

Unaudited Condensed Interim IFRS Consolidated Financial Information of Airbus Group SE for the nine-month period ended 30 September 2015

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Unaudited Condensed IFRS Consolidated Income Statements

	Note	1 January - 30 September 2015		1 January - 30 September 2014		Deviation
		M €	%	M €	%	M €
Revenues	5	42,965	100	40,497	100	2,468
Cost of sales		-36,942	-86	-34,099	-84	-2,843
Gross margin	5	6,023	14	6,398	16	-375
Selling, administrative and other expenses		-2,019	-5	-2,012	-5	-7
Research and development expenses		-2,287	-5	-2,376	-6	89
Other income		296	1	235	0	61
Share of profit from investments under the equity method and other income from investments		909	2	304	1	605
Profit before finance result and income taxes	5	2,922	7	2,549	6	373
Interest income		131	0	117	0	14
Interest expense		-429	-1	-395	-1	-34
Other financial result		-238	-1	-334	-1	96
Finance result	6	-536	-2	-612	-2	76
Income taxes	7	-484	-1	-529	-1	45
Profit for the period		1,902	4	1,408	3	494
Attributable to:						
Equity owners of the parent (Net income)		1,900	4	1,399	3	501
Non-controlling interests		2	0	9	0	-7
Earnings per share	8	€		€		€
Basic		2.42		1.79		0.63
Diluted		2.41		1.78		0.63

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

Unaudited Condensed IFRS Consolidated Income Statements for the third quarter of 2015 and 2014

	1 July - 30 September 2015		1 July - 30 September 2014		Deviation M €
	M €	%	M €	%	
Revenues	14,072	100	13,297	100	775
Cost of sales	-12,083	-86	-11,341	-85	-742
Gross margin	1,989	14	1,956	15	33
Selling, administrative and other expenses	-627	-4	-641	-5	14
Research and development expenses	-781	-6	-812	-6	31
Other income	24	0	71	1	-47
Share of profit from investments under the equity method and other income from investments	107	1	156	1	-49
Profit before finance result and income taxes	712	5	730	6	-18
Interest income	46	0	38	0	8
Interest expense	-155	-1	-127	-1	-28
Other financial result	-83	0	-271	-2	188
Finance result	-192	-1	-360	-3	168
Income taxes	-149	-1	-103	-1	-46
Profit for the period	371	3	267	2	104
Attributable to:					
Equity owners of the parent (Net income)	376	3	264	2	112
Non-controlling interests	-5	0	3	0	-8
Earnings per share	€		€		€
Basic	0.48		0.34		0.14
Diluted	0.48		0.34		0.14

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Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income

in M €	1 January - 30 September 2015	1 January - 30 September 2014
Profit for the period	1,902	1,408
Items that will not be reclassified to profit or loss:		
Actuarial gains or losses on defined benefit plans	519	-749
Actuarial gains or losses on defined benefit plans for investments accounted for using the equity method	-63	-35
Tax on items that will not be reclassified to profit or loss	-169	229
Items that will be reclassified to profit or loss:		
Foreign currency translation differences for foreign operations	163	170
Net change in fair value of cash flow hedges	-3,717	-4,206
Net change in fair value of available-for-sale financial assets	409	39
Changes in other comprehensive income from investments accounted for using the equity method	-145	-31
Tax on items that will be reclassified to profit or loss	1,124	1,302
Other comprehensive income, net of tax	-1,879	-3,281
Total comprehensive income of the period	23	-1,873
Attributable to:		
Equity owners of the parent	45	-1,873
Non-controlling interests	-22	0

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Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income for the third quarter 2015 and 2014

in M €	1 July - 30 September 2015	1 July - 30 September 2014
Profit for the period	371	267
Items that will not be reclassified to profit or loss:		
Actuarial gains or losses on defined benefit plans	-44	-299
Actuarial gains or losses on defined benefit plans for investments accounted for using the equity method	14	-38
Tax on items that will not be reclassified to profit or loss	9	98
Items that will be reclassified to profit or loss:		
Foreign currency translation differences for foreign operations	16	184
Net change in fair value of cash flow hedges	305	-3,882
Net change in fair value of available-for-sale financial assets	73	69
Changes in other comprehensive income from investments accounted for using the equity method	-16	-4
Tax on items that will be reclassified to profit or loss	-113	1,211
Other comprehensive income, net of tax	244	-2,661
Total comprehensive income of the period	615	-2,394
Attributable to:		
Equity owners of the parent	622	-2,386
Non-controlling interests	-7	-8

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Unaudited Condensed IFRS Consolidated Statements of Financial Position

	Note	30 September 2015		31 December 2014		Deviation	
		M €	%	M €	%	M €	%
Assets							
Non-current assets							
Intangible assets	9	12,634	12	12,758	13	-124	-1
Property, plant and equipment	9	16,790	16	16,388	17	402	2
Investments accounted under the equity method	10	1,138	1	3,391	4	-2,253	-66
Other investments and long-term financial assets	11	2,341	2	1,769	2	572	32
Non-current other financial assets	13	1,070	1	586	1	484	83
Non-current other assets	14	2,143	2	1,822	2	321	18
Deferred tax assets	7	7,572	7	5,717	6	1,855	32
Non-current securities	15	9,577	9	5,989	6	3,588	60
		53,265	50	48,420	51	4,845	10
Current assets							
Inventories	12	31,011	29	25,355	26	5,656	22
Trade receivables		6,490	6	6,798	7	-308	-5
Current portion of other long-term financial assets	11	172	0	167	0	5	3
Current other financial assets	13	1,349	1	1,164	1	185	16
Current other assets	14	2,785	3	2,389	2	396	17
Current tax assets		531	1	605	1	-74	-12
Current securities	15	1,850	2	3,183	3	-1,333	-42
Cash and cash equivalents	22	5,810	6	7,271	8	-1,461	-20
		49,998	48	46,932	48	3,066	7
Assets and disposal group assets classified as held for sale	16	1,717	2	750	1	967	129
Total assets		104,980	100	96,102	100	8,878	9
Total equity ⁽¹⁾							
Equity attributable to equity owners of the parent							
Capital stock		788	1	785	1	3	0
Reserves		8,962	8	7,489	7	1,473	20
Accumulated other comprehensive income		-3,348	-3	-1,205	-1	-2,143	178
Treasury shares		-8	0	-8	0	0	0
		6,394	6	7,061	7	-667	-9
Non-controlling interests		-7	0	18	0	-25	-139
	17	6,387	6	7,079	7	-692	-10
Liabilities							
Non-current liabilities							
Non-current provisions	18	10,237	10	10,400	11	-163	-2
Long-term financing liabilities	19	6,066	6	6,278	7	-212	-3
Non-current other financial liabilities	20	13,186	13	9,922	10	3,264	33
Non-current other liabilities	21	14,374	13	13,116	14	1,258	10
Deferred tax liabilities	7	2,307	2	1,130	1	1,177	104
		46,170	44	40,846	43	5,324	13
Current liabilities							
Current provisions	18	4,841	5	5,712	6	-871	-15
Short-term financing liabilities	19	3,373	3	1,073	1	2,300	214
Trade liabilities		11,416	11	10,183	11	1,233	12
Current tax liabilities		543	0	738	1	-195	-26
Current other financial liabilities	20	5,012	5	3,480	4	1,532	44
Current other liabilities	21	27,035	26	26,311	26	724	3
		52,220	50	47,497	49	4,723	10
Disposal group liabilities classified as held for sale	16	203	0	680	1	-477	-70
Total liabilities		98,593	94	89,023	93	9,570	11
Total equity and liabilities		104,980	100	96,102	100	8,878	9

(1) As of 30 September 2015, the accumulated other comprehensive income in equity relating to non-current assets and disposal group classified as held for sale amounts to -354 M €.

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

Unaudited Condensed IFRS Consolidated Statements of Cash Flows

in M €	Note	1 January - 30 September 2015	1 January - 30 September 2014
Profit for the period attributable to equity owners of the parent (Net income)		1,900	1,399
Profit for the period attributable to non-controlling interests		2	9
<i>Adjustments to reconcile profit for the period to cash (used for) operating activities</i>			
Depreciation and amortization		1,652	1,468
Valuation adjustments		548	345
Deferred tax expense		327	325
Change in income tax assets, income tax liabilities and provisions for income tax		-142	4
Results on disposals of non-current assets		-130	-97
Results of companies accounted for by the equity method		-844	-257
Change in current and non-current provisions		-170	85
Reimbursement from / contribution to plan assets		-99	-349
Change in other operating assets and liabilities		-3,302	-4,168
Cash (used for) operating activities	22	-258	-1,236
<i>Investment activities</i>			
- Purchases of intangible assets, PPE		-1,663	-1,639
- Proceeds from disposals of intangible assets, PPE		28	168
- Acquisitions of subsidiaries and joint ventures (net of cash)		-13	-47
- Proceeds from disposals of subsidiaries (net of cash)		-3	-34
- Payments for investments in associates and other investments and long-term financial assets		-166	-30
- Proceeds from disposals of associates and other investments and long-term financial assets		1,734	117
- Dividends paid by companies valued at equity		27	136
Disposal of assets, liabilities and disposal group classified as held for sale		116	0
Change in securities		-2,209	-160
Cash (used for) investing activities	22	-2,149	-1,489
<i>Financing activities</i>			
Change in long-term and short-term financing liabilities		1,649	900
Cash distribution to Airbus Group SE shareholders		-945	-587
Dividends paid to non-controlling interests		-2	-1
Changes in capital and non-controlling interests		153	47
Change in treasury shares		0	102
Cash provided by financing activities	22	855	461
Effect of foreign exchange rate changes on cash and cash equivalents		113	219
Net (decrease) of cash and cash equivalents		-1,439	-2,045
Cash and cash equivalents at beginning of period ⁽¹⁾		7,289	7,201
Cash and cash equivalents at end of period		5,850	5,156
Thereof presented as cash and cash equivalents		5,810	5,156
Thereof presented as part of disposal groups classified as held for sale		40	0

(1) The cash and cash equivalents at the beginning of the period 2015 include 18 M €, which is presented as part of assets of disposal groups classified as held for sale.

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

Unaudited Condensed IFRS Consolidated Statements of Changes in Equity

in M €	Equity attributable to equity owners of the parent	Non-controlling interests	Total
Balance at 1 January 2014	10,864	42	10,906
Profit for the period	1,399	9	1,408
Other comprehensive income	-3,272	-9	-3,281
Total comprehensive income	-1,873	0	-1,873
Cash distribution to shareholders/ dividends to non-controlling interests	-587	-1	-588
Capital increase	47	0	47
Change in treasury shares	102	0	102
Others	-4	-37	-41
Balance at 30 September 2014	8,549	4	8,553
Balance at 1 January 2015	7,061	18	7,079
Profit for the period	1,900	2	1,902
Other comprehensive income	-1,855	-24	-1,879
Total comprehensive income	45	-22	23
Cash distribution to shareholders/ dividends to non-controlling interests	-945	-3	-948
Capital increase	153	0	153
Equity transactions	51	0	51
Share-based payment (IFRS 2)	29	0	29
Balance at 30 September 2015	6,394	-7	6,387

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

Notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at 30 September 2015

1. The Company

The accompanying Unaudited Condensed IFRS Consolidated Financial Statements present the operations of Airbus Group SE (formerly Airbus Group N.V.) and its subsidiaries (the "Group") legally seated in Amsterdam (current registered office at Mendelweg 30, 2333 CS Leiden, The Netherlands), and are prepared and reported in Euros ("€"). On 28 May 2015, the legal form of the Group has changed from a Dutch public limited liability company (N.V.) to a European company (SE). The Group's core business is the manufacturing of commercial aircraft, civil and military helicopters, commercial space launch vehicles, missiles, military aircraft, satellites, defence systems and defence electronics and rendering of services related to these activities. The Unaudited Condensed IFRS Consolidated Financial Statements for the nine-month period ended 30 September 2015 were authorized for issue by the Airbus Group Board of Directors on 29 October 2015.

2. Accounting policies

The Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as endorsed by the European Union (EU) as at 30 September 2015 and Part 9 of Book 2 of the Netherlands Civil Code.

These Unaudited Condensed Interim Consolidated Financial Statements are prepared in compliance with IAS 34 and should be read in conjunction with Airbus Group's Consolidated Financial Statements as of 31 December 2014. Except for the interpretation to be applied for the first time as of 1 January 2015, Airbus Group's accounting policies and techniques are unchanged compared to 31 December 2014.

Financial reporting rules applied for the first time as of 1 January 2015

The following new interpretation issued by the IASB was applied for the first time in 2015 and is effective for Airbus Group as of 1 January 2015. The first application has not had a material impact on Airbus Group's Consolidated Financial Statements or on its basic and diluted earnings per share.

IFRIC 21 - This interpretation sets out the accounting treatment for an obligation to pay a levy that is not income tax. The interpretation addresses the obligating event that gives rise to payment of such a levy and when the associated liability should be recognised.

Use of estimates and judgment

In preparing the Unaudited Condensed Interim Consolidated Financial Statements, management makes assumptions and estimates. The underlying assumptions used for the main estimates are similar to those described in the Group's Consolidated Financial Statements as of 31 December 2014. These estimates are revised if the underlying circumstances have evolved or in light of new information.

3. Acquisitions and disposals

There were no material acquisitions during the first nine months 2015.

Airbus Safran Launchers Joint Venture (ASL)

On 14 January 2015, Airbus Group and Safran completed the first phase of the integration process of the Airbus Safran Launchers Joint Venture (ASL) enabling the entity to become operational. Coordination and programme management of the civil activities of the launcher business as well as relevant participations have been transferred to the Joint Venture during this first phase.

Airbus Group received 50% of issued shares in ASL recognised at 56 M € as at-equity investment. The loss of control in the business resulted in a capital gain of 49 M €.

During the second phase, Safran and Airbus Group intend to integrate within the joint venture all the remaining contracts, assets and industrial resources, related to space launchers and associated propulsion systems. On 16 June 2015, ASL, the French state and CNES, the French space agency, have reached an agreement to transfer CNES's stake in Arianespace to ASL. On 12 August 2015, ASL was awarded the Ariane 6 development contract by the European Space Agency.

The second phase will be initiated and implemented once all legal and financial terms and conditions are finalized between both partners. The joint venture will then be fully equipped for all design, development, production and commercial activities related to civil and military launchers and associated propulsion systems.

Elektroniksystem und Logistik GmbH (ESG)

On 20 August 2015 Airbus Defence and Space GmbH, Rohde & Schwarz GmbH und Co. KG, Thales Electronic Systems GmbH and Northrop Grumman Litef GmbH have sold their shares in Elektroniksystem und Logistik GmbH (ESG) to E-Sicherheitsbeteiligungen GmbH. Airbus Group has recognized a 59 M € gain in share of profit from investments.

Disposal groups and assets classified as held for sale

The following assets or groups of assets are classified as held for sale (see Note 16 "Assets and disposal groups classified as held for sale").

Dassault Aviation

On 25 March 2015, Airbus Group sold 1,612,407 Dassault Aviation shares, corresponding to 17.5% of the company's share capital, of which 460,688 shares (5%) were sold to Dassault Aviation for 980 € per share and 1,151,719 shares (12.5%) were sold to institutional investors at 1,030 € per share. On 14 April 2015, Airbus Group sold an additional 115,172 shares (1.25%) to institutional investors at 1,030 € per share. After this transaction, Airbus Group held 23.36% of Dassault Aviation's share capital and 24.71% of associated voting rights.

As of 31 March 2015, the remaining equity investment in Dassault Aviation has been classified as an asset held for sale, as Airbus Group intends to pursue market opportunities to sell the remainder of this investment.

In the first nine months of 2015, Airbus Group has recognised 748 M € (697 M € in share of profit from investment and 51 M € in other income) representing the net capital gain on partial disposal after transaction costs.

Business communications entities

On 4 June 2015, DS Holding SAS (France) and Astrium International Holdings B.V. (as beneficiaries) and a potential buyer (as promisor) signed a put option agreement whereby Airbus is entitled but not obliged to sell all the companies which are within its business line "communications". The sale is subject to closing conditions.

Elbe Flugzeugwerke

On 17 June 2015, Airbus signed an agreement with Singapore-based ST Aerospace Ltd. (STA) to offer passenger-to-freighter (P2F) conversion solutions for its A320 and A321 aircraft. STA will acquire an additional 20% of the shares of Elbe Flugzeugwerke (EFW), Dresden (Germany) by way of a contribution in kind and a capital increase to EFW. Consequently, 45% of the shares of EFW will be retained and the Group will effectively lose its control over EFW.

4. Segment information

The Group operates in three reportable segments which reflect the internal organizational 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.
- *Airbus Helicopters* — Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.
- *Airbus Defence and Space* — Military combat aircraft and training aircraft; provision of defence electronics and of global security market solutions such as integrated systems for global border security and secure communication solutions and logistics; training, testing, engineering and other related services; development, manufacturing, marketing and sale of missile systems; development, manufacturing, marketing and sale of satellites, orbital infrastructures and launchers; provision of space related services; development, manufacturing, marketing and sale of military transport aircraft and special mission aircraft and related services.

The following table presents information with respect to the Group'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 Group's activities managed in the US, the holding function of the Group's Headquarters such as the acquired bank and other activities not allocable to the reportable segments, combined together with consolidation effects, are disclosed in the column "Others/ HQ / Conso."

Airbus Group SE
Unaudited Condensed Interim IFRS Consolidated Financial Information
for the nine-month period ended 30 September 2015

Business segment information for the nine-month period ended 30 September 2015:

in M €	Airbus	Airbus Helicopters	Airbus Defence and Space	Total segments	Others/ HQ/ Conso.	Consolidated
Total revenues	31,119	4,423	8,383	43,925	203	44,128
Internal revenues	-562	-446	-151	-1,159	-4	-1,163
Revenues	30,557	3,977	8,232	42,766	199	42,965
Research and development expenses	-1,732	-221	-245	-2,198	-89	-2,287
EBIT pre-goodwill imp. and exceptionals ⁽¹⁾	1,902	241	149	2,292	654	2,946
Impairment and disposal of goodwill	0	0	0	0	0	0
Exceptionals	-13	0	-9	-22	-2	-24
Profit before finance result and income taxes ⁽¹⁾	1,889	241	140	2,270	652	2,922
Finance result						-536
Income taxes						-484
Profit for the period						1,902

(1) Impacts on specific transactions (see Note 3 "Acquisitions and disposals") are included in segments Airbus (EFW), Airbus Defence and Space (Business communications entities and ESG) and "Others/ HQ/ Conso." (Dassault Aviation).

Business segment information for the nine-month period ended 30 September 2014:

in M €	Airbus	Airbus Helicopters	Airbus Defence and Space	Total segments	Others/ HQ/ Conso.	Consolidated
Total revenues	28,820	4,260	8,197	41,277	349	41,626
Internal revenues	-587	-337	-191	-1,115	-14	-1,129
Revenues	28,233	3,923	8,006	40,162	335	40,497
Research and development expenses	-1,869	-230	-249	-2,348	-28	-2,376
EBIT pre-goodwill imp. and exceptionals	1,773	241	370	2,384	199	2,583
Impairment and disposal of goodwill	0	0	-5	-5	0	-5
Exceptionals	-19	0	-9	-28	-1	-29
Profit before finance result and income taxes	1,754	241	356	2,351	198	2,549
Finance result						-612
Income taxes						-529
Profit for the period						1,408

5. Revenues, gross margin and profit before finance result and income taxes

Revenues of 42,965 M € (first nine months 2014: 40,497 M €) increased by +2,468 M €, mainly at Airbus (+2,299 M €), mostly driven by a favourable foreign exchange impact and a positive mix effect.

The **gross margin** decreased by -375 M € to 6,023 M € compared to 6,398 M € in the first nine months 2014. It includes the net charge on the A400M programme in Airbus Defence and Space recorded in the second quarter of 2015 and a negative foreign exchange impact in Airbus. The gross margin rate decreased from 15.8% to 14.0%.

The A350 XWB Entry into service occurred at the end of 2014, with the first A350 being delivered to Qatar Airways on 22 December 2014. In the first nine months of 2015, Airbus has delivered five additional aircraft. Despite these important achievements, significant challenges remain. The industrial ramp-up preparation is underway and associated risks will continue to be closely monitored in line with the schedule, aircraft performance and overall cost envelope, as per customer's commitment.

An additional five A400M aircraft were delivered in the first nine months of 2015, resulting in fifteen cumulative deliveries up to 30 September 2015. The enhancement of military capabilities has progressed and a detailed mission capability roadmap has been presented to the customer to allow for delivery of the planned aircraft.

Management reviewed the programme evolution driven to a large extent from the implications of the accident, the impact of low inflation on the price revision formula, delays in military functionality and challenges in the industrial ramp-up, together with associated mitigation actions. As a result of this review, Airbus Defence and Space recorded an additional net charge of 290 M € in the second quarter of 2015.

The A400M SOC 1 and 1.5 milestones remain to be achieved. SOC 1 fell due end October 2013, and the termination right related thereto became exercisable by OCCAR/Nations on 1 November 2014 after a 12-month grace period. It has not at the date hereof been exercised. Management judges that it is highly unlikely that this termination right will be exercised. SOC 1.5 with the related termination right fell due in January 2015 and is still in the 12-month grace period. The sequence of progressive enhancements (including the achievement of the respective milestones) and the delivery plan are currently under negotiation with OCCAR/Nations.

The A400M programme remains in a critical phase and the associated risks will continue to be closely monitored.

The profit before finance result and income taxes increased by +373 M € to 2,922 M € compared to 2,549 M € in the first nine months 2014.

This is mainly related to the increase in **share of profit from investments under the equity method** including a net gain of 674 M € from the sale of Dassault Aviation shares (see Note 3 "Acquisitions and disposals") that occurred in the first quarter as well as the first quarter 2015 estimated result and a negative catch-up on 2014 of -119 M € related to the Dassault investment.

Additionally, **other income** includes a net gain of 51 M € from the sale of Dassault Aviation shares that occurred in the second quarter as well as the capital gain of 49 M € following the completion of the first phase of the creation of ASL (see Note 3 "Acquisitions and disposals").

6. Finance result

Finance result improved by +76 M € to -536 M € compared to -612 M € in the first nine months 2014. This is mainly related to a positive impact from foreign exchange valuation of monetary items of +113 M € (4 M € compared to -109 M € in the first nine months 2015 and 2014, respectively), partially offset by a negative impact of revaluation of financial instruments.

7. Income taxes

The **income tax** expense of -484 M € (first nine months 2014: -529 M €) corresponds to an effective income tax rate of 20.3% (first nine months 2014: 27.3%). The decrease in the effective tax rate is due to the sale of shares of Dassault Aviation which has been taxed at a reduced rate (see Note 3 "Acquisitions and disposals").

Deferred tax assets increased by +1,855 M € to 7,572 M € (prior year-end: 5,717 M €) mainly as a result of variations in the fair values of derivative financial instruments.

8. Earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to equity owners of the parent (Net income) by the weighted average number of issued ordinary shares during the period, excluding ordinary shares purchased by the Group and held as treasury shares:

	1 January - 30 September 2015	1 January - 30 September 2014
Net income attributable to equity owners of the parent	1,900 M €	1,399 M €
Weighted average number of ordinary shares outstanding	786,189,743	782,546,682
Basic earnings per share	2.42 €	1.79 €

For calculation of the **diluted earnings per share**, the weighted average number of ordinary shares is adjusted to assume conversion of all potential ordinary shares. The Group's categories of dilutive potential ordinary shares are stock options and share-settled performance units for Executive Committee members relating to long-term incentive plans for 2010 to 2014. Since in the first nine months 2015 the average price of Airbus Group shares exceeded the exercise price of the stock option plans (SOP) 2005 and 2006 (in 2014: SOP 2004, 2005 and 2006), as well as the share-settled performance units. 669,128 potential shares (in the first nine months 2014: 1,350,682 shares) were considered in the calculation of diluted earnings per share.

	1 January - 30 September 2015	1 January - 30 September 2014
Net income attributable to equity owners of the parent	1,900 M €	1,399 M €
Weighted average number of ordinary shares outstanding (diluted)	786,858,871	783,897,364
Diluted earnings per share	2.41 €	1.78 €

9. Intangible assets and property, plant and equipment

Intangible assets decreased by -124 M € to 12,634 M € (prior year-end: 12,758 M €) mainly at Airbus Defence and Space (-127 M €) mostly due to the reclassification of Business communications entities to assets held for sale (see Note 3 "Acquisitions and disposals").

Intangible assets mainly relate to Airbus (8,650 M €), Airbus Defence and Space (3,249 M €) and Airbus Helicopters (719 M €) and include goodwill of 9,917 M € (prior year-end: 9,979 M €).

The annual impairment tests were performed in the fourth quarter 2014 and led to no impairment charge.

Property, plant and equipment increased by +402 M € to 16,790 M € (prior year-end: 16,388 M €) and includes leased assets of 307 M € (prior year-end: 213 M €). The increase was mainly driven by the A350 XWB programme. Property, plant and equipment also includes investment property amounting to 67 M € (prior year-end: 67 M €).

10. Investments accounted for under the equity method

Investments accounted for under the equity method of 1,138 M € (prior year-end: 3,391 M €) mainly include the equity investment in Atlas Group and MBDA.

Following the partial sale of Dassault Aviation shares, the remaining equity investment in Dassault Aviation has been reclassified as asset held for sale (see Note 3 "Acquisitions and disposals").

11. Other investments and long-term financial assets

Composition of other investments and other long-term financial assets:

in M €	30 September 2015	31 December 2014
Other investments	1,307	617
Other long-term financial assets	1,206	1,319
Total	2,513	1,936
Thereof non-current portion	2,341	1,769
Thereof current portion	172	167

Other long-term financial assets mainly comprise the Group's aircraft financing activities.

12. Inventories

Inventories of 31,011 M € (prior year-end: 25,355 M €) increased by +5,656 M €. This is related to Airbus (+3,864 M €), Airbus Defence and Space (+1,502 M €) and Airbus Helicopters (+285 M €). In Airbus, the increase is due to work in progress and finished aircraft across all programmes and A350 ramp-up. In Airbus Defence and Space, this is mainly driven by the increased activity on the A400M programme.

Inventories are presented net of the respective portion of the contract loss provision (see Note 18 "Provisions").

13. Other financial assets

Composition of other financial assets:

in M €	30 September 2015	31 December 2014
Non-current other financial assets		
Positive fair values of derivative financial instruments	977	502
Others	93	84
Total	1,070	586
Current other financial assets		
Receivables from related companies	474	582
Positive fair values of derivative financial instruments	326	208
Others	549	374
Total	1,349	1,164

14. Other assets

Composition of other assets:

in M €	30 September 2015	31 December 2014
Prepaid expenses	2,591	2,090
VAT receivables	1,489	1,371
Other	848	750
Total	4,928	4,211
Thereof non-current portion	2,143	1,822
Thereof current portion	2,785	2,389

15. Securities

Non-current securities with a remaining maturity of more than one year increased by +3,588 M € to 9,577 M € (prior year-end: 5,989 M €). The movement is related to the cash management policy of the Group.

Current securities with a remaining maturity of one year or less decreased by -1,333 M € to 1,850 M € (prior year-end: 3,183 M €).

16. Assets and disposal groups classified as held for sale

The **assets and disposal group assets held for sale** of 1,717 M € (prior year-end: 750 M €) mainly include the remaining investment in Dassault Aviation of 1,253 M €. The **disposal group liabilities held for sale** total 203 M € (prior year-end: 680 M €). For further details, please see Note 3 "Acquisitions and disposals".

The **assets and liabilities of the disposal groups** classified as held for sale as of 31 December 2014 were mainly related to the ASL first phase.

17. Total equity

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to 6,394 M € (prior year-end: 7,061 M €) representing a decrease of -667 M €. This decrease is due to a reduction in other comprehensive income of -1,855 M € related mainly to the mark to market revaluation of the hedge portfolio, and a dividend payment of -945 M € (1.20 € per share). This was partly offset by a net income of +1,900 M €.

The total **number of shares** issued is 787,730,114 and 784,780,585 as of 30 September 2015 and 31 December 2014 respectively. The Group's shares are exclusively ordinary shares with a par value of 1.00 €.

During the first nine months 2015, the number of treasury stock held by Airbus Group remained almost stable at 431,710 compared to 431,832 as of 31 December 2014. No shares were either sold back to the market, or cancelled (in the first nine months 2014: 56,993 shares cancelled).

In the first nine months 2015, the Group issued 2,949,529 new shares due to the exercise of stock options and to the 2015 Employee Stock Ownership Plan ("ESOP") (in the first nine months 2014: 1,698,798 new shares due to the exercise of stock options).

Non-controlling interests decreased to -7 M € (prior year-end: 18 M €). This decrease is mainly derived from the mark to market revaluations of the hedge portfolio of -23 M €.

18. Provisions

Provisions are comprised of the following:

in M €	30 September 2015	31 December 2014
Provisions for pensions	7,924	8,250
Other provisions	7,154	7,862
Total	15,078	16,112
Thereof non-current portion	10,237	10,400
Thereof current portion	4,841	5,712

Among other effects, **provisions for pensions** decreased due to an increase in the discount rates for the various pension schemes of the Group (France: 2.1% to 2.6%, Germany: 1.9% to 2.4% and UK: 3.6% to 3.8%).

The decrease in **other provisions** is mainly due to the net presentation on A350 XWB programme losses against inventories (see Note 12 "Inventories").

Included in other provisions are costs for the A380 programme related to in service technical issues identified and with solutions defined, which reflects the latest facts and circumstances. Airbus is contractually liable for the repair or replacement of the defective parts but not for any other damages whether direct, indirect, incidental or consequential (including loss of revenue, profit or use). However, in view of overall commercial relationships, contract adjustments may occur, and be considered on a case by case basis.

19. Financing liabilities

Composition of financing liabilities:

in M €	30 September 2015	31 December 2014
Bonds	3,412	3,917
Liabilities to financial institutions	1,883	1,751
Loans	380	424
Liabilities from finance leases	348	186
Others	43	0
Long-term financing liabilities	6,066	6,278
Bonds	2,248	1
Liabilities to financial institutions	25	22
Loans	282	285
Liabilities from finance leases	12	12
Others	806	753
Short-term financing liabilities	3,373	1,073

The decrease in **long-term financing liabilities** is mainly due to a reclassification between long-term and short-term bonds, partly offset by the issue of convertible bonds for 500 M € on 1 July 2015, with a 7 year-maturity. The bonds bear a coupon of 0% and were issued at 102% of par. Their effective interest rate, after separation of the equity conversion option, is 1.386%.

The increase in **short-term financing liabilities** is mainly due to the above reclassification and new commercial paper programmes totalling 1,247 M €.

20. Other financial liabilities

Composition of other financial liabilities:

in M €	30 September 2015	31 December 2014
Non current other financial liabilities		
European Governments refundable advances	6,454	6,020
Liabilities for derivative financial instruments	6,133	3,271
Others	599	631
Total	13,186	9,922
Current other financial liabilities		
European Governments refundable advances	763	508
Liabilities for derivative financial instruments	3,498	2,232
Others	751	740
Total	5,012	3,480

The liabilities for derivative financial instruments have increased significantly as a result of the deterioration of the USD/€ exchange rate associated with the mark to market valuation of the hedge portfolio.

21. Other liabilities

Composition of other liabilities:

in M €	30 September 2015	31 December 2014
Other liabilities		
Customer advance payments	36,072	34,405
Tax liabilities (excluding income tax)	828	675
Others	3,061	2,991
Deferred income	1,448	1,356
Total	41,409	39,427
Thereof non-current portion	14,374	13,116
Thereof current portion	27,035	26,311

22. Cash flows

Cash used for operating activities improved by +978 M € to -258 M € (first nine months 2014: -1,236 M €). Gross cash flow from operations (before changes in other operating assets and liabilities) of +3,044 M € increased compared to the prior period (first nine months 2014: +2,932 M €). Changes in other operating assets and liabilities amount to -3,302 M € (first nine months 2014: -4,168 M €) mainly due to an increase in inventories partly compensated by higher trade liabilities and advance payments received.

Cash used for investing activities amounts to -2,149 M € (first nine months 2014: -1,489 M €). This mainly comprises payments for investment in securities of -2,209 M € (first nine months 2014: -160 M €), and purchases of intangible assets and property, plant and equipment of -1,663 M € (first nine months 2014: -1,639 M €). This was partly compensated by the proceeds from disposals of associates and other investments and long-term financial assets amounting to +1,734 M € (first nine months 2014: +117 M €) mainly due to the partial sale of Dassault Aviation shares (see Note 3 "Acquisitions and disposals").

Cash provided by financing activities increased by +394 M € to +855 M € (first nine months 2014: +461 M €). This increase comprises the cash receipts from long-term and short-term financing activities of +1,649 M € (first nine months 2014: +900 M €), in part offset by a dividend payment of 1.20 € per share amounting to -945 M € (first nine months 2014: -587 M €).

23. Financial instruments

Composition of derivative financial instruments:

in M €	30 September 2015	31 December 2014
Non-current positive fair values	977	502
Current positive fair values	326	208
Total positive fair values of derivative financial instruments	1,303	710
Non-current liabilities	-6,133	-3,271
Current liabilities	-3,498	-2,232
Total liabilities for derivative financial instruments	-9,631	-5,503
Total net fair value of derivative financial instruments	-8,328	-4,793

The volume of hedged US dollar-contracts increased from 88 billion US dollar as at 31 December 2014 to 98 billion US dollar as at 30 September 2015. The US dollar spot rate was 1.12 USD/€ and 1.21 USD/€ at 30 September 2015 and at 31 December 2014, respectively. The average US dollar hedge rate for the hedge portfolio of the Group decreased to 1.29 USD/€ as at 30 September 2015 compared to 1.33 USD/€ as at 31 December 2014.

Carrying amounts and fair values

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 34 b) to the 2014 Consolidated Financial Statements. For the first nine months 2015, Airbus Group has applied the same methodologies for the fair value measurement of financial instruments.

Carrying amount is a reasonable approximation of fair value for all classes of financial instruments listed in the first table of Note 34 b) to the 2014 Consolidated Financial Statements, with the exception of:

30 September 2015 in M €	Financial Instruments	
	Book Value	Fair Value
Financing liabilities		
Bonds	-5,660	-5,894
Liabilities to financial institutions and other financing liabilities	-3,419	-3,439
31 December 2014		
in M €	Financial Instruments	
	Book Value	Fair Value
Financing liabilities		
Bonds	-3,918	-4,227
Liabilities to financial institutions and other financing liabilities	-3,235	-3,291

As explained in Note 34 b) to the 2014 Consolidated Financial Statements no fair value can be determined for certain unlisted equity investments and European Governments refundable advances.

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The following table allocates the financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy ⁽¹⁾:

30 September 2015 in M €	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity Instruments	864	0	0	864
Derivative Instruments	0	1,292	11	1,303
Securities	11,239	188	0	11,427
Cash equivalents	2,173	1,817	0	3,990
Total	14,276	3,297	11	17,584
Financial liabilities measured at fair value				
Derivative instruments	0	-9,631	0	-9,631
Other liabilities	0	0	-84	-84
Total	0	-9,631	-84	-9,715
31 December 2014 in M €	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity Instruments	208	0	0	208
Derivative Instruments	0	708	2	710
Securities	7,784	1,388	0	9,172
Cash equivalents	3,563	1,442	0	5,005
Total	11,555	3,538	2	15,095
Financial liabilities measured at fair value				
Derivative instruments	0	-5,503	0	-5,503
Other liabilities	0	0	-137	-137
Total	0	-5,503	-137	-5,640

(1) The fair value hierarchy consists of the following levels:

- 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, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data.

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

Financial assets and liabilities on Level 3	Balance at 1 January 2015	Total gains or losses in		Settle- ments	Balance at 30 September 2015
		Profit or loss	Other comprehensive income		
Financial assets					
Derivative instruments					
Commodity swap agreements	2	16	0	-7	11
Total	2	16	0	-7	11
Financial liabilities					
Other liabilities					
Written put options on non-controlling interests	-127	-1	51	3	-74
Earn-out agreements	-10	0	0	0	-10
Total	-137	-1	51	3	-84

Financial assets and liabilities on Level 3	Balance at 1 January 2014	Total gains or losses in		Settle- ments	Balance at 30 September 2014
		Profit or loss	Other comprehensive income		
Financial assets					
Derivative instruments					
Commodity swap agreements	26	6	0	-22	10
Other derivative instruments	8	0	0	-8	0
Total	34	6	0	-30	10
Financial liabilities					
Other liabilities					
Written put options on non-controlling interests	-129	-1	0	0	-130
Earn-out agreements	-51	25	0	16	-10
Total	-180	24	0	16	-140

For a description of the valuation techniques, inputs and process used in the fair value measurement of these financial instruments and a description of sensitivity analysis performed refer to Note 34 b) of the Consolidated Financial Statements. There is no material difference between the outcome of sensitivity analysis performed at 30 September 2015, and that disclosed in the year-end financial statements.

24. Related party transactions

The Group has entered into various transactions with related entities that have all been carried out in the normal course of business.

The Group participates in the UK in several funded trustee-administered pension plans. In some of these, BAE Systems is the principal employer. Discussions with BAE Systems on the future allocation of the deficit are ongoing.

A portion of the shares held in Dassault Aviation were disposed of during the first half-year 2015 (see Note 3 "Acquisitions and disposals").

25. Litigation and claims

Airbus Group 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, Airbus Group 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 Group SE's or the Group's financial position or profitability.

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

WTO

Although Airbus Group is not a party, Airbus Group 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. On 19 December 2014, the European Union requested WTO consultations on the extension until the end of 2040 of subsidies originally granted by the State of Washington to Boeing and other US aerospace firms until 2024.

On 1 June 2011, the WTO adopted the Appellate Body's final report in the case brought by the US assessing funding to Airbus from European governments. On 1 December 2011, the EU informed the WTO that it had taken appropriate steps to bring its measures fully into conformity with its WTO obligations, and to comply with the WTO's recommendations and rulings. Because the US did not agree, the matter is now under WTO panel review pursuant to WTO rules.

On 23 March 2012, the WTO adopted the Appellate Body's final report in the case brought by the EU assessing funding to Boeing from the US. On 23 September 2012, the US informed the WTO that it had taken appropriate steps to bring its measures fully into conformity with its WTO obligations, and to comply with the WTO's recommendations and rulings. Because the EU did not agree, the matter is now under WTO panel review pursuant to WTO rules.

Exact timing of further steps in the WTO litigation process is subject to further rulings and to negotiations between the US and the EU. Unless a settlement, which is currently not under discussion, is reached between the parties, the litigation is expected to continue for several years.

GPT

Prompted by a whistleblower's allegations, Airbus Group conducted internal audits and retained PricewaterhouseCoopers ("PwC") to conduct an independent review relating to GPT Special Project Management Ltd. ("GPT"), a subsidiary that Airbus Group acquired in 2007. The allegations called into question a service contract entered into by GPT prior to its acquisition by Airbus Group, relating to activities conducted by GPT in Saudi Arabia. PwC's report was provided by Airbus Group to the UK Serious Fraud Office (the "SFO") in March 2012. In the period under review and based on the work it undertook, nothing came to PwC's attention to suggest that improper payments were made by GPT. In August 2012, the SFO announced that it had opened a formal criminal investigation into the matter. Airbus Group is cooperating fully with the authorities.

Eurofighter Austria

In March 2012, the German public prosecutor, following a request for assistance by the Austrian public prosecutor, launched a criminal investigation into alleged bribery, tax evasion and breach of trust by current and former employees of EADS Deutschland GmbH (renamed on 1 July 2014 Airbus Defence and Space GmbH) and Eurofighter Jagdflugzeug GmbH as well as by third parties relating to the sale of Eurofighter aircraft to Austria in 2003. After having been informed on the investigation in 2012, Airbus Group retained law firm Clifford Chance to conduct a fact finding independent review. Upon concluding its review, Clifford Chance presented its fact finding report to Airbus Group in December 2013. Airbus Group provided the report to the public prosecutors in Germany. Airbus Group is cooperating fully with the authorities.

Other investigations

Following the publication of investigations by the Romanian authorities relating to the border surveillance project in Romania in mid-October 2014 Airbus Group confirms that Airbus Defence and Space GmbH has been informed that also the German prosecution office investigates with respect to potential irregularities in relation to this project, a project in Saudi Arabia and a project of Tesat-Spacecom GmbH & Co. KG. The public prosecutor in Germany has launched administrative proceedings in the context of those investigations against Airbus Defence and Space GmbH and Tesat-Spacecom GmbH & Co. KG.

Public prosecutors in Greece and Germany launched investigations into a current employee and former officers and employees of Atlas Elektronik GmbH, a joint company of ThyssenKrupp and Airbus Group, on suspicion of bribing foreign officials and tax evasion. The public prosecutor in Germany has launched an administrative proceeding for alleged organisational and supervisory shortfalls. The authorities in Greece have launched civil claims against Atlas Elektronik GmbH. With the support of its shareholders, the company is cooperating fully with the authorities and in consultation with the public prosecutor is assisting the further clarification of the matter through its own internal investigation.

Commercial disputes

In May 2013, the Group has been notified of a commercial dispute following the decision taken by the Group to cease a partnership for sales support activities in some local markets abroad. The Group believes it has solid grounds to legally object to the alleged breach of a commercial agreement. However, the consequences of this dispute and the outcome of the proceedings cannot be fully assessed at this stage. The arbitration is not expected to be completed before the end of 2016.

In the course of another commercial dispute, the Group received a statement of claim alleging liability for refunding part of the purchase price of a large contract which the customer claims it was not obliged to pay. The Group believes that this claim, which goes back many years, should be dismissed in principle. The dispute is currently the subject of arbitration.

In July 2013, the Group became the subject of a commercial dispute following the expiry of a partnership study for winglet devices with a US supplier. The dispute has been settled on confidential terms and the dispute resolution process terminated.

26. Number of employees

The number of employees as at 30 September 2015 is 137,488 as compared to 138,622 as at 31 December 2014.

27. Subsequent events

On 1 October 2015, Airbus sold its shares in its fully owned subsidiary CIMPA SAS to Sopra Steria Group. The gain on this disposal amounts to 72 M €.