Passion for progress
Every day, we use our passion for progress to address today and tomorrow’s challenges.

From developing new and more efficient products, to how we can harness the power of data to deliver insight-based solutions, through to pioneering disruptive innovations that will help shape the future of aerospace.
Who we are
Airbus is an international pioneer in the aerospace industry. We are a leader in designing, manufacturing and delivering aerospace products, services and solutions to customers on a global scale.

We aim for a better-connected, safer and more prosperous world.

Introduction to our reporting

Overview

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Finding what you need online
Our Quick Read has a concise summary of our annual report, highlighting strategy, performance as well as key highlights of the year. It also includes video content. https://annualreport.airbus.com/

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 ‘the Company’ refers to Airbus SE together with its subsidiaries.

Order backlog and order intake are now 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 has not been restated.

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
In 2018, our passion for progress helped us to achieve several key milestones.

It was a year of solid performance, with the Company’s guidance achieved or exceeded for all key performance indicators.

### Financial

- **Revenues (€ billion)**
  - 2018: 63.7
  - 2017: 59.0 (Restated for IFRS 15)
  - Increase: 8%

- **EBIT reported (€ billion)**
  - 2018: 5.0
  - 2017: 2.7 (Restated for IFRS 15)
  - Increase: 89%

- **Earnings per share (€)**
  - 2018: 3.94
  - 2017: 3.05 (Restated for IFRS 15)
  - Increase: 29%

- **Free cash flow before M&A and customer financing (€ billion)**
  - 2018: 2.9
  - 2017: 2.9
  - Increase: 0%

- **Dividend per share (€)**
  - 2018: 1.65
  - 2017: 1.50
  - Increase: 10%

- **Self-financed R&D investment (€ billion)**
  - 2018: 3.2
  - 2017: 2.8
  - Increase: 15%

### Non-Financial

- **Direct & Indirect air emissions (tonnes CO₂)**
  - 2018: 965,633
  - 2017: 1,013,101

- **Total energy consumption (MWh)**
  - 2018: 3,962,484
  - 2017: 4,098,475

- **Number of training hours (over)**
  - October 2017 to September 2018
  - 2018: 1,300,000
  - 2017: 84,273 (Restated for IFRS 15)

- **Ethics and Compliance (digital training sessions)**
  - 2018: 204,667
  - 2017: 84,273

- **Health and Safety training hours (to 30,800 employees)**
  - October 2017 to September 2018
  - 2018: 137,000
  - 2017: 84,273

- **Patents held worldwide (circa)**
  - 2018: 37,000

---

* Restated for IFRS 15

** To be proposed to the 2019 AGM
Operational

Deliveries in 2018

800
Commercial aircraft (2017: 718)

356
Helicopters (2017: 409)

17
A400M aircraft (2017: 19)

A220 Family
In July, we integrated the A220 into the Airbus aircraft family. These single-aisle aircraft operate in the 100-150 seat market segment that is expected to represent at least 7,000 aircraft over the next 20 years. Between 1 July and 31 December, we received 135 net orders for the A220.

European Service Module
In November, we delivered the first European Service Module (ESM) for NASA's Orion spacecraft. The ESM is a key element of Orion, the next-generation spacecraft that will ultimately transport astronauts beyond low Earth orbit. We are the prime contractor for development and manufacturing of the first ESM.

A400M programme
In February 2018, we signed a Declaration of Intent with the Launch Customer Nations for our A400M. Subsequent to this, we succeeded in re-baselining the programme with the government customers subject to their domestic approval processes.

H160
During the year, we progressed further with the flight testing programme and industrial maturity of our latest H160 helicopter model and received the initial orders. The first serial version took to the skies.

Future Combat Air System
In April 2018, we signed a landmark agreement with Dassault Aviation to jointly develop and produce Europe's Future Combat Air System (FCAS), which is slated to complement and eventually replace current generation Eurofighter and Rafale aircraft. FCAS defines a system of systems that combines fighter jets, drones and other defence systems.
We are a global leader in aeronautics, space, and related services

Airbus SE

Revenues (€ million)

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<th>2018</th>
<th>2017</th>
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<td></td>
<td>€63,707</td>
<td>€59,022*</td>
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External revenue split

- Airbus: 74%
- Airbus Helicopters: 9%
- Airbus Defence and Space: 17%

*Restated for IFRS 15

Our global network

- 133,671 Employees
- 180 Locations
- ...and a network of 12,000 direct suppliers

Order book in value by region

- Asia Pacific: 30%
- Europe: 28%
- North America: 19%
- Middle East: 8%
- Latin America: 6%
- Other: 9%

€ 460 billion

Airbus

Offers the most comprehensive range of passenger airliners.

800

Number of commercial aircraft deliveries

(2018)

EBIT Adjusted (€ million)

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<th>2018</th>
<th>2017</th>
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<td>€4,808</td>
<td>€2,383*</td>
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*Restated for IFRS 15

Airbus – Value Drivers

- World passenger air traffic: expected to grow at 4.4% per year between 2018 & 2037, supporting strong aircraft demand**
- Around 37,400 new aircraft deliveries expected between 2018 and 2037**
- Continuous innovation: In 2018, entry-into-service of A321LR, A330neo, A350-900 ULR and A350-1000
- Backlog: new industry record supporting ramp-up plans
- A320 Family production rate: increase to 60 aircraft a month by mid-2019 and rate 63 targeted in 2021

Airbus Helicopters – Value Drivers

- Civil & parapublic demand: 40% driven by replacements and 60% driven by growth**
- Military demand: mainly driven by budgetary and strategic considerations and the need to replace ageing fleets*
- Leading civil and parapublic market share: around 52% by units in 2018
- Increased military market share: to 25% in 2018 thanks to several major contracts
- Services visibility: large in-service fleet of around 12,000 helicopters worldwide
- New product introduction: First serial H160 performed first flight in 2018 ahead of certification
- Investigating future unmanned vertical take-off and landing systems and urban air mobility

Airbus Defence and Space – Value Drivers

- Global defence and space budget: highest level since the end of the Cold War**
- Activities: Military Aircraft, Space Systems, CIS (Communications, Intelligence & Security) and UAS (Unmanned Aerial Systems)
- Comprehensive portfolio: with leading position in European home markets and strong export potential
- Clear growth strategy: based on strengthening core products and expanding services business with a focus on digitalisation
- Growth opportunities: driven by increasing defence spending and dynamic shift of the space market
- Favourable political context: with new programme opportunities including FCAS and European MALE

The A321LR was certified and entered service in 2018

* Restated for IFRS 15

** Source: Airbus Global Market Forecast
Airbus Helicopters
A global leader in the civil and military rotorcraft market.

356
Number of helicopter deliveries
(In 2018)

EBIT Adjusted (€ million)
380
(2017: 247*)

For more information
See page 28

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Airbus Helicopters has increased its military market share
* Restated for IFRS 15
** Source: Airbus Helicopters

Airbus Defence and Space
Europe’s number one defence and space enterprise.

17
Number of A400M deliveries
(In 2018)

EBIT Adjusted (€ million)
935
(2017: 815*)

For more information
See page 30

Airbus Defence and Space – Value Drivers
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Airbus Defence and Space’s BepiColombo spacecraft was launched on its mission to Mercury
* Restated for IFRS 15
** Source: Airbus Defence and Space Global Market Forecast

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** Source: Airbus Defence and Space Global Market Forecast
Positioned for growth

Denis Ranque
Chairman of the Board

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
Overview / Board of Directors

Board of Directors
As of 1 January 2019

/ 01 Denis Ranque
Chairman of the Board of Directors of Airbus SE
Chairman of the Ethics and Compliance Committee

/ 02 Tom Enders
Chief Executive Officer of Airbus SE

/ 03 Ralph D. Crosby, Jr.

/ 04 Lord Drayson (Paul)

/ 05 Catherine Guillouard

/ 06 Jean-Pierre Clamadieu

/ 07 Hermann-Josef Lamberti
Chairman of the Audit Committee
| / 08 Amparo Moraleda | Chair of the Remuneration, Nomination and Governance Committee |
| / 09 René Obermann |
| / 10 Claudia Nemat |
| / 11 Carlos Tavares |
| / 12 Victor Chu |

Changes to the Board in 2019

| Tom Enders | To step down as Executive Board Member and CEO at 2019 AGM on 10 April |
| Guillaume Faury | Proposed CEO to join the Board as Executive Board Member on 10 April 2019, subject to shareholder approval |

For updates please visit [www.airbus.com/company/corporate-governance](http://www.airbus.com/company/corporate-governance)

Full biographies of our Board Members can be found in our Information Document

Audit Committee
Remuneration, Nomination and Governance Committee
Ethics and Compliance Committee
Reaching new heights

The next goal is rate 63 in 2021. Our A350 XWB programme also ramped up, delivering 93 aircraft and reaching the targeted monthly rate of 10 in the fourth quarter. Unfortunately, due to Emirates’ decision to reduce its order and the lack of airline demand overall we had to make the painful decision to wind down production of the A380, with last deliveries in 2021. Overall, we achieved a book-to-bill of close to 1 in commercial aircraft, showing the underlying health of the market with a backlog of about 7,600 aircraft, including the A220.

Helicopters had a good year on the sales side with a book-to-bill above 1 for the first time in many years. That’s encouraging, given demand for helicopters globally is still weak, particularly from civil and parapublic customers. However, we captured an increasing share of the military market with some good contract wins for the NH90 and the Lakota Light Utility Helicopter. And, we notched up the first orders for the new generation H160 ahead of its planned certification in 2019.

Q. How would you sum up 2018?
It was another year of solid progress, and a great effort by Team Airbus. This meant we delivered on our commitments. We achieved a significant step up in aircraft deliveries despite some pretty strong headwinds, particularly on the engine side. Additionally, we completed the acquisition of a majority stake in the A220 programme ahead of schedule and in Defence significantly de-risked the A400M. Add to that our continued focus on digitalisation and innovation plus the appointment of a new generation of leaders, then it was quite a year!

Q. What were your operational and commercial highlights?
Even with the A220, delivering 800 aircraft was no mean achievement – particularly as the engine issues meant we had to hand over about 300 in the last quarter! In the end, A320neo Family deliveries more than doubled compared to 2017 and the overall A320 programme is on track for the targeted monthly production rate of 60 by mid-2019.

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Defence and Space had a book-to-bill slightly below 1 but has some good short- and long-term prospects, particularly in military aircraft. We succeeded in re-baselining the A400M programme with our government customers and their domestic approval processes should conclude in 2019. Last year, we also signed an important initial agreement with our industrial partner to develop a Future Combat Air System. I am also particularly proud of the agreement we inked with Lockheed Martin to offer aerial refuelling for US defence customers. I am convinced the US Air Force should not have any other ambition than to fly and operate the best equipment out there. And in the field of tanker aircraft that’s our A330 MRTT, clearly. In Space, we saw the first launch contract for Ariane 6 and early in 2019 the first satellites for the pioneering OneWeb constellation were launched.

This performance meant we were able to deliver a sharp rise in underlying profitability, or EBIT Adjusted, and our reported numbers were also up sharply even when taking the A380 and A400M charges into account.

Q. How would you sum up your time as Airbus CEO?
It’s been a tremendous privilege. We’ve been on quite a journey on each of the three ‘I’ focus areas – Integration, Internationalisation and Innovation.

Starting in 2012, we worked with the Board to inject new dynamism into the Company, moving swiftly to normalise the governance and ownership structure. Building on this new foundation, we integrated the whole group and expanded our footprint significantly and, for example, are now establishing a new production line for the A220 in Mobile, Alabama. When it comes to digitalisation and innovation, we have prepared for the future challenges and opportunities. Our Skywise platform has rapidly established itself in the industry and been adopted by over 50 airlines. By year-end, this should increase to some 100 airlines! We see continuous innovation in all our aircraft, like the fuel-efficient A330-800 that took to the skies in 2018, the H160 helicopter, and the compact OneWeb satellites that are being mass-produced in an industry first.

We’re also determined to be leaders in the future of transport! That’s why we’re pioneers in urban air mobility with the electric powered Vahana and CityAirbus demonstrators. I am also particularly proud of the achievements of the Airbus Foundation, which for 10 years has used our resources to support people affected by natural disasters and to inspire young people to pursue careers in aerospace. And in compliance, we have enhanced our controls and practices to position ourselves for the future.

Q. To what extent have shareholders shared your success story?
Since becoming CEO, we’ve been strongly committed to improving returns for shareholders and this is set to continue. Compared to 2012, the dividend has more than doubled from €0.60 a share to the proposed 2018 payment of €1.65. The numbers speak for themselves!

Q. What is the outlook for Airbus under your successor?
I have huge confidence in Guillaume Faury and his outstanding team. Guillaume steered Helicopters through the industry’s worse downturn in decades and had a successful 2018 at commercial aircraft. He’s passionate about improving the environmental performance of our products and using digital technology to improve our competitiveness. I am handing over to a team with energy and vision which will lead Airbus into the 2020s.

Tom Enders
Chief Executive Officer

For more information about our Strategy in action see:

Production ramp-up, on pages 14-15
Harnessing the power of data, on pages 16-17
Continuous innovation, on pages 18-19

A message from Guillaume Faury*

It’s a great honour to have been asked by the Board to take over as CEO and lead this fantastic company into its next chapter. I look forward to building on Tom’s and Team Airbus’ many achievements these past years. I know that together with the passionate Airbus employees around the world we can accomplish more great things in the coming years.

Looking ahead to 2019
As the 2018 results showed, Airbus is a company that delivers on its commitments and we intend to do so again in 2019. I look forward to continuing at full speed with all the potential that the Company has. Operationally, we will remain focused on programme execution, on continuous improvements, on competitiveness and we’ll do this by continuing to drive performance, investing in our industrial system and into digital technologies. In fact, digitalisation is key to improving the way we design, manufacture and service our aircraft and support our customers.

It’s going to be an interesting year ahead and we are committed to delivering our earnings and cash flow growth potential.

Guillaume Faury
* Proposed Chief Executive Officer from 10 April 2019 (pictured above left)
Executive Committee and Top Management

As of 1 January 2019

Tom Enders**
Chief Executive Officer, Airbus

Guillaume Faury**
President Airbus Commercial Aircraft

Harald Wilhelm**
Chief Financial Officer, Airbus

Bruno Even**
Chief Executive Officer, Airbus Helicopters

Dirk Hoke*
Chief Executive Officer, Airbus Defence and Space

John Harrison*
General Counsel, Airbus

Christian Scherer*
Chief Commercial Officer, Airbus

Thierry Baril*
Chief Human Resources Officer, Airbus

* Member of the Executive Committee
1. Tom Enders is due to step down as CEO following the 2019 AGM
2. Guillaume Faury has been selected to succeed Tom Enders as CEO subject to his appointment as Executive Board Member by the 2019 AGM
3. Dominik Asam is due to succeed Harald Wilhelm as CFO in April 2019
4. Bruno Even appointed CEO of Airbus Helicopters in April 2018
5. Christian Scherer appointed Airbus Chief Commercial Officer in September 2018
Production ramp-up

Ramping-up A320 Family aircraft production and transitioning to the NEO version was a key priority for 2018. A350 production also increased, reaching the targeted monthly rate of 10 aircraft. We have invested in new facilities, technologies and transport capacity to support the ramp-up.

A320 Family

New facilities

We are committed to reaching a combined monthly A320 Family production rate of 60 aircraft by mid-2019 through our final assembly lines in Toulouse, Hamburg, Mobile and Tianjin. A key enabler for this during 2018 was the opening of a fourth A320 Family production line in Hamburg. The new line makes use of digital technologies and a more flexible industrial set up to build aircraft more efficiently.

The new Hamburg line features:
- User-optimised delivery of materials, closer to employees
- Digital production control systems
- Automated 7-axis robots for circumferential joints
- Dynamic measurement assembly with laser trackers

Results

| 626 | +12% |
| A320 Family deliveries (CEO and NEO) | Compared to 2017 |
To address greater transport capacity requirements related to the ramp-up of single-aisle and A350 XWB aircraft production, we have invested in a new fleet of larger BelugaXL aircraft, based on the A330-200 freighter.

**Flight testing underway**
Following its first flight in July 2018, the BelugaXL will undergo some 600 hours of flight testing ahead of its planned entry-into-service during 2019. The aircraft, which is 63.1 metres long and has a fuselage diameter of 8.8 metres, provides us with an additional 30% of extra transport capacity compared to the current BelugaST aircraft. It can transport two A350 XWB wings while the existing BelugaST can only carry one. The aircraft will operate to 11 destinations and features newly-developed elements including a lowered cockpit, cargo bay structure, and rear and tail section.

**Results**

30% Additional transport capacity

227 tonnes Max. take-off weight versus 156 tonnes for BelugaST
Harnessing the power of data

A key part of our digitalisation strategy is to unlock the full potential of data in our industry. During 2018 we focused on industrialising and deploying our most promising digital concepts, including the Skywise data platform.

Skywise
Gaining traction

We made significant progress in rolling out the Skywise digital platform to support the operations of airlines around the world, creating value in new ways for them and also for Airbus. More than 50 airlines representing over 4,000 aircraft had signed up by year-end – with customers including Delta Air Lines, which signed a multi-year contract to continue using the platform and related predictive maintenance services. The service has also now been extended into the supply chain, enabling improvements in reliability, quality and performance.

Skywise now has more than:

- 50 Airlines signed up
- 4,000 Commercial aircraft represented

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SmartForce launched
Wider offering

Building on the success of Skywise, we have now introduced advanced data analytics to the defence market through the launch of SmartForce by Airbus Defence and Space and Airbus Helicopters. This system offers a suite of services to enable military operators to exploit data gathered by their aircraft to enhance operational safety, boost mission availability and reduce maintenance support costs. More efficient maintenance is possible by using the wealth of data generated by new generation helicopters and aircraft such as the NH90, A400M and A330 MRTT.
Continuous innovation

We continuously innovate to ensure that our products are at the forefront of aerospace technology. Our commercial aircraft are designed with our customers in mind, helping them to operate their fleets more efficiently and serve new markets while providing their passengers with the best inflight experience.

A330neo

Improving efficiency

With fuel representing one of the largest single components of an aircraft operator’s costs, we have continuously focused on making our products more efficient. During 2018, deliveries of the new generation wide-bodied A330-900 commenced, while the smaller A330-800 variant made its first flight. These A330neo models offer a reduction in fuel consumption per seat of 25% compared with older generation aircraft of a similar size.

This is mainly achieved through:
– New generation Rolls-Royce engines
– Greater span, new 3D optimised wings
– Sharklet wing-tip devices optimised for aerodynamic performance

Results

25% Fuel saving versus previous generation
+1,300nm More range for A330-800 versus earlier A330-200
New variants
Pushing the limits

Greater fuel efficiency and technological developments are helping Airbus’ customers to tap new markets and gain a competitive edge.

A321LR and A350-900 ULR
Airbus delivered the first A321LR, the world’s most flexible and capable large single-aisle aircraft. The aircraft gives operators the flexibility to fly long-range operations of up to 4,000 nautical miles and tap new long-haul markets that weren’t previously accessible with single-aisle aircraft. Meanwhile, the A350-900 Ultra Long Range also went into service. It’s capable of flying further in commercial service than any other aircraft with a range of up to 9,700 nautical miles or over 20 hours non-stop.

Results: A350-900 ULR
9,700 nautical miles. Further in commercial service or more non-stop.
Preparing for future challenges

The Company continues developing its workforce to pioneer the aerospace industry’s transition to a digital future. Employees should possess the required skills and adaptability to master fast and complex change.

As it prepares to lead aerospace’s digital revolution, the Company is looking to improve ways of working and offer a highly rewarding employee experience – especially the right working environment, services and well-being. This is true for both current employees and those who will join in the coming years.

Always learning
Human Resources is committed to helping employees to learn and adapt to new skills and functions throughout their careers. To that end, 2018 saw the launch of more than 40,000 plans for developing individual employees. While managers coach their team members, employees take responsibility for their own action plans. New skills include those linked to digitalisation initiatives that are being prioritised Company-wide.

Empowering individuals
As Airbus seeks to change its culture, staff are increasingly willing to speak up. Individuals are more willing to offer opinions through surveys, suggesting they feel more empowered. Employees requested feedback almost 80,000 times in 2018. This shows that employees recognise the individual contributions that they can make, which is a valuable change in culture.

Making jobs mobile
Encouraging mobility is one of the ways to offer a rewarding career. In 2018, more than 12,500 employees moved to jobs in different countries or different business segments. Nearly 700 moved from the factory floor to management roles, bringing critical technical expertise with them.

A better working environment
Better teamwork, as well as employee empowerment and accountability, gives a better working environment, as well as leading to stronger results. In 2018, Human Resources supported more than 600 teams looking for more productive and engaging ways of working. They were encouraged to talk to other teams and exchange ideas, while experimenting with new methods of working. Many employees took advantage of the Leadership University’s facilities for team coaching, peer coaching, feedback and sharing of best practices.

Training employees to ensure they have the necessary skills for tomorrow’s challenges is a priority
Partnering with universities for future skills
With technology evolving rapidly, the Company continues to attract the brightest minds from the most innovative universities. With that in mind, three new universities were signed up to the Airbus Global University Partner Programme at the Zhuhai airshow. The University of Sydney, Australia, Centrale Supelec, France and Massachusetts Institute of Technology, USA, joined the other 22 university partners. Airbus works with the universities to develop a strong pipeline of students with the skills it needs.

Awards for Excellence
The annual employee Awards for Excellence held its prize giving ceremony in March 2018. For the first time, project teams were recognised for their new ways of working together with the Special Pulse Recognition prize. The winner of both the Employee Choice and Top Awards was an end-to-end prototype designed to demonstrate the value of big data for in-service aircraft. This project also played a role in promoting Airbus’ Skywise data platform.

Chilean university wins diversity award
By offering science, technology, engineering and mathematics (STEM) outreach education to indigenous minorities and young people in rural areas, a Chilean university has given them valuable potential career paths. The SaviaLab diversity initiative from Pontificia Universidad Católica de Chile was selected as the winner of the 2018 Airbus GEDC Diversity Award for innovative use of technology to increase diversity in engineering education.

Soaring interest in digital aerospace competition
More than 2,000 students registered to present their ideas for digital innovations in just the first three months of Airbus’ sixth Fly Your Ideas competition. Students submitted ideas that could change the future of aerospace. They were invited to address challenges in six areas: electrification, data services, cyber security, Internet of Things, artificial intelligence and mixed reality. Up to six finalist teams will be selected in 2019, competing to share a prize and the chance to develop their idea.
Prioritising Responsibility and Sustainability

Through introducing a Responsibility and Sustainability (R&S) Charter, the Company placed responsible business conduct at the heart of its strategy. Targets and key performance indicators are being developed to track its progress.

Marking a significant milestone in the Company’s engagement in R&S, a Charter was created which serves as a testament to Airbus SE’s commitment to promoting responsible business conduct in pursuit of creating a better connected, safer and more prosperous world.

The Charter has nine underlying commitments, which are set against eight internationally-recognised United Nations Sustainable Development Goals. Key performance indicators are being developed to measure each commitment, allowing for progress to be monitored from within and outside the Company.

The Charter, which was signed by the Executive Management Team, was circulated Company-wide via a ‘team talk’. It is also being integrated into training modules, both through e-learning and two Leadership University modules.

Illustrating the growing importance of responsible business practices, the Company’s 2018 ‘key priorities’ have a greater focus on R&S than ever before, and include:

- Continuing to improve the eco-efficiency of products and services
- Reducing the Company’s industrial environmental footprint
- Making health and safety everyone’s priority
- Prioritising diversity
- Ensuring Ethics and Compliance standards and principles are respected

While the KPIs were not in place in 2018, the following broad advances were made throughout the year:

- More than a fifth of female employees (23%) were promoted to Level 4 management and above
- A new health and safety system was deployed
- A ‘Sustainable Manufacturing 2030’ vision was introduced
- First aircraft with sustainable fuel were delivered from Mobile, Alabama
- A pilot phase for R&S performance ratings of suppliers was launched

Keeping up with standards
Airbus SE published its second Modern Slavery Statement, in line with UK regulation, and committed to several voluntary UN and international standards, including the Women’s Empowerment Principles, UN Standards of Conduct for Business for LGBTI and the Global Deal French Initiative. During 2018, Airbus in the UK published its first Gender Pay Gap Report as well as its first payment practices and performance data.

For further information please visit www.airbus.com/company/responsibility-sustainability.html

The Airbus Foundation celebrated its 10th anniversary in 2018 and continued to deliver relief cargo together with its partners.
Sustainable fuel-powered A320s delivered
Airbus’ A320 Family production facility in Mobile, USA, delivered the first aircraft partially powered by sustainable jet fuel to JetBlue. Since May 2016, Airbus has offered customers receiving aircraft from Toulouse, France, the option of taking delivery of aircraft using a blend of sustainable jet fuel. Airbus is working towards offering this option to more customers receiving aircraft from Mobile, with the larger vision of supporting industrial production of sustainable fuel for aviation in the Southeastern USA.

Inspiring the next generation of innovators
The Airbus Foundation’s Discovery Space leverages the natural curiosity of young people to set their sights on the sky. Launched in May 2018, this inventive digital platform is a space where young people from around the world can understand science through aerospace. In just over six months, the content created with Airbus engineers for Discovery Space was viewed more than 50,000 times. Discovery Space’s first design competition, in partnership with Autodesk, focused on a space launcher and received over 900 entries from students in 35 countries. 2018 also marked the Airbus Foundation’s 10th anniversary.

Making manufacturing sustainable
Airbus believes it has a crucial role to play in promoting sustainable manufacturing practices. It has set ambitious but measurable goals to lessen its environmental impact in commercial aircraft manufacturing by 2030: respect the Paris Agreement’s goal to restrict the global temperature rise to well below 2°C above pre-industrial levels; despite Airbus’ commercial aircraft production ramp-up, by reducing CO₂ emissions intensity by 50%; reduce water use by 50%; maintain compliance with air emissions regulations despite the production ramp-up; and deploy environmental requirements when evaluating and selecting suppliers.

Eyeing deforestation through satellites
To help food companies monitor deforestation in their supply chains, Airbus, along with non-profit organisation The Forest Trust, and Netherlands-based SarVision, developed Starling, which deploys satellite data and radar images. In 2019, Airbus released a new version of its OneAtlas large-scale image-processing platform that allows access to the Starling service.
Continuous improvement

Q. What drove the big increase in underlying profit?
Firstly, as a reminder, we adopted the IFRS 15 accounting standard in 2018 which means we have restated the relevant figures for 2017. In particular, the year-end backlog value of €460 billion is now measured under IFRS 15 and reflects an assessment of recoverability and net transaction price for airframe and engines. The significant reduction compared to 2017 – which has not been restated – is mainly due to the use of net prices versus catalogue prices.

Revenues rose 8% to €64 billion, reflecting the record aircraft deliveries. EBIT Adjusted increased by a healthy 83% to €5.8 billion, which significantly exceeded the guidance for around €5 billion. Importantly, the return on sales increased to 9.2% and reached 10% in commercial aircraft alone.

Q. How would you assess the 2018 financial performance?
We can be pleased overall given the operational challenges we faced. Importantly, we achieved or exceeded all the KPIs in the 2018 guidance provided to the markets. Deliveries reached the targeted 800 commercial aircraft, with the support of the newly integrated A220 programme. If you look at the underlying profitability, or EBIT Adjusted, and the free cash flow before M&A and customer financing, I’m happy to say we exceeded our targets there. Of course this was the result of some hard work by Airbus employees!

“Harald Wilhelm
Chief Financial Officer

“The financial performance of Airbus has positively reflected our overall strategic direction and ability to consistently deliver on commitments.”
What was behind this? Well, firstly there was the strong operational performance and programme execution across the business. The main driver was from commercial aircraft, where we benefitted from the much higher deliveries of A320neos and the pricing premium they carry compared to the previous version. The A350 also contributed very strongly, given the pricing improvement and efforts on recurring cost reduction. Improved currency hedging rates also helped. Underlying profit at Helicopters rose thanks to its solid programme execution, a favourable mix and higher Super Puma deliveries. Defence and Space also contributed positively, again due to solid programme execution.

Q. What drove the reported profitability and free cash flow?
Reported EBIT came in at roughly € 5.0 billion, including net negative Adjustments totalling € -786 million. So, even once we had absorbed these Adjustments we were still within the profit guidance set on an underlying basis! The main elements here were a € -463 million charge which largely covers the costs related to the A380 delivery and production ramp-down and a net additional charge of € -436 million connected to the A400M programme. The latter mainly reflected the outcome of negotiations and updated estimates on A400M exports, escalation and some other cost increases. All included, we were able to deliver reported earnings per share of € 3.94, which was up 29% over 2017.

Free cash flow before M&A and customer financing was largely stable at € 2.9 billion, reflecting the record deliveries and our strong focus on working capital and capex. That performance came despite the cash dilution from the A220 and the burden from the A400M programme. This gives you an idea about the cash generation potential in the business.

Ultimately, the Board was able to propose a double-digit percentage increase in the dividend to € 1.65 per share. This corresponds to a payout ratio of 42%, in line with our commitment to sustainable dividend growth. And showing our growth trajectory, for 2019 we target an increase in EBIT Adjusted of approximately 15% compared to 2018 and free cash flow before M&A and customer financing of about € 4 billion.

Q. What were your main achievements since becoming CFO in 2012?
Looking back over those years, the financial performance of Airbus has positively reflected our overall strategic direction and ability to consistently deliver on commitments. This has been especially important following the governance and shareholding changes in 2013 that saw the institutional shareholding base expand significantly.

We have roughly doubled the underlying profitability and free cash flow and consistently increased shareholder returns. We’ve invested close to € 50 billion since 2012 into the business if you consider R&D and capital expenditure as well as the ramp-up of programmes. And despite this we generated roughly € 15 billion in free cash flow over the same period! Out of that we returned approximately € 9 billion via dividends and limited share buybacks to shareholders, before the proposed 2018 dividend payment.

Q. Do you have a message for your successor?
I wish Dominik Asam all the best and am sure he’ll find the world of aerospace just as fascinating as I’ve found it all these years. Just looking at his track record in the technology sector, the financial side of Airbus will be in capable hands.

Harald Wilhelm
Chief Financial Officer
Airbus delivered 800 commercial aircraft in 2018, meeting its target and setting a new company record. Deliveries of A320neo Family and A350 XWB aircraft accelerated, while the A220 joined the Airbus line-up.

Deliveries (units)
800
(2017: 718)

Net orders (units)
747
(2017: 1,109)

Order backlog (units)
7,577
(2017: 7,265)

External revenues by activity
- Platforms: 94%
- Services: 6%

Key financial figures

<table>
<thead>
<tr>
<th>(£ million)</th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
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<tbody>
<tr>
<td>Order Intake (net)</td>
<td>41,519</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Order Book</td>
<td>411,659</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Revenues</td>
<td>47,970</td>
<td>43,486*</td>
<td>+10%</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>2,214</td>
<td>1,842</td>
<td>+20%</td>
</tr>
<tr>
<td>EBIT Adjusted</td>
<td>4,808</td>
<td>2,383*</td>
<td>+102%</td>
</tr>
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</table>

* Restated for IFRS 15
** Appointed in February 2018 and proposed as future Airbus CEO

Guillaume Faury**
President Airbus Commercial Aircraft

As overall production continued to ramp-up, deliveries increased for the 16th year in a row despite operational challenges. Ninety-three customers received a total of 800 aircraft, compared to 718 deliveries in 2017. The A220 programme was successfully integrated into Airbus as of 1 July 2018.

Showing the underlying health of the commercial aircraft market, the book-to-bill ratio by units was close to 1 with 747 net orders booked (2017: 1,109). Including 480 A220s, the order backlog reached an industry record of 7,577 aircraft at year-end. However, due to the lack of airline demand production of the A380 is being wound down.

Revenues increased by 10% to € 48.0 billion (2017 restated: € 43.5 billion), mainly reflecting the higher aircraft deliveries. EBIT Adjusted rose 102% to € 4.8 billion (2017 restated: € 2.4 billion) also reflecting the record deliveries. The strong profit improvement compared to 2017 was 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. Reported EBIT included the charge related to the A380 programme.

Ramp-up and transition continues
The single-aisle production ramp-up and transition to the NEO version continued, with annual A320neo Family deliveries outnumbering A320ceo deliveries for the first time. A320neo Family deliveries more than doubled to 386 aircraft, up from 181 in 2017. This was despite initial engine shortages which meant deliveries were back-loaded to the second half of the year. The first A321LR was delivered, offering operators the capability to fly long-range routes with a single-aisle aircraft. A320 Family production is on track to reach the targeted monthly rate of 60 by mid-2019. To support the ramp-up, a fourth A320 production line was opened in Hamburg while the larger BelugaXL transport aircraft made its first flight.

Deliveries also included the first three A330-900s while the flight test campaign for the smaller A330-800 commenced. The A350 XWB programme delivered 93 aircraft, 15 more than the previous year (2017: 78). Deliveries of the longer fuselage A350-1000 commenced, with 14 handed over during the year. The A350-900 Ultra Long Range variant also went into service. Hitting the monthly A350 production target of 10 aircraft in the fourth quarter was an important industrial milestone.

Welcoming the A220 aircraft
The A220, formerly known as the ‘C Series’, joined Airbus’ line-up of aircraft in July. Its A220-100 and A220-300 variants complement the A320 Family. In January 2019, construction began on a new A220 assembly line in Mobile, USA, adding to the existing Mirabel, Canada, production line.

1. A320neo Family deliveries increased sharply
2. Flight testing of the A330-800 commenced
Key achievements 2018
– Deliveries increased for the 16th successive year to 800 aircraft
– A220 integrated into Airbus, enhancing the product portfolio
– Order backlog reached 7,577 aircraft, including the A220
– A total of 93 A350s were delivered, including 14 A350-1000s
– A350 monthly production rate of 10 aircraft reached in the fourth quarter
– The first A330-900s were delivered, with the A330-800 making its maiden flight

Key priorities 2019
– Plan and deliver reliably on operational targets
– Meet key programme milestones
– Achieve sales targets and focus on strategic sales campaigns
– Deliver financial KPIs
– Pursue digital transformation across design, manufacturing and services
Airbus Helicopters

Airbus Helicopters booked increased orders despite a challenging environment for the industry. It retained its global leadership in the civil and parapublic sector, while growing its military market share. Pioneering new programmes passed key milestones.

Deliveries (units)
356
(2017: 409)

Net orders (units)
381
(2017: 335)

Order backlog (units)
717
(2017: 692)

External revenues by activity
- Platforms 59%
- Services 41%

External revenues by sector
- Civil 51%
- Defence 49%

Key financial figures

<table>
<thead>
<tr>
<th>(£ million)</th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Intake (net)</td>
<td>6,339</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Order Book</td>
<td>14,943</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Revenues</td>
<td>5,934</td>
<td>6,335*</td>
<td>-6%</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>315</td>
<td>306</td>
<td>+3%</td>
</tr>
<tr>
<td>EBIT Adjusted</td>
<td>380</td>
<td>247*</td>
<td>+54%</td>
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* Restated for IFRS 15
** Succeeded Guillaume Faury as Airbus Helicopters CEO in April 2018

Airbus Helicopters attracted a higher number of orders, with a book-to-bill ratio above 1 in terms of both value and units. Net orders rose 14% to 381 units (2017: 335 units) and included 15 orders for the next-generation H160 and 29 NH90s. Military sales also included 51 additional Lakota light utility helicopters for the US Army and four H225Ms for Thailand.

Military order intake included the H225M

Revenues declined by 6% to € 5.9 billion (2017 restated: € 6.3 billion), including the negative perimeter impact on revenues from the sale of Vector Aerospace in late 2017. On a comparable perimeter, revenues were stable despite the lower number of deliveries. EBIT Adjusted rose 54% to € 380 million (2017 restated: € 247 million), reflecting higher Super Puma Family deliveries, favourable mix and solid underlying programme execution.

Benefitting from a broad footprint

Airbus Helicopters’ performance in the year also reflected its broad international footprint. The first of 100 H135 helicopters under a framework agreement with China were delivered in Qingdao, where a dedicated final assembly line will service the domestic market for civil and parapublic helicopters. Additionally, the Hong Kong Government Flying Service took delivery of the first H175s configured for public services.

Advancing innovation

The first H160 in serial configuration rolled off the new assembly line in Marignane, France, and conducted its maiden flight. This serial version joined three prototypes, which have already accumulated over 1,000 flight hours, in the final steps of the flight test campaign. Certification for the H160 is due in 2019.

Anticipating the future of aviation, Helicopters’ pioneering programmes achieved key milestones. The CityAirbus electric vertical take-off and landing (eVTOL) rotorcraft passed the power-on and ground testing stages, ahead of its maiden flight. Meanwhile, the VSR700 unmanned aerial system demonstrator flew for the first time and the Racer high-speed demonstrator passed the preliminary design review milestone.

Bruno Even**
Chief Executive Officer, Airbus Helicopters

1. Military order intake included the H225M
2. Digitalisation is a key priority for Airbus Helicopters
Key achievements 2018
– Strong order intake, with book-to-bill above 1 and first H160 orders
– Share of the military helicopter market increases
– Pioneering programmes such as CityAirbus passed key milestones
– First serial H160 takes to the skies ahead of certification

Key priorities 2019
– Deliver on our commitments and achieve key programme milestones
– Strengthen our focus on Quality and deliver our Aviation Safety commitment
– Deliver financial KPIs and boost competitiveness
– Achieve key milestones for demonstrators and prepare technological bricks for future platforms
– Roll out digital road-map for customers, operations and employees
Airbus Defence and Space

Airbus Defence and Space secured important contract wins, with positive mid- to long-term market perspectives. New initiatives were launched, including the next generation combat aircraft, while progress was made on the A400M.

### A400M deliveries (units)

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>17</td>
<td>19</td>
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</table>

### Net order intake (€ billion)

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>8.4</td>
<td>N/A</td>
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</tbody>
</table>

### Order backlog (€ billion)

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.3</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### External revenues by activity

- Platforms: 70%
- Services: 30%

#### External revenues by business line

- Military Aircraft: 52%
- Space Systems: 27%
- CIS* & Others: 21%

* Communications, Intelligence & Security

### Key financial figures

<table>
<thead>
<tr>
<th>(€ million)</th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
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<tbody>
<tr>
<td>Order Intake (net)</td>
<td>8,441</td>
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<tr>
<td>Order Book</td>
<td>35,316</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Revenues</td>
<td>11,063</td>
<td>10,596*</td>
<td>+4%</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>328</td>
<td>322</td>
<td>+2%</td>
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<tr>
<td>EBIT Adjusted</td>
<td>935</td>
<td>815*</td>
<td>+15%</td>
</tr>
</tbody>
</table>

* Restated for IFRS 15

### The A400M’s progress

A total of 17 A400M military transport aircraft were delivered, bringing total programme deliveries to 74 aircraft as of 31 December 2018. The Company continued with development activities towards achieving the revised capability roadmap. Retrofit activities are progressing in line with the customer agreed plan. Following the Declaration of Intent signed in February 2018, negotiations on the contract amendment were concluded with the government customers prior to their domestic approval processes.

#### Airbus Defence and Space recorded a book-to-bill of around 0.8 with net order intake of € 8.4 billion, supported by key contract wins. These included Eurofighter for Qatar, four A330 MRTT tankers, Heron TP drones for Germany as well as two new generation telecommunication satellites.

Revenues increased by 4% to € 11.0 billion (2017 restated: € 10.6 billion), supported by the Space Systems and Military Aircraft activities. EBIT Adjusted increased by 15% to € 935 million (2017 restated: € 815 million), mainly reflecting solid programme execution. On a reported basis, EBIT was supported by the net capital gain from the disposal of the Airbus DS Communications, Inc. business early in the year.

#### Well positioned for future growth

Airbus Defence and Space has been reshaped in recent years to be more competitive, with new initiatives launched in 2018 to capture future growth. Significantly, an initial landmark agreement was signed with Dassault Aviation for the Future Combat Air System (FCAS) programme. Elsewhere, an agreement was signed with Lockheed Martin to jointly explore opportunities to meet growing demand for aerial refuelling for US defence customers. The first serial production facility for the solar-powered Zephyr S HAPS (High Altitude Pseudo-Satellite) was opened. In Space, the first European Service Module for NASA’s Orion spacecraft was delivered while the BepiColombo spacecraft was successfully launched on its mission to Mercury. OneWeb Satellites inaugurated its assembly line in Toulouse ahead of the first launch of satellites for the OneWeb constellation in 2019.

1. Four A330 MRTT tankers were ordered in 2018
2. A serial production facility was opened for the Zephyr
Key achievements 2018
- Key contract wins: Eurofighter Qatar, four MRTTs, and new generation telecommunication satellites
- Airbus and Dassault Aviation join forces on FCAS programme
- Airbus and Lockheed Martin sign aerial refuelling Memorandum of Agreement
- A400M re-baselining negotiated
- First module for Orion spacecraft delivered

Key priorities 2019
- Meet critical development milestones on quality, on time, on cost
- Secure key European defence initiatives – European MALE, FCAS
- Develop new businesses and new markets including digital services
- Deliver financial KPIs
- Accelerate deployment of digital solutions with a focus on Digital Design, Manufacturing and Services
Share information

In 2018, Airbus SE's share price closed up 1% at € 83.96. The Company outperformed wider markets and most defence peers, which declined 13% and 7% respectively in the same period.

After opening at € 82.75 in January, Airbus SE shares climbed by 26% to € 104.56 during the first half of the year. In early 2018, the share price increase was mainly driven by the Company's strong 2017 delivery performance and solid Full-Year (FY) 2017 results. Shares headed lower thereafter following engine delivery delays but then rebounded following Q1 2018 results, mainly driven by the FY 2018 guidance confirmation despite the engine delays. The commercial performance during the Farnborough International Airshow came in ahead of expectations and helped push shares up to € 105.98 in July.

Airbus SE shares reached a then all-time high of € 111.16 in late July after the Half-Year results confirmed guidance and beat expectations. The share price remained broadly stable throughout the summer and in September began to decline in line with wider markets as investor sentiment was impacted by global macroeconomic events.

Macroeconomic uncertainty and concerns about shrinking global growth continued to weigh on shares throughout November and December. Airbus SE shares were additionally impacted in December by news flow around ongoing compliance investigations.

With an annual increase of 1%, Airbus SE shares outperformed the Eurostoxx 600 (-13%) and the CAC 40 (-11%).

Capital structure
(As of 31 December 2018)

- Free float*: 74%
- SOGEPA (French State): 11%
- GZBV (German State): 11%
- SEPI (Spanish State): 4%

* Includes shares held by the Company itself

Financial calendar

- Full-Year 2018 results release: 14 February 2019
- Annual General Meeting 2019: 10 April 2019
- First Quarter 2019 results release: 30 April 2019
- Half-Year 2019 results release: 31 July 2019
- Nine-Month 2019 results release: 30 October 2019

Investor Relations and Financial Communication

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Website: www.airbus.com