AIRBUS

Press Release

(For its Full-Year 2016 financial reporting, Airbus has implemented the European Securities and Markets Authority's guidelines on Alternative Performance Measures. As a result, certain items will no longer be labelled 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 "pre-goodwill and exceptionals", has become less relevant. There is no change to the substance of the guidance. Terminology will change such that "EBIT* before one-offs" will be replaced by "EBIT Adjusted" and "EPS* before one-offs" will be replaced by "EPS Adjusted". Please refer to the Glossary on page 12 for definitions of the Alternative Performance Measures.)*

Airbus delivers Full-Year 2016 results in line with guidance

- Record commercial aircraft deliveries and backlog support ramp-up
- Revenues €67 bn; EBIT Adjusted €4.0 bn; EBIT (reported) €2.3 bn; EPS (reported) €1.29
- Free cash flow before M&A and customer financing € 1.4 billion
- Future earnings per share / free cash flow growth confirmed
- Proposed 2016 dividend €1.35 per share, up four percent from 2015
- A400M FY 2016 charge totals € 2.2 billion: significant EPS burden, programme remains a concern

Amsterdam, 22 February 2017 – Airbus (stock exchange symbol: AIR) reported 2016 financial results with its guidance achieved for all key performance indicators and provided an outlook for 2017.

"We have delivered on the commitments that we gave a year ago and achieved our guidance and objectives, with one exception, the A400M, where we had to take another significant charge totalling 2.2 billion euros in 2016. De-risking the programme and strengthening programme execution are our top priorities for this aircraft in 2017," said Tom Enders, Airbus Chief Executive Officer. "We recorded a net book-to-bill above one in a year we delivered more commercial aircraft than ever before. The record order backlog is supporting the ramp-up plans and our performance in 2016 shows we can deliver on that. We successfully managed the ramp-up of the single-aisle and A350 programmes while at the same time transitioning to the more efficient version of the A320. Our commercial performance in helicopters was good despite a difficult market environment and we continued to strengthen

Airbus Media Relations
2 rond-point Dewoitine
BP 90112
31703 – Blagnac Cedex
France

Email: press@airbus.com
Web: : airbusgroup.com
Follow us on twitter: twitter.com/AirbusGroup
http://www.airbusgroup.com/int/en/toolbox/RSS-Feeds.html

and reshape the defence and space portfolio. We are taking additional steps to increase efficiency through the integration project, while investments in digital transformation will further improve our competitiveness. Overall, the progress we made last year gives us confidence that we have the building blocks in place to achieve our earnings and cash flow growth potential."

Order intake(1) in 2016 totalled € 134 billion (2015: € 159 billion), with the **order book**(1) valued at € 1,060 billion as of 31 December 2016 (year-end 2015: € 1,006 billion). Net commercial aircraft orders amounted to 731 aircraft (2015: 1,080 aircraft), including 41 A350 XWBs and 83 A330s. The net book-to-bill ratio was above 1 while the order backlog reached a record 6,874 commercial aircraft at the end of the year. Net helicopter orders totalled 353 (2015: 333 net orders), including the H225M for Singapore and the UK Military Flying Training System contract. Defence and Space achieved a book-to-bill above 1 with strong order momentum in military aircraft and in satellites. Key orders included 16 C295W search and rescue planes for Canada and the Eurofighter sustainment and support contracts.

Group **revenues** increased three percent to € 67 billion (2015: € 64 billion). Revenues in Commercial Aircraft rose seven percent, reflecting the record deliveries of 688 aircraft (2015: 635 aircraft) and a favourable foreign exchange impact. Despite increased deliveries of 418 units (2015: 395 units), Helicopters' revenues were weighed down by an unfavourable mix and lower commercial flight hours in services. Defence and Space's revenues decreased nine percent, reflecting a negative impact from portfolio reshaping of about € 1 billion but were broadly stable on a comparable basis.

EBIT Adjusted – an alternative performance measure and 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 – totalled € 3,955 million (2015: € 4,108 million).

Commercial Aircraft's EBIT Adjusted increased to € 2,811 million (2015: € 2,766 million), reflecting higher A320 volumes and a 21% decline in research and development (R&D) expenses due mainly to the planned R&D ramp-down on the A350. EBIT Adjusted was

negatively impacted by the lower A330 production rate, higher A350 dilution, transition pricing and ramp-up costs.

On the A320neo programme, 68 aircraft were delivered to 17 customers. Both engine suppliers are committed to deliver in line with customer expectations. Challenges remain with the A320neo ramp-up and delivery profile, which is expected to be back-loaded in 2017.
The ambitious ramp-up target was met for the A350, with 49 aircraft delivered during 2016. Good progress was made during the year in terms of risk management and reduction of the outstanding work in the A350 Final Assembly Line. The focus remains on recurring cost convergence as the ramp-up progresses and the situation remains challenging. The supply chain has improved, although some bottlenecks remain, but the Company is on track to manage the 2017 ramp-up on the way towards the production target of 10 aircraft a month by the end of 2018. Flight testing of the A350-1000 is underway.

In Helicopters, EBIT Adjusted totalled € 350 million (2015: € 427 million), reflecting the unfavourable mix and lower commercial flight hours in services as well as the H225 accident in Norway and some campaign costs. However, the underlying performance continues to be supported by ongoing transformation measures and strong efforts to adapt to market challenges.

Defence and Space's EBIT Adjusted was € 1,002 million (2015: € 1,051 million). The good underlying performance partially mitigated the perimeter change effect from portfolio reshaping. It was supported by a strong contract mix and risk reduction as well as benefits materialised from restructuring efforts.

On the A400M programme, deliveries increased to 17 aircraft in 2016 (2015: 11 deliveries) with two delivered year-to-date in 2017. The propeller gearbox (PGB) crisis was addressed in the second half of the year with the interim fix to increase the time between inspection intervals. Capability was stepped up with the aircraft now being delivered including some tactical capability. During the second half of 2016, further challenges were encountered to meet military capability enhancements and management reassessed the industrial cost of the programme, now including an estimation of the commercial exposure. As a result of these reviews a total charge of € 2.2 billion was recorded in 2016 (including € 1.2 billion in

the fourth quarter). Cash retentions by customers will continue to weigh significantly in 2017 and 2018 in particular. Challenges remain on meeting contractual capabilities, securing sufficient export orders in time, cost reduction and commercial exposure, which could be significant. Given the size of the cumulative A400M programme loss, the Board of Directors has mandated management to re-engage with customers to cap the remaining exposure.

Group **self-financed R&D expenses** declined to € 2,970 million (2015: € 3,460 million).

EBIT (reported) of € 2,258 million (2015: € 4,062 million) included Adjustments totalling a net € -1,697 million. These Adjustments in 2016 comprised:

- A total net charge of € 2,210 million related to the A400M programme, including the incremental charge in the fourth quarter;
- A negative impact of € 930 million related to the dollar pre-delivery payment mismatch and balance sheet revaluation;
- A provision of € 182 million related to restructuring and transformation programmes;
- A net charge of € 33 million related to portfolio adjustments at Commercial Aircraft and Defence and Space;
- A net capital gain of € 1,175 million linked to the creation of Phase 2 of the Airbus Safran Launchers Joint Venture;
- A € 385 million charge on the A350 programme booked in the first half of 2016;
- A net capital gain of € 868 million booked in the first half of 2016 related to the disposal of shares in Dassault Aviation and a mark-to-market of the remaining shares.

Net income[(2)] totalled € 995 million (2015: € 2,696 million) after the EBIT Adjustments. It was also significantly impacted by negative foreign exchange effects. **Earnings Per Share** were € 1.29 (2015: € 3.43). The finance result amounted to € -967 million (2015: € -687 million).

The Board of Directors will propose to the Annual General Meeting the payment of a 2016 dividend of € 1.35 per share on 20 April 2017 (2015: € 1.30 per share). The date of record is 19 April 2017. “We intend to honour our commitment of increasing dividend per share on a sustainable basis by proposing this payment, which is about four percent higher than in 2015. The value is outside the range of the dividend policy exceptionally. It is based on our 2016

underlying performance and it demonstrates our confidence in our future operational cash generation," said Airbus Chief Financial Officer Harald Wilhelm.

Free cash flow before M&A and customer financing amounted to € 1,408 million (2015: € 1,325 million), reflecting the strong delivery performance and cash generation potential.

Free cash flow of € 3,181 million (2015: € 2,825 million) included around € -250 million in aircraft financing. The aircraft financing environment remains healthy with a high level of liquidity available in the market at good rates for Airbus' product portfolio. Support did not materialise in the fourth quarter from European Export Credit Agencies (ECAs) but Airbus continues to work with them to resume ECA-backed financing. Also included in the free cash flow is € 1.2 billion in proceeds from the sale of Dassault Aviation shares and around € 750 million from the implementation of Phase 2 of the Airbus Safran Launchers JV. In addition, around € 1.7 billion were spent on shareholder returns through the Dividend payment and the final tranche of the Share Buyback. The **net cash position** on 31 December 2016 was € 11.1 billion (year-end 2015: € 10.0[(3)] billion) with a gross cash position of € 21.6 billion (year-end 2015: € 19.1[(3)] billion).

Outlook

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 free cash flow guidance is based on a constant perimeter:

- Airbus expects to deliver more than 700 commercial aircraft.
- Before M&A, Airbus expects mid-single-digit percentage 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.

About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2016, it generated revenues of € 67 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners from 100 to more than 600 seats. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as Europe's number one space enterprise and the world's second largest space business. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

AIRBUS

Press Release

(The legal name change to Airbus SE from Airbus Group SE is still subject to the approval of the Annual General Meeting due to be held on 12 April 2017.)

Contacts for the media:

Martin Agüera +49 (0) 175 227 4369

Rod Stone +33 (0) 6 3052 1993

Note to editors: Digital Annual Press Conference / Live Webcast of the Analyst Conference Call

At 08:00 a.m. CET today, it is possible to follow Airbus' first ever **Digital Annual Press Conference** live via: www.airbusgroup.com/fy2016

You can also listen to the **Full-Year 2016 Results Analyst Conference Call** with Chief Executive Officer Tom Enders and Chief Financial Officer Harald Wilhelm at 09:30 a.m. CET today (22 February) via the Airbus website: www.airbusgroup.com/fy2016. The analyst call presentation can also be found on the company website. A recording will be made available in due course. For a reconciliation of Airbus' KPIs to "reported IFRS" please refer to the analyst presentation.

AIRBUS

Press Release

Airbus – Full-Year (FY) Results 2016

(Amounts in Euro)

Airbus	**FY 2016**	FY 2015	Change
Revenues, in millions	**66,581**	64,450	+3%
thereof defence, in millions	**11,102**	11,512	-4%
EBIT Adjusted , in millions	**3,955**	4,108	-4%
EBIT (reported), in millions	**2,258**	4,062	-44%
Research & Development expenses, in millions	**2,970**	3,460	-14%
Net Income[(2)], in millions	**995**	2,696	-63%
Earnings Per Share (EPS)	**1.29**	3.43	-62%
Free Cash Flow (FCF), in millions	**3,181**	2,825	+13%
Free Cash Flow before M&A, in millions	**1,156**	1,175	-2%
Free Cash Flow before M&A and customer financing, in millions	**1,408**	1,325	+6%
Dividend per share[(4)]	**1.35**	1.30	+4%
Order Intake[(1)], in millions	**134,480**	158,967	-15%

Airbus	**31 Dec 2016**	31 Dec 2015	Change
Order Book[(1)], in millions	**1,060,447**	1,005,864	+5%
thereof defence, in millions	**39,811**	38,411	+4%
Net Cash position, in millions	**11,113**	10,003[(3)]	+11%
Employees	**133,782**	136,574	-2%

For footnotes please refer to page 13.

by Division	Revenues			EBIT (reported)		
(Amounts in millions of Euro)	**FY 2016**	FY 2015	Change	**FY 2016**	FY 2015	Change
Commercial Aircraft	**49,237**	45,854	+7%	**1,543**	2,287	-33%
Helicopters	**6,652**	6,786	-2%	**308**	427	-28%
Defence and Space	**11,854**	13,080	-9%	**-93**	736	-
Headquarters / Eliminations	**-1,162**	-1,270	-	**500**	612	-
Total	**66,581**	64,450	+3%	**2,258**	4,062	-44%

by Division	EBIT Adjusted		
(Amounts in millions of Euro)	**FY 2016**	FY 2015	Change
Commercial Aircraft	**2,811**	2,766	+2%
Helicopters	**350**	427	-18%
Defence and Space	**1,002**	1,051	-5%
Headquarters / Eliminations	**-208**	-136	-
Total	**3,955**	4,108	-4%

by Division	Order Intake [(1)]			Order Book [(1)]		
(Amounts in millions of Euro)	**FY 2016**	FY 2015	Change	**31 Dec 2016**	31 Dec 2015	Change
Commercial Aircraft	**114,938**	139,062	-17%	**1,010,200**	952,450	+6%
Helicopters	**6,057**	6,168	-2%	**11,269**	11,769	-4%
Defence and Space	**15,393**	14,440	+7%	**41,499**	42,861	-3%
Headquarters / Eliminations	**-1,908**	-703	-	**-2,521**	-1,216	-
Total	**134,480**	158,967	-15%	**1,060,447**	1,005,864	+5%

For footnotes please refer to page 13.

AIRBUS

Press Release

Airbus – Fourth Quarter Results (Q4) 2016

(Amounts in Euro)

Airbus	**Q4 2016**	Q4 2015	Change
Revenues, in millions	**23,876**	21,485	+11%
EBIT Adjusted, in millions	**1,547**	1,328	+16%
EBIT (reported), in millions	**-98**	1,140	-
Net Income[(2)], in millions	**-816**	796	-
Earnings Per Share (EPS)	**-1.06**	1.02	-

by Division	**Revenues**			**EBIT (reported)**		
(Amounts in millions of Euro)	**Q4 2016**	Q4 2015	Change	**Q4 2016**	Q4 2015	Change
Commercial Aircraft	**17,726**	14,735	+20%	**770**	398	+93%
Helicopters	**2,370**	2,363	0%	**108**	186	-42%
Defence and Space	**4,140**	4,697	-12%	**-672**	596	-
Headquarters / Eliminations	**-360**	-310	-	**-304**	-40	-
Total	**23,876**	21,485	+11%	**-98**	1,140	-

by Division	**EBIT Adjusted**		
(Amounts in millions of Euro)	**Q4 2016**	Q4 2015	Change
Commercial Aircraft	**975**	553	+76%
Helicopters	**150**	186	-19%
Defence and Space	**566**	629	-10%
Headquarters / Eliminations	**-144**	-40	-
Total	**1,547**	1,328	+16%

For footnotes please refer to page 13.

Q4 2016 revenues increased by 11 percent, driven by the strong delivery performance in Commercial Aircraft but were weighed down by the perimeter change in Defence and Space.

Q4 2016 EBIT Adjusted increased by 16 percent, supported by the strong increase in Commercial Aircraft which mainly reflected an R&D tailwind, favourable volume, transition pricing and ramp-up costs.

Q4 2016 EBIT (reported) decreased to € -98 million. It mainly reflects negative adjustments of € -1.6 billion booked in Q4 related to a net incremental A400M charge of € -1.2 billion, approximately € -200 million related to the impact from foreign exchange resulting from the dollar pre-delivery payment mismatch and balance sheet revaluation and a net restructuring provision of € -182 million

In addition**,** the **Q4 2016 net income** was significantly impacted by negative foreign exchange effects in the other financial result

EBIT (reported) / EBIT Adjusted Reconciliation

The table below reconciles EBIT (reported) with EBIT Adjusted.

Airbus	**FY 2016**	FY 2015	Change
EBIT (reported), in millions	**2,258**	4,062	-44%
A400M business update, in millions	**-2,210**	-290	
$ PDP mismatch / Balance Sheet revaluation, in millions	**-930**	-635	-
Restructuring/Transformation, in millions	**-182**	41	-
Portfolio in Defence and Space and Commercial Aircraft, in millions	**-33**	90	-
Airbus Safran Launchers JV creation Phase 2, in millions	**1,175**	-	-
A350 business update, in millions	**-385**	-	
Dassault Aviation disposal, in millions	**868**	748	+16%
EBIT Adjusted, in millions	**3,955**	4,108	-4%

Reconciliation of EBIT (reported), EBIT Adjusted and EBIT* before one-offs

Airbus	**FY 2016**	FY 2015	Change
EBIT* before one-offs, in millions	**3,999**	4,132	-3%
Exceptionals, in millions	**-44**	-24	-
EBIT Adjusted, in millions	**3,955**	4,108	-4%
Adjustments, in millions	**-1,697**	-46	-
EBIT (reported), in millions	**2,258**	4,062	-44%

AIRBUS

Press Release

Glossary

KPI	DEFINITION
EBIT	The Company 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.
Adjustments	Adjustments, an **alternative performance measure,** is a term used by the Company 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	EBIT Adjusted – an **alternative performance measure** and 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	EPS Adjusted is an **alternative performance measure** of a basic earnings per share as reported whereby the net income as the numerator does include Adjustments. For reconciliation, see slide 23 of the Analyst presentation.
Gross cash position	The Company defines its consolidated gross cash position as the sum of (i) cash and cash equivalents and (ii) securities (as all recorded in the consolidated statement of financial position).
Net cash position	For definition of the **alternative performance measure** net cash position, see Registration Document, MD&A section 2.1.6.
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	Free cash flow before mergers and acquisitions refers to free cash flow 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	Free cash flow 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.

Footnotes:

1) Contributions from commercial aircraft activities to Order Intake and Order Book based on list prices.
2) Airbus 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.
3) Excluding the reclassification of certain securities.
4) To be proposed to the Annual General Meeting 2017.

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