

“WE MAKE
IT FLY”

ANNUAL REVIEW 2013



AIRBUS
GROUP

“WE MAKE
IT FLY”

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EADS

BECOMES

AIRBUS GROUP

AND HAS 3 DIVISIONS:

AIRBUS

AIRBUS DEFENCE AND SPACE

AIRBUS HELICOPTERS

**1 NAME,
3 DIVISIONS,
1 MISSION.**

AIRBUS GROUP





2013 PROFILE

€ 686.7 billion order book

€ 59.3 billion revenues

€ 1.85 earnings per share

€ 0.75 dividend* per share
*To be proposed to the Annual General Meeting

990 patent filings in 2013

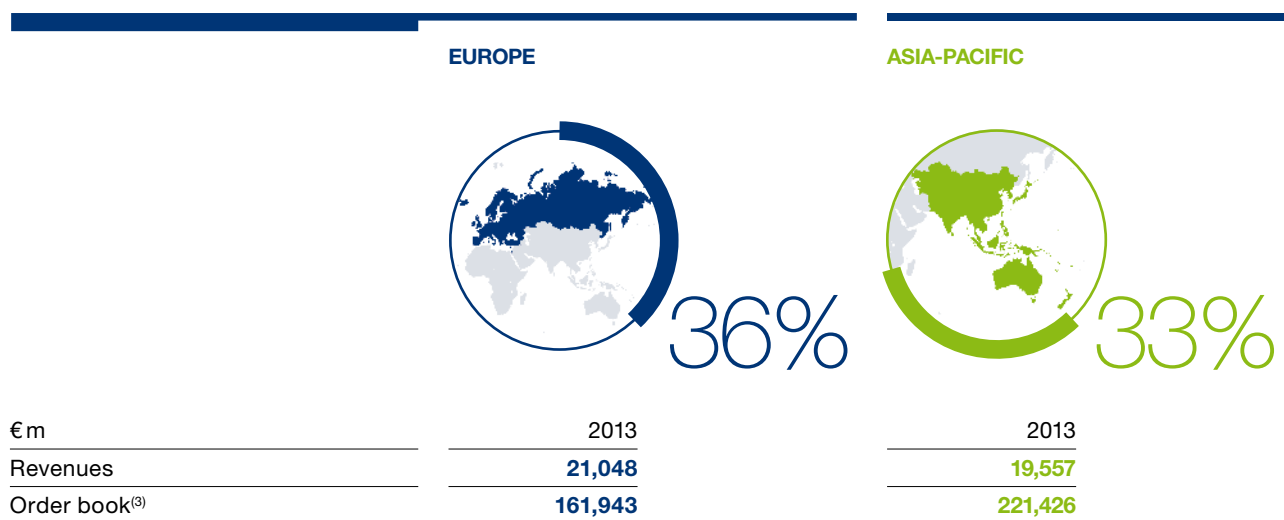
144,061 employees

AIRBUS GROUP

— EADS IN 2013

Airbus Group is a global leader in aeronautics,
space and related services.

REVENUES BY REGION



AIRBUS GROUP

– EADS

		2013	2012	Change
Revenues	€m	59,256	56,480	+5%
Research & Development expenses	€m	3,160	3,142	+1%
EBIT*	€m	2,661	2,144 ^(a)	+24%
Net Income ⁽¹⁾	€m	1,465	1,197 ^(a)	+22%
Earnings per share ⁽¹⁾	€	1.85	1.46 ^(a)	+27%
Dividend per share	€	0.75⁽²⁾	0.60	+25%
Net Cash position	€m	9,054	12,292	-26%
Order Intake ⁽³⁾	€m	218,681	102,471	+113%
Order Book ⁽³⁾	€m	686,734	566,493	+21%
Employees		144,061	140,405	+3%

2013 RESULTS

Airbus Group reported improved full year profits, driven by increased aircraft deliveries and operational improvement. Order intake⁽³⁾ rose sharply, reflecting strong commercial momentum at Airbus and major contracts in the space business.

REVENUES

Group revenues increased 5%, mainly reflecting higher commercial aircraft deliveries and the A400M ramp-up. Defence revenues were stable.

(a) Certain year-end 2012 figures in this report have been restated to reflect the change to pension accounting under IAS 19 while Airbus' figures reflect the inclusion of ATR and Sogerma within Airbus Commercial. ATR and Sogerma were formerly Included in Other Businesses.

* Unless otherwise indicated, EBIT* figures presented in this report are Earnings Before Interest and Taxes, pre goodwill impairment and exceptionals.

(1) Airbus Group 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.

(2) To be proposed to the Annual General Meeting.

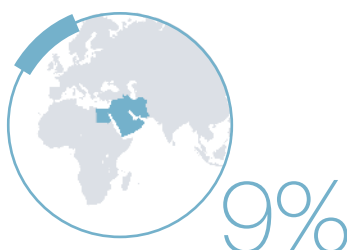
(3) Contributions from commercial aircraft activities to Order intake and Order book based on list prices.

NORTH AMERICA



2013
8,781
120,227

MIDDLE EAST



2013
5,459
122,861

AFRICA / CENTRAL AND SOUTH AMERICA



2013
4,411
60,277

AIRBUS GROUP — EADS YEAR IN REVIEW

2013



27 March 2013

SHAREHOLDERS APPROVE GOVERNANCE MAKE-OVER ⁽²⁾

Voting at EADS' Extraordinary General Meeting, shareholders approved the corporate governance overhaul, including the election of new Directors. Afterwards, the Board approved a share buyback programme to support the free float increase to above 70%.

31 May 2013

10 FREE SHARES FOR EMPLOYEES

The Board of Directors approved granting 10 free shares to employees in recognition of their strong commitment to the Group's success.

11 June 2013

X³ HYBRID DEMONSTRATOR SETS SPEED RECORD

The X³ broke the unofficial helicopter speed record, flying at 255 knots (472 km/hr) in level flight. With the speed of a turboprop aircraft and full flight capabilities of a helicopter, this technology demonstrator opened a new frontier for aviation.

14 June 2013

FIRST A350 XWB COMPLETES MAIDEN FLIGHT ⁽³⁾

The A350 XWB, Airbus' new long-range aircraft, successfully completed its first test flight, entering the final stage of its development, ahead of certification and planned entry-into-service by the end of 2014.

18 June 2013

EADS AND SIEMENS ENTER INTO LONG-TERM RESEARCH PARTNERSHIP

Together with Diamond Aircraft, the companies will focus on new electric propulsion technologies that lower aircraft fuel costs and carbon dioxide emissions.

19 June 2013

FRANCE ORDERS 34 NH90 MILITARY HELICOPTERS ⁽¹⁾

The French Armed Forces ordered 34 NH90 Tactical Transport Helicopters, following intense tests of the helicopter by special forces in desert conditions. The NH90 performed beyond expectations, demonstrating its ability to perform anytime, anywhere.

31 July 2013

ADOPTION OF AIRBUS BRAND AND RESTRUCTURING REVEALED

Following a strategy review, the Group unveiled plans to integrate its defence and space activities, creating the Airbus Defence and Space Division. It also announced plans to rename EADS and its Divisions under the globally-recognised Airbus brand, to aid integration and cohesion.



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A400M (Photo Contest winner)

1 August 2013

AIRBUS MILITARY DELIVERS FIRST A400M TO FRENCH AIR FORCE ⁽⁷⁾

After 10 years of development and 5,000 flight test hours, involving close to 40,000 people, the first A400M new-generation airlifter was delivered. The A400M is the most cost-efficient and versatile military transport aircraft ever developed.

29 August 2013

ARIANE 5 COMPLETES 57TH SUCCESSFUL LAUNCH ⁽⁴⁾

The Ariane 5 rocket launched two telecommunications satellites into orbit, once again confirming its position as the world's most reliable satellite launcher, and setting the standard for guaranteed access to space.

20 November 2013

AIRBUS WINS 160 ORDERS AND COMMITMENTS WORTH US\$44 BILLION ⁽⁶⁾

A total of 160 orders and commitments at the 13th Dubai Airshow, worth US\$44 billion, underlined the strong demand for Airbus wide-body aircraft. Emirates placed the single largest order, for 50 additional A380s, worth US\$20 billion.

4 December 2013

400TH EUROFIGHTER TYPHOON DELIVERED ⁽⁵⁾

The German Air Force took delivery of the 400th Eurofighter Typhoon. The aircraft has proved its operational effectiveness over 10 years of service, and now secures the airspace of the six nations where it is in service, 24 hours a day, seven days a week.

14 December 2013

ASTRIUM TO BUILD 18 NEW ARIANE 5 LAUNCHERS

Arianespace, the world's leading satellite launch company, ordered 18 additional Ariane 5 ECA launchers, worth more than €2 billion. This confirmed the effectiveness of an industrial model that comprises more than 550 companies, and over 6,000 people, in 12 European countries.



Scan here or visit
www.reports.airbus-group.com

Management and Governance. The Board and Management implemented a major overhaul of the Group's governance and shareholder structure, bringing a significant increase in the free float.

/ 01

“DRIVING
OUR
DEVELOP-
MENT”



Denis Ranque
Chairman of the Board

“THE BOARD
PLAYED A
SUPPORTING
ROLE IN THE
**STRATEGY
DISCUSSION.**”

D

ear Shareholders, Dear Stakeholders

The achievements of the past year are impressive, and I feel privileged to have presided as Chairman over such a distinguished Board and at such a transformational time in the company's history.

Following the Extraordinary General Meeting of March last year, far-reaching changes to the shareholder structure and corporate governance are now fully effective. The freefloat has grown to over 70 percent. The purpose of these changes has been to normalise and simplify the Company's corporate governance – placing an emphasis on providing the best support for a nimble management in a fast moving competitive environment. Above all, they ensure that the interests of shareholders and stakeholders at large remain at the very heart of the business.

The Company deserves recognition for handling the transition so smoothly. The Company's focus on operations has not wavered, as shown by the progress in programmes and results.

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Hermann-Josef Lamberti (Chairman)
Anne Lauvergeon
Michel Pébereau
Josep Piqué i Camps

REMUNERATION AND NOMINATION COMMITTEE

Sir John Parker (Chairman)
Jean-Claude Trichet
Lakshmi N. Mittal
Hans-Peter Keitel

In 2013, Airbus Group formalised a dividend policy demonstrating a strong commitment to shareholders' returns.

This policy targets a sustainable growth in the dividend within a payout ratio of 30%-40%.

DIVIDEND 2013 PER SHARE:

€ 0.75*

*To be proposed to the Annual General Meeting.



For more detailed information, please refer to the Corporate Governance section in the **Registration Document 2013**.

We are glad to reflect the improved financial performance in the proposed 75 cent per share gross dividend. It represents a 25 percent increase over last year and a payout ratio of 40 percent, in line with the new policy announced in December 2013. This new policy demonstrates a strong commitment to shareholders' returns and will target sustainable growth in the dividend within a payout ratio of 30%-40%.

Moreover, I'm pleased to say that the transformed governance is not only a change in our body of rules, but already a lived reality. Today, the work of the Board of Directors is marked by a strong sense of responsibility and motivation, witnessed by the high level of attendance at Board and Committee meetings, and even more by the quality of discussion and issues addressed.

The evaluation which was carried out in the first ten months of the Board's tenure, testifies to a high degree of openness and focus within the Board and between Board and management.

While gender representation is clearly an area to be addressed at its next renewal, the Board collectively displays an impressive range of relevant skills and experience, as well as international diversity and independence. Few Boards in our industry or in any other can boast such an international line-up of high-calibre individuals. It certainly sends out a strong signal of our Group's global ambitions.

Already the Board has had numerous occasions to display its qualities both in monitoring programme evolution and in addressing more strategic matters.

Throughout 2013, the Board closely followed the progress of major aircraft programmes such as the A350 XWB, the A380, A400M, NH90 and EC225 retrofit.

Just as importantly, the Board played a significant supporting role in the Strategy 2.0 discussion. The decision to integrate Airbus Military, Astrium and Cassidian into one Defence and Space Division in order to enhance competitiveness in the face

of a challenging business environment has been carried with the full support of the Board. So too has the plan to adopt the strong Airbus brand for the entire Group.

Board expertise has been an important resource helping to shape and challenge management thinking on a variety of longer-term 'DNA' topics, such as innovation and global footprint, executive incentivisation, enterprise risk management, compliance programmes and export control regulations, as well as issues relating to cyber security.

In the year ahead, the Board has an ambitious agenda. We will be closely monitoring progress in the ongoing restructuring. The long-term success of the Group depends on it. We will also be examining the strategic positioning of the company's businesses, with an eye both to the present and the next long-term investment and production cycles.

Further areas of focus will be the management's delivery of its plan, commitments to the capital markets, performance targets and evaluation, and the handling of operational risks and opportunities typical to such a complex business.

Throughout all our activities, we will continue to support and promote ethical working practices. Over the long-term, good citizenship and irreproachable behaviour are an essential basis for Company performance. On this point, too, I can assure you, that we intend to act in the best interests of all our stakeholders.

Denis Ranque



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THE BOARD OF DIRECTORS

1. **Hans-Peter Keitel (66)**
Vice President of the Federation of German Industries (BDI)
 Mr Keitel served as President of the Federation of German Industries (BDI) from 2009 to 2012. Prior to that he served nearly 20 years at Hochtief – first as Director for International Business and subsequently from 1992 to 2007 as Chief Executive Officer.
2. **Hermann-Josef Lamberti (58)**
Former Member of the Management Board of Deutsche Bank
 Mr Lamberti was COO of Deutsche Bank AG from 1998 to 2012. He previously gained wide experience within IBM, in the fields of controlling, internal application development, sales, personal software, marketing and brand management.
3. **Ralph D. Crosby, Jr. (66)**
Former Member of the Management Boards of EADS and of Northrop Grumman
 Mr Crosby has had thirty years of executive experience in the international aerospace and defence industry, including general management of major defence and commercial businesses for EADS and Northrop Grumman.
4. **Sir John Parker (71)**
Chairman of Anglo American
 Prior to his current position, Sir John Parker held several leadership positions in the engineering, shipbuilding and defence industries, including the chairmanship of National Grid until end 2011 and some 25 years' experience as a CEO including Harland & Wolff and the Babcock International Group.



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5. Anne Lauvergeon (54)

**Partner of Efficiency Capital,
Chairman and CEO of A.L.P. S.A.**

Ms Lauvergeon was CEO of Areva from 2001-2011. Under her tenure the company became the world nuclear leader, and a major renewables equipment provider. Before joining Lazard Frères and Alcatel she worked (1990-1995) for the French President Mitterrand as Deputy Chief of Staff and personal representative for G7/G8 summit preparations.

7. Denis Ranque (62)

**Chairman of the Board of Directors
of Airbus Group**

From 1998 to 2009 Denis Ranque was Chairman and CEO of Thales, the largest European defence electronics company, where he had previously held various management positions. He started his career in the French Ministry for Industry. Since 2010 he has held various non-executive directorship positions in industrial companies and related non-profit organisations.

9. Manfred Bischoff (71)

**Chairman of the Supervisory
Board of Daimler**

Mr Bischoff served as CEO of Daimler Benz Aerospace (DASA), as Chairman of EADS and as Member of the Management Board of Daimler AG. Educated as an economist, he has comprehensive expertise regarding the automotive industry and aerospace.

11. Jean-Claude Trichet (71)

**Honorary Governor of
Banque de France**

Mr Trichet served as President of the European Central Bank from 2003 to 2011. He had previously been Governor of Banque de France, led the French Treasury and held various leading positions within the French Minister of Economy and Finance.

6. Lakshmi N. Mittal (63)

**Chairman and Chief Executive
Officer of ArcelorMittal**

Mr Mittal is an entrepreneur who founded Mittal Steel Company in 1976. The company has successfully grown over the years, is today known as ArcelorMittal, and has become the world's largest steelmaker. Mr Mittal is recognised for his leadership in restructuring the global steel industry.

8. Michel Pébereau (72)

Honorary President of BNP Paribas

Mr Pébereau was the Chairman of BNP Paribas until the end of 2011. Previously, he led BNP bank, presiding over the merger that created BNP Paribas in 2000. He also led the Crédit Commercial de France, after holding various high ranking positions within the French Treasury.

10. Tom Enders (55)

**Chief Executive Officer
of Airbus Group**

Prior to his current position, Mr Enders was CEO of Airbus from 2007 to 2012. He previously acted as co-CEO of EADS and led the EADS Defense and Security Systems Division, after holding various top management positions at MBB and DASA.

Josep Piqué
12. i Camps (59)**Vice-Chairman and CEO
of Obrascón Huarte Lain**

Mr Piqué i Camps is Vice-Chairman and CEO of Obrascón Huarte Lain (OHL). Having served in various political functions, i.e. Senator and Minister of successive Spanish governments, he has comprehensive political experience.

“



Tom Enders
Chief Executive Officer

**“THERE WERE
A NUMBER OF
OPERATIONAL
ACHIEVEMENTS
IN 2013.”**

In many ways 2013 was a pivotal year for Airbus Group. What were the most important developments?

Yes, it was quite some year. But for me two big developments stand out.

Firstly, the overhaul to our governance and shareholding structure, which paved the way for today's performance-driven company. It means we are fully focused on delivering continued profitable growth that benefits all our stakeholders in the coming years. I should mention here the valuable contribution of our Board of Directors, which is surely second to none in terms of their experience, global mindset and financial expertise.

The second major development was the Group's new strategy. Following the in-depth review completed in 2013, we defined new strategic objectives that reflect the changing market dynamics. We clearly recognise that our core strength is in aeronautics and embrace the strong growth momentum in the commercial business. At the same time, through the creation of Airbus Defence and Space we are enhancing our competitiveness within the more constrained governmental sectors. This Division will emerge stronger as a result of the ongoing restructuring efforts, I'm convinced of that.

“We’ll be working to make our Company more competitive for the future.”

The Group’s renaming is a logical consequence of this strategy. It gathers its components under the strongest brand, one that stands for internationalisation, innovation and integration. It reinforces the message: “We Make It Fly”. I think it’s a brand we can all wear with pride.

Which operational developments would you highlight?

There were a number of operational achievements in 2013 which ultimately meant we again increased revenues and made further progress towards our 2015 profitability target.

Clearly, 2013 was a great year for the commercial aircraft business with record Airbus deliveries of 626 aircraft. That’s no mean feat. Airbus also accomplished the first flight of the A350 XWB and the initial A400M deliveries were realised. Four Ariane 5 launches were conducted with six company-built satellites delivered and we saw good programme execution in defence, particularly for the Eurofighter Typhoon. In the Helicopter business, the EC225 Super Puma returned to service with all operators worldwide. That was a significant achievement following recent operational issues.

Order intake was particularly strong at Airbus with a record 1,619 gross commercial orders but we shouldn’t overlook the strong performance in the space business with a book-to-bill above 1. The Group order backlog reached a record €687 billion by year end. Not many other manufacturing companies can have that amount of visibility in their production planning.

We saw a significant improvement in profitability despite the one-off charges for the A350 XWB programme and the ongoing restructuring. And, this upturn wasn’t purely down to the strong commercial aircraft activities. Despite a difficult market environment, profitability at the defence business improved thanks to our transformation efforts and good programme management and we achieved a 6% return on sales for the first time in the space business.

What are your priorities for the year ahead?

To put it simply and bluntly: 2014 is all about execution. We have a busy schedule ahead of us. Our biggest development programme, the A350 XWB, is now in its most critical phase. We have to manage not only first deliveries but the industrial ramp-up for the years ahead. We have to increase A400M deliveries and in our Helicopter business, we must get the EC175 in the hands of its first customers.

Beyond the programme milestones, we’ll be working to make our Company more competitive for the future. The Airbus Defence and Space Division has an important role here. Airbus Helicopters, too, is taking important steps. In addition, a major Group-wide priority for 2014 is Quest, our quality initiative, which will help us boost performance, customer satisfaction and our bottom-line. We have to limit unplanned charges across the company going forward, whether “one-offs” or more structural.

With the new governance and structure, shareholder engagement has become a clear priority. What about other stakeholders?

We’re a normal enterprise and we’re judged on performance by our shareholders. That’s a simple fact. But let’s face it: we can’t deliver performance without the full engagement of the many people who drive the business every day. By that I mean, above all, our workforce, made up of talented, passionate and highly professional people. It’s their effort, their drive and innovation that make the Company improve and helped it achieve the many accolades it did last year.

In 2013, we recognised the contribution of Airbus Group employees through a special offer of 10 free shares to each. I think it’s appropriate for employees to take a share in company ownership. We’re all in this enterprise together. And we all want it to succeed.

GROUP PRIORITIES 2014 - KEY POINTS

⚡ **Shape our Future, Stay Innovative:** Combine technology roadmaps into a Group-wide R&T Strategy.

⚡ **Internationalisation:** Adopt “One-Roof Principle” in key countries. Increase international reach, leverage presence.

⚡ **Make Airbus Group a Success:** Shape defence and space for competitiveness. Strengthen helicopter business. Manage commercial aircraft execution challenges.

⚡ **People:** Support people through the Group restructuring. Invest in mastery of critical skills and behaviours for future.

⚡ **Strive for further Improvement of Customer**

Satisfaction: Deliver products and services on quality, on time and on cost.

⚡ **Drive our Performance:** Stick to Operative Planning commitments, focus on profitability and cash management.

⚡ **Ethics and Compliance:** Follow Integrity Principles and speak up to improve performance and preserve reputation.

⚡ **Cyber Security and Protection of our Assets:**

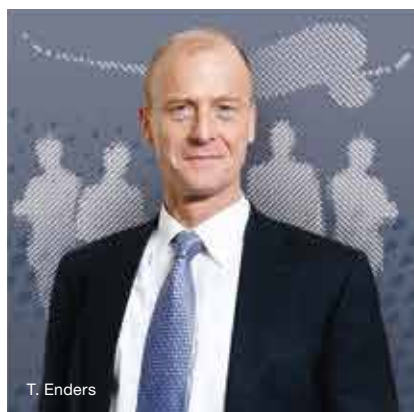
Protect intellectual property, industrial assets and products.



H. Wilhelm



F. Brégier



T. Enders



G. Faury



M. Lahoud

GROUP EXECUTIVE COMMITTEE



B. Gerwert

Tom Enders

Airbus Group Chief Executive Officer

Mr Enders chairs the Airbus Group Executive Committee, and is the only executive member of the Board of Directors.

Harald Wilhelm

Airbus Group & Airbus Chief Financial Officer

Mr Wilhelm's mission is to ensure the financial performance of Airbus Group, to secure the funding of the Group and the customers' financing, to manage investor relations, to manage risks and opportunities, provide financial transparency and create value for the Company's shareholders.

Fabrice Brégier

Airbus Chief Executive Officer

As Airbus President and CEO, Mr Brégier is responsible for the overall success of all Airbus activities and for sustainably positioning the business as a global leader in its commercial markets.

Guillaume Faury

Airbus Helicopters Chief Executive Officer

Mr. Faury's mission is to implement an ambitious transformation plan to strengthen Airbus Helicopters' industrial performance and deliver commercial success and customer satisfaction on programmes and related services.

Marwan Lahoud

Airbus Group Chief Strategy and Marketing Officer

Mr Lahoud is responsible for the elaboration of the Group's strategy and responsible for the Group's international development and marketing.

Bernhard Gerwert

Airbus Defence and Space Chief Executive Officer

Mr Gerwert is in charge of restructuring and driving a sustainable business performance at Airbus Defence and Space, while preparing the Division's future.

AIRBUS

GROUP



F. Auque



J. Botti



T. Baril



D. Ureña-Raso



J. Leahy



G. Butschek



S. O'Keefe

Thierry Baril

Airbus Group & Airbus Chief Human Resources Officer

Mr Baril ensures that Airbus Group's workforce is competent, engaged and efficiently managed and also anticipates future talent needs to support business growth. His role is key in the areas of leadership, culture change, and diversity.

François Auque

Airbus Defence and Space, Head of Space Systems

Mr Auque is responsible for the new Space Systems business line within Airbus Defence and Space. Space Systems is Europe's leading provider of space transportation, orbital infrastructures and satellite systems, and plays a crucial role in France's deterrence capabilities.

Günter Butschek

Airbus Chief Operating Officer

Mr Butschek is Airbus Chief Operating Officer, holding overall responsibility for operations, engineering, procurement and supply chain management, quality and information technology in this Division.

Jean Botti

Airbus Group Chief Technical Officer

Mr Botti's mission is to steer Airbus Group's Research & Technology strategy. He oversees IT, and initiatives in cyber security, quality, programme management and manufacturing tools for the Company's future.

John Leahy

Airbus Chief Operating Officer- Customers

Mr Leahy's responsibilities cover all commercial activities of Airbus including sales, marketing, contracts, business transaction control, asset management, leasing and business development.

Domingo Ureña-Raso

Airbus Defence and Space, Head of Military Aircraft

Mr Ureña-Raso is in charge of the Military Aircraft business, responsible notably for the A400M, Eurofighter and UAV programmes. In this function, he reports to the CEO of Airbus Defence and Space.

Sean O'Keefe

Airbus Group, Inc. Chief Executive Officer

Mr O'Keefe oversaw the management and operational responsibilities of expanding the Airbus Group market presence in the USA, in coordination with the three Airbus Group operating Divisions.



Allan McArtor succeeded Sean O'Keefe on 1 March 2014.

AIRBUS GROUP MANAGEMENT STRUCTURE

as of 1 March 2014

Board of Directors

- Denis Ranque (Chairman)
- Tom Enders (CEO)
- Manfred Bischoff
- Ralph D. Crosby, Jr
- Hans-Peter Keitel
- Hermann-Josef Lamberti
- Anne Lauvergeon
- Lakshmi N. Mittal
- Sir John Parker
- Michel Pébereau
- Josep Piqué i Camps
- Jean-Claude Trichet

Chief Executive Officer

Tom Enders

DIVISIONS

Airbus

Fabrice Brégier (CEO)

Thierry Baril
Günter Butschek
John Leahy
Harald Wilhelm

Airbus Helicopters

Guillaume Faury (CEO)

Airbus Defence and Space

Bernhard Gerwert (CEO)

François Auque
Domingo Ureña-Raso

Airbus Group, Inc.

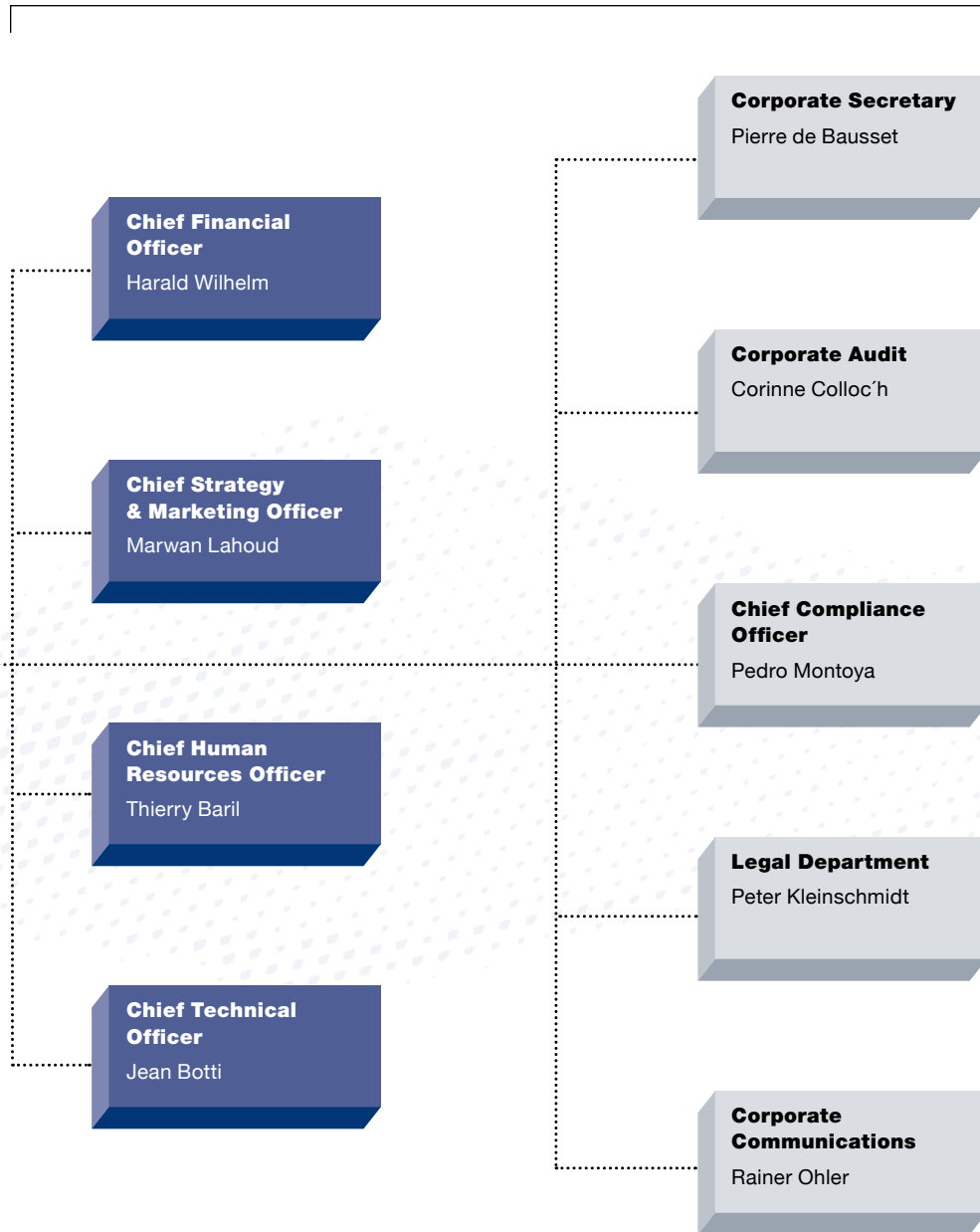
Allan McArtor * (CEO)



GROUP EXECUTIVE COMMITTEE MEMBERS

*Allan McArtor succeeded Sean O'Keefe on 1 March 2014

GROUP FUNCTIONS





Financial Overview, Strategy, Markets & Perspectives.

Airbus Group is focused on delivering improved financial performance, based on commercial leadership in the aeronautics field and optimised positioning in defence and space.



/ 02

“ENHANCING
**GLOBAL
COMPETITIVE-
NESS**”

WE MAKE IT FLY — ANNUAL REVIEW 2013

“We are making progress towards our profitability target.”



Harald Wilhelm
Chief Financial Officer

**“WE’RE
FULLY
FOCUSED ON
EXECUTION.”**

Can you talk us through the main highlights of the Group’s 2013 financial results?

The most important message is: we are making progress towards our profitability target. While our revenues were up 5% against the previous year, our underlying profitability, the EBIT* before one-off, was up 21% to €3.6 billion. That represents a return on sales of 6%. So it’s another significant step towards our target of 7% to 8% by 2015 (see graphs on pages 24-25).

What’s behind the proposed dividend?

It is the result of improved profitability supported by our new dividend policy, which we announced at the end of 2013. The proposed gross dividend of 75 cents per share represents a payout ratio of 40% and a 25% increase on the previous year’s dividend.

How do you see the cash development?

We are currently in a phase of heavy investment in production and development programmes, in particular with the A400M and A350 XWB ramping up. As a result, the free cash flow for the full year was negative. However, it was better than expected some months ago, reflecting a high level of commercial deliveries and a heightened operational focus on cash measures in the last quarter.

Our net cash at the end of 2013 remains a very solid €9 billion. That’s after taking into account the € 1.9 billion invested in



the share buyback and the dividend payment of € 469 million. So we maintain the financial flexibility and security we need to invest in our operations and growth. Our credit ratings further underpin the Group's financial stability.

Looking ahead, I'll be keeping a firm eye on cash generation. In 2014 and 2015, we need to accelerate the effort on our development programmes and we'll be targeting breakeven free cash flow before acquisitions. I expect to see an improvement thereafter.

What do you say to the A350 one-off booked in 2013?

The A350 is an extremely challenging industrial programme. But we've learnt a lot from previous experience. Over the past year, we have been increasing efforts to ensure a robust ramp-up and mature aircraft deliveries. Thanks to those efforts, the programme remains on track for entry-into-service by the end of the year. But the extra effort has come at a cost, and the assessment of actual cost data points against our cost convergence targets triggered a € 434 million charge in 2013, reflecting a higher level of recurring costs on the early aircraft. We already launched a cost convergence project one year ago to address the main root causes in the mid to long-term through mitigation actions, and I am convinced that the programme will be a key contributor to the Group's future performance. With over 800 aircraft already on order, the A350 XWB will be a cornerstone for the Group for many years to come.

What sort of performance should we be expecting from the Group in the coming period?

Looking to the year ahead, assuming a dollar euro rate of 1.35, you should expect revenues in 2014 to be broadly stable compared to 2013, with Airbus deliveries at roughly the same level as last year. Underlying profitability should see moderate growth in 2014, and we are reaffirming our 2015 target of a 7-8% return on sales. You should note, this return on sales target is based on a dollar-euro rate of 1.35 and includes the dilutive effect of early A350 deliveries.

In addition, the strong commercial performance at Airbus has enabled us to increase the single-aisle production rate to 46 per month in 2016 from today's level of 42, and our robust order book, which is now worth around € 687 billion, is very well diversified across the globe and gives us excellent visibility for the years ahead.

What are the main risks to profitability going forward?

Risk management and cost adherence are absolute priorities for the Group. And I believe our disciplined approach is paying off. From today's perspective, one-offs should be limited to possible charges on the A350 XWB programme, which is now entering its most critical phase, and foreign exchange effects linked to the pre-delivery payment mismatch and balance sheet revaluation.

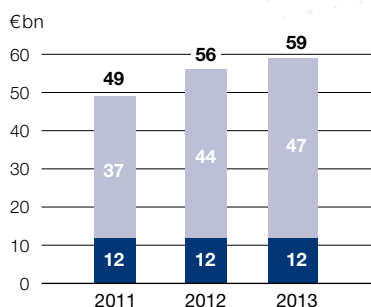
Finally, how much higher can the share price go?

It's certainly been an very impressive year for the Group's share price, rising 89% during 2013. But I won't be making any predictions! I see the rise as an indication of the high expectations the market has set for the Company. And it's a measure of the responsibility we carry for delivering. Looking ahead, the management team and I are fully focused on execution.

KEY FINANCIAL FIGURES

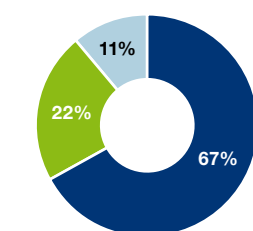
CONSISTENT GROWTH IN REVENUES

REVENUES GROWTH



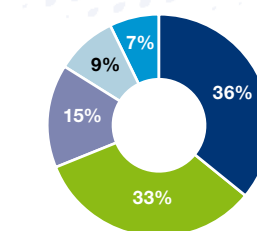
Commercial
Defence

REVENUES BY DIVISION



Airbus
Airbus Defence and Space
Airbus Helicopters

REVENUES BY REGION



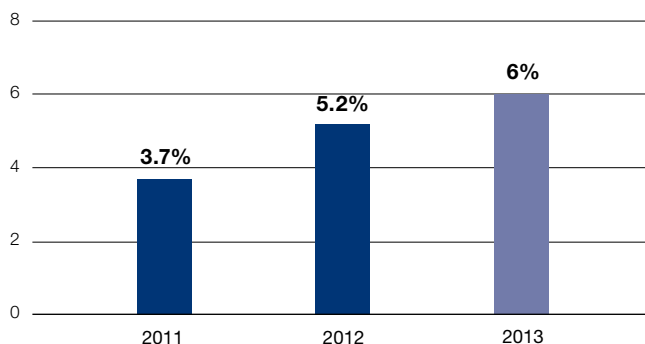
Europe
Asia-Pacific
North America
Middle East
Africa / Central and South America

Pro forma as per FY 2013 disclosure.

Revenue growth has been driven by the commercial business, with strong momentum in particular from Asia-Pacific and the Middle East. Defence revenues have remained resilient despite budgetary pressures.

GROWTH IN UNDERLYING PROFITABILITY

Return on sales (EBIT* before one-off as a percentage of revenues)

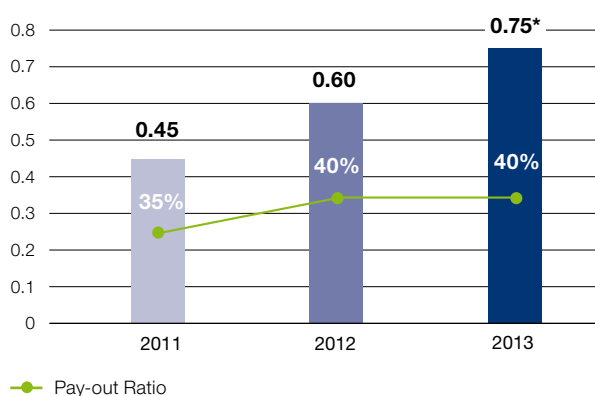


Airbus Group's return on sales continues to improve. The Group remains on track to reach its 2015 profitability targets.

* Pre-goodwill impairment and exceptionals.

AIRBUS GROUP DIVIDEND

Gross dividend per share (in €)

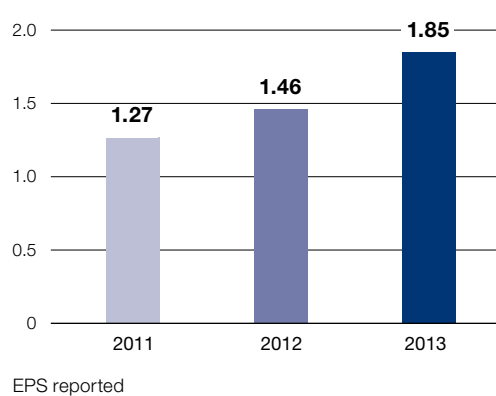


The proposed gross dividend per share of €0.75* represents an increase of 25% compared to 2012.

* To be proposed to the Annual General Meeting.

EARNINGS PER SHARE PERFORMANCE

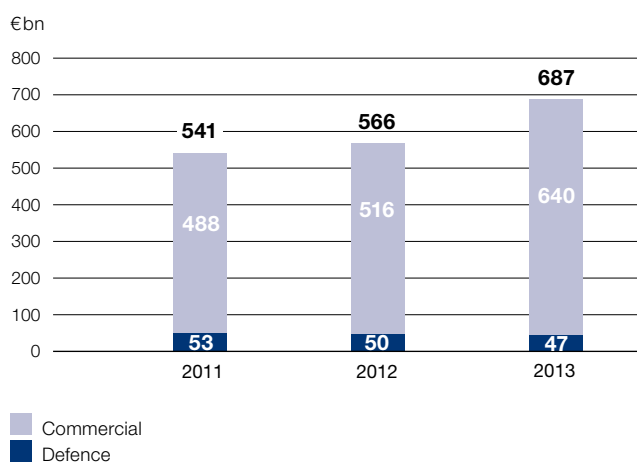
(in €)



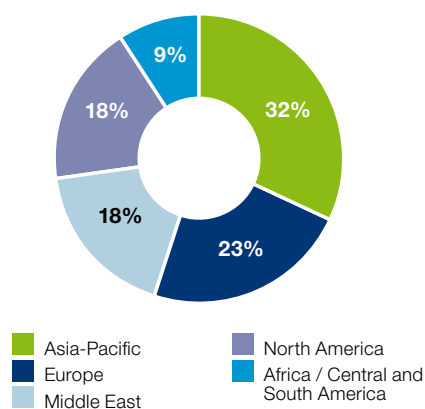
Net income for the year increased by 22% to € 1.5 billion. Based on average number of shares outstanding in 2013, this translates into earnings per share (EPS) of € 1.85.

CONSISTENT GROWTH IN ORDER BOOK

ORDER BOOK BY ACTIVITY



ORDER BOOK BY REGION



Thanks to strong commercial momentum and a highly competitive product range, the Airbus Group backlog has grown steadily over the past years. The Airbus Group backlog is well diversified across the major regions of the globe.

SHARE INFORMATION

Following a 22% progression in 2012, the Group's share price rose 89% in 2013.

In the same year, the CAC 40 improved by 18%, the DAX by 25% and the MDAX by 36%.

The MSCI Aerospace index was up 50%.

Up to mid-March 2013, the Group's shares followed an upward trend, supported by improved full year results published end of February and the Group's entry into the EuroStoxx50 index.

On 15 March 2013, the share price peaked at € 42.59. Over the following weeks, the Group's shares and the European markets declined due to concerns about eurozone economies.

The shares then rallied following the completion of a series of share sales by the Group's major legacy shareholders, and due to the Company's ongoing share buyback programme, reaching € 41.12 on 2 April 2013. The share price declined again on renewed worries about the eurozone economy, retreating to € 37.5 in mid-April.

The release of strong first quarter and half-year figures, on 14 May 2013 and 31 July 2013 respectively, saw the share price once again move ahead before slipping back to € 42 due to market concerns about a possible Chinese credit crunch and the prospect of reduced U.S. monetary stimulus.

On 11 December, at the start of the Global Investor Forum, the Group announced a new dividend policy with a payout ratio of 30-40%, and confirmed its 7-8% return on sales target for 2015. The news triggered a sharp increase in the share price which reached an all-time high of € 56.2.

On 31 December 2013, the share closed at € 55.8. As of 2 January 2014, the Group's shares are listed under the Airbus Group name and symbol: AIR.

PROFILE

NUMBER OF SHARES AS OF 31 DECEMBER 2013

783,157,635

ISIN CODE

NL0000235190

GROSS DIVIDEND PER SHARE

€ 0.75*

HIGH IN 2013 ON THE PARIS STOCK MARKET: ON 27 DECEMBER 2013

€ 56.24

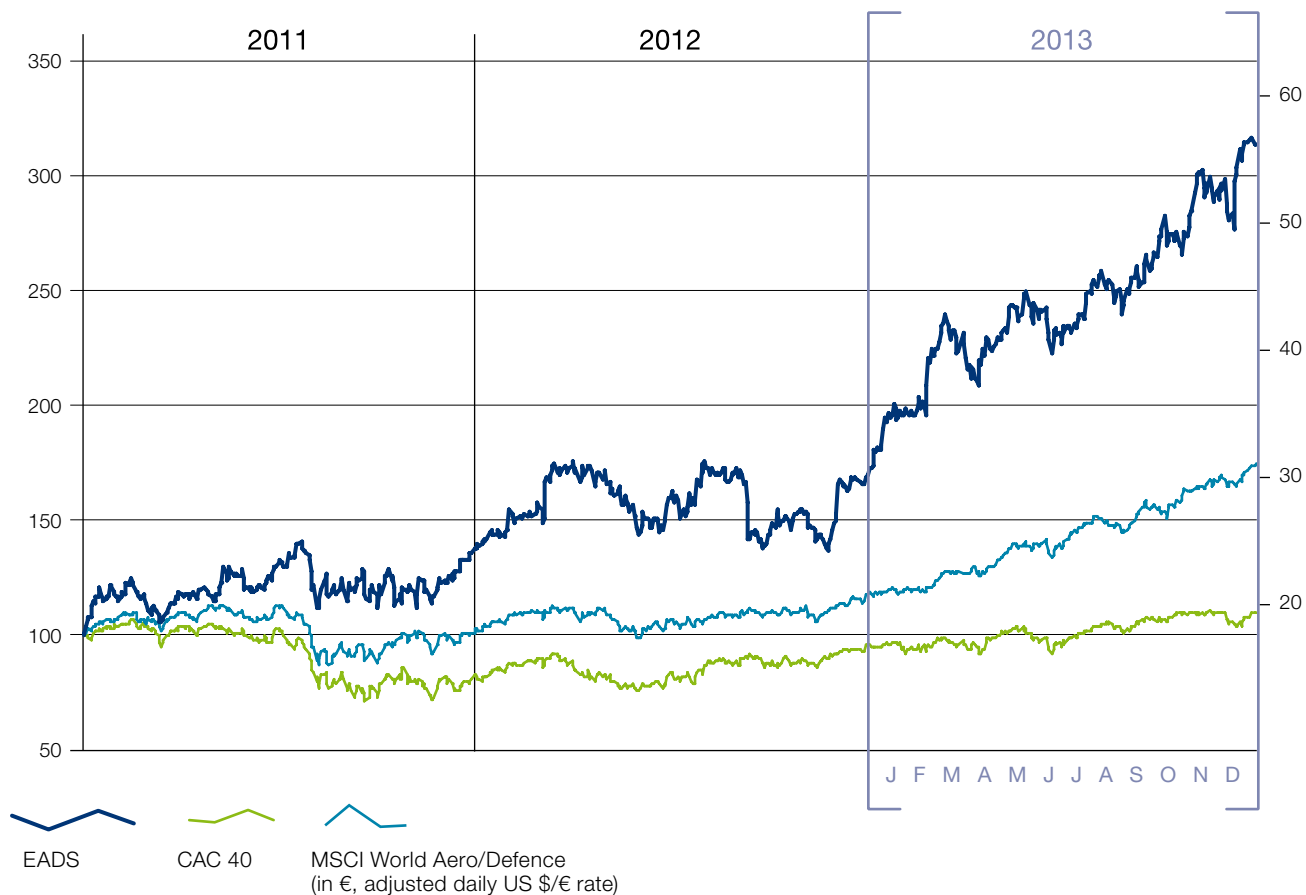
LOW IN 2013 ON THE PARIS STOCK MARKET: ON 2 JANUARY 2013

€ 30.07

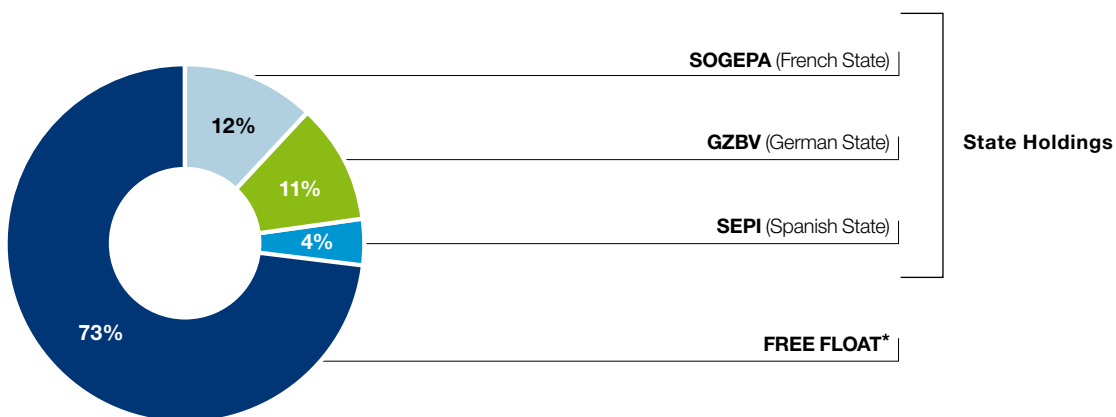
SHARE PRICE EVOLUTION AS OF 31 DECEMBER 2013

Base 100 as of 3 January 2011

EADS share price in €



CAPITAL STRUCTURE AS OF 31 DECEMBER 2013



* Comprising: Institutional investors & Retail: 72.6% and Treasury shares (without economic or voting rights): 0.4%



Marwan Lahoud
Chief Strategy and Marketing Officer

**“COMMERCIAL
AVIATION
REMAINS
OUR MAJOR
GROWTH
ENGINE.”**

In 2013, the Group completed its strategy review and launched “Strategy 2.0.” Can you summarise the main findings?

The previous Group strategy, Vision 2020, launched back in 2007, was mainly focused on growth, profitability, and on balancing commercial and governmental businesses. Looking back, we can see that a lot of progress has been made. Our Group has grown significantly and faster than we anticipated. We have become more international, with the bulk of our sales and orders coming from outside Europe, and sourcing outside Europe has significantly increased as well. Our services business has also doubled in five years.

However, despite achieving strong growth in a rather moderately growing European defence and space market in recent years, achieving a more balanced overall portfolio was not possible. “Strategy 2.0” takes this into account. Commercial aviation, which today accounts for almost two-thirds of our revenues, remains our major growth engine. We have to embrace that. In our defence and space businesses, too, we need to focus on our strengths, as we are faced with flat markets in our domestic countries going forward. Since we have a broad and well developed product portfolio we can focus on cost competitiveness and offer proven solutions at low risk to emerging customers (see pages 30-31 for more details).

Can you elaborate on the rationale behind the merger of the Group’s defence and space businesses?

As I said, we are not expecting our domestic defence and space markets to show much growth in the near term at least. So in order to continue generating value, we need to enhance

“The newly merged Airbus Defence and Space Division will strengthen our position as a market leader.”



our competitiveness, use our resources very efficiently and improve our access to growth markets. By merging our defence and space activities, which were previously managed separately, we have a unique opportunity to benefit from synergies, not only in terms of cost, but also in operations and sales. Remember that since the creation of EADS in 2000, the combined revenues of Cassidian, Astrium and Airbus Military have more than doubled. Many of their activities did not even exist 14 years ago. It is natural that business boundaries evolve in parallel. Therefore, I believe that the creation of the newly merged Airbus Defence and Space Division is now the right step and this integration will strengthen our position as a market leader. The Division is the European leader within its sector for “everything that flies”, as well as a global leader in many of its segments (Transport, Tanker, Launchers) and a one stop shop for secured communication through space, air and ground solutions.

Looking back at the past year, what international market successes stand out?

In Asia-Pacific, including China and India, the Group achieved very good results with over €50 billion of business won including major commercial aircraft orders coming from China, Air AsiaX (Malaysia), Lion Air (Indonesia), Srilankan Airlines and Singapore Airlines. The Japan Airlines order of 31 A350 XWB family aircraft clearly stands out as a strategic breakthrough in a previously very difficult market for Airbus. Important helicopter orders were booked in South Korea, Japan and Thailand as well as ATR orders in Indonesia, Laos, Taiwan and Thailand. The MRTT (Multi-Role Tanker Transport) contract win in Singapore also deserves to be mentioned.

We also had a successful year in the Middle East. Amongst major contracts, the large Etihad order, which includes 50 A350 XWBs, and the Emirates order for 50 A380s stand out. Important orders were also received in Saudi Arabia for our defence and security activities.

In South America, as well as receiving a major single-aisle aircraft order from Mexico’s VivaAerobus, the Group won helicopter orders from Argentina, Bolivia, Brazil, Chile and Peru. Our ATR joint venture received orders in Colombia, Brazil, Antigua and Uruguay. In Europe, we booked a major single aisle contract for Turkish Airlines as well as an order for helicopters. In Central Asia and the Caucasus we received orders for helicopters and military transport aircraft and in Russia we booked an order for commercial aircraft for AIG and for a Telecommunications satellite.

Thanks to the Group’s success on international markets, our order book, which now stands at around €687 billion, is very well distributed across different regions of the world.

Are there any plans to extend the Group’s existing international presence?

Increasing industrial presence can be a very effective way to improve our market share in large and growing markets, as we have seen with our A320 facility in China. Work is currently progressing on the new Final Assembly Line in Alabama, USA, which is due to start delivering A320 family aircraft in 2016. Beyond that, we are increasing our activity in Mexico, where we recently opened a high-technology component factory for our helicopter business. And we’re currently looking very closely at a possible expanded presence in Poland.

What’s the current status with the Group’s services strategy?

As I mentioned earlier, our services business has progressed well in recent years. Services today account for some 15% of Airbus Group revenues with up to 42% of the helicopters business. Again, we need to focus on our strengths: our unique platform know-how. With a doubling of the Airbus fleet in the next 20 years and 800 new military platforms entering service over the next five years alone, we have a unique opportunity to grow and shape a long term profitable business while adding high value to our customers on and around our products.

What about potential acquisitions?

Acquisitions are tools to reach our strategic goals and we have the resources to act should the opportunity present itself. However, major acquisitions are not on the table in the foreseeable future. Our priority is to focus on our core strengths, successfully execute our programmes and deliver enhanced competitiveness wherever we operate. I believe that with our strategic focus, our strong portfolio of products and our unrivalled aeronautics know-how, we can continue to succeed on the global markets in the years ahead.

STRATEGY

Airbus Group's strategy is to focus on Commercial Leadership, Defence and Space Optimisation and Value Creation.

Following a strategy review conducted in 2013, Airbus Group has elaborated a set of strategic priorities for the Group which define the way ahead for the years to come.

STRATEGIC PRIORITIES FOR THE GROUP

- ⌘ Strengthen market position and profitability while remaining a leader in Commercial Aeronautics

- ⌘ Preserve leading position in European Defence and Space and Government markets

- ⌘ Exploit incremental innovation potential within product programmes, while preparing next-generation breakthroughs

- ⌘ Focus on profitability, value creation, and market position – no need to chase growth at any cost; actively manage portfolio

- ⌘ Adapt to a more global world and move closer to international markets

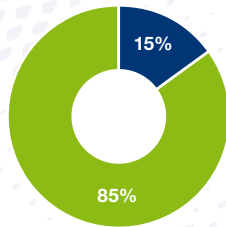
- ⌘ Focus services on and around platforms

- ⌘ Strengthen value chain position

OUR DNA

WE MAKE THINGS FLY

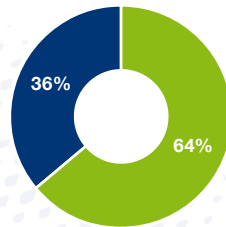
We are first and foremost an aeronautics group.



■ Aeronautics
■ Non-aeronautics

OUTSIDE EUROPE

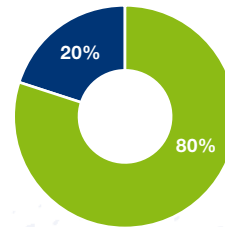
The bulk of the Group's 2013 revenues come from outside Europe.



■ Outside Europe
■ Europe

2013 CIVIL REVENUES

The Group is largely a commercial company.



■ Commercial
■ Defence

Airbus Group has seen remarkable growth over the past years. While all Divisions have expanded, the global civil aviation business has seen the biggest growth. Today most of Airbus Group's business is related to aeronautics, comes from outside Europe and is commercial.

STRATEGIC IMPLICATIONS

- ⌘ We build a portfolio of strong divisions

- ⌘ We focus on our Aeronautics business (civil and military) and Space

- ⌘ We leverage the strength of the Airbus Commercial business to benefit the entire group

- ⌘ We consolidate the bulk of our Defence and Space business into one division

- ⌘ We keep our Helicopter business as a separate division due to its technical and market specificities

- ⌘ Consequently, we rename and rebrand EADS "Airbus Group", a worldwide recognised brand

MARKETS & PERSPECTIVES

As the global economy continues its slow recovery, air traffic is expanding, driven in particular by emerging markets.

Due to budget constraints, government spending in Europe and the US is expected to remain flat at best in the near to mid-term.

Solid momentum in air traffic

SLOW GLOBAL ECONOMIC RECOVERY

In its October 2013 World Economic Outlook, the International Monetary Fund (IMF) reported weak global growth in 2013, at a projected 2.9% for the full year (2012: 3.2%).

Advanced economies averaged 1.2% growth in 2013 (1.5% in 2012) with the US expanding at 1.6% (2012: 2.8%) and the Euro area shrinking by 0.4% (2012: -0.6%).

Emerging market and developing economies slowed to an average 4.5% growth in 2013, down from 4.9% in 2012. Growth in China in 2013 was estimated at 7.6% (2012: 7.7%), with India projected to grow 3.8% (2012: 3.2%) and the ASEAN-5 countries (Indonesia, Malaysia, Philippines, Thailand and Vietnam) to grow 5.0% (2012: 6.2%).

The IMF reported somewhat better near-term prospects, with global Gross Domestic Product (GDP) growth forecast at 3.6% in 2014. The United States economy is expected to grow 2.6% in 2014, with the Euro area returning to moderate growth of 1.0%.

Emerging market and developing economies are forecast to grow at 5.1% in 2014, with a growth rate of 7.3% in China, 5.1% in India and 5.4% across ASEAN-5 countries. In its report, the IMF warns of risks faced by emerging markets relating to exchange rates and financial markets.

LONG-TERM ECONOMIC TRENDS

According to the PwC "World in 2050" report published in 2013, the global economy is expected to grow at an average rate of just above 3% per year up to 2050, doubling in size by 2032 and nearly doubling again by 2050.

The report predicts that emerging economies will continue to grow at a faster pace than advanced economies, as a catch up process continues. According to PwC, China is projected to overtake the US as the largest economy by 2017 in purchasing power parity terms and by 2027 in market exchange rate terms.

AIR TRAFFIC CONTINUES CURRENT GROWTH PATH

Air traffic growth tends to be positively correlated to GDP growth. In its March 2014 financial update, the International Air Transport Association (IATA) reported that global air traffic, measured in revenue passenger kilometres (RPK), rose 5.2% in 2013, following a 5.3% year-on-year increase in 2012.

Air traffic increased 2.2% in North America (2012: 1.0%) and 4.0% in Europe (2012: 4.5%). Estimated air traffic growth was significantly higher in Asia-Pacific at 7.2% (2012: 6.1%) and the Middle-East at 11.9% (2012: 14.7%).

Singapore Airlines A380





IATA expects Asia-Pacific passenger traffic to increase to 7.4% in 2014

According to the IATA March 2014 update, airlines returned an estimated net profit of US\$ 12.9 billion in 2013 (2012: US\$ 6.1 billion). North American carriers ended 2013 with a collective net profit of US\$ 6.8 billion (2012: US\$ 2.3 billion), with Asia-Pacific carriers posting US\$ 3.0 billion profit (2012: US\$ 2.7 billion) and European airlines an estimated US\$ 1.2 billion after breaking even the previous year. According to IATA, passenger markets continue to outperform the cargo business.

Looking to 2014, IATA forecasts a 5.8% increase in passenger traffic (RPK), with traffic up 2.7% in North America, 4.7% in Europe, 7.4% in Asia-Pacific and 13.0% in the Middle East. IATA predicted further improvement in the industry's net profit to US\$ 18.7 billion in 2014, with all regions seeing increases in profitability. In 2014, airlines are expected to post net profit of US\$ 8.6 billion in North America, US\$ 3.7 billion in Asia-Pacific and US\$ 3.1 billion in Europe.

ROBUST MID-TERM OUTLOOK

According to the IATA Airline Industry Forecast 2013-2017, published in December 2013, demand is expected to expand by an average 5.4% compound annual growth rate between 2013 and 2017.

The Airbus 2013 Global Market Forecast estimates that passenger traffic will grow at an average yearly rate of 4.7% over the next twenty years. In order to meet the demand for growth and for replacement of aging aircraft, Airbus calculates a need for more than 28,000 new passenger aircraft up to 2032.

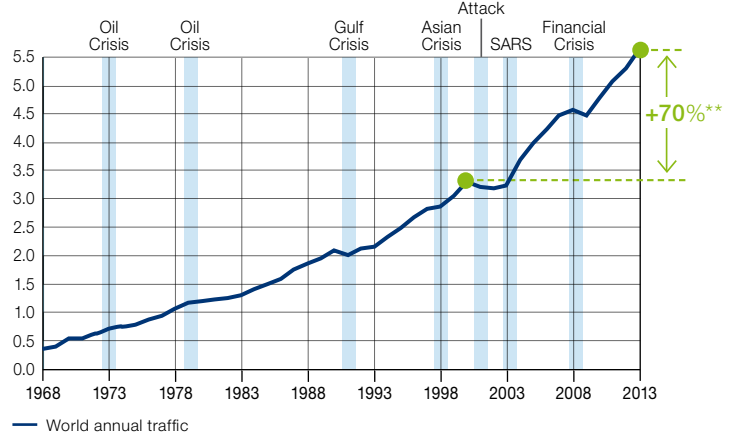
PASSENGER TRAFFIC IS OUTPERFORMING GDP GROWTH

World real GDP and passenger traffic (year-over-year)



AIR TRAVEL HAS PROVED TO BE RESILIENT TO EXTERNAL SHOCKS

(in RPK* trillions)





Dubai Air Show 2013

Trends in defence, space and helicopters

DEFENCE BUDGETS UNDER PRESSURE IN THE US AND EUROPE

The need to consolidate public finances has weighed on government budgets, particularly in the US and Europe. According to the Stockholm International Peace Research Institute (SIPRI) in its April 2014 release, world military expenditure fell 1.9% in real terms to US\$ 1,747 billion in 2013.

According to SIPRI, military spending in the US fell 7.8% in real terms to \$640 billion in 2013, while Western and Central European spending fell 2.4% to \$312 billion. By contrast, military spending rose by 4.7% in East Asia (\$282 billion), by 4% in the Middle East (\$150 billion) and by 5.3% in Eastern Europe (\$98.5 billion).

A McKinsey study "The Future of European Defence" points to the dilemma facing European governments, with a need to commit more resources to their collective defence and strait-jacketed finances. Europe's increasing reliance on the US has led to strains within the NATO alliance. Currently, US spending represents 72% of the NATO defence total, up from 63% in 2001.

According to the McKinsey report, the situation in Europe is further complicated by structural inefficiencies: Europe deploys six times as many different weapon systems as the US while spending only 40% of the budget. According to the report, the potential savings that could have been achieved through sharing and cooperation in 2012 are close to € 13 billion.

In December 2013, European Heads of State met to discuss a Common Security and Defence Policy. In a statement following the meeting, the European Defence Agency promised to push forward with four key programmes: remotely piloted aircraft systems, air-to-air refuelling, satellite communications and cyber.

Cybersecurity continues to grow in importance. According to the report "The Global Cybersecurity Market 2013-2023" published in July 2013 by Security Defence Intelligence, North America is expected to spend US\$93.6 billion on cyber security over the forecast period, making it by far the largest spender in the domain.

OUTLOOK FOR THE SPACE INDUSTRY

According to the Space Foundation's "Space Report 2013", the global space economy grew by nearly 7% in 2012, reaching a new record of US\$304.31 billion. The report states that the commercial sector accounts for most of the growth, constituting nearly three-quarters of the space economy, with government spending making up the rest.



NH90

In Europe, major civil space programmes are led by the European Space Agency (ESA). The total ESA budget set for 2014 amounts to €4.1 billion (2013: €4.3 billion). Major programmes to benefit from the ESA budget in 2014 include Earth Observation with €915.9 million (2013: €982.5 million), Navigation with €630.2 million (2013: €708.8 million), Launchers with €617.4 million (2013: €684.1 million) and Scientific Programmes with €506.5 million (2013: €507.9 million). Key decisions on Europe's role in scientific exploration and the future of European launchers are expected to be made at the ESA Ministerial Council meeting in December 2014.

BUDGET CONSTRAINTS WEIGH ON MILITARY HELICOPTER ORDERS

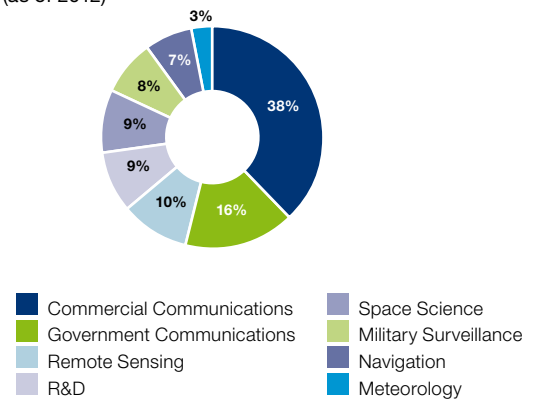
The financial crisis and public spending constraints in the advanced economies have weighed on helicopter sales. While sales in the civil area have begun to recover, military sales in the US and Western Europe are expected to remain depressed in the near to mid-term after significant increases in the previous ten years. Teal Group forecasts civil and military rotorcraft operators will require 16,126 new helicopters worth US\$193.1 billion over the next ten years. In value terms, military helicopters account for by far the largest share of the market. The 10-year forecast projects a civil and parapublic market for 10,308 helicopters worth \$60.3 billion, and a military market for 5,818 helicopters worth \$132.8 billion through 2022.

Commercial activities drove growth in the space sector in 2013



OPERATIONAL SATELLITES

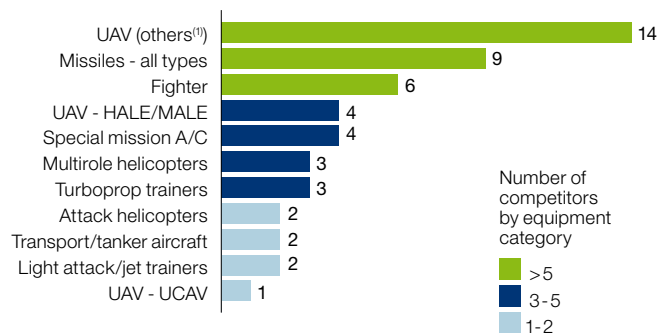
by function (as of 2012)



Source: Tauri Group database of spacecraft and launch activities.

FRAGMENTATION OF DEFENCE MARKET

by aircraft equipment in Europe



(1) Tactical, mini, micro, others. Source: McKinsey analysis, April 2013.

Review of the Divisions in 2013. Increased aircraft deliveries, strong order intake and operational focus are fuelling an improved performance.

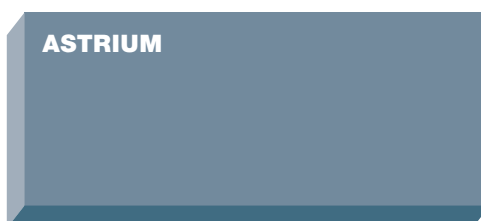
/ 03

**“ACHIEVING
OUR
GOALS”**

AIRBUS GROUP ORGANISATION

AS OF 1 JANUARY 2014

EADS



Following the strategic review conducted in 2013, the Group has adopted a simplified structure with three strong Divisions sharing the Airbus brand name. Airbus Military, Astrium and Cassidian have been merged to form the Airbus Defence and Space Division. Airbus Division remains responsible for all commercial aircraft activities. Eurocopter is renamed Airbus Helicopters.

AIRBUS GROUP



AIRBUS	
Revenues	€ 39,889m
EBIT*	€ 1,595m
<ul style="list-style-type: none"> ⋮ Large commercial aircraft, services 	



AIRBUS DEFENCE AND SPACE ⁽¹⁾	
Revenues	€ 14,422m
EBIT*	€ 690m
<ul style="list-style-type: none"> ⋮ Military Aircraft ⋮ Space Systems ⋮ Communication, Intelligence and Security ⋮ Electronics 	



AIRBUS HELICOPTERS	
Revenues	€ 6,297m
EBIT*	€ 397m
<ul style="list-style-type: none"> ⋮ Helicopters ⋮ Related services 	

(1) 2013 results restated.

AIRBUS

Comprising commercial and military activities in 2013

“THROUGH OPERATIONAL IMPROVEMENT,

Airbus achieved a 6.5% year-on-year increase in commercial deliveries.”



The A350 XWB made its maiden flight in June 2013



Scan here or visit
www.reports.airbus-group.com

The Division (comprising commercial and military activities) delivered a record number of aircraft, while beating its target for new commercial orders and achieving significantly improved profitability.

In 2013, the consolidated revenues of Airbus Division, including the former Airbus Military business, increased to €42.0 billion (2012: €39.3 billion^(a)), reflecting higher deliveries.

Airbus delivered a record 626 commercial aircraft in 2013 (588 in 2012). Deliveries of military transport aircraft stood at 31 (29 in 2012), including the first two A400M aircraft for the French Air Force.

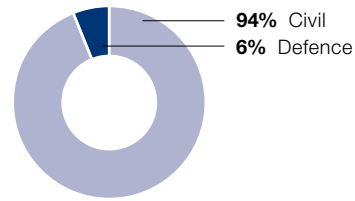
The Division's consolidated EBIT* rose to €1,710 million (2012: €1,252 million^(a)), due mainly to a solid operational performance in the commercial aircraft business. In total €354 million of A350 XWB development costs were capitalised under IAS 38.

Net order intake increased sharply to €202.3 billion (2012: €88.9 billion^(a)), driven by strong commercial aircraft demand. Airbus' consolidated order book was valued at €647.4 billion at the year-end (year-end 2012: €525.5 billion^(a)), representing more than eight years of production.

OPERATIONAL IMPROVEMENT

Through operational improvement, Airbus achieved a 6.5% year-on-year increase in commercial deliveries while utilising the same industrial set-up and the same product portfolio. Improved production was mainly driven by joint investments in the supply chain, simplified processes and increased empowerment of operational units.

REVENUES BY MARKET IN % OF EXTERNAL REVENUES



AIRBUS COMMERCIAL AND MILITARY

€m	2013	2012	Change
Revenues	42,012	39,273 ^(a)	+7%
R&D expenses ⁽¹⁾	2,444	2,439	0%
EBIT*	1,710	1,252 ^(a)	+37%
Order Intake	202,260	88,909 ^(a)	+127%
Order Book	647,410	525,482 ^(a)	+23%

(1) Capitalised R&D: €364m in FY 2013 and €445m in FY 2012.

(a) 2012 figures are pro forma, amended with IAS 19 restatement and perimeter change.



Members of the A350 XWB first flight crew

Preparation of the new Final Assembly Line in Mobile, Alabama, USA advanced on schedule. The Mobile site is due to begin operations in 2015 with deliveries to start in 2016. Discussions advanced on an extension of the successful Final Assembly Line partnership in China.

INCREMENTAL INNOVATION

Airbus continued its strategy of incremental innovation, upgrading existing series aircraft in order to maximise customer benefit while minimising development risk. In 2013, Airbus delivered 250 A320s equipped with the new sharklet wing features, which have demonstrated fuel-burn savings of at least 4%. Development of the A320neo remains on track for entry-into-service at the end of 2015.

The new 242 tonne variant of the A330, which offers 500 nautical miles more range and up to 2% less fuel burn than the current aircraft, is planned for first delivery in mid-2015. An additional regional A330 variant, optimised for high density domestic routes, is scheduled for entry-into-service in early 2015.



A321 with Sharklets



The former Airbus Commercial (Airbus as of 2014) revenues rose to €39.9 billion (2012: €37.6 billion^(a)), driven by strong deliveries of series aircraft.

Airbus' reported EBIT* was € 1.6 billion (2012: € 1.1 billion^(a)) with EBIT* before one-off at € 2.2 billion (2012: € 1.7 billion). Airbus' reported EBIT* includes a € 434 million net charge to reflect a higher level of costs on the A350 XWB programme. Airbus' EBIT* before one-off benefitted from better operational performance, including favourable volume and some improved pricing.

In 2013, Airbus won a total of 1,619 gross commercial aircraft orders, 1,503 net of cancellations (2012: 914 gross; 833 net). The Airbus backlog was worth € 627.1 billion (year-end 2012: € 505.3 billion^(a)), comprising 5,559 Airbus aircraft (year-end 2012: 4,682 units).

Airbus' order intake represents a market share of 51% of total gross aircraft orders and 53% of net orders by units (2012: 41% of gross orders, 42% of net orders).

BUOYANT SINGLE-AISLE DEMAND

Demand for single-aisle aircraft remained robust with a total of 1,253 gross orders, 1,162 net (2012: 783 gross, 739 net).



A380 (Photo Contest winner)

Single-aisle gross orders include 876 A320neo and 377 A320ceo family aircraft. Notably, Indonesia's Lion Air placed a firm order for 234 A320 aircraft, comprising 109 A320neos, 65 A321neos and 60 A320ceos, becoming a new Airbus customer.

Strong ongoing market demand triggered a decision to increase single-aisle aircraft production to 46 aircraft per month in 2016.

A total of 493 single-aisle aircraft were delivered during the year (2012: 455). The A320 Family order backlog amounted to 4,298 at the end of 2013, including 2,610 A320neo and 1,688 A320ceo aircraft.

A330 UPGRADES LAUNCHED

The A330 continued to attract customer demand, supported by the launch of new longer range and regional variants. Airbus booked 77 gross A330 orders in 2013 and 69 net orders (2012: 82 gross, 58 net). With production increasing to the rate of 10 per month, Airbus delivered a total of 108 A330 aircraft in 2013 (2012: 103, including 2 A340s). The order backlog stood at 267 aircraft at the end of 2013.

A380 IN SERIES PRODUCTION

With production being adapted to integrate the new wing rib feet solution, Airbus delivered 25 A380s in 2013 (30 in 2012). British Airways became a new operator, taking delivery of its first A380 in July 2013.

Airbus received 50 A380 orders from Emirates Airline. Additionally, Doric Lease Co. (now Amedeo) signed

AIRBUS COMMERCIAL

€ m	2013	2012	Change
Revenues	39,889	37,624 ^(a)	+6%
R&D expenses	2,438	2,428	0%
EBIT*	1,595	1,147 ^(a)	+39%
Order Intake	199,867	87,283 ^(a)	+129%
Order Book	627,113	505,333 ^(a)	+24%

By number of aircraft	2013	2012	Change
Deliveries	626	588 ⁽¹⁾	+6%
Order Book	5,559	4,682	+19%

(1) Three A330s delivered on operating lease.

(a) 2012 figures are pro forma, amended with IAS 19 restatement and perimeter change.

a Memorandum of Understanding for the purchase of 20 A380s. At the end of 2013, the A380 order backlog amounted to 182 aircraft; 122 aircraft were already in service with ten airlines.

The programme remains on track to reach breakeven EBIT* contribution in 2015 at the level of 30 deliveries per year.

A350 XWB MAKES INDUSTRIAL PROGRESS

The A350 XWB programme made significant progress, with a first test flight in June 2013 and the second test aircraft making its first flight in October. At the end of the year the aircraft had achieved some 800 flight hours. The flight test programme and certification will require a total of 2,500 flight test hours. Entry-into-service (EIS) is scheduled for the fourth quarter of 2014. The increasing effort to prepare for the industrial ramp-up and a mature EIS triggered some higher costs in 2013.

With 239 gross orders, 230 net, in 2013 (2012: 40 gross, 27 net), the total A350 XWB order backlog stood at 812 at the end of 2013.

OUTLOOK

As of 2014, the Airbus Military business is integrated within the new Airbus Defence and Space Division (see page 44), while Airbus Division remains fully focused on the commercial aircraft business. In 2014, Airbus is targeting commercial aircraft deliveries at a similar level to 2013. Underlying profitability (EBIT* before one-off) should continue to improve. Within the challenging A350 XWB programme, management continues to focus its utmost attention on achieving certification, preparing an efficient series production ramp-up and securing first deliveries starting in the fourth quarter of 2014. Airbus expects gross commercial aircraft orders during the year to be above the level of deliveries.

AIRBUS DEFENCE AND SPACE

The Airbus Defence and Space Division, created out of the former Cassidian, Astrium and Airbus Military, aims to deliver enhanced competitiveness, market presence and performance.

The Airbus Defence and Space Division, operational as of January 2014, brings together a world-leading portfolio of business assets and expertise.

The new Division is Europe's number one defence and space enterprise, the second largest space business worldwide and among the top ten global defence enterprises. Created out of the former Divisions Cassidian and Astrium plus Airbus Military, Airbus Defence and Space generates sales of around € 14 billion, based on the 2013 results.

The Division is organised along four business lines which carry responsibility for bottom-line performance, while being supported by fully integrated shared functions such as marketing and sales, procurement, finance and HR.

:: Military Aircraft is responsible for all fixed-wing aircraft, including combat, transport, mission and unmanned aerial systems.

:: Space Systems manages the satellite and launcher businesses.

:: Communication, Intelligence and Security (CIS) brings together competences in communications technology, including secure satellite communications, public mobile radio and border security systems.

:: Electronics represents a centre of excellence for sub-systems, with the necessary critical size to support the Division's other business lines while also acting as a competitive supplier towards external customers.

SYNERGIES

The new Divisional structure is expected to generate significant operational, cost and sales synergies, which will boost competitiveness in the years ahead.

As part of the restructuring measures, the Division is targeting a substantial consolidation of sites across France, Germany, Spain and the UK. The Division is targeting a reduction of 5,300 positions, mainly through voluntary measures and redeployment of affected employees to other parts of the Group.

OUTLOOK

Going forward, Airbus Defence and Space expects to generate revenues above € 13 billion, with increasing A400M deliveries. Due to a change in accounting rules, the MBDA participation will be accounted for at equity. Supported by the restructuring programme, Airbus Defence and Space is targeting a return on sales of 8% in 2015, moving towards 10% beyond.



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“REVENUES WERE DRIVEN

by the A400M ramp-up and higher volumes for tankers and medium and light aircraft.”

Revenues at the former Airbus Military rose to €2.9 billion (2012: €2.1 billion) with an EBIT* of €166 million (2012: €93 million). A total of 31 military transport and tanker aircraft were delivered (2012: 29 aircraft).

In total, 17 net orders were received (2012: 32 net orders). Airbus Military's order book was worth €20.8 billion at year-end (2012: €21.1 billion).

A400M ENTERS SERVICE

Following Type Certificate and Initial Operating Clearance, the A400M made its entry-into-service in 2013. Two A400Ms were delivered to the French Air Force and the aircraft began service in Mali.

At the end of 2013, ten aircraft were in the final assembly line and 16 additional aircraft in various stages of production or assembly. Progressive enhancement of military capability is planned with subsequent upgrades in line with customer discussions.

An initial contract was signed with OCCAR (Organisation Conjointe de Coopération en matière d'Armement) acting on behalf of France, for an 18-month A400M support services package. Discussions to provide other customers with support services are progressing.

The current A400M order book comprises 172 aircraft, with 168 allocated to the seven launch customer nations and four to one export customer, Malaysia. Airbus estimates a market potential for approximately 400 export orders over the next 30 years.

TANKER PROGRESS

In 2013, seven A330 MRTT aircraft were delivered (2012: five), including three to the United Arab Emirates. Known as the “Voyager” in the UK, the A330 MRTT began training for in-flight refuelling with the UK Royal Air Force.

The MRTT aircraft has been selected as part of a preferred bid by the Indian Air Force for potentially six tanker aircraft and final contractual negotiations are under way. Additionally, the French Ministry of Defence has announced an intention to order twelve MRTTs. Campaigns in other countries are on-going.

AIRBUS MILITARY

€ m	2013	2012	Change
Revenues	2,893	2,131	+36%
R&D expenses	6	11	-45%
EBIT*	166	93	+78%
Order Intake	2,592	1,901	+36%
Order Book	20,814	21,139	-2%

By number of aircraft	2013	2012	Change
Deliveries	31	29	+7%
Order Book	206	220	-6%



The first A400M was delivered to France in 2013

At the end of 2013, 17 A330 MRTT aircraft were in service with four countries. Six new orders were booked from Singapore, bringing the backlog at the end of 2013 to 17 aircraft. Airbus estimates a potential total export market, excluding the US, of more than 100 tanker aircraft.

MEDIUM AND LIGHT SEGMENT DELIVERIES

Within the medium and light segment, 22 aircraft were delivered in 2013 (2012: 20), including two CN235 maritime patrol aircraft for the US Coast Guard, three CN235 transport aircraft and 14 C295 aircraft. Three upgraded P-3 Orion aircraft were handed over to the Brazilian Air Force. Ten new orders were booked, including one CN235 and nine C295 aircraft.

A number of export campaigns are under way, including a campaign to replace 56 Indian Air Force transports with the same number of C295s.

OUTLOOK

As of 2014, the former Airbus Military is fully integrated within the new Airbus Defence and Space Division (see page 44 for details and outlook).

“OPERATIONAL IMPROVEMENT

and restructuring initiatives launched at the end of 2012 have been a strong driver for the improvement in underlying profitability.”



The 400th Eurofighter Typhoon was delivered to Germany in 2013 (Photo Contest winner)



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The former Cassidian Division delivered an improved performance while adapting the business to the changed defence environment. As of 2014, the Division’s activities are integrated within Airbus Defence and Space.

Revenues at the former Cassidian Division rose by 4% to €6.0 billion in 2013 (2012: €5.7 billion) with an EBIT* of €432 million (2012: €128 million^(a)). The operational performance reflected good programme execution across the Division. Integrated systems and electronics projects developed positively, while military aircraft programmes continued to support revenues and profitability. Operational improvement and restructuring initiatives launched at the end of 2012 have been a strong driver for the improvement in underlying profitability.

Net order intake remained flat at €5.0 billion (2012: €5.0 billion). At the end of 2013, the order book stood at €14.3 billion (year-end 2012: €15.6 billion).

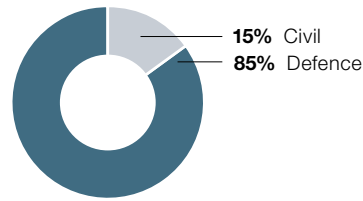
Within the Eurofighter programme, the Oman order achieved at the end of 2012 was booked in the early part of the year. In addition, the Eurofighter consortium signed a contract for the integration of the Meteor air-to-air missile system on board the fighter aircraft. Exports are being targeted in the Middle East and Asia as well as further upgrades from the core nations. The continued strong delivery performance and customer support is demonstrated by the 400th Eurofighter being delivered in December 2013.

The MBDA joint venture saw strong order intake from Europe and export markets. A development and production contract was signed with France for a successor to the Milan missile. Following the production contract from Germany, all six European Partner Nations have now placed production orders for the Meteor air-to-air missile.

Export orders were secured in the Middle East and Asia for Storm Shadow stand-off missiles, the Aster air-defence system and Mistral-based air-defence systems. In a successful test firing at the end of 2013, the Medium Extended Air Defense System



REVENUES BY MARKET IN % OF EXTERNAL REVENUES



CASSIDIAN

€ m	2013	2012	Change
Revenues	5,976	5,740	+4%
R&D expenses	248	234	+6%
EBIT*	432	128 ^(a)	+238%
Order Intake	4,974	5,040	-1%
Order Book	14,296	15,611	-8%

(a) 2012 figures are pro forma, amended with IAS 19 restatement.



(MEADS) intercepted and destroyed simultaneously two targets approaching from opposite directions.

Further progress was made in de-risking border security contracts.

PRODUCT AND SYSTEMS DEVELOPMENT

Activities in the area of Unmanned Aerial Systems (UAS) continued. The Atlante, a Spanish UAS designed for both military and civil use, performed its maiden flight, while the signal sensor ISIS was successfully tested on the Eurohawk platform. In addition, Cassidian teamed with Dassault Aviation and Finmeccanica in proposing a European MALE (Medium Altitude, Long Endurance) solution.

Portfolio and market position in the field of cyber security was strengthened through the acquisition of an 83.9% stake in Arkoon Network Security. Following the acquisition of Netasq in 2012, the acquisition of Arkoon Network Security represents a further step in the creation of a European industrial base for cyber-security products and solutions.

Among several enhancements to radar systems, the Division introduced a new naval X-band radar for detecting small objects. Using optimised Active Electronically Scanning Array technology, the sensor will help to protect ships against terrorist attacks.

Several contracts were signed to supply Professional Mobile Radio (PMR) technology, including a contract to update and expand the Beijing government's shared Tetra network.

OUTLOOK

As of 2014, the former Cassidian is fully integrated within the new Airbus Defence and Space Division (see page 44 for details and outlook).

“VOLUME AND PRODUCTIVITY

in launchers, defence and satellites helped to mitigate lower services activity.”



Four successful Ariane 5 launches conducted in 2013



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Order momentum continued at the Group's former Astrium Division driven in particular by Ariane 5 launcher demand. As of January 2014, the Group's space activities have been integrated into the Airbus Defence and Space Division (see page 44).

Revenues at the Group's former Astrium Division remained broadly stable in 2013 at €5.8 billion (2012: €5.8 billion), driven in particular by the launcher and satellite businesses.

EBIT* increased to €347 million (2012: €311 million^(a)). The EBIT* improvement reflected good performances in the launchers, defence and satellites businesses, which mitigated lower service activity stemming from stronger competition and budget decreases in the governmental business.

Order intake rose sharply to €6.2 billion in 2013 (€3.8 billion in 2012). At the end of the year, the order book stood at €13.1 billion (€12.7 billion in 2012).

The Ariane 5 continued to demonstrate its reliability with four launches in 2013, bringing up the 57th consecutive launch success and an 11th year of uninterrupted success. In all, six Ariane 5 launchers were delivered during the year (2012: six). Six company-built satellites were successfully delivered in 2013 (2012: nine), comprising three telecommunications and three Earth observation and science satellites, including Gaia, the most advanced space telescope ever.

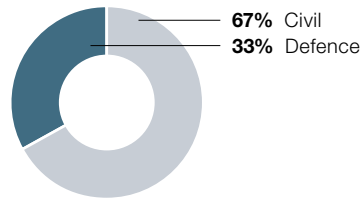
The fourth Automated Transfer Vehicle (ATV), built by the company, successfully completed its mission to the International Space Station (ISS). ESA awarded the company a €195 million service contract relating to operating and maintaining the ISS.

Notable new orders included a frame contract from Arianespace for 18 additional Ariane 5 launchers to be used from 2017, with an order intake impact of €1 billion in 2013. This latest order brought the backlog of Ariane 5 launchers to 38 at year-end.

To meet emerging market requirements, including the advent of small and medium satellites with electric propulsion systems,



REVENUES BY MARKET IN % OF EXTERNAL REVENUES



ASTRIUM

€ m	2013	2012	Change
Revenues	5,784	5,817	-1%
R&D expenses	127	128	-1%
EBIT*	347	311 ^(a)	+12%
Order Intake	6,169	3,761	+64%
Order Book	13,077	12,734	+3%

(a) 2012 figures are pro forma, amended with IAS 19 restatement.



the company is advancing an upgraded Ariane 5 ME launcher, which will offer greater flexibility. A first launch could be carried out as early as 2018. Beyond the Ariane 5 ME, the Ariane 6 is planned to meet the needs of both government and commercial customers by offering competitive launch rates for large and small satellites alike. In 2013, the company received contracts from the European Space Agency (ESA), with an order intake outcome of €360 million combined for the development of the Ariane 5 ME and Ariane 6 launch vehicles.

Orders were booked for a total of 5 satellites (2012: three). Three telecommunication satellite contracts were signed, notably with Telesat and DirecTV. A €344 million contract was signed with the German Armed Forces for a reconnaissance radar satellite, representing another breakthrough.

In March 2013, Pléiades 1B and SPOT 6 entered into service following their in-orbit validation, enabling the Division to offer high definition images of any point on the globe on a daily basis. In addition, the fourth UK Ministry of Defence Skynet 5 satellite, built and operated by the company, entered into service.

With the Skynet 5 system and newly leased Anik G1 payload, Airbus Defence and Space is the only commercial company able to provide a military satellite communication constellation with global coverage.

A strategic distribution partnership was signed with Inmarsat for broadband services. The new Global Xpress service is the world's first globally available high-speed broadband service delivered via Ka-band satellite network.

OUTLOOK

As of 2014, the former Astrium is fully integrated within the new Airbus Defence and Space Division (see page 44 for details and outlook).



— EUROCOPTER IN 2013

“PROFITABILITY WAS DRIVEN

by increased deliveries of light helicopters, strong deliveries of heavy platforms and services.”



Airbus Helicopters' civil and parapublic market share was 46% in 2013



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Airbus Helicopters increased deliveries in 2013, while capitalising on the new Airbus name to launch a transformation plan focusing on customers, quality, safety and competitiveness.

Airbus Helicopters (formerly Eurocopter) finished 2013 with revenues stable at €6.3 billion and with deliveries rising to 497 helicopters (2012: 475 helicopters). Platform turnover in 2013 represented 58% of the Division's revenues, while Services accounted for the remaining 42%.

Based on 2013 deliveries, Airbus Helicopters' market share in the civil and parapublic market stood at 46%. In terms of units sold, Airbus Helicopters thus remains the world's leading manufacturer of helicopters.

Notable deliveries included the first NH90 NFH (NATO Frigate Helicopter) for the Belgian Armed Forces and the first Tiger helicopter in the HAD attack configuration for France.

Civil helicopter activities represented 55% of revenues. Military activities accounted for the remaining 45%.

The Division's EBIT* stood at €397 million (2012: €309 million^(a)). The EBIT performance in 2013 was driven by increased deliveries of light helicopters, strong deliveries of heavy platforms, and active support and services.

Recovery measures put in place for the Super Puma/EC225 led to its return to service with all operators.

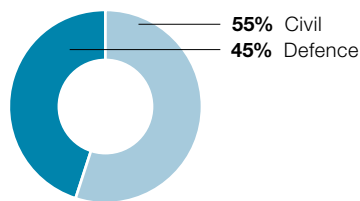
Reflecting the company's improved access to emerging markets and adaptation to local mission requirements, 72% of the business was generated outside of France, Spain and Germany.

Order intake amounted to €5.8 billion (2012: €5.4 billion). The Division booked 422 net helicopter orders (2012: 469 net orders). Super Puma family orders totalled 33. Included in the bookings was an order for 34 NH90 Tactical Transport Helicopters from France.

The Division signed a Memorandum of Understanding with the German Government reducing the overall number of Tigers and NH90s to be delivered while adding a naval variant. At the end of 2013, the order book stood at €12.4 billion (year-end 2012: €12.9 billion), comprising 995 helicopters (year-end 2012: 1,070 helicopters).



REVENUES BY MARKET IN % OF EXTERNAL REVENUES



EUROCOPTER

€ m	2013	2012	Change
Revenues	6,297	6,264	+1%
R&D expenses ⁽¹⁾	306	297	+3%
EBIT*	397	309 ^(a)	+28%
Order Intake	5,775	5,392	+7%
Order Book	12,420	12,942	-4%

(1) Capitalised R&D: €36m in FY 2013 and €22m in FY 2012.

(a) 2012 figures are pro forma, amended with IAS 19 restatement.

INNOVATION DRIVE

Airbus Helicopters continued its drive to renew the existing product range for future growth. Both the new EC175 medium-weight twin-engine helicopter and the upgraded EC145 T2 light twin are equipped with the new state-of-the-art Helionix avionics system. The power and performance of the EC175 were demonstrated by two vertical speed records validated in 2013. European Aviation Safety Agency (EASA) certification for the EC175 was received in January 2014, paving the way for entry-into-service.

Development continued on the new X4 medium-weight helicopter, which will offer improved performance, reduced fuel consumption, and lower sound levels. The X³ high-speed hybrid demonstrator marked a new milestone in the company's innovation roadmap, combining vertical takeoff and landing capabilities with achievement of the world speed record. The optionally piloted EC145 demonstrator proved unmanned flight capabilities.

INTERNATIONAL PRESENCE


The Division continued to expand its international presence, announcing plans for a new final assembly line in the United States and a potential full industrial setup in Poland, dependent on Poland's strategic decision in the field of defence. A high-technology component factory was opened in Mexico, while an EC225 training facility was opened in Norway.

OUTLOOK

A key priority in 2014 will be to achieve successful entry-into-service of the new EC175 and the EC145 T2 helicopters. As of February 2014, 15 EC175s were in production, with the three launch customers scheduled to receive delivery later in the year. An upswing in order bookings for this helicopter is expected in 2014.

Increased production rates will be implemented for the military NH90, Tiger and EC725 helicopters during 2014.

The Division's strategy will drive improvement initiatives related to its transformation plan, which aims at placing customer satisfaction and quality at the core of operations as well as improving industrial competitiveness, while ensuring the highest levels of aircraft safety. Airbus Helicopters has also implemented plans to reduce costs, optimise cash and create value.



Key Drivers. Group-wide support activities are reinforcing the common Company culture, fostering integration and strengthening long-term value creation.



/ 04

“BUILDING OUR CULTURE”

Airbus Group sees employee engagement as a key driver of company performance.

ENGAGED PEOPLE

Airbus Group is committed to ensuring a talent pipeline
drawing from all backgrounds.



In 2013, the Group recruited 8,823 employees worldwide (11,080 in 2012), while 4,160 employees left the company (4,042 in 2012). Overall, the workforce stood at 144,061 at year-end 2013 (year-end 2012: 140,405). The increase was mainly driven by the continued industrial ramp-up in the commercial aircraft business.

Given strong growth perspectives in the commercial aircraft market and the need both to maintain strategic competences and foster innovation in an increasingly competitive environment, Airbus Group is committed to ensuring a talent pipeline drawing from all backgrounds. According to both the Trendence and Universum graduate surveys, the Group was ranked the most attractive employer amongst French engineering students in 2013. International HR services company Randstad ranked the Group as the most attractive employer for experienced professionals in Spain and number three in Germany.

DIVERSITY AND INCLUSION

Airbus Group is committed to diversity and inclusion, recognising the need to nurture outstanding talent wherever available and the value and increased performance a diverse workforce can bring to the business. The Group's diversity strategy focuses in particular on equipping leaders and teams to understand and leverage diversity in the workplace. This includes reviewing processes, policies and training to support the diverse workforce, changing mindsets with regard to existing stereotypes, encouraging more women, internationally and socially diverse and disabled candidates and benchmarking and partnering with external organisations.

In 2013, 20.9% of new recruits to the company were women (21.4% in 2012) and women made up 17% of the active workforce (17.3% in 2012). By 2020, Airbus Group aims to increase the share of women recruited to 25% and the share of women within the senior manager and executive community to 20%.

In terms of nationalities, European employees make up the bulk of the workforce. French employees accounted for 37.1% (38.5% in 2012), German 33.4% (32.9% in 2012), UK 9.2% (9.3% in 2012)



Airbus Group employees celebrate the first A350 XWB flight



programme. Furthermore, the Group allocated ten free shares to each employee.

Airbus Group actively supports employee development through training and career moves within the company. In 2013, more than 10,000 employees took up the opportunity to move to a new department, site or country. Additionally, the Group provided employees with a total of some 3.9 million hours of training (2012: 3.2 million hours).

SOCIAL DIALOGUE

Airbus Group maintains constructive relations with its social partners. In 2013, the Group successfully managed the relocation of Group Headquarters. In 2014, the Group will again be working in close cooperation with social partners to ensure that the restructuring at Airbus Defence and Space and Corporate Functions is carried out in a socially responsible manner.

and Spanish 8.4% (8.2% in 2012). US nationals accounted for 1.7% of employees (1.7% in 2012). The remaining 10.1% were nationals of 130 other countries.

In 2013, the average age of employees Group-wide was 43 years. Some 12.8% of the active workforce were younger than 30 years old, 29.2% were above 50 years old. Average years of service stood at 13.5 years (13.7 in 2012).

ENGAGEMENT

Airbus Group sees employee engagement as a key driver of company performance. The Group is actively encouraging teams to improve engagement, and promoting exchange of best practices as well as targeting leadership development and corporate policies that could have an impact on engagement. Progress will be monitored through the forthcoming engagement survey to be conducted in 2014.

Employee share ownership is encouraged as a further means of strengthening engagement and commitment to the success of the company. Some 22% of employees bought company shares in 2013, as part of the employee share ownership

INTEGRITY IN PRACTICE

While fostering a culture of high performance, Airbus Group's top management emphasises that it is not only results that matter, but the way they are achieved. Integrity is considered a paramount value in the Group. In 2013, the "Standards of Business Conduct" were updated and implemented across the Group. In addition a company-wide document "Our Integrity Principles", outlining the Group's key integrity commitments in a simple user-friendly format was rolled out across the Group and explained by managers to each individual employee in team meetings. Airbus Group is committed to building a culture of integrity by providing employees with the right tools and role-modelling the right behaviour.

ECO EFFICIENCY



Hybrid propulsion systems agreement with Airbus Group, Siemens and Diamond Aircraft

Airbus Group continues to invest in eco-efficient innovation which creates value for customers while reducing emissions.

In 2013, Airbus Group continued its investment in improved aircraft fuel-efficiency, while researching on new energies, such as sustainable aviation fuel sources and electric propulsion, and taking steps to cut waste and emissions within its industrial processes.

NEXT-GENERATION AIRCRAFT

Airbus' growing portfolio of next-generation aircraft is supporting air traffic growth, while minimising fuel costs per seat and CO₂ and other emissions, including noise.

At the end of 2013, the global fleet of A380 aircraft had grown to 122. Each A380 is 20% more fuel efficient than its nearest competitor. The aircraft also generates less than half the noise on departure of its nearest competitor and three to four times less noise on landing.

The A350 XWB, due to enter into service in the fourth quarter of 2014, burns 25% less fuel than its previous generation competitor. The A320neo, due for delivery in 2015, will consume 15% less fuel than existing single-aisle aircraft and the A320 family sharklets already in operation are demonstrating more than 4% improvements in fuel burn.

Aircraft innovation has allowed fuel burn and noise reductions of 70% and 75% respectively in the last 40 years, according to the Airbus Global Market Forecast 2013-2032. According to the IPCC, aviation contributes around 2% of all man-made CO₂ (carbon dioxide) emissions.

Airbus Group is researching advanced technologies that will lead to alternative sources of on-board power for aircraft. In 2013, company research into the use of fuel cells won a prestigious 'GreenTec Award' in the aviation category. Fuel cells produce electricity through the combination of hydrogen and oxygen and enable emission-free and noise reduced aircraft operation on the ground and efficiency advantages in the air. Integration and the use of fuel cell by-products such as water, inert gas and waste heat reduce the total weight and allow for improved energy efficiency.

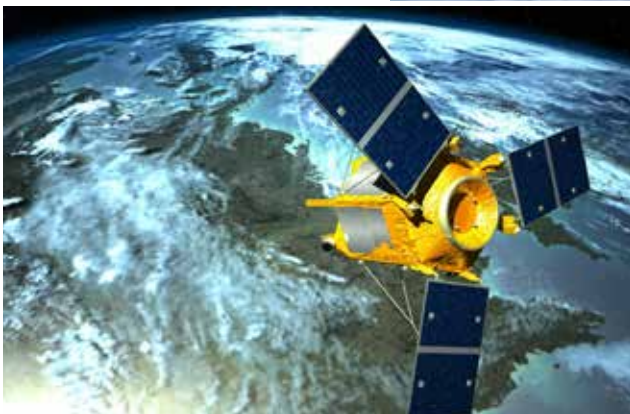
Airbus also formed agreements to research the development and commercialisation of sustainable fuels for aviation in countries such as Canada, Russia and China.



Airbus Group is researching advanced technologies that will lead to alternative sources of on-board power for aircraft.



A320neo



SPOT 6 earth observation satellite

Improved Air Traffic Management (ATM) promises significant improvements in eco-efficiency. The Group is playing an important role in ATM programmes such as "Single European Sky ATM Research" (SESAR) in Europe, and NextGen in the US. Airbus ProSky, which supplies ATM performance improvement solutions, was awarded a contract to study cost effective ways of reducing fuel consumption in the Asia-Pacific region.

MONITORING THE ENVIRONMENT

As a leading satellite system specialist, the Group's Defence and Space Division has extensive expertise and operational mission experience in the field of Earth observation. Through the SPOT, Pléiades, and TerraSAR-X constellations, satellite imagery is used to monitor natural resources, measure and mitigate deforestation and forest degradation, and survey the growth of mega-cities.

Together with its customers and partners, Airbus Defence and Space is contributing to a more sustainable society through spacecraft and technologies under development. The Division is the prime contractor for four of the six ESA Living Planet missions – Cryosat-2, Swarm, Aeolus and EarthCARE. In 2013, the trio of Swarm satellites was launched into orbit, from where they will measure the Earth's magnetic field.

In November 2013, the Airbus Defence and Space greenhouse gas emissions measurement service was among business initiatives included in the Climate and Energy Action Hub that was presented during the Caring for Climate Business Forum at COP19 in Warsaw. This new monitoring service allows governments, cities and local authorities to directly measure effectiveness of their emission reduction policies. The new service has already begun emissions mapping in Paris and Rotterdam, following testing in London.

CLEANER PRODUCTION

The Group is working across Divisions to reduce the environmental impact of industrial operations. Airbus has continued its blue5 initiative, which has specific goals for 2020 (from a 2006 baseline). These include 50% reductions in CO₂ emissions, water consumption, waste production and volatile organic compound (VOC) emissions; a 30% reduction in energy consumption and an 80% reduction in industrial water discharge.

Airbus Group holds approximately 37,000 patents worldwide.

INNOVATION

Airbus Group remains committed to retaining its capacity to generate breakthrough aerospace technologies.

In the area of new product development, the Group is focusing efforts on maximising value out of existing platforms.

The capacity to develop breakthrough aerospace technologies is a key asset for the Group. In 2013, the Group's self-financed research and development (R&D) expenses were stable at €3,160 million (2012: €3,142 million). Investment in the area of early-stage research and technology was in line with the previous year in absolute terms, accounting for close to a third of the Group's R&D expenses. In 2013, the Group capitalised €354 million of development costs for the Airbus A350 XWB programme.

Development activity within the commercial aircraft business was driven mainly by the A350 XWB programme, with flight tests advancing significantly in 2013. In addition, Airbus pursued its strategy of bringing incremental improvements to existing platforms. Development remained well on track on the A320neo. A lower-weight variant of the A330 was launched for regional and domestic operations.

Within Airbus Helicopters, development continued on the new EC175 medium-weight twin-engine helicopter and the EC145T2 light twin upgrade, both of which are due to enter service in 2014. Development on the new X4 medium-weight helicopter is also advancing.

INTELLECTUAL PROPERTY AND TECHNOLOGY LICENSING

Overall, the Group's engineers filed a total of 990 priority patent applications in 2013. Recognising the company's track record at the forefront of research and technology worldwide, Thomson Reuters listed the Group among its Top 100 Global Innovators, while Booz & Co placed it within the top 50.



The Group launched a cyber security initiative in 2013



The E-Fan electric training aircraft

Airbus Group holds approximately 37,000 patents worldwide. Through its technology licensing initiative, the Group markets intellectual property in fields such as composites, metallics, green technologies, safety and security technologies and communications infrastructure.

EARLY-STAGE RESEARCH

Group research and technology activities are managed by Airbus Group Innovations, which employs over 1,000 scientists and researchers, including doctorates and interns, at facilities in France, Germany, UK, Spain, USA, Canada, Singapore, India and China. Airbus Group Innovations develops the Group's technical potential from readiness level one to three – *i.e.* from identification of underlying technology principles to laboratory studies to physically validate analytical predictions. Amongst technology highlights in 2013, Airbus Group Innovations together with partners unveiled a fully electric general aviation training aircraft. With two electrical engines driving shrouded propellers, the E-Fan demonstrator also features an innovative main landing gear which allows electrical taxiing on the ground without the main engines and provides acceleration during take-off up to a speed of 60 km/h.

CYBER SECURITY

In 2013, a cyber security initiative was launched for the entire Group, which will bring a major boost in cyber awareness and improvements in the level of protection. A cyber security improvement plan has been implemented focusing on information communication technology, product security and industrial control system security.

IMPROVING QUALITY

The Group is also committed to developing innovative solutions to enhance manufacturing processes and quality. A 3D imaging tool, named MiRA (Mixed Reality Application), developed for fitting brackets with the aid of hand held devices, has been adopted within space and helicopter manufacturing operations. Airbus has successfully used MiRA since 2012.

At a broader level, the Group has launched a major drive to gain performance and competitive advantage through quality. This initiative is a key priority for 2014.



SUPPLY CHAIN/ PROGRAMME MANAGEMENT

Airbus Group closely manages its supply chain,
which makes a vital contribution to the success of the business.

The external supply chain represents a major share of the value of Airbus Group products. For 2013, the ratio of external sourcing turnover to Group revenues is expected to be in line with the previous year at approximately 70%. Sourcing turnover comprises payments to tier one suppliers based on invoices for goods and services, including fees.

In 2012, the latest year for which consolidated data is available, the Group's external sourcing turnover amounted to some €39.5 billion. The increase of roughly 12% on the previous year was mainly due to the production ramp-up in the commercial aircraft business. Aircraft propulsion systems accounted for 30%, structure & airframe for 15%, systems & equipment for 14%, production material for 10% and product related services

for 8% of external sourcing turnover. Indirect material, representing goods and services which are not directly attributable to sold products and services, accounted for 23% of external sourcing turnover.

Europe continued to account for the major share of external turnover, representing 71% in 2012. North America represented 26% of the Group's external spend.

Increasing the share of procurement in US dollars remains a strategic goal for the Group, as a means of reducing exchange rate risk. Some 49% of external sourcing turnover in 2012 was booked in US dollars (47% in 2011), with 44% in euros (46% in 2011); 6% was booked in sterling and 1% in other currencies.



First A350 XWB nose section unloaded from a Beluga aircraft

Increasing the share of procurement in US dollars remains a strategic goal for the Group.



In 2012, the company ordered goods and services valued at some €39.9 billion, a slight increase on the previous year. Order volumes comprise the overall value of contracts signed with suppliers (rather than invoiced amounts) and are based on purchase orders.

US dollar contracts accounted for 54% of the total volume of newly placed orders in 2012, while 39% was in euros, 6% in sterling and 1% in other currencies.

GLOBAL SOURCING

The Group continued to develop the supply chain beyond Europe, as a means of gaining access to growth markets and increasing natural currency hedging.

Country sourcing offices in India, China, the US and Brazil were assigned broader roles with responsibilities for developing supply chain activities respectively in the Middle East, East Asia, North America and South America. Development of the private aerospace sector has supported increasing supply chain activity in emerging countries.

MANAGING SUPPLIER RISK AND QUALITY

The Group takes a proactive approach towards the supply chain in order to anticipate and mitigate potential issues, particularly in relation to ongoing production ramp-ups and the challenging series production of the A350 XWB. Group-wide procurement boards continued to exchange best practices, monitor supplier performance and meet common suppliers.

In 2013 a compliance risk assessment of the Supply Chain was performed aimed at mapping risks associated with the procurement process, taking into account a variety of topics such as geopolitical situation, sensitive countries, corruption risk, tax havens, sensitive commodities and procurement process compliance. This assessment led to a strengthened procurement process and an implementation of further procurement compliance Key Performance Indicators (KPIs).

PROCUREMENT ACADEMY

The Airbus "Procurement Academy" was extended in 2013 to the whole Airbus Group in order to harmonise procurement job profiles, competences and skills across the group. As its key measures, the Academy will introduce a set of centralised training solutions, covering the complete supply chain perimeter.

PROGRAMME MANAGEMENT

Professional programme management is a key driver of Airbus Group's operational performance. In recent years, the Group has established a Programme Management continuous improvement setup to define and deploy state-of-the-art policies and to build up and maintain the necessary competencies. As part of the cultural change, Programme Management has been established as a core discipline with a defined career path. Advances seen in a number of key Group programmes illustrate the progress achieved. In order to maximise effectiveness, the Group is looking to promote professional programme management policies right through into the supply chain.



SHAREHOLDER INFORMATION

www.airbus-group.com

FINANCIAL CALENDAR

FULL YEAR 2013 RESULTS RELEASE

26 February 2014

FIRST QUARTER 2014 RESULTS RELEASE

13 May 2014

ANNUAL GENERAL MEETING

27 May 2014, Amsterdam,
The Netherlands

PRIVATE SHAREHOLDER INFORMATION MEETINGS

1 July 2014, Paris, France
3 July 2014, Munich, Germany

HALF YEAR 2014 RESULTS RELEASE

30 July 2014

NINE-MONTH 2014 RESULTS RELEASE

14 November 2014

The Airbus Group Investor Relations and Financial Communications team aims to keep investors and other financial market players fully informed about the Group's strategy, operations and financial results.

In 2013, 860 meetings were organised with institutional investors worldwide, comprising some 70% of the free float. The Group's annual Global Investor Forum, held in London in December 2013 and attended by more than 160 institutional investors and analysts, was broadcast live on the Company website. In addition, the team met individual shareholders in more than 20 information meetings and dedicated site visits in France, Germany, Spain and the UK.

A comprehensive range of Company information and documentation, including the Group Annual Report, quarterly financial releases, Annual General Meeting documents and the shareholder newsletter *aero-notes* is available in English, French, German and Spanish.

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iPad Application: Airbus Group Investors

PHOTO CONTEST

Over a two month period ending 15 January 2014, Airbus Group invited aviation enthusiasts to participate in the “Through Your Eyes” Photo Contest and show their talents.

The 3 winning photographs have been published in the Annual Report. The winners are Ramon Jordi, Christian Böhme and Robert Oram.

N°1. A400M (PAGE 07)

Taken on 11 April 2013 in Toulouse Blagnac, France by Ramon Jordi



N°2. A380 (PAGE 42)

Taken on 29 September 2013 in Dresden, Germany by Christian Böhme



N°3. EUROFIGHTER (PAGE 46)

Taken on 20 July 2013 in Fairford, UK by Robert Oram

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www.reports.airbus-group.com

The complete AIRBUS GROUP 2013 Annual Report package consists of:



Annual Review 2013
"WE MAKE IT FLY"




Registration Document 2013
Financial Statements

AIRBUS GROUP would like to thank all those who contributed to the making of this Annual Report.



Please also refer to the accompanying AIRBUS GROUP Corporate Responsibility and Sustainability Report 2013

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