



AIRBUS

FY Results

2016

22 February 2017



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 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.

- For its FY 2016 financial reporting Airbus has implemented the ESMA's Guidelines on Alternative Performance Measures.
- As a result, it has added additional explanations, definitions and reconciliations to its financial reporting and changed the basis of some of its key financial performance indicators:
 - Airbus will no longer label certain items as "one-offs". From now on such items will be labelled as "Adjustments".
 - Airbus will no longer measure and communicate its performance on the basis of "EBIT*" but on the basis of "EBIT" (reported), as the difference between the two KPIs, the so called "Exceptionals", has become less relevant and is absorbed in the FY 2016 financial results
- There is no change to the substance of the guidance
- The terminology will also change such that:
 - **"EBIT* before one-offs"** will be replaced by **"EBIT Adjusted"**
 - **"EPS* before one offs"** will be replaced by **"EPS Adjusted"**
- For definitions of Alternative Performance Measures, see Glossary at the end of the presentation.

FY Results 2016

Group
Highlights

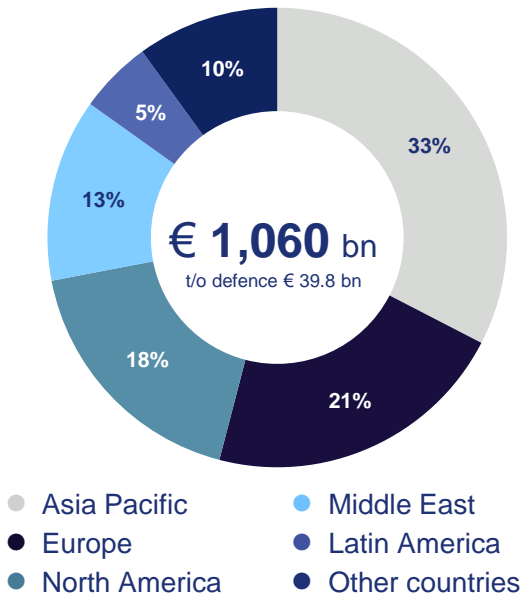
Divisional
Highlights

Guidance
Highlights

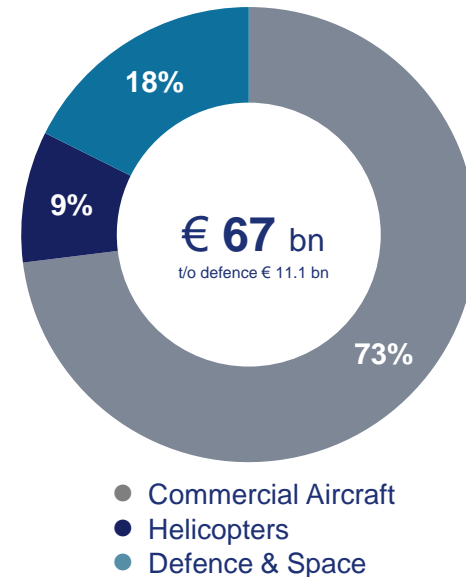


- Delivered all guidance KPIs
- Commercial a/c net BtB>1; record deliveries and backlog supports ramp-up
- Further steps towards efficiency initiated to prepare the future
- Future EPS / FCF growth confirmed
- A400M FY16 € 2.2 bn charge: programme remains an area of concern

Airbus Order Book* by Region (by value)

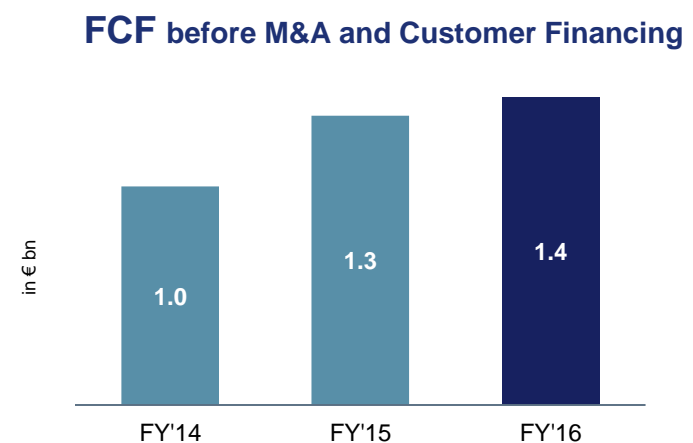
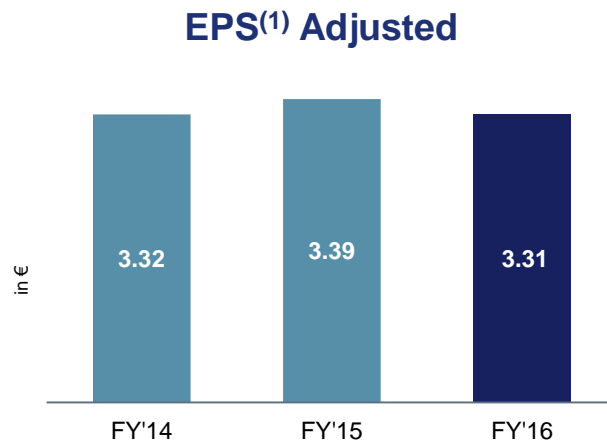
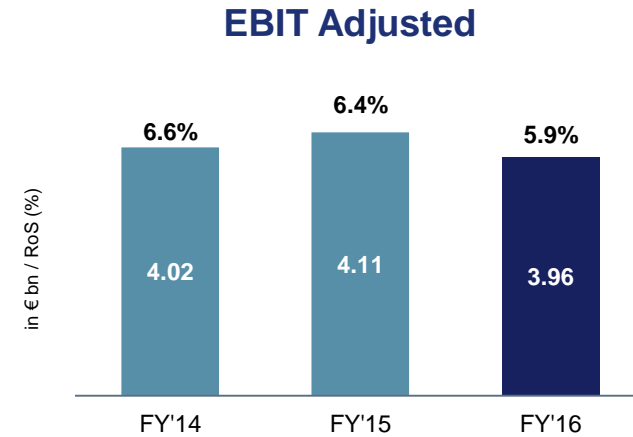
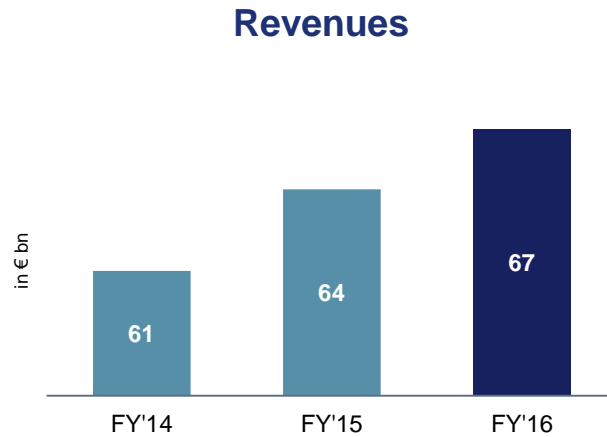


Airbus External Revenue Split by Division



- **COMMERCIAL AIRCRAFT:** Net book-to-bill > 1; 731 net orders (949 gross) incl. 41 A350 and 83 A330. Backlog: 6,874 a/c
- **HELICOPTERS:** 353 net orders (incl. UK MFTS and H225 for Singapore)
- **DEFENCE AND SPACE:** Book to bill > 1; Strong order momentum in Military Aircraft with 16 L&M Canada and EF Sustainment and support contracts as well as in Space mainly with telecom and earth navigation and science

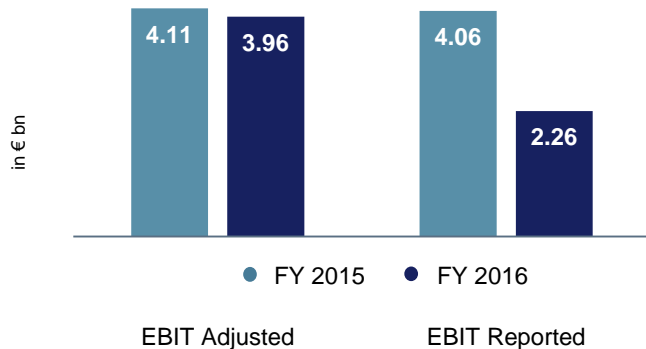
* Commercial Order Intake and Order Book based on list prices



- ▶ **Guidance KPIs achieved**
- ▶ **EBIT Adjusted broadly stable despite perimeter change**

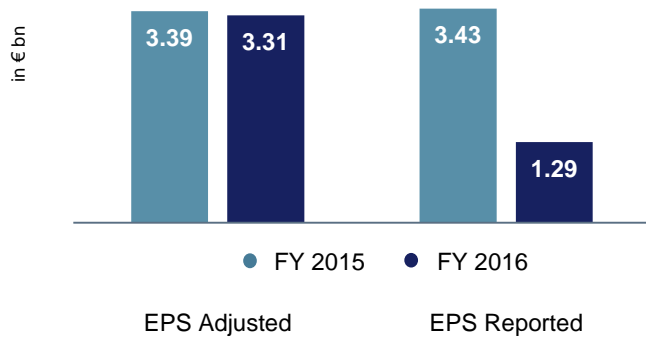
(1) FY 2016 Average number of shares: 773,798,837 compared to 785,621,099 in FY 2015.
Capitalised R&D: € 311 m in FY 2016 and € 154 m in FY 2015.

EBIT Performance



- FY 2016 EBIT reported of € 2.3 bn
- FY 2016 Adjustments resulting from:
 - € - 2,210 m A400M LMC
 - € - 930 m \$ PDP mismatch / BS Revaluation
 - € - 182 m Restructuring/Transformation
 - € - 33 m Portfolio (€ 19 m at Airbus and - € 52 m at Airbus DS)
 - € + 1,175 m ASL creation
 - € - 385 m A350 LMC
 - € + 868 m Dassault disposal Unchanged since 9m 2016
- **€ - 1,697 m Net Adjustments**

EPS Performance



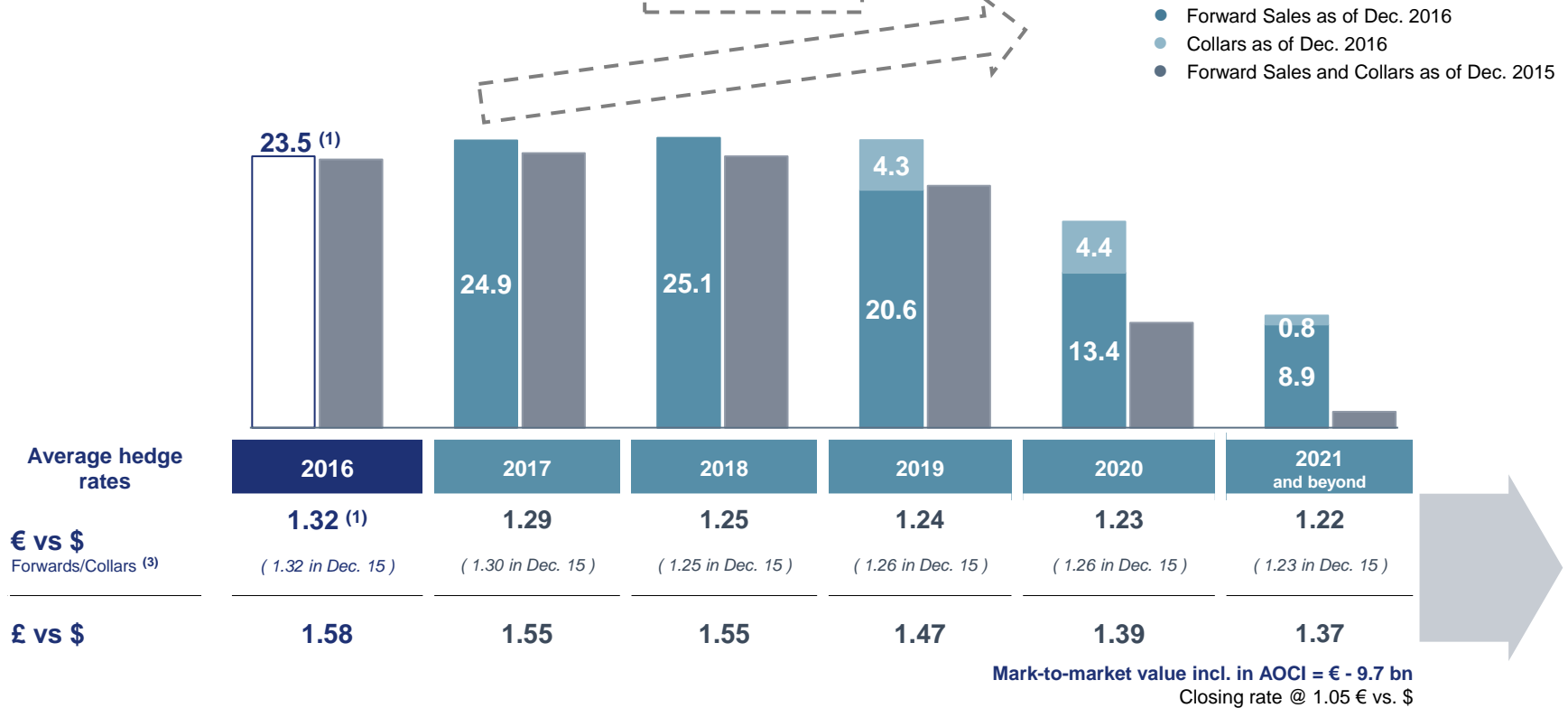
- FY 2016 Net Income of € 1.0 bn
- FY 2016 Net Income adjusted of € 2.6 bn
- FY 2016 tax rate on core business is ~29%

Average number of shares: FY16=773,798,837 , FY15=785,621,099

CURRENCY HEDGE POLICY

IN \$ BILLION

Net Exposure



- In FY 2016, new hedge contracts of \$ 24.0 bn⁽¹⁾ were added at an average rate of € 1 = \$ 1.19⁽³⁾ of which \$ 22.6 bn Forwards at € 1 = \$ 1.18 and \$ 1.4 bn Zero-cost Collars
- \$ 23.5 bn⁽¹⁾ of hedges matured at an average rate of € 1 = \$ 1.32
- Hedge portfolio⁽²⁾ 30 December 2016 at \$ 102.4 bn (vs. \$ 101.9 bn in Dec. 2015), at an average rate of \$ 1.25⁽³⁾

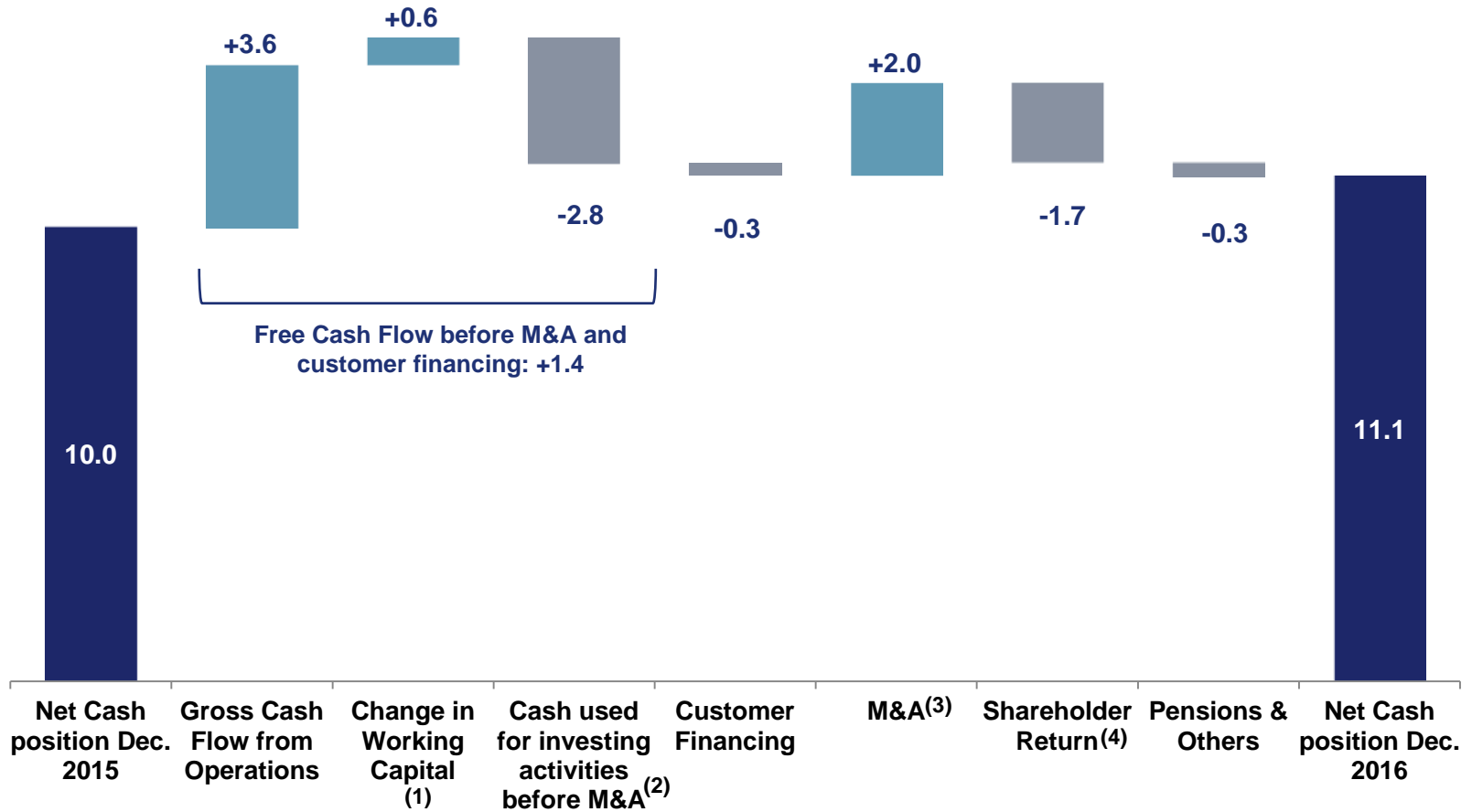
Approximately 60% of Airbus US\$ revenues are naturally hedged by US\$ procurement. Graph shows US\$ Forward Sales and Collars, net exposure trend for illustrative purposes

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

(2) Total hedge amount contains \$/€ and \$/£ designated hedges; (3) Blended Forwards and Collars rate includes Collars at least favourable rate

FY 2016 CASH EVOLUTION

IN € BILLION



- Adjusted Net Income to FCF conversion of 60%. FCF conversion before customer financing and A400M ~1

(1) Excluding reclassification of certain trade liabilities; (2) Thereof Capex of € - 3.0 bn; (3) M&A transactions include acquisitions and disposals of subsidiaries and businesses; (4) thereof share buy-back / change in treasury shares € -0.7bn

FY Results 2016

Group
Highlights

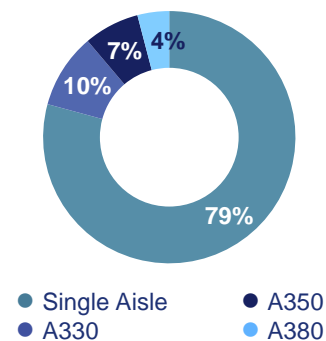
**Divisional
Highlights**

Guidance
Highlights

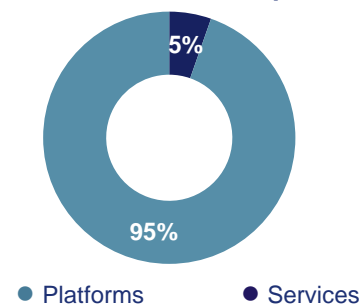


IN € MILLION		FY 2016	FY 2015	CHANGE
Order Intake (net)		731	1,080	-32.3%
Order book	Units	6,874	6,831	0.6%
Order Intake (net)		114,938	139,062	-17.3%
Order Book	Value	1,010,200	952,450	6.1%
Deliveries (Units)		688	635	8.3%
Revenues		49,237	45,854	7.4%
R&D Expenses		2,147	2,702	-20.5%
<i>in % Revenues</i>		4.4%	5.9%	
EBIT Adjusted		2,811	2,766	1.6%
<i>in % Revenues</i>		5.7%	6.0%	
EBIT		1,543	2,287	-32.5%
<i>in % Revenues</i>		3.1%	5.0%	

Deliveries by programme (Units)



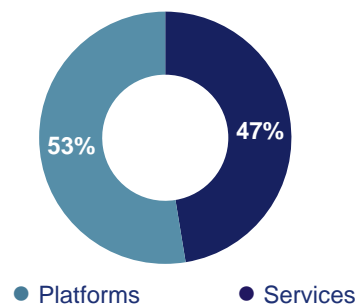
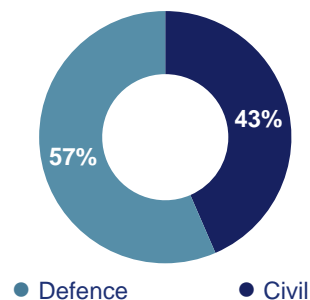
External Revenue split



- Record deliveries of 688, including 49 A350, 68 A320neos. Industrial ramp-up ongoing
- A350XWB: A350-1000 flight test begun, focus on A350 RC convergence
- Revenue increase reflects higher deliveries and favourable foreign exchange impact
- EBIT Adjusted driven by higher A320 volume, lower A330 rate, transition pricing, ramp-up cost and R&D reduction

IN € MILLION		FY 2016	FY 2015	CHANGE
Order Intake (net)		353	333	6.0%
Order book	Units	766	831	-7.8%
Order Intake (net)		6,057	6,168	-1.8%
Order Book	Value	11,269	11,769	-4.2%
Deliveries (Units)		418	395	5.8%
Revenues		6,652	6,786	-2.0%
R&D Expenses		327	325	0.6%
<i>in % Revenues</i>		<i>4.9%</i>	<i>4.8%</i>	
EBIT Adjusted		350	427	-18.0%
<i>in % Revenues</i>		<i>5.3%</i>	<i>6.3%</i>	
EBIT		308	427	-27.9%
<i>in % Revenues</i>		<i>4.6%</i>	<i>6.3%</i>	

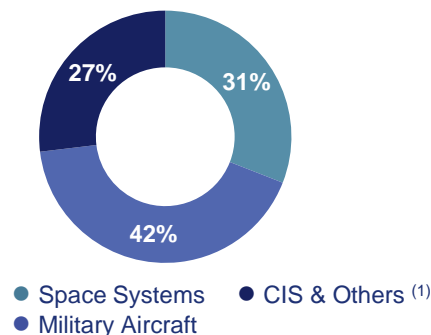
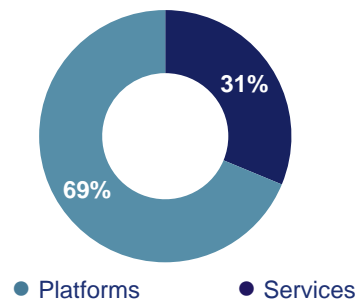
External Revenue Split



- Despite higher deliveries, Revenues and EBIT Adjusted reflect unfavourable mix and lower commercial flight hours in services
- EBIT Adjusted burdened by H225 accident and campaign costs
- Transformation efforts continue to deliver results. Additional adaptation plan launched; restructuring provision of €42m

IN € MILLION	FY 2016	FY 2015	CHANGE
Order Intake (net)	15,393	14,440	6.6%
Order book	41,499	42,861	-3.2%
Revenues	11,854	13,080	-9.4%
R&D Expenses	332	344	-3.5%
<i>in % Revenues</i>	2.8%	2.6%	
EBIT Adjusted	1,002	1,051	-4.7%
<i>in % Revenues</i>	8.5%	8.0%	
EBIT	-93	736	n.a.
<i>EBIT in % Revenues</i>	-0.8%	5.6%	

External Revenue Split



- Decrease in Revenues driven by perimeter change impact from portfolio reshaping (~ €-1bn for FY)
- EBIT Adjusted reflects perimeter change and good underlying business performance
- A400M: 17 a/c delivered FY16. 2 a/c YTD 2017. Total net charge of € 2.2bn in 2016, € 1.2bn additional provision booked in Q4. Execution and capability enhancement remain areas of concern.

(1) Communications, Intelligence & Security
Capitalised R&D: € 32 m in FY 2016 and € 52 m in FY 2015

FY Results 2016

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2017 GUIDANCE AND DIVIDEND PROPOSAL

As the basis for its 2017 guidance, Airbus expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions

Airbus 2017 earnings and FCF guidance is based on a constant perimeter

- Airbus expects to deliver more than 700 commercial aircraft
- Before M&A, Airbus expects mid-single-digit % growth in EBIT Adjusted and EPS Adjusted compared to 2016
- Free Cash Flow is expected to be similar to 2016 before M&A and Customer Financing

2016 Dividend Proposal:

- Airbus proposes a dividend for 2016 of € 1.35 per share, +4% vs. FY'15
- Pay-out ratio proposal increased exceptionally to deliver sustained dividend growth per share

- Deliver commercial aircraft ramp-up and transition
- De-risk A400M and strengthen programme execution
- Implement restructuring
- Investment in our future for improved efficiency

▶ **Deliver EPS / FCF growth**

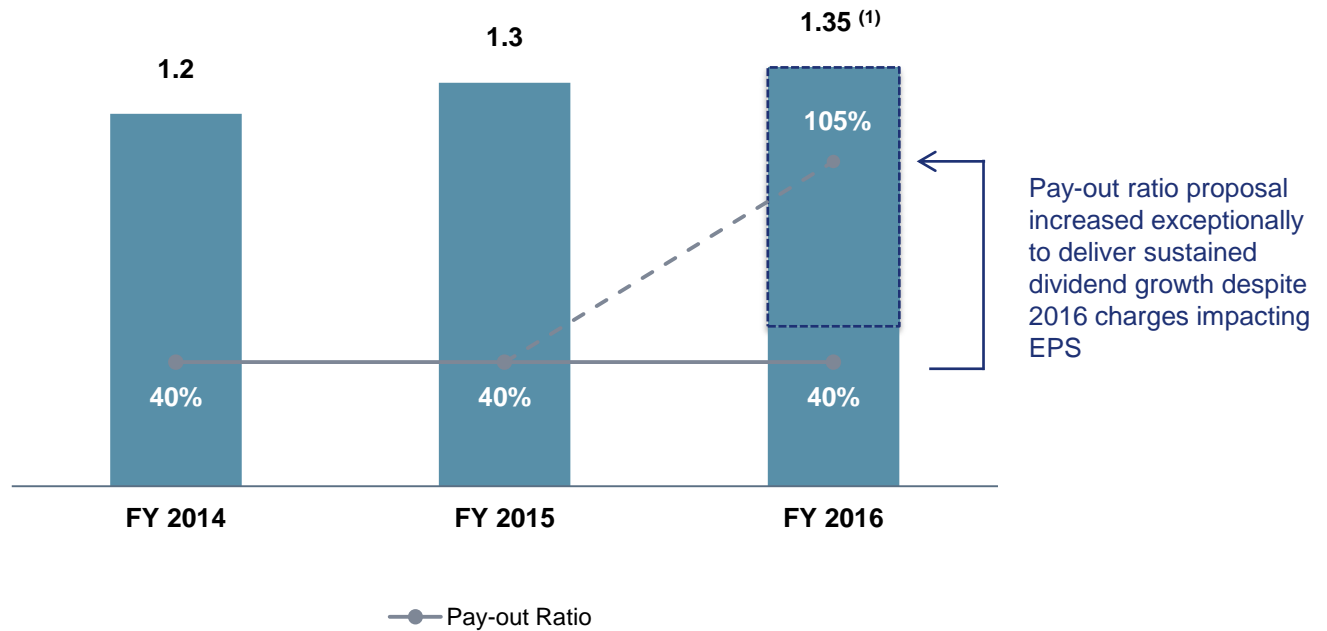
FY Results 2016

APPENDIX



DIVIDEND PER SHARE

IN €

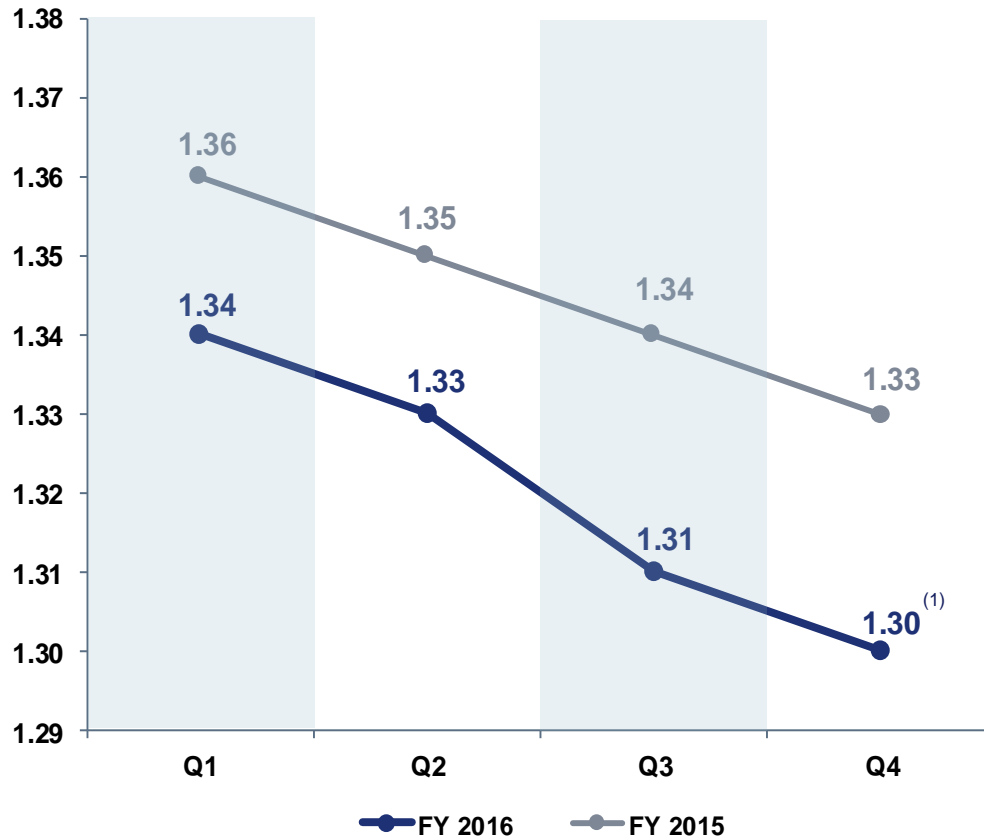


- **Ex-dividend date:** Tuesday 18 April 2017
- **Record date:** Wednesday 19 April 2017
- **Payment date:** Thursday 20 April 2017

(1) Board Proposal to be submitted to the AGM 2017. Subject to AGM approval

EXPECTED AIRBUS AVERAGE HEDGE RATES € VS. \$

Active exposure management



	Average Hedge Rates
FY 2015	1.34
FY 2016	1.32
FY 2017E	1.29

(1) Q4 actual

FY 2016 FOREX EBIT IMPACT BRIDGE

IN € BILLION	Bridge
Hedge rates (from €/€ 1.34 to €/€ 1.32)	0.18
Other one-off forex effect including PDP reversal	(0.30)
Compared to FY 2015	(0.12)

RECONCILIATION OF EBIT, EBIT ADJUSTED AND EBIT* BEFORE ONE-OFFS

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IN € MILLION	FY 2016	FY 2015	FY 2014
EBIT* before one-offs	3,999	4,132	4,066
Exceptionals	(44)	(24)	(49)
EBIT Adjusted	3,955	4,108	4,017
Adjustments	(1,697)	(46)	(26)
EBIT	2,258	4,062	3,991

Retained

* Pre-goodwill impairment and exceptionals

FY 2016 DETAILED INCOME STATEMENT AND ADJUSTMENTS

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	IN € MILLION	thereof adjustments					Financial Result	FY 2016 Adjusted
		Impact on EBIT						
	FY 2016	Operational		HQ	FX ⁽²⁾			
		Commercial Aircraft ⁽¹⁾	Helicopters	Defence and Space	Dassault Sale /Gemini	Com. Aircraft and DS		
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 Adjustments in calculated at 29%

FY 2015 DETAILED INCOME STATEMENT AND ADJUSTMENTS

IN € MILLION	FY 2015	thereof adjustments				Financial Result	FY 2015 Adjusted
		Impact on EBIT					
		Operational	HQ	FX ⁽²⁾			
		Commercial Aircraft	Defence and Space ⁽¹⁾	Dassault Sale	Com. Aircraft and DS		
EBIT	4,062	72	(231)	748	(635)		4,108
in % of revenues	6.3%						6.4%
Interest income	183						183
Interest expenses	(551)						(551)
Other Financial Result	(319)					(218)	(101)
Finance Result	(687)					(218)	(469)
Income before taxes	3,375	72	(231)	748	(635)	(218)	3,639
Non-controlling interest	(2)						(2)
Net Income reported	2,696						2,662
Number of shares	785,621,099						785,621,099
EPS reported	3.43						3.39

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

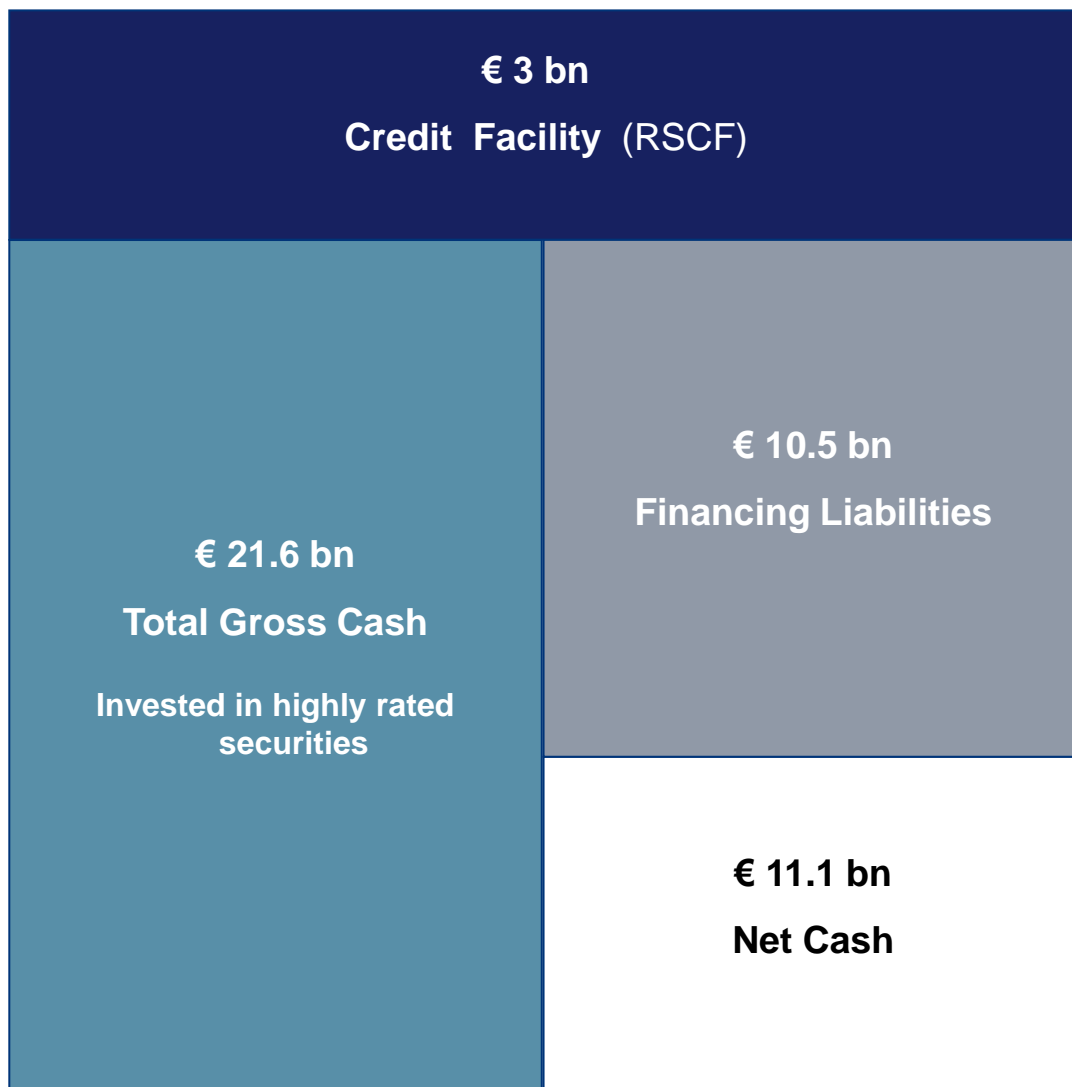
The tax effect on Adjustments in calculated at 27%

Q4 2016 KEY FIGURES

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IN € MILLION	Q4 2016	Q4 2015
Order Intake	61,262	47,044
Revenues	23,876	21,485
EBIT Adjusted	1,547	1,328
EBIT	(98)	1,140
Net Income	(816)	796
FCF before M&A	5,885	2,926
FCF before M&A before Customer Financing	5,592	2,959

IN € MILLION	Q4 2016		Q4 2015		Q4 2016		Q4 2015	
	Revenues	EBIT Adjusted	EBIT	Revenues	EBIT Adjusted	EBIT	Revenues	EBIT
Commercial Aircraft	17,726	975	770	14,735	553	398		
Helicopters	2,369	150	108	2,363	186	186		
Defence and Space	4,140	566	(672)	4,697	629	596		
HQ / Elim.	(359)	(144)	(304)	(310)	(40)	(40)		
Airbus	23,876	1,547	(98)	21,485	1,328	1,140		



Credit Facility:

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

Financing Liabilities:

Short-term: € 1.7 bn

Long-term: € 8.8 bn

- Includes € 3.5 bn EMTN, € 0.5 bn Convertible Bond, € 1.1 bn Exchangeable Bond, \$ 1 bn USD 144A/RegS and \$1.9 bn loans with EIB

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 2016	FY 2015
Net Cash position at the beginning of the period	10,003	9,092
Gross Cash Flow from Operations ⁽¹⁾	3,565	4,614
Change in working capital ⁽²⁾	346	(723)
of which Customer Financing	(252)	(150)
Cash used for investing activities ⁽³⁾	(730)	(1,066)
of which Industrial Capex (additions) ⁽⁴⁾	(3,060)	(2,924)
Free Cash Flow ⁽⁵⁾	3,181	2,825
of which M&A	2,025	1,650
Free Cash Flow before M&A	1,156	1,175
Free Cash Flow before M&A and Customer Financing	1,408	1,325
Change in capital and non-controlling interests	60	195
Change in treasury shares / share buyback	(736)	(264)
Contribution to plan assets of pension schemes	(290)	(217)
Cash distribution to shareholders / non - controlling interests	(1,012)	(948)
Others	(93)	(680)
Net cash position at the end of the period	11,113	10,003

(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, reclassification of certain trade liabilities, and bank activities

2016 IFRS VS. APM CASH FLOW RECONCILIATION

IN € BILLION	FY 2016	IN € BILLION	FY 2016
Cash provided by operating activities	4.4	Cash provided by operating activities	4.4
t/o Reimbursement from / contribution to plan assets	(0.3)	Cash provided by (used for) investing activities	(0.8)
t/o Treasury swaps	(0.2)	t/o Payment for investments in securities	(2.3)
t/o Change in working capital	1.2	t/o Proceeds from disposals of securities	2.6
Gross Cash Flow from Operations	3.6	Others	0.0
		Free Cash Flow	3.2
		t/o Disposal of NCA <i>(incl. Dassault)</i>	1.5
		t/o Proceeds from disposals of subs <i>(incl. ASL phase 2)</i>	0.7
		t/o Others M&A transactions	(0.1)
		Free Cash Flow before M&A	1.1
		t/o Customer Financing	(0.3)
		FCF before M&A and customer financing	1.4

NET CASH POSITION

IN € MILLION	Dec. 2016	Dec. 2015
Gross Cash ⁽¹⁾	21,591	19,128
Financing Debts	(10,478)	(9,125)
Short-term Financing Debts	(1,687)	(2,790)
Long-term Financing Debts	(8,791)	(6,335)
Reported Net Cash	11,113	10,003
Airbus non-recourse debt	43	94
Net Cash excl. non-recourse	11,156	10,097

(1) Excluding reclassification of certain securities

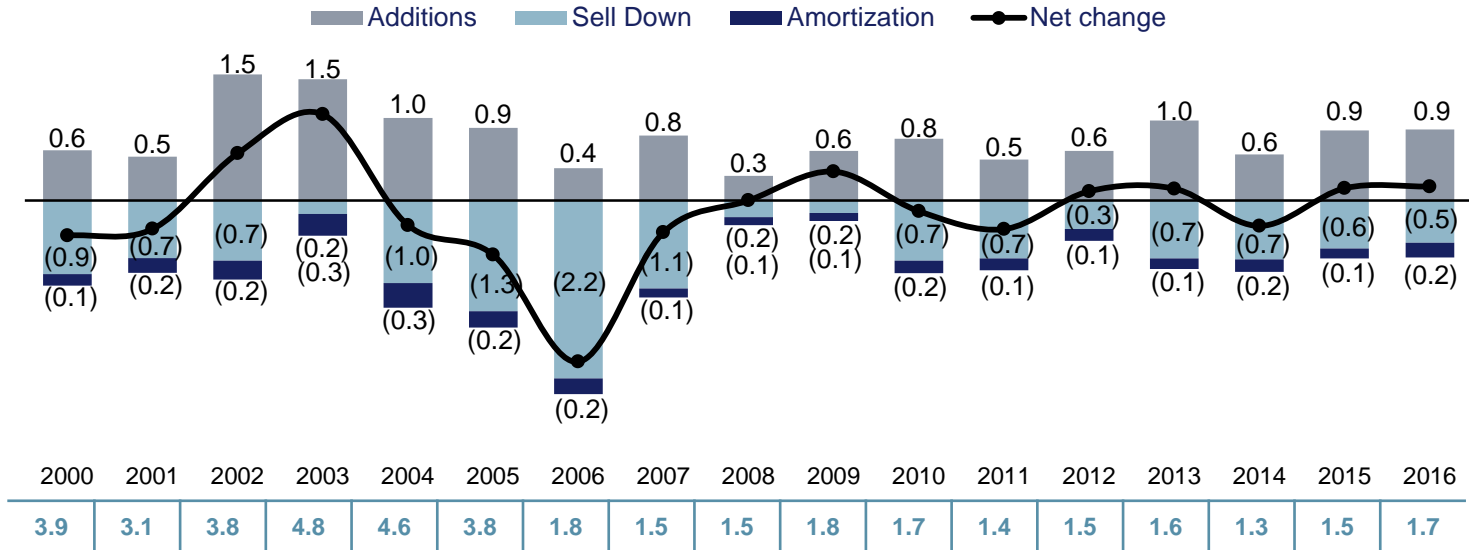
CUSTOMER FINANCING EXPOSURE

IN € MILLION	Commercial Aircraft		Helicopters	
	Dec. 16	Dec. 2015	Dec. 16	Dec. 2015
Closing rate € 1 =	\$ 1.05	\$ 1.09	\$ 1.05	\$ 1.09
Total Gross Exposure	1,572	1,366	119	69
of which off-balance sheet	182	60	21	8
Estimated value of collateral	(1,157)	(922)	(60)	(20)
Net Exposure	415	444	59	49
Provision and asset impairment	(415)	(444)	(59)	(49)
Net Exposure after provision	0	0	0	0

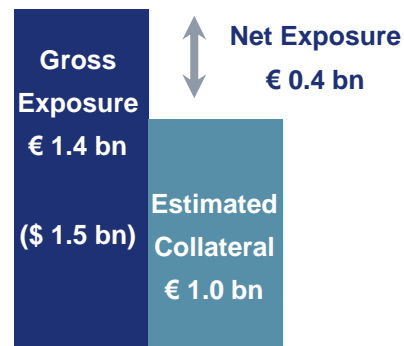
AIRBUS COMMERCIAL AIRCRAFT CUSTOMER FINANCING

IN € BILLION

Airbus Customer Financing Gross Exposure



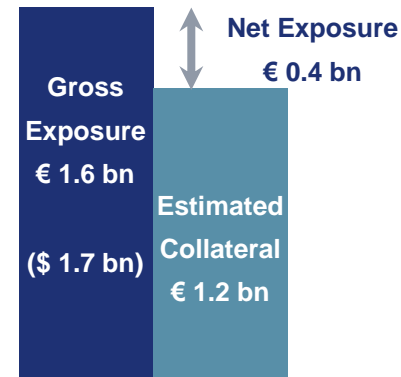
Net Exposure fully provisioned



31 December 2015

€/ \$ = 1.09

Net Exposure fully provisioned



31 December 2016

€/ \$ = 1.05

BALANCE SHEET HIGHLIGHTS: ASSETS

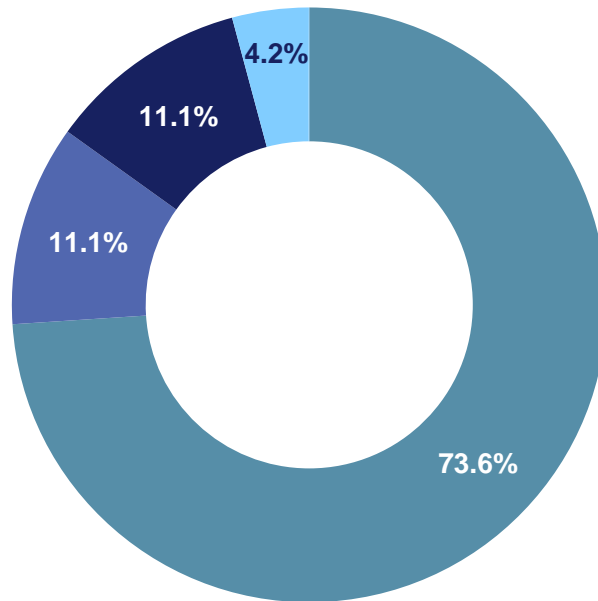
IN € MILLION	Dec. 2016	Dec. 2015
Non-current Assets	55,037	53,438
of which Intangible & Goodwill	12,068	12,555
of which Property, plant & equipment	16,913	17,127
of which Investments & Financial assets	5,263	3,818
of which positive hedge mark-to-market	893	931
of which Non-current securities	9,897	9,851
Current Assets ⁽¹⁾	54,948	50,565
of which Inventory	29,688	29,051
of which Cash ⁽¹⁾	10,143	6,590
of which Current securities	1,551	1,788
of which positive hedge mark-to-market	258	349
Assets of disposal groups classified as held for sale	1,148	1,779
Total Assets ⁽¹⁾	111,133	105,782
Closing rate € vs. \$	1.05	1.09

(1) 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

IN € MILLION	Dec. 2016	Dec. 2015
Total Equity	3,652	5,973
of which OCI (Other Comprehensive Income)	(4,845)	(4,316)
of which Non-controlling interests	(5)	7
Total Non-current liabilities	50,789	46,700
of which pensions	8,342	7,172
of which other provisions	2,484	2,699
of which financing debts	8,791	6,335
of which European governments refundable advances	6,340	6,716
of which Customer advances	15,714	14,472
of which negative hedge mark-to-market	6,544	6,703
Total Current liabilities⁽¹⁾	55,701	52,878
of which pensions	314	443
of which other provisions	5,829	4,766
of which financing debts	1,687	2,790
of which European governments refundable advances	730	570
of which Customer advances	24,115	23,612
of which negative hedge mark-to-market	4,476	3,884
Liabilities of disposal groups classified as held for sale	991	231
Total Liabilities⁽¹⁾ and Equity	111,133	105,782

(1) 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%**

Shareholder Agreement **26.4%**

SOGEPa **11.1%**

GZBV **11.1%**

SEPI **4.2%**

Treasury shares **0.0%**

- 772,912,869 shares issued as at 31 December 2016

QUARTERLY ORDER INTAKE BREAKDOWN (CUMULATIVE)

35

IN € MILLION	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Commercial Aircraft	4,311	17,217	32,302	46,334	63,103	100,061	114,938	139,062
Helicopters	1,004	1,428	2,338	2,726	3,588	4,013	6,057	6,168
Defence and Space	2,515	2,390	5,189	5,371	8,189	8,483	15,393	14,440
HQ / Elim.	(585)	(41)	(694)	(512)	(1,662)	(634)	(1,908)	(703)
Airbus	7,245	20,994	39,135	53,919	73,218	111,923	134,480	158,967

QUARTERLY ORDER BOOK BREAKDOWN (CUMULATIVE)

36

IN € MILLION	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Commercial Aircraft	904,589	901,565	930,885	875,018	939,079	914,692	1,010,200	952,450
Helicopters	11,615	12,371	11,421	12,004	11,075	11,818	11,269	11,769
Defence and Space	42,596	41,854	37,665	41,683	38,355	41,657	41,499	42,861
HQ / Elim.	(1,820)	(1,226)	(1,884)	(1,727)	(2,508)	(1,297)	(2,521)	(1,216)
Airbus	956,980	954,564	978,087	926,978	986,001	966,870	1,060,447	1,005,864

QUARTERLY REVENUES BREAKDOWN (CUMULATIVE)

37

IN € MILLION	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Commercial Aircraft	8,668	8,565	21,061	21,081	31,511	31,119	49,237	45,854
Helicopters	1,158	1,285	2,687	2,950	4,282	4,423	6,652	6,786
Defence and Space	2,534	2,603	5,440	5,531	7,714	8,383	11,854	13,080
HQ / Elim.	(177)	(375)	(433)	(669)	(802)	(960)	(1,162)	(1,270)
Airbus	12,183	12,078	28,755	28,893	42,705	42,965	66,581	64,450

QUARTERLY EBIT BREAKDOWN (CUMULATIVE)

38

IN € MILLION	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Commercial Aircraft	289	413	420	1,412	773	1,889	1,543	2,287
Helicopters	33	52	144	162	200	241	308	427
Defence and Space	88	130	475	(32)	579	140	(93)	736
HQ / Elim.	(48)	637	812	668	804	652	500	612
Airbus	362	1,232	1,851	2,210	2,356	2,922	2,258	4,062

QUARTERLY EBIT ADJUSTED BREAKDOWN (CUMULATIVE)

39

IN € MILLION	Q1		H1		9m		FY	
	2016	2015	2016	2015	2016	2015	2016	2015
Commercial Aircraft	406	563	1,269	1,521	1,836	2,213	2,811	2,766
Helicopters	33	52	144	162	200	241	350	427
Defence and Space	107	87	322	261	436	422	1,002	1,051
HQ / Elim.	(48)	(60)	(56)	(80)	(64)	(96)	(208)	(136)
Airbus	498	642	1,679	1,864	2,408	2,780	3,955	4,108

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

40

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

2015 QUARTERLY EBIT* BEFORE ONE-OFF TO EBIT ADJUSTED RECONCILIATION

41

IN € MILLION

	Q1			H1		
	EBIT* before one-off	Exceptionals	EBIT Adjusted	EBIT* before one-off	Exceptionals	EBIT Adjusted
Commercial Aircraft	569	(6)	563	1,533	(12)	1,521
Helicopters	52	0	52	162	0	162
Defence and Space	90	(3)	87	267	(6)	261
HQ / Elim.	(60)	0	(60)	(79)	(1)	(80)
Airbus	651	(9)	642	1,883	(19)	1,864

	9m			FY		
	EBIT* before one-off	Exceptionals	EBIT Adjusted	EBIT* before one-off	Exceptionals	EBIT Adjusted
Commercial Aircraft	2,226	(13)	2,213	2,780	(14)	2,766
Helicopters	241	0	241	427	0	427
Defence and Space	431	(9)	422	1,060	(9)	1,051
HQ / Elim.	(94)	(2)	(96)	(135)	(1)	(136)
Airbus	2,804	(24)	2,780	4,132	(24)	4,108

* Pre-goodwill impairment and exceptionals

GLOSSARY ON ALTERNATIVE PERFORMANCE MEASURES (APM)

The following Annual Result 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 23.
- **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.