Airbus SE
Unaudited Condensed Interim
IFRS Consolidated Financial Information
for the three-month period ended 31 March 2020

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Airbus SE
Unaudited Condensed Interim IFRS Consolidated Financial Statements

Unaudited Condensed Interim IFRS Consolidated Income Statement

(In € million)	Note	**1 January - 31 March 2020**	1 January - 31 March 2019
Revenue	**7**	**10,631**	**12,549**
Cost of sales		(9,430)	(11,169)
Gross margin	**7**	**1,201**	**1,380**
Selling expenses		(200)	(212)
Administrative expenses		(393)	(372)
Research and development expenses	8	(663)	(654)
Other income	10	29	70
Other expenses	10	(14)	(21)
Share of profit from investments accounted for under the equity method	9	(15)	(8)
Other income from investments	9	134	(2)
Profit before financial result and income taxes		**79**	**181**
Interest income		53	56
Interest expense		(98)	(92)
Other financial result		(432)	(7)
Total financial result	11	(477)	(43)
Income taxes	12	(94)	(94)
(Loss) Profit for the period		**(492)**	**44**
Attributable to:			
Equity owners of the parent (Net income)		(481)	40
Non-controlling interests		(11)	4
Earnings per share		**€**	**€**
Basic	13	(0.61)	0.05
Diluted	13	(0.61)	0.05

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

Unaudited Condensed Interim IFRS Consolidated Statement of Comprehensive Income

(In € million)	**1 January - 31 March 2020**	1 January - 31 March 2019
(Loss) Profit for the period	**(492)**	**44**
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of the defined benefit pension plans	1,579	(619)
Change in fair value of financial assets	(472)	74
Share of change from investments accounted for under the equity method	2	2
Income tax relating to items that will not be reclassified	(264)	175
Items that may be reclassified to profit or loss:		
Foreign currency translation differences for foreign operations	(12)	53
Change in fair value of cash flow hedges	(3,618)	(728)
Change in fair value of financial assets	(340)	127
Share of change from investments accounted for under the equity method	(20)	12
Income tax relating to items that may be reclassified	968	171
Other comprehensive income, net of tax	**(2,177)**	**(733)**
Total comprehensive income for the period	**(2,669)**	**(689)**
Attributable to:		
Equity owners of the parent	(2,654)	(679)
Non-controlling interests	(15)	(10)

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Unaudited Condensed Interim IFRS Consolidated Statement of Financial Position

(In € million)	Note	**31 March 2020**	31 December 2019
Assets			
Non-current assets			
Intangible assets	14	16,623	16,591
Property, plant and equipment	14	17,082	17,294
Investment property		2	2
Investments accounted for under the equity method	15	1,563	1,626
Other investments and other long-term financial assets	16	3,394	4,453
Non-current contract assets		186	91
Non-current other financial assets	19	938	1,033
Non-current other assets	20	536	522
Deferred tax assets		5,735	5,008
Non-current securities	22	10,407	11,066
Total non-current assets		**56,466**	**57,686**
Current assets			
Inventories	17	35,955	31,550
Trade receivables		5,090	5,674
Current portion of other long-term financial assets	16	388	449
Current contract assets		1,288	1,167
Current other financial assets	19	2,079	2,060
Current other assets	20	2,897	2,423
Current tax assets		1,844	1,784
Current securities	22	1,648	2,302
Cash and cash equivalents	22	6,348	9,314
Total current assets		**57,537**	**56,723**
Assets and disposal group of assets classified as held for sale	4	0	0
Total assets		**114,003**	**114,409**

(In € million)	Note	**31 March 2020**	31 December 2019
Equity and liabilities			
Equity attributable to equity owners of the parent			
Capital stock		784	784
Share premium		3,555	3,555
Retained earnings		3,186	2,241
Accumulated other comprehensive income		(3,922)	(523)
Treasury shares		(86)	(82)
Total equity attributable to equity owners of the parent		**3,517**	**5,975**
Non-controlling interests		11	15
Total equity	**21**	**3,528**	**5,990**
Liabilities			
Non-current liabilities			
Non-current provisions	18	10,773	12,542
Long-term financing liabilities	22	8,420	8,189
Non-current contract liabilities		16,891	16,980
Non-current other financial liabilities	19	9,111	7,498
Non-current other liabilities	20	370	384
Deferred tax liabilities		488	398
Non-current deferred income		51	54
Total non-current liabilities		**46,104**	**46,045**
Current liabilities			
Current provisions	18	6,033	6,372
Short-term financing liabilities	22	6,397	1,959
Trade liabilities		13,728	14,808
Current contract liabilities		27,258	26,426
Current other financial liabilities	19	3,458	2,647
Current other liabilities	20	4,095	6,817
Current tax liabilities		2,833	2,780
Current deferred income		569	565
Total current liabilities		**64,371**	**62,374**
Disposal group of liabilities classified as held for sale	4	0	0
Total liabilities		**110,475**	**108,419**
Total equity and liabilities		**114,003**	**114,409**

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Unaudited Condensed Interim IFRS Consolidated Statement of Cash Flows

(In € million)	Note	**1 January - 31 March 2020**	1 January - 31 March 2019
Operating activities			
(Loss) Profit for the period attributable to equity owners of the parent (Net income)		(481)	40
(Loss) Profit for the period attributable to non-controlling interests		(11)	4
Adjustments to reconcile profit for the period to cash provided by operating activities:			
Depreciation and amortisation		828	720
Valuation adjustments		272	68
Deferred tax expense (income)		(7)	(74)
Change in income tax assets, income tax liabilities and provisions for income tax		(11)	27
Results on disposals of non-current assets		0	(44)
Results of investments accounted for under the equity method		15	8
Change in current and non-current provisions		(315)	(54)
Contribution to plan assets		(132)	(42)
Change in other operating assets and liabilities		**(7,772)**	**(4,703)**
Cash (used for) operating activities		**(7,614)**	**(4,050)**
Investing activities			
Purchases of intangible assets, property, plant and equipment and investment property		(453)	(455)
Proceeds from disposals of intangible assets, property, plant and equipment and investment property		12	22
Acquisition of subsidiaries, joint ventures, businesses and non-controlling interests (net of cash)		(479)	8
Proceeds from disposals of subsidiaries (net of cash)		0	1
Payments for investments accounted for under the equity method, other investments and other long-term financial assets		(147)	(136)
Proceeds from disposals of investments accounted for under the equity method, other investments and other long-term financial assets		99	94
Dividends paid by companies valued at equity		0	5
Disposals of non-current assets and disposal groups classified as assets held for sale and liabilities directly associated		0	0
Change in securities		1,150	459
Cash provided by (used for) investing activities		**182**	**(2)**
Financing activities			
Change in financing liabilities		4,254	448
Changes in liability for puttable instruments		81	83
Change in treasury shares		(4)	0
Cash provided by financing activities		**4,331**	**531**
Effect of foreign exchange rate changes on cash and cash equivalents		135	108
Net (decrease) in cash and cash equivalents		**(2,966)**	**(3,413)**
Cash and cash equivalents at beginning of period		**9,314**	**9,428**
Cash and cash equivalents at end of period		**6,348**	**6,015**

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

Unaudited Condensed Interim IFRS Consolidated Statement of Changes in Equity

(In € million)	Equity attributable to equity owners of the parent	Non-controlling interests	Total Equity
Balance at 1 January 2019, as reported	**9,724**	**(5)**	**9,719**
Restatements [(1)]	(122)	0	(122)
Balance at 1 January 2019, restated [(1)]	**9,602**	**(5)**	**9,597**
Profit for the period	40	4	44
Other comprehensive income	(719)	(14)	(733)
Total comprehensive income for the period	(679)	(10)	(689)
Share-based payment (IFRS 2)	33	0	33
Equity transaction (IAS 27)	(46)	18	(28)
Balance at 31 March 2019	**8,910**	**3**	**8,913**
Balance at 1 January 2020	**5,975**	**15**	**5,990**
Loss for the period	(481)	(11)	(492)
Other comprehensive income	(2,173)	(4)	(2,177)
Total comprehensive income for the period	(2,654)	(15)	(2,669)
Share-based payment (IFRS 2)	24	0	24
Equity transaction (IAS 27)	176	11	187
Change in treasury shares	(4)	0	(4)
Balance at 31 March 2020	**3,517**	**11**	**3,528**

(1) Opening balance figures are restated due to the application of IFRIC 23.

The accompanying notes are an integral part of these Unaudited Condensed Interim IFRS Consolidated Financial Statements.

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Notes to the Airbus SE Unaudited Condensed Interim IFRS Consolidated Financial Statements

1. The Company

The accompanying Unaudited Condensed Interim IFRS Consolidated Financial Statements present the financial position and the results of operations of **Airbus SE** together with its subsidiaries referred to as “the Company”, a European public limited-liability company (*Societas Europaea*) with its seat (*statutaire zetel*) in Amsterdam, The Netherlands, its registered address at Mendelweg 30, 2333 CS Leiden, The Netherlands, and registered with the Dutch Commercial Register (Handelsregister) under number 24288945. The Company’s reportable segments are Airbus, Airbus Helicopters and Airbus Defence and Space (see “– Note 6: Segment Information”). The Company is listed on the European stock exchanges in Paris, Frankfurt am Main, Madrid, Barcelona, Valencia and Bilbao. The Unaudited Condensed Interim IFRS Consolidated Financial Statements were authorised for issue by the Company’s Board of Directors on 28 April 2020.

2. Impact of the spread of the COVID-19 pandemic

The COVID-19 pandemic and the actions taken in response to its spread including government measures and travel restrictions have resulted in significant disruption to the Company’s business operations and supply chain. A number of measures have been taken by the Company to implement stringent health and safety procedures while taking account of stock levels and production lead-times.

On 23 March 2020, the Company withdrew its 2020 guidance due to the volatility of the situation.

On 8 April 2020, the Company has announced its decision to adapt commercial aircraft production rates to 40 per month for the A320 Family, 2 per month for A330 and 6 per month for A350 in response to the new COVID-19 market environment. This represents a reduction of the pre-COVID-19 average rates of roughly one third. With these new rates, the Company intends to preserve its ability to meet customer demand while protecting its ability to further adapt as the global market evolves.

The Company is monitoring the evolution of the COVID-19 pandemic and will continue to assess further impacts going forward. The main elements related to the consolidated financial statements considered as of 31 March 2020 are detailed in the following sections.

The rapidly evolving situation, including health and safety conditions, the economic environment and the resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts on the Company’s business, results of operations and financial condition. For further information, please refer to Airbus SE's 2019 Universal Registration Document dated 23 March 2020, including the Risk Factors section.

2.1 Going concern and associated liquidity measures

On 23 March 2020, the Company has announced measures to bolster its liquidity and balance sheet in response to the COVID-19 pandemic, including a new € 15 billion credit facility, the withdrawal of 2019 dividend proposal with cash value of € 1.4 billion, the suspension of voluntary top up pension funding and strong focus on support to customers and delivery. With these decisions, the Company has available liquidity to cope with additional cash requirements, including the amended production rates as described above.

Based on the above, management considers the Company has sufficient resources to continue operating for the next 12 months.

2.2 Goodwill impairment

As a result of the deterioration in the economic environment and the uncertainty in the business outlook, the Company has performed an impairment test of goodwill, which led to no impairment charge being necessary as of 31 March 2020.

These tests have been performed in line with the methodology used for the annual impairment tests for each of the Company's Cash Generating Units (CGUs). Cash flow projections are normally based on operative planning and expected cash flows beyond the planning horizon through a terminal value. In the current context different scenarios have been considered incorporating assumptions on future production rates, deliveries and order-in-take, together with other mitigating actions that the Company may implement.

In addition, the Company performed a comparison with the fair value of each CGU derived from the market capitalisation. The market capitalisation as of 31 March 2020 amounts to € 46.5 billion and significantly exceeds the equity of the Company.

2.3 Other Investments and Other Long-Term Financial Assets / Joint Ventures

The Company's main investments have been impacted by the high volatility in financial markets in the first three months 2020 with the variation recorded either through financial result or OCI. The impact in financial result amounts to € -136 million for a loan to OneWeb Communications and € -348 million for the investment in Dassault Aviation. The impact in OCI for € -589 million includes OneWeb Communications and other investments.

For further information on Dassault and OneWeb investments, please see "– Note 16: Other Investments and Other Long-Term Financial Assets".

2.4 Other assets

Due to the COVID-19 triggering event, the Company has reviewed its inventories such as finished aircraft and work in progress as well as other assets such as development costs and deferred tax assets. As a result of this work no significant impairment has been recorded in the first three months 2020.

2.5 Hedge accounting

The Company has maintained its hedge accounting policies as defined in the 2019 year-end financial statements. In the Company's assessment the risk of future cancellations that are not yet materialised has been included. When transactions are no longer expected to occur, the accumulated gains or losses on the hedging instrument have been reclassified to financial result.

The increase of the counterparty credit risk and Airbus credit spread is included in the determination of the fair value of the hedges and had limited impact on the measurement of hedge ineffectiveness.

The Company considers that the modification of commercial aircraft production rates does not constitute a reduction of the hedged item. The Company will continue to review this position going forward to identify any potential trigger for hedge disqualification.

2.6 Expected credit loss

The Company has also considered the impact of COVID-19 pandemic on the expected credit loss of its financial instruments (mainly loans, trade and lease receivables). The amount and timing of the expected credit losses, as well as the probability assigned thereto, has been based on the available information at the end of the first three months 2020. As a result of this review no significant credit losses have been recorded in the first three months 2020 (see "- Note 16: Other Investments and Other Long-Term Financial Assets").

2.7 Pensions

The COVID-19 pandemic has a significant impact on market fluctuations (mainly impacting the interest rates and asset market values) which has triggered the need for a re-measurement of the defined benefit obligation and pension plan assets. The impact on the net pension liability for the first three months 2020 amounting to € 1.6 billion is recognised in other comprehensive income and is subject to future volatility (see "– Note 18: Provisions").

3. Accounting Policies

The Unaudited Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") as endorsed by the European Union ("EU"). They are prepared and reported in euro ("€") and all values are rounded to the nearest million appropriately. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

These unaudited Condensed Interim IFRS Consolidated Financial Statements are prepared in compliance with IAS 34 and should be read in conjunction with the IFRS Consolidated Financial Statements as of 31 December 2019. The Company's accounting policies and methods are unchanged compared to 31 December 2019. The implementation of other amended standards has no material impact on the Unaudited Condensed Interim IFRS Consolidated Financial Statements as of 31 March 2020.

Use of Estimates and Judgements

In preparing the Unaudited Condensed Interim IFRS Consolidated Financial Statements, management makes assumptions and estimates. These estimates are revised if the underlying circumstances have evolved or in light of new information. The underlying assumptions used for the main estimates are similar to those described in the Company's IFRS Consolidated Financial Statements as of 31 December 2019.

The exceptions are:

- some estimates and judgements have been updated due to the COVID-19 outbreak (see "– Note 2: Impact of the spread of the COVID-19 pandemic "); and
- the estimate of income tax liabilities which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

4. Acquisitions and Disposals

Acquisitions

On 12 February 2020, Bombardier transferred its remaining shares in **Airbus Canada Limited Partnership ("ACLP")** to Airbus and Investissement Québec ("IQ"). As per the agreement, Airbus acquired an additional 29.64% of the issued shares in ACLP. This agreement brings the shareholdings in ACLP for Airbus and IQ to 75% and 25%, respectively.

Airbus paid to Bombardier a consideration of US$ 591 million of which US$ 531 million was received at closing and US$ 60 million to be paid over the 2020-22 period under certain conditions. The agreement also provides for the cancellation of Bombardier warrants owned by Airbus, as well as releasing Bombardier of its future funding capital requirement to ACLP, previously performed through the non-voting participation Class B common units in ACLP.

The call rights of Airbus in respect of all IQ's interests in ACLP at fair market value have been extended by an additional three years to January 2026.

The effect of this equity transaction on the equity attributable to the owners of ACLP amounts to € -53 million.

As part of this transaction, Airbus, via its wholly owned subsidiary Stelia Aerospace, has also acquired the A220 and A330 work package production capabilities from Bombardier in Saint Laurent, Québec. Under this non-material transaction, the fair value of the net assets acquired amount to US$ -4 million.

Assets and Disposal Groups Classified as Held for Sale

As of 31 March 2020, the Company has not accounted for **assets and disposal group of assets classified as held for sale** (prior year-end: € 0 million) and for **disposal group of liabilities classified as held for sale** (prior year-end: € 0 million).

5. Related Party Transactions

The Company has entered into various transactions with related entities; carried out in the normal course of business.

6. Segment Information

The Company operates in three reportable segments which reflect the internal organisational and management structure according to the nature of the products and services provided.

- **Airbus** — Development, manufacturing, marketing and sale of commercial jet aircraft of more than 100 seats; aircraft conversion and related services; development, manufacturing, marketing and sale of regional turboprop aircraft and aircraft components. It also includes the holding function of the Company and its bank activities.
- **Airbus Helicopters** — Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.
- **Airbus Defence and Space** — Military Aircraft design, development, delivery, and support of military aircraft such as combat, mission, transport and tanker aircraft and their associated services. Space Systems design, development, delivery, and support of full range of civil and defence space systems for telecommunications, earth observations, navigation, science and orbital systems. Connected Intelligence provision of services around data processing from platforms, secure communication and cyber security. In addition, the main joint ventures design, develop, deliver, and support missile systems as well as space launcher systems. Unmanned Aerial Systems design, development, delivery and service support.

The following tables present information with respect to the Company's business segments. As a rule, inter-segment transfers are carried out on an arm's length basis. Inter-segment sales predominantly take place between Airbus and Airbus Defence and Space and between Airbus Helicopters and Airbus. The activities related to innovation and digital transformation, which were formerly reported in the column "Traversal/Eliminations", are now included in the business segment Airbus under the new segment structure. Consolidation effects will continue to be reported in the column "Eliminations".

The Company uses EBIT as a key indicator of its economic performance.

Business segment information for the three-month period ended 31 March 2020 is as follows:

(In € million)	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	**Consolidated Airbus**
Total revenue	7,569	1,202	2,111	0	10,882
Internal revenue	(126)	(106)	(19)	0	(251)
Revenue	**7,443**	**1,096**	**2,092**	**0**	**10,631**
thereof					
sales of goods at a point in time	*6,572*	*459*	*495*	*0*	*7,526*
sales of goods over time	*7*	*41*	*866*	*0*	*914*
services, including sales of spare parts	*864*	*596*	*731*	*0*	*2,191*
Profit (loss) before financial result and income taxes (EBIT)	**57**	**53**	**(53)**	**22**	**79**
thereof research and development expenses	*(543)*	*(75)*	*(51)*	*6*	*(663)*
Interest result					(45)
Other financial result					(432)
Income taxes					(94)
Loss for the period					**(492)**

Business segment information for the three-month period ended 31 March 2019 is as follows:

(In € million)	Airbus	Airbus Helicopters	Airbus Defence and Space	Eliminations	Consolidated Airbus
Total revenue	9,697	1,007	2,112	0	12,816
Internal revenue	(144)	(104)	(19)	0	(267)
Revenue	**9,553**	**903**	**2,093**	**0**	**12,549**
thereof					
sales of goods at a point in time	*8,738*	*323*	*503*	*0*	*9,564*
sales of goods over time	*5*	*56*	*936*	*0*	*997*
services, including sales of spare parts	*810*	*524*	*654*	*0*	*1,988*
Profit (loss) before financial result and income taxes (EBIT) [(1)]	**319**	**9**	**(117)**	**(30)**	**181**
thereof research and development expenses [(1)]	*(527)*	*(69)*	*(61)*	*3*	*(654)*
Interest result					(36)
Other financial result					(7)
Income taxes					(94)
Profit for the period					**44**

(1) Restated due to new segment presentation.

7. Revenue and Gross Margin

Revenue decreased by € -1,918 million to € 10,631 million (first three months 2019: € 12,549 million). The decrease is mainly driven by Airbus (€ -2,110 million) reflecting lower deliveries in a difficult market environment (see "– Note 2: "Impact of the spread of the COVID-19 pandemic"), partly offset by a better mix and favourable foreign exchange impact. This is partly offset by an increase in Airbus Helicopters (€ +193 million) reflecting favourable delivery mix and growth in services.

Revenue by geographical areas based on the location of the customer is as follows:

(In € million)	**1 January - 31 March 2020**	1 January - 31 March 2019
Asia-Pacific	2,428	4,531
Europe	4,659	4,292
North America	2,216	2,266
Middle East	521	758
Latin America	129	296
Other countries	678	406
Total	**10,631**	**12,549**

The **gross margin** decreased by € -179 million to € 1,201 million compared to € 1,380 million in the first three months 2019. It mainly reflects lower deliveries and associated costs at Airbus, partly offset by favourable foreign exchange impact. It also reflects favourable delivery mix and growth in services at Airbus Helicopters. The gross margin rate increased from 11.0% to 11.3%.

In the first three months 2020, Airbus has delivered 14 A350 XWB aircraft. New order intakes, cancellations, delivery postponements and other contractual agreements to the end of March 2020 have been reflected in the financial statements.

Risks continue to be closely monitored in line with the schedule, aircraft performance and overall cost envelope, as per customer commitments. Despite the progress made, challenges remain with recurring cost convergence.

As of 31 December 2018, the Company's largest A380 operator reviewed its aircraft fleet strategy going forward and concluded it is forced to restructure and reduce its A380 order by 39 aircraft. As a consequence of this decision, deliveries of the A380 will cease in 2022.

At year-end 2018, the Company impaired specific A380 assets in the amount of € 167 million, recognised an onerous contract provision for an amount of € 1,257 million and updated the measurement of refundable advances including interest accretion for a total amount of € 1,426 million. As a consequence, the recognition of the onerous contract provision as well as other specific provisions and the remeasurement of the liabilities affected the consolidated income statement before taxes by a net € 463 million in EBIT and positively impacted the other financial result by € 177 million.

In 2019, the Company recorded an additional net charge of € 99 million in EBIT as part of its continuous assessment of assets recoverability and quarterly review of onerous contract provision assumptions.

In the first three months 2020, the Company recorded an additional net charge of € 16 million in EBIT.

As of 31 March 2020, the Company has delivered a total of 89 A400M aircraft including 1 aircraft in the first three months 2020.

The COVID-19 pandemic is weighing on the performance of development, production, flight testing, aircraft delivery and retrofit activities. The Company continued with development activities toward achieving the revised capability roadmap. Retrofit activities are progressing in close alignment with the customer.

In the fourth quarter 2019, an update of the contract estimate at completion was performed and an additional charge of € 1,212 million recorded. This reflected mainly the updated estimates on the export scenario during the launch contract phase as well as some cost increases in particular for retrofit and an updated view on applicable escalation. The year-end 2019 assessment remains unchanged as of 31 March 2020.

Risks remain on the development of technical capabilities and associated costs, on aircraft operational reliability in particular with regard to power plant, on cost reductions and on securing export orders in time as per the revised baseline.

Due to the repeatedly prolonged suspension of defence export licences to Saudi Arabia by the German Government, and the consequential inability of the Company to execute a customer contract, a revised Estimate at Completion (EAC) was performed as of 31 December 2019. As a result, a € 221 million impairment charge mainly on inventories on top of a € 112 million financial expense related to hedge ineffectiveness have been recognised in 2019. The Company is engaging with its customer to agree a way forward on this contract. The outcome of these negotiations is presently unclear but could result in significant further financial impacts. The year-end 2019 assessment remains unchanged as of 31 March 2020.

8. Research and Development Expenses

Research and development expenses increased by € +9 million to € 663 million compared to € 654 million in the first three months 2019.

9. Share of Profit from Investments Accounted for under the Equity Method and Other Income from Investments

Share of profit from investments under the equity method and **other income from investments** increased by € +129 million to € 119 million compared to € -10 million in the first three months 2019.

10. Other Income and Other Expenses

Other income decreased by € -41 million to € 29 million compared to € 70 million in the first three months 2019.

Other expenses decreased by € -7 million to € -14 million compared to € -21 million in the first three months 2019.

11. Total Financial Result

Total financial result deteriorated by € -434 million to € -477 million compared to € -43 million in the first three months 2019. This is mainly due to the revaluation of certain equity investments (see "– Note 16: Other Investments and Other Long-Term Financial Assets").

12. Income Taxes

The **income tax** expense amounts to € -94 million (first three months 2019: € -94 million). The effective tax rate is mainly driven by tax-free revaluation of certain equity investments, deferred tax asset impairment and tax risk updates.

13. Earnings per Share

	1 January - 31 March 2020	1 January - 31 March 2019
(Loss) Profit for the period attributable to equity owners of the parent (Net income)	€ (481) million	€ 40 million
Weighted average number of ordinary shares	782,298,786	775,730,957
Basic earnings per share	**€ (0.61)**	**€ 0.05**

Diluted earnings per share – The Company's dilutive potential ordinary shares are share-settled Performance Units relating to **Long-Term Incentive Plans ("LTIP").**

As there is a loss in the first three months 2020, the effect of potentially dilutive ordinary shares is anti-dilutive.

During the first three months 2019, the average price of the Company's shares exceeded the exercise price of the share-settled Performance Units and therefore 852,316 shares were considered in the calculation of diluted earnings per share. The dilutive effect of the convertible bond was also considered in the calculation of diluted earnings per share in the first three months 2019, by adding back € 2 million of interest expense to the profit for the period attributable to equity owners of the parent and by including 5,022,990 of dilutive potential ordinary shares.

	1 January - 31 March 2020	1 January - 31 March 2019
(Loss) Profit for the period attributable to equity owners of the parent (Net income), adjusted for diluted calculation	€ (481) million	€ 42 million
Weighted average number of ordinary shares (diluted) [1]	782,298,786	781,606,263
Diluted earnings per share	**€ (0.61)**	**€ 0.05**

(1) In the first three months 2019, dilution assumes conversion of all potential ordinary shares.

14. Intangible Assets and Property, Plant and Equipment

Intangible assets increased by € +32 million to € 16,623 million (prior year-end: € 16,591 million). Intangible assets mainly relate to goodwill of € 13,035 million (prior year-end: € 13,019 million).

Property, plant and equipment decreased by € -212 million to € 17,082 million (prior year-end: € 17,294 million). Property, plant and equipment include right-of-use assets for an amount of € 1,560 million as of 31 March 2020 (prior year-end: € 1,543 million).

15. Investments Accounted for under the Equity Method

Investments accounted for under the equity method decreased by € -63 million to € 1,563 million (prior year-end: € 1,626 million). They mainly include the equity investments in ArianeGroup and MBDA.

16. Other Investments and Other Long-Term Financial Assets

(In € million)	**31 March 2020**	31 December 2019
Other investments	1,596	2,516
Other long-term financial assets	1,798	1,937
Total non-current other investments and other long-term financial assets	**3,394**	**4,453**
Current portion of other long-term financial assets	**388**	**449**
Total	**3,782**	**4,902**

Other investments mainly comprise the Company's participations. The significant participations at 31 March 2020 include the remaining investment in Dassault Aviation (9.90%, prior year-end: 9.90%) amounting to € 620 million (prior year-end: € 968 million).

In March 2020, **OneWeb Communications** filed under Chapter 11 of the U.S. Bankruptcy Code. Consequently, the related financial assets were fully impaired, leading to a decrease in the fair value of the equity investment by € -137 million recorded through OCI and a depreciation of a loan by € -136 million recorded through financial result.

Other long-term financial assets and the **current portion of other long-term financial assets** include other loans in the amount of € 1,891 million as of 31 March 2020 (prior year-end: € 2,036 million), and the sales financing activities in the form of finance lease receivables and loans from aircraft financing.

17. Inventories

Inventories of € 35,955 million (prior year-end: € 31,550 million) increased by € +4,405 million. This is mainly driven by an increase in work in progress and finished aircraft at Airbus (€ +3,926 million), reflecting customer requests to defer deliveries, as well as other factors related to the ongoing COVID-19 pandemic (see "– Note 2: “Impact of the spread of the COVID-19 pandemic”).

18. Provisions

(In € million)	**31 March 2020**	31 December 2019
Provisions for pensions	6,697	8,353
Other provisions	10,109	10,561
Total	**16,806**	**18,914**
thereof non-current portion	*10,773*	*12,542*
thereof current portion	*6,033*	*6,372*

Provisions for pensions decreased mainly due to the increase of the discount rates during the first three months 2020, partly compensated by the decline in plan assets value resulting from market volatility related to the ongoing COVID-19 pandemic (see "– Note 2: “Impact of the spread of the COVID-19 pandemic”).

19. Other Financial Assets and Other Financial Liabilities

Other Financial Assets

(In € million)	**31 March 2020**	31 December 2019
Positive fair values of derivative financial instruments	900	996
Others	38	37
Total non-current other financial assets	**938**	**1,033**
Receivables from related companies	957	1,148
Positive fair values of derivative financial instruments	658	444
Others	464	468
Total current other financial assets	**2,079**	**2,060**
Total	**3,017**	**3,093**

Other Financial Liabilities

(In € million)	**31 March 2020**	31 December 2019
Liabilities for derivative financial instruments	5,162	2,434
European Governments' refundable advances	3,520	3,725
Others	429	1,339
Total non-current other financial liabilities	**9,111**	**7,498**
Liabilities for derivative financial instruments	2,333	1,560
European Governments' refundable advances	563	552
Liabilities to related companies	146	159
Others	416	376
Total current other financial liabilities	**3,458**	**2,647**
Total	**12,569**	**10,145**

The allocation of European Governments’ refundable advances between non-current and current presented in the Unaudited Condensed Interim IFRS Consolidated Financial Statements ended 31 March 2020 is based on the applicable contractual repayment dates. The European Governments’ refundable advances decreased by € -194 million to € 4,083 million (prior year-end: € 4,277 million), primarily related to the payments made on the A380 programme (see “– Note 7: Revenue and Gross Margin”).

20. Other Assets and Other Liabilities

Other Assets

(In € million)	**31 March 2020**	31 December 2019
Cost to fulfil a contract	362	351
Prepaid expenses	84	86
Others	90	85
Total non-current other assets	**536**	**522**
Value added tax claims	1,237	1,252
Cost to fulfil a contract	647	626
Prepaid expenses	569	147
Others	444	398
Total current other assets	**2,897**	**2,423**
Total	**3,433**	**2,945**

Other Liabilities

(In € million)	**31 March 2020**	31 December 2019
Others	370	384
Total non-current other liabilities	**370**	**384**
Tax liabilities (excluding income tax)	749	614
Others	3,346	6,203
Total current other liabilities	**4,095**	**6,817**
Total	**4,465**	**7,201**

21. Total Equity

The Company's shares are exclusively ordinary shares with a par value of € 1.00. The following table shows the development of the number of shares issued and fully paid:

(In number of shares)	**31 March 2020**	31 December 2019
Issued as at 1 January	**783,173,115**	**776,367,881**
Issued for ESOP	0	1,784,292
Issued for convertible bond	0	5,020,942
Issued at end of period	**783,173,115**	**783,173,115**
Treasury shares	(895,175)	(862,610)
Outstanding at end of period	**782,277,940**	**782,310,505**

Holders of ordinary shares are entitled to dividends and to one vote per share at general meetings of the Company.

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to € 3,517 million (prior year-end: € 5,975 million) representing a decrease of € -2,458 million. This is due to a net loss for the period of € -481 million and a decrease in other comprehensive income, principally related to the mark to market revaluation of the hedge portfolio of € -2,697 million and the revaluation of financial assets of € -707 million, party compensated by a change in actuarial gains and losses of € +1,226 million.

The **non-controlling interests ("NCI")** from non-wholly owned subsidiaries decreased to € 11 million as of 31 March 2020 (prior year-end: € 15 million). These NCI do not have a material interest in the Company's activities and cash flows.

22. Net Cash

The net cash position provides financial flexibility to fund the Company's operations, to react to business needs and risk profile and to return capital to the shareholders.

(In € million)	**31 March 2020**	31 December 2019
Cash and cash equivalents	6,348	9,314
Current securities	1,648	2,302
Non-current securities	10,407	11,066
Gross cash position	**18,403**	**22,682**
Short-term financing liabilities	(6,397)	(1,959)
Long-term financing liabilities	(8,420)	(8,189)
Total	**3,586**	**12,534**

The net cash position on 31 March 2020 amounted to € 3,586 million (prior year-end: € 12,534 million), with a gross cash position of € 18,403 million (prior year-end: € 22,682 million).

Cash and Cash Equivalents

Cash and cash equivalents are composed of the following elements:

(In € million)	**31 March 2020**	31 December 2019
Bank account and petty cash	3,050	1,649
Short-term securities (at fair value through profit and loss)	2,644	7,014
Short-term securities (at fair value through OCI)	652	652
Others	2	(1)
Total cash and cash equivalents	**6,348**	**9,314**

Only securities with a maturity of three months or less from the date of the acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, are recognised in cash equivalents.

Financing Liabilities

(In € million)	**31 March 2020**	31 December 2019
Bonds and commercial papers	6,736	6,491
Liabilities to financial institutions	209	244
Loans	146	156
Lease liabilities	1,329	1,298
Total long term financing liabilities	**8,420**	**8,189**
Bonds and commercial papers	4,168	0
Liabilities to financial institutions	451	106
Loans	134	127
Lease liabilities	256	262
Others [1]	1,388	1,464
Total short term financing liabilities	**6,397**	**1,959**
Total	**14,817**	**10,148**

(1) Included in “others” are financing liabilities to joint ventures.

Long-term financing liabilities, mainly comprising of bonds and lease liabilities, increased by € +231 million to € 8,420 million (prior year-end: € 8,189 million), mainly due to the revaluation of financing liabilities.

Short-term financing liabilities increased by € +4,438 million to € 6,397 million (prior year-end: € 1,959 million). The increase in short-term financing liabilities is mainly related to the issuance of commercial papers.

23. Financial Instruments

The following table presents the composition of derivative financial instruments:

(In € million)	**31 March 2020**	31 December 2019
Non-current positive fair values	900	996
Current positive fair values	658	444
Total positive fair values of derivative financial instruments	**1,558**	**1,440**
Non-current negative fair values	(5,162)	(2,434)
Current negative fair values	(2,333)	(1,560)
Total negative fair values of derivative financial instruments	**(7,495)**	**(3,994)**
Total net fair values of derivative financial instruments	**(5,937)**	**(2,554)**

The total net fair value of derivative financial instruments decreased by € -3,383 million to € -5,937 million (prior year-end: € -2,554 million) as a result of the strengthened US dollar versus the euro associated with the mark to market valuation of the hedge portfolio.

The volume of hedged US dollar-contracts was US$ 94.0 billion as at 31 March 2020 (prior year-end: US$ 97.1 billion). The US dollar spot rate was 1.10 US$/€ and 1.12 US$/€ at 31 March 2020 and at 31 December 2019, respectively. The average US dollar hedge rate for the hedge portfolio of the Company remains at 1.23 US$/€ as at 31 March 2020.

Carrying Amounts and Fair Values of Financial Instruments

Fair values of financial instruments have been determined with reference to available market information at the end of the reporting period and the valuation methodologies as described in detail in Note 37.2 to the 2019 IFRS Consolidated Financial Statements. For the first three months 2020, the Company has applied the same methodologies for the fair value measurement of financial instruments. In addition, the Company has remeasured non-listed equity investments for which no quoted market prices are available at fair value and determined the fair values of these equity investments using common valuation methods such as net asset values or a comparable company valuation multiples technique.

Carrying amount is a reasonable approximation of fair value for all classes of financial instruments listed in the first table of Note 37.2 to the 2019 IFRS Consolidated Financial Statements, with the exception of:

	31 March 2020		31 December 2019	
(In € million)	Book Value	Fair Value	Book Value	Fair Value
Financing liabilities				
Bonds and commercial papers	(10,904)	(10,573)	(6,491)	(6,696)
Liabilities to financial institutions and others	(2,328)	(2,328)	(2,096)	(2,098)

Fair Value Hierarchy

Depending on the extent the inputs used to measure fair values rely on observable market data, fair value measurements may be hierarchised according to the following levels of input:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability – fair values measured based on Level 2 input typically rely on observable market data such as interest rates, foreign exchange rates, credit spreads or volatilities;
- Level 3: inputs for the asset or liability that are not based on observable market data – fair values measured based on Level 3 input rely to a significant extent on estimates derived from the Company's' own data and may require the use of assumptions that are inherently judgemental and involve various limitations.

The fair values disclosed for financial instruments accounted for at amortised cost reflect Level 2 input. Otherwise, the Company determines mostly fair values based on Level 1 and Level 2 inputs and to a lesser extent on Level 3 input.

The following table presents the carrying amounts of the financial instruments held at fair value across the three levels of the **fair value hierarchy:**

	31 March 2020				31 December 2019			
(In € million)	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Equity instruments	1,175	0	421	1,596	1,988	0	528	2,516
Derivative instruments	0	1,558	0	1,558	0	1,224	216	1,440
Securities	12,055	0	0	12,055	13,368	0	0	13,368
Customer financing	0	0	295	295	0	0	350	350
Cash equivalents	2,644	652	0	3,296	7,014	652	0	7,666
Total	**15,874**	**2,210**	**716**	**18,800**	**22,370**	**1,876**	**1,094**	**25,340**
Financial liabilities measured at fair value								
Derivative instruments	0	(7,500)	5	(7,495)	0	(3,974)	(20)	(3,994)
Other financial liabilities	0	0	(195)	(195)	0	0	(1,014)	(1,014)
Total	**0**	**(7,500)**	**(190)**	**(7,690)**	**0**	**(3,974)**	**(1,034)**	**(5,008)**

The development of financial instruments of Level 3 is as follows:

(In € million)	Derivatives	Participations	Customer financing	**Total**	Written put options on NCI interests	Commodity swap agreements	Total
Balance at 1 January 2019	**165**	**489**	**510**	**1,164**	**(2,300)**	**(26)**	**(2,326)**
Business combination	0	0	0	0	0	0	0
Profit or loss	51	0	(160)	(109)	0	(12)	(12)
Equity	0	39	0	39	1,286	0	1,286
Settlements	0	0	0	0	0	18	18
Others	0	0	0	0	0	0	0
Balance at 31 December 2019	**216**	**528**	**350**	**1,094**	**(1,014)**	**(20)**	**(1,034)**
Business combination	0	0	0	0	0	0	0
Profit or loss	(216)	0	(55)	(271)	0	22	22
Equity	0	(107)	0	(107)	819	0	819
Settlements	0	0	0	0	0	3	3
Others	0	0	0	0	0	0	0
Balance at 31 March 2020	**0**	**421**	**295**	**716**	**(195)**	**5**	**(190)**

The financial liabilities measured at fair value and classified as Level 3 consist mainly of the written put options on non-controlling interests (“NCI puts”) relating to ACLP. The fair value of these NCI puts are derived from a discounted cash flow analysis using the latest operating plan and a projection over the lifetime of the A220 programme.

The decrease in the fair value of the NCI puts reflects the acquisition of NCI from Bombardier (see”- Note 4: Acquisitions and Disposals”). In addition, a post-tax WACC of 11.4% (prior year-end: 7.5%) is used to discount the forecasted cash flows taking into account the impacts of the COVID-19 pandemic and the specificities of the programme.

24. Litigation and Claims

The Company is involved from time to time in various legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, the Company is not aware of any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during a period covering at least the previous twelve months which may have, or have had in the recent past significant effects on Airbus SE’s or the Company’s financial position or profitability.

If the Company concludes that the disclosures relative to contingent liabilities can be expected to prejudice seriously its position in a dispute with other parties, the Company limits its disclosures to the nature of the dispute.

WTO

Although the Company is not a party, the Company is supporting the European Commission in litigation before the WTO. Following its unilateral withdrawal from the 1992 EU-US Agreement on Trade in Large Civil Aircraft, the US lodged a request on 6 October 2004 to initiate proceedings before the WTO. On the same day, the EU launched a parallel WTO case against the US in relation to its subsidies to Boeing.

Following a series of interim WTO panel decisions, in May 2018 the WTO held that the EU achieved compliance in respect of the majority of the subsidies at issue but considered that some remaining obligations required adjustments. The Company and the EU took corrective actions that were reviewed by a WTO panel. The decision of that panel is currently being appealed. In the meantime, the US requested authority to impose countermeasures worth US$ 11.2 billion per year, commensurate with its estimate of the adverse effects caused by the EU subsidies. The WTO did not agree with the US estimate and authorised the US to impose US$ 7.5 billion in annual countermeasures. The United States Trade Representative ("USTR") imposed tariffs on a range of imports to the US from the EU including 10% on the importation of large civil aircraft from the EU. Those tariffs went into effect on 18 October 2019. On 14 February 2020, the USTR announced the US is increasing the additional duty rate imposed on aircraft imported from the EU to 15%, effective 18 March 2020.

The tariffs could have a material impact on the financial statements, business and operations of the Company. At this stage it is too early to determine the full extent of any financial impact on the Company. Duties on the importation of Airbus products into the US could result in (i) increased costs for the aerospace and airline industries as well as other industries that rely on air transport, (ii) weakening demand for new aircraft and negatively affecting the financial condition of air carriers and lessors, (iii) decisions to defer, reject or reschedule the delivery of new aircraft or limit the routes upon which new aircraft will be used, (iv) increased costs to consumers, (v) retaliation by the EU with its own import duties to be applied to US products, and/or (vi) damage to the Company's business or reputation via negative publicity adversely affecting the Company's prospects in the commercial market place.

Several years of proceedings also identified significant unlawful support to Boeing. In its most recent decision on the matter in March 2019, the WTO found that the steps by the US to address US subsidies to Boeing were inadequate. The WTO Appellate Body also found that additional US federal and state programmes, such as the Foreign Sales Corporation ("FSC") and Washington State tax reductions constitute illegal subsidies. Consequently, the EU initiated its request for the authorisation of annual countermeasures amounting to up to US$ 12 billion and published a preliminary list of products from the US on which the EU may take countermeasures, which includes US aircraft. The actual amount of duties to which the EU may be entitled will be determined at the conclusion of WTO arbitration proceedings. The imposition of equivalent or greater tariffs on aircraft imports into Europe is likely.

Exact timing of further steps in the WTO litigation process is subject to further rulings and to negotiations between the US and the EU.

GPT

In August 2012, the UK Serious Fraud Office ("SFO") announced that it had opened a formal criminal investigation in relation to GPT Special Project Management Ltd ("GPT"), a subsidiary operating in Saudi Arabia that the Company acquired in 2007. The investigation relates to issues initially raised by a whistleblower concerning contractual arrangements originating prior to GPT's acquisition and continuing thereafter. The Company has engaged with the SFO throughout and continues to actively cooperate with the investigation.

Eurofighter Austria

In 2017, the Austrian Federal Ministry of Defence raised criminal allegations against Airbus Defence and Space GmbH and Eurofighter Jagdflugzeug GmbH for wilful deception and fraud in the context of the sale of the Eurofighter aircraft to Austria and respective damage claims. After the Austrian Federal Ministry of Defence raised its criminal allegations, the Austrian public prosecutor opened investigations against Airbus Defence and Space GmbH, Eurofighter Jagdflugzeug GmbH and former and current employees of the two entities including related to the corresponding offset obligations. The Company has filed several submissions to the Austrian public prosecutor in response to the allegations of deception in the procurement of Eurofighter combat aircraft made by the Austrian Defence Minister. The Company is cooperating fully with the authorities.

Investigation by the UK SFO, France's PNF, US Departments of State and Justice and Related Commercial Litigation

The Company reached final agreements ("the agreements") with the French Parquet National Financier ("PNF"), the UK Serious Fraud Office ("SFO"), and the US Department of Justice ("DoJ") resolving the authorities' investigations into allegations of bribery and corruption, as well as with the US Department of State ("DoS") and the DoJ to resolve their investigations into inaccurate and misleading filings made with the DoS pursuant to the US International Traffic in Arms Regulations ("ITAR"). The agreements were approved and made public on 31 January 2020.

Under the terms of the agreements, the Company has agreed to pay penalties of € 3,597,766,766 plus interest and costs to the French, UK and US authorities. This is recognised in the Company's 2019 accounts. The settlements with each authority are as follows: PNF € 2,083,137,455, the SFO € 983,974,311, the DoJ € 526,150,496 and the DoS € 9,009,008 of which € 4,504,504 may be used for approved remedial compliance measures.

Under the terms of the *Convention Judiciaire d'Intérêt Public* ("CJIP") with the PNF, the Company has an obligation to submit its compliance programme to targeted audits carried out by the Agence Française Anticorruption ("AFA") over a period of three years.

Under the terms of the Deferred Prosecution Agreement ("DPA") with the SFO, no independent compliance monitor will be imposed on the Company in light of the continuing monitorship to be conducted by the AFA.

Under the terms of the DPA with the DoJ, no independent compliance monitor will be imposed on Airbus under the agreement with the DoJ, but the Company will periodically report on its continuing compliance enhancement progress during the three year term of the DPA and carry out further reviews as required by the DoJ.

The agreements result in the suspension of prosecution for a duration of three years whereupon the prosecutions will be extinguished if the Company complies with their terms throughout the period, including the payment of penalties.

Under the terms of the Consent Agreement with the DoS, the DoS has agreed to settle all civil violations of the ITAR outlined in the Company's voluntary disclosures identified in the Consent Agreement, and the Company has agreed to retain an independent export control compliance officer, who will monitor the effectiveness of the Company's export control systems and its compliance with the ITAR for a duration of three years.

Any breach of the terms of the agreements by the Company could lead to rescission by the authorities of the terms of the agreements and reopening of the prosecutions. Prosecution could result in the imposition of further monetary penalties or other sanctions including additional tax liability and could have a material impact on the financial statements, business and operations of the Company.

In addition to any pending investigation in other jurisdictions, the factual disclosures made in the course of reaching the agreements may result in the commencement of additional investigations in other jurisdictions. Such investigations could also result in (i) civil claims or claims by shareholders against the Company, (ii) adverse consequences on the Company's ability to obtain or continue financing for current or future projects, (iii) limitations on the eligibility of group companies for certain public sector contracts, and/or (iv) damage to the Company's business or reputation via negative publicity adversely affecting the Company's prospects in the commercial market place.

Airbus will continue to cooperate with the authorities in the future, pursuant to the agreements and to enhance its strong Ethics & Compliance culture within the Company.

Several consultants and other third parties have initiated commercial litigation and arbitration against the Company seeking relief. The agreements reached with authorities may lead to additional commercial litigation and arbitration against the Company and tax liability in the future, which could have a material impact on the financial statements, business and operations of the Company.

ECA Financing

The Company and the ECAs reached agreement on a process under which it is able to make applications for ECA-backed financing for its customers across the Company on a case-by-case basis.

Other Investigations

The Company is cooperating fully with the authorities in a judicial investigation in France related to Kazakhstan. In this spirit, the Company asked to be interviewed by the investigating magistrates and has been granted the status of "assisted witness" in the investigation.

On 17 September 2019, the Company self-reported to German authorities potentially improper advance receipt and communication of confidential customer information by employees of Airbus Defence and Space GmbH. The information concerned relates to two future German government procurement projects in the programme line Communications, Intelligence and Security. The self-disclosure by the Company follows an ongoing internal review with the support of an external law firm. Both the German Ministry of Defence and the Munich public prosecutor announced their intention to open an investigation into the matter. The Company will continue to fully cooperate with relevant authorities. The investigation could have an impact on Airbus Defence and Space GmbH's ability to participate in future public procurement projects in Germany and may have other legal consequences.

Other Disputes

In the course of a commercial dispute, the Company received a statement of claim by the Republic of China (Taiwan) alleging liability for refunding part of the purchase price of a large contract for the supply of missiles by subsidiary Matra Défense S.A.S., which the customer claims it was not obliged to pay. An arbitral award was rendered on 12 January 2018 with a principal amount of € 104 million plus interest and costs against Matra Défense S.A.S. Post-award proceedings are currently underway.

25. Number of Employees

	Airbus	Airbus Helicopters	Airbus Defence and Space	**Consolidated Airbus**
31 March 2020	82,484	20,267	33,767	**136,518**
31 December 2019	80,985	20,024	33,922	134,931

26. Events after the Reporting Date

On 7 April 2020, the Company issued a bond for a total of € 2.5 billion. The bond was split into a 5 year-maturity tranche of € 750 million with a coupon of 1.625%, an 8 year-maturity tranche of € 750 million with a coupon of 2.00% and a 12 year-maturity tranche of € 1 billion with a coupon of 2.375%.

On 8 April 2020, the Company has announced its decision to adapt commercial aircraft production rates to 40 per month for the A320 Family, 2 per month for A330 and 6 per month for A350 in response to the new COVID-19 market environment. This represents a reduction of the pre-COVID-19 average rates of roughly one third. With these new rates, the Company intends to preserve its ability to meet customer demand while protecting its ability to further adapt as the global market evolves.