

Airbus Group Achieves Record Revenues, EBIT* And Order Backlog In 2014

- Revenues increase five percent to € 60.7 billion
- Reported EBIT* up 54 percent to € 4.0 billion with a 6.7% return on sales
- Earnings per share up 61 percent to € 2.99, despite A400M charge
- Free cash flow positive at € 2.0 billion, including € 0.9 billion proceeds from divestments
- Proposed 2014 dividend € 1.20 per share, up 60% from € 0.75 in 2013
- Airbus Group targets slight increase in EBIT* before one-off in 2015
- Production rate adjustments: A320 family production up to 50 aircraft a month from Q1 2017; A330 production down to six aircraft per month from Q1 2016
- Airbus order backlog 6,386 aircraft, providing solid platform for growth

Amsterdam, 27 February 2015 – Airbus Group (stock exchange symbol: AIR) reported strong 2014 results, reflecting an improved operational performance with record commercial aircraft deliveries, revenues and order backlog.

“We achieved a significant improvement in profitability and cash generation in 2014 thanks to a record order book and strong operational performance in most areas,” said Tom Enders, Airbus Group Chief Executive Officer. “We delivered more commercial aircraft than ever before, including the first A350, and our net orders were, once again, more than twice the number of deliveries. Due to strong demand for single aisle aircraft we have decided to increase production of our A320 family to 50 aircraft per month from 2017 onwards. At the same time, we have decided to temporarily reduce A330 production to six aircraft per month in 2016. Most importantly, we confirm the A380 break-even for 2015. We are focused on tackling our various operational challenges, including the A350 and A400M ramp-up and costs, first A320neo deliveries, boosting helicopter sales, and continuing the reshaping of our defence and space portfolio.”

Group **order intake**⁽²⁾ in 2014 was € 166.4 billion (FY 2013: € 216.4 billion⁽¹⁾), with the **order book**⁽²⁾ worth a record € 857.5 billion at year-end (year-end 2013: € 680.6 billion⁽¹⁾). Airbus received 1,456 net commercial aircraft orders (FY 2013: 1,503 net orders), with a net book-to-bill ratio above 2 and a backlog of 6,386 aircraft at year-end. Net order intake at Airbus Helicopters was 369 units (FY 2013: 422 units), including a backlog adjustment of 33 NH90s. Airbus Defence and Space's

order intake by value rose four percent, driven by continuing strong momentum in space systems and good order flow in light and medium (L&M) military aircraft.

Group **revenues** increased five percent to a record € 60.7 billion (FY 2013: € 57.6 billion⁽¹⁾). Commercial Aircraft revenues rose seven percent, driven by the overall increase in deliveries to a record 629 aircraft (FY 2013: 626 deliveries) and a more favourable delivery mix including 30 A380s compared to 25 in 2013. In the fourth quarter, the first A350 XWB was delivered to Qatar Airways as planned and IAS 11 accounting standards were implemented for limited launch customer contracts. Revenues at Helicopters rose four percent, mainly driven by government programmes including the ramp-up in NH90 activity. Helicopter deliveries totalled 471 units (FY 2013: 497 units), including the successful entry-into-service (EIS) of the EC175 in the fourth quarter following the EIS of the EC145 T2 and EC135 T3 earlier in the year. Defence and Space's revenues were broadly stable, with eight A400M deliveries in total to four nations and six Ariane 5 launches during the year.

Group **EBIT* before one-off**⁽⁴⁾ – 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 – improved to € 4,066 million (FY 2013: € 3,537 million⁽¹⁾). Commercial Aircraft EBIT* before one-off increased to € 2,529 million (FY 2013: € 2,214 million⁽¹⁾), reflecting a solid underlying performance. Helicopters' EBIT* before one-off rose slightly to € 413 million (FY 2013: € 397 million), despite higher research and development (R&D) expenses and a less favourable revenue mix. Defence and Space's EBIT* before one-off was stable at € 920 million (FY 2013: € 911 million⁽¹⁾). Group **self-financed R&D** expenses totalled € 3,391 million (FY 2013: € 3,118 million⁽¹⁾). Group EBIT* before one-off return on sales improved to 6.7 percent (FY 2013: 6.1 percent⁽¹⁾).

Reported EBIT*⁽⁴⁾ increased 54 percent to € 4,040 million (FY 2013: €2,624 million⁽¹⁾) with a low level of net one-offs amounting to € -26 million in total, composed of:

- A fourth quarter net charge of € 551 million due to delays on the A400M programme as outlined in the nine month 2014 results. The sequence of progressive military enhancements and associated deliveries are under negotiation with customers to reflect the revised programme baseline and delivery schedule. In the last quarter of 2014, management reviewed the programme evolution mostly driven by military functionality challenges and industrial ramp-up together with associated mitigation actions. Significant

management actions have been launched to secure future deliveries and the programme continues to be closely monitored;

- A positive € 142 million contribution from the dollar pre-delivery payment mismatch and balance sheet revaluation;
- A total of € 383 million in capital gains linked to the divestment of eight percent of the company's Dassault Aviation participation and the sale of the stake in Patria.

In January 2015, Airbus Group and Safran completed the initial phase of the integration of their respective space launcher businesses. The Airbus Safran Launchers Joint Venture has now entered its operational phase and will focus primarily on the development of the new Ariane 6 launcher and the continuation of production of Ariane 5 launchers. In the second phase, all remaining activities and industrial assets of Airbus Group and Safran dealing with civil space launchers and military launchers will be integrated into the Joint Venture. Given the relative size of the businesses to be contributed by Airbus Group and Safran respectively, an economic compensation of € 800 million will be made by Safran to Airbus Group in order to attain the 50/50 shareholding in the Joint Venture in the second phase. Key terms and conditions of the implementation of the second phase, including usual adjustments notably regarding working capital positions and the nature and timing of the compensation, are still to be finalized between the parties. The implied multiple for the activities contributed to the JV by Airbus Defence and Space is 12x 2014 EBITA⁽⁷⁾.

Net income⁽⁵⁾ rose to € 2,343 million (FY 2013: € 1,473 million⁽¹⁾), while **earnings per share (EPS)** increased to € 2.99 (FY 2013: € 1.86⁽¹⁾). Net income and EPS increased strongly despite the finance result of € -778 million (FY 2013: € -610 million⁽¹⁾), which included a negative foreign exchange valuation of € 341 million linked to the weakening of the euro in the fourth quarter.

Free cash flow before mergers and acquisitions improved significantly to € 1,109 million (FY 2013: € -811 million⁽¹⁾), reflecting a strong fourth quarter performance and efforts to improve cash flow across the Group during the year and proceeds from divestments further boosted **free cash flow** to € 2,002 million (FY 2013: € -827 million). The **net cash position** at the end of 2014 was € 9.1 billion (year-end 2013: € 8.5 billion⁽¹⁾) after the 2013 dividend payment of € 587 million and € 462 million pension plan contribution. The gross cash position on December 31, 2014 was € 16.4 billion.

Based on EPS of € 2.99, Airbus Group's Board of Directors will propose to the Annual General Meeting the payment of a 2014 dividend of € 1.20 per share on 3 June 2015 (FY 2013:

€ 0.75 per share). The record date shall be 2 June 2015. “To reflect the good financial progress we made last year and the outlook for 2015, we are proposing a payment in line with the top end of our stated dividend policy. At € 1.20 per share, it implies growth of 60 percent compared to 2013 and a payout ratio of 40 percent,” said Harald Wilhelm, Airbus Group Chief Financial Officer.

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, the Airbus Combination and the formation of MBDA, 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 **Full-Year 2014 Results Analyst Conference Call** today at 10:30 a.m. CET with Chief Executive Officer Tom Enders and Chief Financial Officer Harald Wilhelm via the Airbus Group website: www.airbusgroup.com. Please click on the front page banner. A recording of the call will be made available in due course.

For further information about the Press Conference on the Annual Results 2014 and the live webcast starting at 08:30 a.m. CET go to www.airbusgroup.com/APC2015.

Airbus Group – Full-Year (FY) Results 2014

(Amounts in euro)

Airbus Group	FY 2014	FY 2013 ⁽¹⁾	Change
Revenues , in millions	60,713	57,567	+5%
thereof defence, in millions	10,993	10,791	+2%
EBITDA ⁽³⁾ , in millions	6,147	4,497	+37%
EBIT before one-offs ⁽⁴⁾ , in millions	4,066	3,537	+15%
EBIT ⁽⁴⁾ , in millions	4,040	2,624	+54%
Research & Development expenses , in millions	3,391	3,118	+9%
Net Income ⁽⁵⁾ , in millions	2,343	1,473	+59%
Earnings Per Share (EPS) ⁽⁵⁾	2.99	1.86	+61%
Free Cash Flow (FCF) , in millions	2,002	-827	-
Free Cash Flow before M&A , in millions	1,109	-811	-
Free Cash Flow before Customer Financing , in millions	1,894	-508	-
Dividend per share ⁽⁶⁾	1.20	0.75	+60%
Order Intake ⁽²⁾ , in millions	166,430	216,418	-23%

Airbus Group	31 Dec 2014	31 Dec 2013 ⁽¹⁾	Change
Order Book ⁽²⁾ , in millions	857,519	680,560	+26%
thereof defence, in millions	42,240	42,630	-1%
Net Cash position , in millions	9,092	8,454	+8%
Employees	138,622	138,404	0%

For footnotes please refer to page 8.

by Division	Revenues			EBIT ⁽⁴⁾		
	(Amounts in millions of Euro)	FY 2014	FY 2013 ⁽¹⁾	Change	FY 2014	FY 2013 ⁽¹⁾
Commercial Aircraft	42,280	39,494	+7%	2,671	1,593	+68%
Helicopters	6,524	6,297	+4%	413	397	+4%
Defence and Space	13,025	13,121	-1%	409	659	-38%
Headquarters / Eliminations / Others	-1,116	-1,345	-	547	-25	-
Total	60,713	57,567	+5%	4,040	2,624	+54%

by Division	Order Intake ⁽²⁾			Order Book ⁽²⁾		
	(Amounts in millions of Euro)	FY 2014	FY 2013 ⁽¹⁾	Change	31 Dec 2014	31 Dec 2013 ⁽¹⁾
Commercial Aircraft	150,085	199,261	-25%	803,633	625,595	+28%
Helicopters	5,469	5,775	-5%	12,227	12,420	-2%
Defence and Space	12,225	11,808	+4%	43,075	43,208	0%
Headquarters / Eliminations / Others	-1,349	-426	-	-1,416	-663	-
Total	166,430	216,418	-23%	857,519	680,560	+26%

For footnotes please refer to page 8.

Airbus Group – Fourth Quarter Results (Q4) 2014

Airbus Group	Q4 2014	Q4 2013 ⁽¹⁾	Change
Revenues , in millions	20,216	18,620	+9%
EBIT before one-offs ⁽⁴⁾ , in millions	1,476	1,217	+21%
EBIT ⁽⁴⁾ , in millions	1,457	493	+196%
Net Income ⁽⁵⁾ , in millions	944	270	+250%
Earnings Per Share (EPS) ⁽⁵⁾	1.21	0.34	+256%

by Division	Revenues			EBIT ⁽⁴⁾		
	Q4 2014	Q4 2013 ⁽¹⁾	Change	Q4 2014	Q4 2013 ⁽¹⁾	Change
(Amounts in millions of Euro)						
Commercial Aircraft	13,460	12,166	+11%	898	70	+1,183%
Helicopters	2,264	2,165	+5%	172	180	-4%
Defence and Space	4,828	4,739	+2%	39	303	-87%
Headquarters / Eliminations / Others	-336	-450	-	348	-60	-
Total	20,216	18,620	+9%	1,457	493	+196%

Q4 2014 revenues increased nine percent compared to the fourth quarter of 2013, reflecting higher volume and favourable foreign exchange effects.

Q4 EBIT* increased sharply to € 1,457 million, driven by the improved Commercial Aircraft performance. Furthermore, in Q4 2013 a negative charge of € 434 million was recorded on the A350 XWB programme while Q4 2014 included a positive one-off linked to foreign exchange of € 149 million.

For footnotes please refer to page 8.

Footnotes:

- 1) The 2013 figures have been restated to reflect the application of IFRS 10 and 11. Wherever necessary, Divisional figures are also restated to reflect the new Group structure as of 1 January 2014.
- 2) Contributions from commercial aircraft activities to Order Intake and Order Book based on list prices.
- 3) Earnings before interest, taxes, depreciation, amortisation and exceptionals.
- 4) Earnings before interest and taxes, pre goodwill impairment and exceptionals.
- 5) Airbus Group continues to use the term Net Income. It is identical with Profit for the period attributable to equity owners of the parent as defined by IFRS Rules.
- 6) To be proposed to the Annual General Meeting 2015.
- 7) Earnings before interest, taxes and amortisation of intangibles.

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 4 April 2014. For more information, please refer to www.airbusgroup.com.