

Airbus Group Reports Solid Half-Year (H1) 2015 Results

- Revenues € 28.9 billion, EBIT* before one-off € 188 billion: Both rise 6%
- Earnings per share up 34 percent to € 1.94
- Free cash flow € 549 million, including sale of Dassault Aviation shares
- A400M deliveries resumed, charge of € 290 million included
- H1 financial performance confirms 2015 guidance

Amsterdam, 31 July 2015 – Airbus Group (stock exchange symbol: AIR) reported solid half-year results supported by an improved operational performance and confirmed its 2015 guidance.

“The half-year underlying results reflect our continued focus on programme execution and operational efficiency,” said Tom Enders, Airbus Group Chief Executive Officer. “Revenues, profitability and cash generation all improved, and the overall financial performance means we are on track to deliver our 2015 guidance. We continue to see healthy commercial momentum across the portfolio as shown by the major contracts announced at June’s Paris Air Show. We are focused on operational priorities, including A350 and A400M ramp-up, cost control and deliveries plus the A320neo transition, as we strive to further enhance profits and cash.”

Group **order intake**⁽¹⁾ in the first six months of 2015 increased sharply to € 53.9 billion (H1 2014: € 27.7 billion), with the **order book**⁽¹⁾ value rising to € 927 billion as of 30 June (year-end 2014: € 858 billion) taking into account a positive revaluation linked to the strengthening of the US dollar. Airbus received 348 net commercial aircraft orders (H1 2014: 290 net orders), including 57 A330 Family aircraft. Demonstrating the continued strength of the commercial aircraft market, 421 firm orders and commitments were announced during the Paris Air Show. Airbus Helicopters received 135 net orders (H1 2014: 148 units), including 29 H175s. Order intake by value rose 40 percent at Airbus Defence and Space, with strong momentum seen across business lines including additional Earth observation satellites and A330 MRTTs. In June, Defence and Space was selected by OneWeb to design and manufacture an initial 900 satellites.

Group **revenues** rose six percent to € 28.9 billion (H1 2014: € 27.2 billion), reflecting the strong delivery mix at Commercial Aircraft and strengthening US dollar. Commercial Aircraft’s revenues rose nine percent with 304 commercial airplanes delivered (H1 2014: 303 units),

including 4 A350 XWBs and 13 A380s. Helicopters' revenues increased five percent, driven by government programmes and services activities which mitigated lower deliveries of 152 units (H1 2014: 200 units). Defence and Space's revenues were stable despite the deconsolidation of launcher revenues with the creation of the Airbus Safran Launchers JV's first phase.

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 – rose six percent to € 1,883 million (H1 2014: € 1,769 million) with improvements in all Divisions.

Commercial Aircraft's EBIT* before one-off rose to € 1,533 million (H1 2014: € 1,287 million), driven by operational improvement and some favourable cost phasing including research and development (R&D) expenses.

Helicopters' EBIT* before one-off rose eight percent to € 162 million (H1 2014: € 150 million), with lower volumes and a less favourable mix mitigated by higher services activity and the Division's transformation plan. Defence and Space's EBIT* before one-off increased to € 267 million (H1 2014: € 223 million), reflecting good programme execution and progress in its transformation plan.

Group **self-financed R&D** expenses were € 1,506 million (H1 2014: € 1,564 million) while the Group EBIT* before one-off return on sales was 6.5 percent (H1 2014: 6.5 percent).

The industrial ramp-up of the A350 XWB programme is gaining traction, with Vietnam Airlines becoming the second operator in June. Development of the A320neo is progressing with a CFM-powered aircraft making its first flight in May and flight tests of Pratt & Whitney-engined aircraft resuming at the end of July. Despite some flight test interruptions, the A320neo delivery stream is still expected to commence in 2015. The A380 programme is on track for breakeven by the year-end. Helicopters' product renewal strategy is progressing with flight testing for the new H160 underway and the X6 concept phase now launched. At Defence and Space, four A400Ms were delivered in the first half of 2015.

Reported EBIT*⁽³⁾ increased 21 percent to € 2,229 million (H1 2014: € 1,839 million), with net one-offs totalling a positive € 346 million and comprising:

- A € 290 million additional net charge related to the A400M programme. Following the accident on 9 May 2015, an analysis of the programme's current status was conducted. Airbus Group has worked with all its partners to resume flights and deliveries. However, the accident caused setbacks on qualifying enhanced military capability and the schedule of planned deliveries.

The accident stopped certain flight test activity for a number of weeks and caused bottlenecks in the production process. Industrial efficiency remains a challenge during the ramp-up phase and furthermore, the escalation formulae in the contract versus costs has gone significantly negative due to lower inflation in the eurozone⁽⁵⁾. Airbus Group is working with its customers to agree the new schedule of military capability enhancement and deliveries as well as reviewing the escalation formulae.

- A € 145 million net charge related to the dollar pre-delivery payment mismatch and balance sheet revaluation driven by the weaker euro versus the dollar. The second quarter included a negative impact of € 36 million linked to the revaluation of the A400M provision.
- A € 748 million net gain from the sale of an 18.75% stake in Dassault Aviation⁽⁶⁾.
- A net gain of € 33 million mainly linked to the creation of the Airbus Safran Launchers JV's first phase.

Net income⁽⁴⁾ increased 34 percent to € 1,524 million (H1 2014: € 1,135 million) while **earnings per share** (EPS) rose the same percentage to € 1.94 (H1 2014: € 1.45), driven by the improved operational performance. Both included the Dassault Aviation capital gain and A400M charge. The finance result was € -344 million (H1 2014: € -252 million) and included one-offs totalling € -100 million mainly from negative foreign exchange revaluation of financial instruments. **Free cash flow before mergers and acquisitions** improved significantly to € -1,025 million (H1 2014: € -2,270 million), reflecting the delivery performance and tight cash control while proceeds of around € 1.7 billion from the sale of Dassault Aviation shares boosted total **free cash flow** to € 549 million (H1 2014: € -2,244 million). The **net cash position** at the end of June 2015 was € 8.4 billion (year-end 2014: € 9.1 billion) after a 2014 dividend payment of € 945 million (2013: € 587 million) with a gross cash position of € 16.8 billion (year-end 2014: € 16.4 billion).

Outlook

As the basis for its 2015 guidance, Airbus Group expects the world economy and air traffic to grow in line with prevailing independent forecasts and assumes no major disruptions.

Airbus deliveries should be slightly higher than in 2014, and the commercial aircraft order book is again expected to grow.

In 2015, before mergers & acquisitions (M&A), Airbus Group expects an increase in revenues and targets a slight increase in EBIT* before one-off.

Based on its current view of the industrial ramp-up, Airbus Group targets breakeven free cash flow in 2015 before M&A.

Airbus Group targets its EPS and dividend per share to increase further in 2015.

* 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.

Airbus Group

Airbus Group is a global leader in aeronautics, space and related services. In 2014, the Group – comprising Airbus, Airbus Defence and Space and Airbus Helicopters – generated revenues of € 60.7 billion and employed a workforce of around 138,600.

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

You can listen to the **Half-Year 2015 Results Analyst Conference Call** today at 11:00 a.m. CET with Chief Executive Officer Tom Enders and Chief Financial Officer Harald Wilhelm via the Airbus Group website: www.airbusgroup.com/H12015. Please click on the front page banner. A recording of the call will be made available in due course.

Airbus Group – Half-Year (H1) Results 2015
(Amounts in euro)

Airbus Group	H1 2015	H1 2014	Change
Revenues , in millions	28,893	27,200	+6%
thereof defence, in millions	4,869	4,614	+6%
EBITDA ⁽²⁾ , in millions	3,295	2,773	+19%
EBIT before one-offs ⁽³⁾ , in millions	1,883	1,769	+6%
EBIT ⁽³⁾ , in millions	2,229	1,839	+21%
Research & Development expenses , in millions	1,506	1,564	-4%
Net Income ⁽⁴⁾ , in millions	1,524	1,135	+34%
Earnings Per Share (EPS) ⁽⁴⁾	1.94	1.45	+34%
Free Cash Flow (FCF) , in millions	549	- 2,244	-
Free Cash Flow before M&A , in millions	- 1,025	- 2,270	-
Free Cash Flow before Customer Financing , in millions	612	- 2,112	-
Order Intake ⁽¹⁾ , in millions	53,919	27,708	+95%

Airbus Group	30 June 2015	31 Dec 2014	Change
Order Book ⁽¹⁾ , in millions	926,978	857,519	+8%
thereof defence, in millions	38,757	42,240	-8%
Net Cash position , in millions	8,436	9,092	-7%
Employees	137,217	138,622	-1%

For footnotes please refer to page 8.

by Division	Revenues			EBIT ⁽³⁾		
(Amounts in millions of Euro)	H1 2015	H1 2014	Change	H1 2015	H1 2014	Change
Commercial Aircraft	21,081	19,429	+9%	1,424	1,357	+5%
Helicopters	2,950	2,801	+5%	162	150	+8%
Defence and Space	5,531	5,516	0%	-26	223	-
Headquarters / Eliminations	-669	-546	-	669	109	-
Total	28,893	27,200	+6%	2,229	1,839	+21%

by Division	Order Intake ⁽¹⁾			Order Book ⁽¹⁾		
(Amounts in millions of Euro)	H1 2015	H1 2014	Change	30 June 2015	31 Dec 2014	Change
Commercial Aircraft	46,334	22,880	+103%	875,018	803,633	+9%
Helicopters	2,726	2,183	+25%	12,004	12,227	-2%
Defence and Space	5,371	3,831	+40%	41,683	43,075	-3%
Headquarters / Eliminations	- 512	-1,186	-	- 1,727	-1,416	-
Total	53,919	27,708	+95%	926,978	857,519	+8%

For footnotes please refer to page 8.

Airbus Group – Second Quarter Results (Q2) 2015

Airbus Group	Q2 2015	Q2 2014	Change
Revenues , in millions	16,815	14,552	+16%
EBIT before one-offs ⁽³⁾ , in millions	1,232	1,069	+15%
EBIT ⁽³⁾ , in millions	988	1,120	-12%
Net Income ⁽⁴⁾ , in millions	732	696	+5%
Earnings Per Share (EPS) ⁽⁴⁾	0.93	0.89	+4%

by Division	Revenues			EBIT ⁽³⁾		
	Q2 2015	Q2 2014	Change	Q2 2015	Q2 2014	Change
(Amounts in millions of Euro)						
Commercial Aircraft	12,516	10,492	+19%	1,005	811	+24%
Helicopters	1,665	1,619	+3%	110	92	+20%
Defence and Space	2,928	2,773	+6%	- 159	138	-
Headquarters / Eliminations	-294	-332	-	32	79	-
Total	16,815	14,552	+16%	988	1,120	-12%

Q2 2015 revenues rose 16 percent compared to the second quarter of 2014, driven by a higher volume of commercial aircraft and positive foreign exchange effects.

Q2 2015 EBIT* before one-off rose 15 percent to € 1,232 million, reflecting operational improvement in all Divisions as well as some favourable cost phasing including R&D. **Q2 2015 EBIT*** declined 12 percent to € 988 million and included negative net one-offs mainly reflecting the additional net charge of € 290 million on the A400M programme.

For footnotes please refer to page 8.

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) Long-term contracts generally contain a contract clause which escalates the price of the contract in line with a formula reflecting an approximate escalation of the input costs – labour and materials. Various indexes are used depending on the mix of input costs.
- 6) The remaining Dassault Aviation participation is now recorded as an asset held for sale and the result of the period of Dassault Aviation will no longer contribute to the Headquarters earnings line, except for dividends to be received and the capital gain from future sales of Dassault Aviation shares.

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 16 April 2015. For more information, please refer to www.airbusgroup.com.