

Airbus reports strong Full-Year 2018 results, delivers on guidance

- Strong 2018 performance, guidance delivered
- Revenues € 64 billion; EBIT Adjusted € 5.8 billion; Free Cash Flow Before M&A and Customer Financing € 2.9 billion
- EBIT (reported) € 5.0 billion; EPS (reported) € 3.94
- A380 deliveries to cease in 2021
- A400M programme re-baselining negotiated
- 2018 dividend proposal € 1.65 per share, up 10% from 2017
- 2019 guidance confirms growth trajectory

Amsterdam, 14 February 2019 – Airbus SE (stock exchange symbol: AIR) reported strong Full-Year (FY) 2018 consolidated financial results and delivered on its guidance for all key performance indicators.

“Though 2018 had plenty of challenges for us, we delivered on our commitments with record profitability thanks to a strong operational performance, particularly in Q4,” said Airbus Chief Executive Officer Tom Enders. “With an order backlog of around 7,600 aircraft, we intend to ramp-up aircraft production even further. However, due to the lack of airline demand we have to wind down production of the A380. This is largely reflected in the 2018 numbers. On A400M, we succeeded in re-baselining the programme with our government customers and their domestic approval processes should conclude in the coming months. All in all, we have achieved significant de-risking of the A400M in 2018. The strength of last year’s achievements is reflected in our record dividend proposal. In sum, Airbus stands on a solid growth trajectory and our helicopter, defence and space businesses are also in good shape as the new management team under my successor Guillaume Faury gets ready to take over.”

As of 1 July 2018, the A220 aircraft programme has been consolidated into Airbus.

Net commercial aircraft orders totalled 747 (2017: 1,109 aircraft), including 40 A350 XWBs, 27 A330s and 135 A220s. Showing the underlying health of the market, the order backlog reached an industry record of 7,577 commercial aircraft at year-end, including 480 A220s.⁽⁴⁾

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Net helicopter orders increased to 381 units (2017: 335 units) with a book-to-bill ratio above 1 in terms of both value and units. Order intake included 15 H160 and 29 NH90 helicopters. Airbus Defence and Space's 2018 order intake of around € 8.4 billion included the Eurofighter for Qatar, four A330 MRTT tanker aircraft and two new generation telecommunication satellites.

Consolidated **order intake**⁽⁴⁾ in 2018 totalled € 55.5 billion with the consolidated **order book**⁽⁴⁾ valued at € 460 billion on 31 December 2018 under IFRS 15.

Consolidated **revenues** increased to € 63.7 billion (2017: € 59.0 billion⁽¹⁾), mainly reflecting the record commercial aircraft deliveries. At Airbus, a total of 800 commercial aircraft were delivered (2017: 718 aircraft), comprising 20 A220s, 626 A320 Family, 49 A330s, 93 A350s and 12 A380s. Airbus Helicopters delivered 356 units (2017: 409 units) with revenues stable year-on-year on a comparable basis despite the lower deliveries. Higher revenues at Airbus Defence and Space were supported by its Space Systems and Military Aircraft activities.

Consolidated **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, restructurings or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses – totalled € 5,834 million (2017: € 3,190 million⁽¹⁾), reflecting the strong operational performance and programme execution across the Company.

Airbus' EBIT Adjusted increased to € 4,808 million (2017: € 2,383 million⁽¹⁾) reflecting the higher aircraft deliveries. The strong improvement compared to 2017 is driven by progress on the learning curve and pricing for the A350 as well as the A320neo ramp-up and pricing premium. Currency hedging rates also contributed favourably.

On the A220 programme, the focus remains on commercial momentum, the production ramp-up and cost reduction. A320neo Family deliveries increased to 386 aircraft (2017: 181 aircraft) and represented over 60% of overall A320 Family deliveries during 2018. The first long-range A321LR was delivered in the fourth quarter. Deliveries of the Airbus Cabin Flex version of the A321 are expected to increase in 2019 although the ramp-up will remain challenging. Further upgrades of the Pratt & Whitney GTF engine for the A320neo are due to arrive in 2019. Airbus continues to monitor in-service engine performance. Overall, the A320 programme is on track to reach the monthly targeted production rate of 60 aircraft by mid-

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2019 with rate 63 targeted in 2021. On the A330neo programme, the first A330-900s were delivered and the smaller A330-800 conducted its maiden flight in the final quarter of 2018. In 2019, A330neo deliveries are due to ramp-up. Airbus is working closely with its A330neo engine partner to deliver on customer commitments.

Following a review of its operations, Emirates is reducing its A380 orderbook by 39 aircraft with 14 A380s remaining in the backlog yet to be delivered to Emirates. As a consequence of this decision and given the lack of order backlog with other airlines, deliveries of the A380 will cease in 2021. The recognition of the onerous contract provision as well as other specific provisions and the remeasurement of the liabilities have led to a negative impact on EBIT of € -463 million and a positive impact on the other financial result of € 177 million.

A350 deliveries increased compared to 2017 and included 14 of the larger A350-1000s. The programme reached rate 10 in the fourth quarter of 2018. The backlog supports this rate going forward, including the latest commercial discussions with Etihad to reduce its A350 order by 42 A350-900, leaving 20 A350-1000 for Etihad in the backlog. Airbus will continue to improve the A350 programme's performance to reach breakeven in 2019 and improve margins beyond this.

Airbus Helicopters' EBIT Adjusted increased to € 380 million (2017: € 247 million⁽¹⁾), reflecting higher Super Puma Family deliveries, a favourable mix and solid underlying programme execution.

Airbus Defence and Space's EBIT Adjusted totalled € 935 million (2017: € 815 million⁽¹⁾), mainly reflecting solid programme execution.

On the A400M programme, 17 aircraft were delivered during the year (2017: 19 aircraft). Airbus continued with development activities toward achieving the revised capability roadmap. Retrofit activities are progressing in line with the customer agreed plan. The customer Nations are now set to pursue their domestic approval processes. An update of the contract estimate at completion triggered a net additional charge of € -436 million on the programme. This mainly reflects the outcome of the negotiations and updated estimates on the export scenario, escalation and some cost increases. Risks remain on the development of technical capabilities and the associated costs, on securing sufficient export orders in time, on aircraft operational reliability in particular with regards to engines, and on cost reductions as per the revised baseline.

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Consolidated **self-financed R&D expenses** totalled € 3,217 million (2017: € 2,807 million).

Consolidated **EBIT** (reported) amounted to € 5,048 million (2017: € 2,665 million⁽¹⁾), including Adjustments totalling a net € -786 million. These Adjustments comprised:

- The net negative impact of € -463 million related to the A380 programme;
- The net additional charge of € -436 million for the A400M programme;
- A negative € -123 million related to compliance costs;
- A positive € 188 million related to Mergers and Acquisitions, including the sale of Airbus DS Communications, Inc. business in the first quarter;
- A positive € 129 million relating to the dollar pre-delivery payment mismatch and balance sheet revaluation;
- A negative € -81 million related to other costs.

Consolidated **net income**⁽²⁾ of € 3,054 million (2017: € 2,361 million⁽¹⁾) and **earnings per share** of € 3.94 (2017: € 3.05⁽¹⁾) included a negative impact from the financial result, mainly driven by the evolution of the US dollar and revaluation of financial instruments. The other financial result also included the positive adjustment of € 177 million from the A380. The finance result was € -763 million (2017: € +1,161 million⁽¹⁾).

Consolidated **free cash flow before M&A and customer financing** was stable at € 2,912 million (2017: € 2,949 million) including the A220 dilution, supported by the earnings performance and record deliveries. Consolidated **free cash flow** of € 3,505 million (2017: € 3,735 million) included around € 0.5 billion related to M&A activities. The consolidated **net cash position** on 31 December 2018 was stable at € 13.3 billion (year-end 2017: € 13.4 billion) after the 2017 dividend payment of € 1.2 billion and pension funding of € 2.5 billion, including € 1.3 billion in the fourth quarter. The gross cash position was € 22.2 billion (year-end 2017: € 24.6 billion).

The Board of Directors will propose to the Annual General Meeting the payment of a 2018 **dividend** of € 1.65 per share on 17 April 2019 (2017: € 1.50 per share). This reflects the strength of the 2018 achievements. The date of record is 16 April 2019.

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Outlook

As the basis for its 2019 guidance, the Company expects the world economy and air traffic to grow in line with prevailing independent forecasts, which assume no major disruptions.

The 2019 earnings and Free Cash Flow guidance is before M&A.

- Airbus targets 880 to 890 commercial aircraft deliveries in 2019.
- On that basis:

Airbus expects to deliver an increase in EBIT Adjusted of approximately +15% compared to 2018 and FCF before M&A and Customer Financing of approximately € 4 billion.

About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2018 it generated revenues of € 64 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as one of the world's leading space companies. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

Airbus contacts

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

At 07:45 CET today, you can listen to the **Full-Year 2018 Results Analyst Conference Call** with **Chief Executive Officer Tom Enders, Chief Financial Officer Harald Wilhelm** and **President Airbus Commercial Aircraft Guillaume Faury** via www.airbus.com. 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.

The **Annual Press Conference** on the 2018 Results starts at 09:45 a.m. CET and is also webcast live at www.airbus.com.

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Airbus Consolidated – Full-Year (FY) Results 2018

(Amounts in Euro)

| Airbus Consolidated | FY 2018 | FY 2017 | Change |
|---|---------------|-----------------------|--------|
| Revenues , in millions | 63,707 | 59,022 ⁽¹⁾ | +8% |
| thereof defence, in millions | 9,903 | 9,815 ⁽¹⁾ | +1% |
| EBIT Adjusted , in millions | 5,834 | 3,190 ⁽¹⁾ | +83% |
| EBIT (reported) , in millions | 5,048 | 2,665 ⁽¹⁾ | +89% |
| Research & Development expenses , in millions | 3,217 | 2,807 | +15% |
| Net Income ⁽²⁾ , in millions | 3,054 | 2,361 ⁽¹⁾ | +29% |
| Earnings Per Share (EPS) | 3.94 | 3.05 ⁽¹⁾ | +29% |
| Free Cash Flow (FCF) , in millions | 3,505 | 3,735 | - |
| Free Cash Flow before M&A , in millions | 2,991 | 2,849 | - |
| Free Cash Flow before M&A and Customer Financing , in millions | 2,912 | 2,949 | - |
| Dividend per share ⁽³⁾ | 1.65 | 1.50 | +10% |
| Order intake ⁽⁴⁾ | 55,521 | N/A | N/A |

| Airbus Consolidated | 31 Dec 2018 | 31 Dec 2017 | Change |
|--|----------------|-------------|--------|
| Order Book ⁽⁴⁾ , in millions | 459,525 | N/A | N/A |
| thereof defence, in millions | 39,312 | N/A | N/A |
| Net Cash position , in millions | 13,281 | 13,391 | -1% |
| Employees | 133,671 | 129,442 | +3% |

For footnotes please refer to page 11.

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| By Business Segment | Revenues | | | EBIT (reported) | | | |
|----------------------------|-------------------------------|---------------|------------------------|-----------------|--------------|------------------------|--------|
| | (Amounts in millions of Euro) | FY 2018 | FY 2017 ⁽¹⁾ | Change | FY 2018 | FY 2017 ⁽¹⁾ | Change |
| Airbus | | 47,970 | 43,486 | +10% | 4,295 | 2,257 | +90% |
| Airbus Helicopters | | 5,934 | 6,335 | -6% | 366 | 247 | +48% |
| Airbus Defence and Space | | 11,063 | 10,596 | +4% | 676 | 462 | +46% |
| Transversal & Eliminations | | -1,260 | -1,395 | - | -289 | -301 | - |
| Total | | 63,707 | 59,022 | +8% | 5,048 | 2,665 | +89% |

| By Business Segment | EBIT Adjusted | | | |
|----------------------------|-------------------------------|--------------|------------------------|--------|
| | (Amounts in millions of Euro) | FY 2018 | FY 2017 ⁽¹⁾ | Change |
| Airbus | | 4,808 | 2,383 | +102% |
| Airbus Helicopters | | 380 | 247 | +54% |
| Airbus Defence and Space | | 935 | 815 | +15% |
| Transversal & Eliminations | | -289 | -255 | - |
| Total | | 5,834 | 3,190 | +83% |

| By Business Segment | Order Intake (net) | | | Order Book | | | |
|---|-------------------------------|---------------|---------|------------|----------------------------|-------------|--------|
| | (Amounts in millions of Euro) | FY 2018 | FY 2017 | Change | 31 Dec 2018 ⁽⁴⁾ | 31 Dec 2017 | Change |
| Airbus, in units | | 747 | 1,109 | -33% | 7,577 | 7,265 | +4% |
| Airbus, in millions of Euro | | 41,519 | N/A | N/A | 411,659 | N/A | N/A |
| Airbus Helicopters, in units | | 381 | 335 | +14% | 717 | 692 | +4% |
| Airbus Helicopters, in millions of Euro | | 6,339 | N/A | N/A | 14,943 | N/A | N/A |
| Airbus Defence and Space, in millions of Euro | | 8,441 | N/A | N/A | 35,316 | N/A | N/A |

For footnotes please refer to page 11.

Airbus Consolidated – Fourth Quarter (Q4) Results 2018

(Amounts in Euro)

| Airbus Consolidated | Q4 2018 | Q4 2017 ⁽¹⁾ | Change |
|---|---------|------------------------|--------|
| Revenues, in millions | 23,286 | 21,015 | +11% |
| EBIT Adjusted, in millions | 3,096 | 1,982 | +56% |
| EBIT (reported), in millions | 2,365 | 992 | +138% |
| Net Income ⁽²⁾ , in millions | 1,601 | 963 | +66% |
| Earnings Per Share (EPS) | 2.06 | 1.24 | +66% |

| By Business Segment | Revenues | | | EBIT (reported) | | |
|-------------------------------|---------------|------------------------|-------------|-----------------|------------------------|--------------|
| | Q4 2018 | Q4 2017 ⁽¹⁾ | Change | Q4 2018 | Q4 2017 ⁽¹⁾ | Change |
| (Amounts in millions of Euro) | | | | | | |
| Airbus | 17,492 | 15,907 | +10% | 2,057 | 1,478 | +39% |
| Airbus Helicopters | 2,179 | 2,138 | +2% | 187 | 86 | +117% |
| Airbus Defence and Space | 4,012 | 3,544 | +13% | 197 | -427 | - |
| Transversal & Eliminations | -397 | -574 | - | -76 | -145 | - |
| Total | 23,286 | 21,015 | +11% | 2,365 | 992 | +138% |

| By Business Segment | EBIT Adjusted | | |
|-------------------------------|---------------|------------------------|-------------|
| | Q4 2018 | Q4 2017 ⁽¹⁾ | Change |
| (Amounts in millions of Euro) | | | |
| Airbus | 2,468 | 1,577 | +56% |
| Airbus Helicopters | 178 | 86 | +107% |
| Airbus Defence and Space | 526 | 418 | +26% |
| Transversal & Eliminations | -76 | -99 | - |
| Total | 3,096 | 1,982 | +56% |

For footnotes please refer to page 11.

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Q4 2018 revenues increased by 11%, mainly driven by higher commercial aircraft deliveries and higher revenues at Airbus Defence and Space.

Q4 2018 EBIT Adjusted increased by 56%, mainly driven by progress on the A350 XWB programme, A320 ramp-up, and favourable foreign exchange.

Q4 2018 EBIT (reported) increased by 138% to € 2,365 million. It reflected net negative Adjustments of € -731 million booked in the quarter. Net Adjustments in the fourth quarter of 2017 amounted to a net € -990 million.

Q4 2018 Net Income increased 66% mainly driven by the higher EBIT. It was lowered by the finance result of € -350 million from the evolution of the US dollar and revaluation of financial instruments. In Q4 2017, the finance result was positive at € 1,060 million.

EBIT (reported) / EBIT Adjusted Reconciliation

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

| Airbus Consolidated | FY 2018 |
|--|--------------|
| EBIT (reported) , in millions of Euro | 5,048 |
| thereof: | |
| A380 , in millions of Euro | -463 |
| A400M provision , in millions of Euro | -436 |
| Compliance costs , in millions of Euro | -123 |
| Mergers and acquisitions , in millions of Euro | +188 |
| \$ PDP mismatch/Balance Sheet revaluation , in millions of Euro | +129 |
| Others , in millions of Euro | -81 |
| EBIT Adjusted , in millions of Euro | 5,834 |

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Glossary

| KPI | DEFINITION |
|--|---|
| EBIT | The Company continues to use the term EBIT (Earnings before interest and taxes). It is identical to Profit before finance result and income taxes as defined by IFRS Rules. |
| Adjustment | Adjustment, 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 | The Company 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, restructurings 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 basic earnings per share as reported whereby the net income as the numerator does include Adjustments. For reconciliation, see slide 20 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 2.1.3. |
| FCF | For the definition of the alternative performance measure free cash flow, see Registration Document, MD&A section 2.1.3. 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 key indicator that reflects free cash flow excluding those cash flows resulting from acquisitions and disposals 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) Where applicable, 2017 figures have been restated to reflect the adoption of the IFRS 15 accounting standard and new segment reporting as of 1 January, 2018. The new segment reporting reflects the merger of Headquarters into Airbus. Where applicable, 'Airbus' refers to commercial aircraft and the integrated functions while 'Airbus Consolidated' or 'the Company' refers to Airbus SE.
- 2) Airbus SE 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) To be proposed to the Annual General Meeting on 10 April 2019.
- 4) The order backlog and order intake is measured under IFRS 15. The unit backlog reflects the contractual view. The backlog value now reflects the assessment of recoverability and net transaction price on airframe and engine. The 2017 backlog is not being restated.

Safe Harbour Statement:

This press release 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' 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 SE'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 the Airbus SE "Registration Document" dated 28 March 2018, including the Risk Factors section.

Any forward-looking statement contained in this press release speaks as of the date of this press release. Airbus SE undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

IFRS 15

The Company has adopted the IFRS 15 standard as of 1 January 2018. 2017 figures are pro-forma, amended with IFRS 15 restatement and new segment reporting.