

Positioned for growth



Denis Ranque
Chairman of the Board



Board Members conducted a number of site visits in 2018

Dear shareholders, Dear stakeholders,

The aerospace and defence industry is preparing for a new era when digital technology will help transform engineering and manufacturing operations. At Airbus, the search for a new generation of enterprising leaders continued this year to prepare us for the challenges of the next decade.

Therefore 2018 was an exceptionally busy year for your Board and the Remuneration, Nomination and Governance Committee as we interviewed and selected a new core management team. As we already announced, the Board unanimously selected Guillaume Faury as our new CEO after a thorough examination of the potential candidates. Guillaume is due to assume his post after the Annual General Meeting on 10 April 2019, subject to shareholders' approval.

He is joined by Dominik Asam as Chief Financial Officer, one of the most respected CFOs in the German DAX 30. In two other

key appointments, we selected Michael Schöllhorn as Chief Operating Officer for commercial aircraft, bringing expertise in digitalisation, end-to-end process optimisation and supply chain management, and Philippe Mhun as Chief Programmes and Services Officer for commercial aircraft, bringing his experience in airline operations and aircraft programmes. Earlier in the year, we appointed Grazia Vittadini as Chief Technology Officer and Bruno Even took over from Guillaume Faury as CEO of Airbus Helicopters.

The Board supported management in the running of the business. Despite significant operational challenges, we delivered a record number of commercial aircraft in 2018 and this was reflected in the strong overall financial performance. Within Airbus Helicopters, the first serial H160 took to the skies and in Defence we signed an initial agreement on Europe's Future Combat Air System and concluded negotiations on the A400M contract amendment with our government customers, prior to their domestic approval processes.

“The Board supported management in the running of the business...We are well positioned to harvest the rewards of our new products and services.”

The year also saw the completion of Airbus' purchase of a majority stake in the former 'C Series' aircraft programme, which we re-launched as the A220. This aircraft is an important complement to our commercial product range and will benefit from Airbus' commercial and industrial contribution.

Turning to digitalisation, after thorough preparation we are now looking to further industrialise our digital concepts to make our operations increasingly efficient. Already, we have seen the great potential for digitalisation in our industry with the Skywise data platform.

Our site visits for the Board included the Final Assembly Line Asia in Tianjin and the Skywise campus in Toulouse. As Chairman, I also took the opportunity to engage with some of our institutional shareholders and answer analysts' questions on our governance and hear their views.

Our Ethics and Compliance Committee was also fully occupied, overseeing the development of a state-of-the-art compliance programme and a zero-tolerance compliance culture across Airbus. It also monitored closely the investigations in full cooperation with judiciary authorities. During the year, the Company also implemented its Responsibility and Sustainability Charter.

As I indicated last year, Tom Enders, our current CEO, decided to leave on the expiry of his mandate in April 2019. Harald Wilhelm, our current CFO, has since opted to leave around the same time in agreement with the Board. I would like to thank Tom, Harald and the outgoing management team for their numerous achievements in the development of your Company, and also its deep

transformation through the introduction of our new shareholding and governance structures, and the integration of Airbus Commercial Aircraft and Airbus Group. During Tom and Harald's tenure we also saw the introduction of a dividend policy by the Board.

At Board level, we welcomed three new Directors in the year: Victor Chu, Jean-Pierre Clamadieu and René Obermann, who are bringing their diverse skills and experience to the Board. At the 2019 AGM we will propose the renewal of mandates of three current Board Members, namely Catherine Guillouard, Claudia Nemat and Carlos Tavares, who have all proven their added value and given a strong contribution over the last three years.

Reflecting the strength of the 2018 achievements, the Board proposes to the Annual General Meeting a dividend of € 1.65 per share (2017: € 1.50).

In summary, I believe – and am sure my Board colleagues will agree – that we are well positioned to harvest the rewards of our new products and services. I would like to thank our employees for their continued 'Passion for progress' that has made these accomplishments possible, and all our stakeholders for their faith in the Board and management. Our diligent selection of a new management team has primed Airbus for the decade ahead. We look forward to Airbus pioneering an era of technology-driven change.

Denis Ranque
Chairman of the Board

Dividend policy

The dividend policy demonstrates our strong commitment to shareholders' returns. We target sustainable growth in our dividend within a payout ratio of 30-40%.

Dividend (€ per share)

2016	1.35
2017	1.50
2018	1.65*

* To be proposed to the 2019 AGM

1.65 per share

Dividend to be paid on 17 April 2019, subject to shareholder approval



For more information on governance see our Information Document