finance result was € -342 million (9m 2015: € -536 million).

Free cash flow before mergers and acquisitions amounted to € -4,729 million (9m 2015: € -1,751 million), reflecting the investment in programmes for the fourth quarter deliveries and further ramp-up in 2017, in particular for A320 and A350. It also includes a significant cash burden for the A400M and around € 500 million of aircraft financing, which is mainly a reflection of the current suspension of Export Credit Agency financing. Airbus Group continues to work with the ECAs on a process to resume financing, but given the progress so far, the timing and quantum are still uncertain.

Free cash flow of € -2,649 million (9m 2015: € -112 million) includes € 1.2 billion in proceeds from the sale of Dassault Aviation shares, € 750 million from the implementation of phase 2 of the Airbus Safran Launchers JV and € 310 million from the sale of the Business Communication business. The **net cash position** on 30 September 2016 was € 5.6 billion (year-end 2015: € 10.0[(5)] billion) with a gross cash position of € 16.9 billion (year-end 2015: € 19.1[(5)] billion).

Outlook

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 maintains its 2016 earnings guidance based on a constant perimeter.

Airbus Group maintains its 2016 free cash flow guidance based on a constant perimeter, excluding the impact from aircraft financing.

- 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 and customer financing, Airbus Group expects to deliver stable free cash flow compared to 2015.

The perimeter change in Airbus Defence and 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.

* 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 former EADS merger and Airbus Combination, as well as impairment charges thereon.

About Airbus Group

Airbus Group is a global leader in aeronautics, space and related services. In 2015, the Group – comprising Airbus, Airbus Defence and Space and Airbus Helicopters – generated revenues of € 64.5 billion and employed a workforce of around 136,600.

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Note to editors: Live Webcast of the Airbus Group Analyst Conference Call

You can listen to the **Nine-Month 2016 Results Analyst Conference Call** with Chief Financial Officer Harald Wilhelm at 08:30 a.m. CEST today via the Airbus Group website: www.airbusgroup.com/9M2016. The analyst call presentation can be found on the company website. A recording will be made available in due course. For a reconciliation of Airbus Group's KPIs to "reported IFRS" please refer to the analyst presentation.

Airbus Group – Nine-Month (9m) Results 2016

(Amounts in Euro)

Airbus Group	**9m 2016**	9m 2015	Change
Revenues, in millions	**42,705**	42,965	-1%
thereof defence, in millions	**7,190**	7,476	-4%
EBITDA [(2)], in millions	**3,936**	4,574	-14%
EBIT before one-off [(3)], in millions	**2,415**	2,804	-14%
EBIT [(3)], in millions	**2,363**	2,946	-20%
Research & Development expenses, in millions	**2,015**	2,287	-12%
Net Income [(4)], in millions	**1,811**	1,900	-5%
Earnings Per Share (EPS) [(4)]	**2.34**	2.42	-3%
Free Cash Flow (FCF), in millions	**-2,649**	-112	-
Free Cash Flow before M&A, in millions	**-4,729**	-1,751	-
Free Cash Flow before Customer Financing, in millions	**-2,104**	5	-
Order Intake [(1)], in millions	**73,218**	111,923	-35%

Airbus Group	**30 Sept 2016**	31 Dec 2015	Change
Order Book [(1)], in millions	**986,001**	1,005,864	-2%
thereof defence, in millions	**36,287**	38,411	-6%
Net Cash position, in millions	**5,553**	10,003[(5)]	-44%
Employees	**132,973**	136,574	-3%

For footnotes please refer to page 8

by Division	Revenues			EBIT [3]		
(Amounts in millions of Euro)	**9m 2016**	9m 2015	Change	**9m 2016**	9m 2015	Change
Commercial Aircraft	**31,511**	31,119	+1%	**775**	1,902	-59%
Helicopters	**4,282**	4,423	-3%	**200**	241	-17%
Defence and Space	**7,714**	8,383	-8%	**583**	149	+291%
Headquarters / Eliminations	**-802**	-960	-	**805**	654	-
Total	**42,705**	42,965	-1%	**2,363**	2,946	-20%

by Division	EBIT before one-off[3]		
(Amounts in millions of Euro)	**9m 2016**	9m 2015	Change
Commercial Aircraft	**1,838**	2,226	-17%
Helicopters	**200**	241	-17%
Defence and Space	**440**	431	+2%
Headquarters / Eliminations	**-63**	-94	-
Total	**2,415**	2,804	-14%

by Division	Order Intake [1]			Order Book [1]		
(Amounts in millions of Euro)	**9m 2016**	9m 2015	Change	**30 Sept 2016**	31 Dec 2015	Change
Commercial Aircraft	**63,103**	100,061	-37%	**939,079**	952,450	-1%
Helicopters	**3,588**	4,013	-11%	**11,075**	11,769	-6%
Defence and Space	**8,189**	8,483	-3%	**38,355**	42,861	-11%
Headquarters / Eliminations	**-1,662**	-634	-	**-2,508**	-1,216	-
Total	**73,218**	111,923	-35%	**986,001**	1,005,864	-2%

For footnotes please refer to page 8.

Airbus Group – Third Quarter Results (Q3) 2016

(Amounts in Euro)

Airbus Group	**Q3 2016**	Q3 2015	Change
Revenues, in millions	**13,950**	14,072	-1%
EBIT before one-off [(3)], in millions	**731**	921	-21%
EBIT [(3)], in millions	**507**	717	-29%
Net Income [(4)], in millions	**50**	376	-87%
Earnings Per Share (EPS) [(4)]	**0.06**	0.48	-88%

by Division	**Revenues**			**EBIT** [(3)]		
(Amounts in millions of Euro)	**Q3 2016**	Q3 2015	Change	**Q3 2016**	Q3 2015	Change
Commercial Aircraft	**10,450**	10,038	+4%	**354**	478	-26%
Helicopters	**1,595**	1,473	+8%	**56**	79	-29%
Defence and Space	**2,274**	2,852	-20%	**105**	175	-40%
Headquarters / Eliminations	**-369**	-291	-	**-8**	-15	-
Total	**13,950**	14,072	-1%	**507**	717	-29%

by Division	**EBIT before one-off**[(3)]		
(Amounts in millions of Euro)	**Q3 2016**	Q3 2015	Change
Commercial Aircraft	**568**	693	-18%
Helicopters	**56**	79	-29%
Defence and Space	**115**	164	-30%
Headquarters / Eliminations	**-8**	-15	-
Total	**731**	921	-21%

For footnotes please refer to page 8.

Q3 2016 revenues were stable compared to Q3 2015 as the changes from portfolio reshaping at Defence and Space (around € -450 million) were compensated by increases at Commercial Aircraft and Helicopters. **Q3 2016 EBIT* before one-off** declined 21 percent, mainly reflecting the back-loaded delivery profile, lower A330 production rate, transition pricing and ramp-up

costs. It was positively compensated by an R&D tailwind. It also includes the impact from portfolio reshaping at Defence and Space.

Q3 2016 reported EBIT* decreased by 29 percent. It mainly reflects negative one-offs of around € -200 million both in Q3 2016 and Q3 2015 related to foreign exchange effects from the dollar pre-delivery payment mismatch and balance sheet revaluation. **Q3 2016 net income** was negatively influenced by a high Q3 effective tax rate.

Footnotes:

1) Contributions from commercial aircraft activities to Order Intake and Order Book based on list prices.
2) Earnings before interest, taxes, depreciation, amortisation and exceptionals.
3) Earnings before interest and taxes, pre goodwill impairment and exceptionals.
4) Airbus Group continues to use the term Net Income. It is identical to Profit for the period attributable to equity owners of the parent as defined by IFRS Rules.
5) Excluding reclassification of certain securities.

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 5 April 2016. For more information, please refer to www.airbusgroup.com.