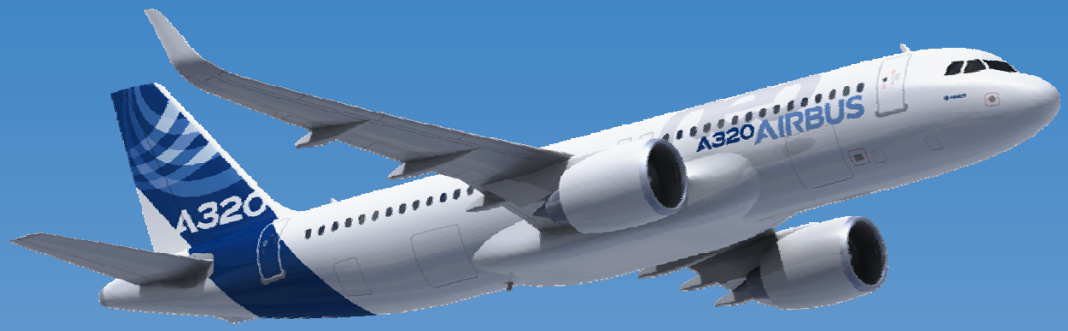
Airbus Global Market Forecast
2010 – 2029

Toulouse, December 13th



John Leahy
Chief Operating Officer
Customers

GMF highlights

GMF 2010 key numbers and 20-year change

World fleet forecast	2009	2029	% change
RPK (trillion)	4.76	12.03	153%
Passenger aircraft	14,240	29,050	104%
New passenger aircraft deliveries	-	24,980	-
Dedicated freighters	1,550	3,350	+116%
New freighter aircraft deliveries	-	870	-
Total new aircraft deliveries		25,850	

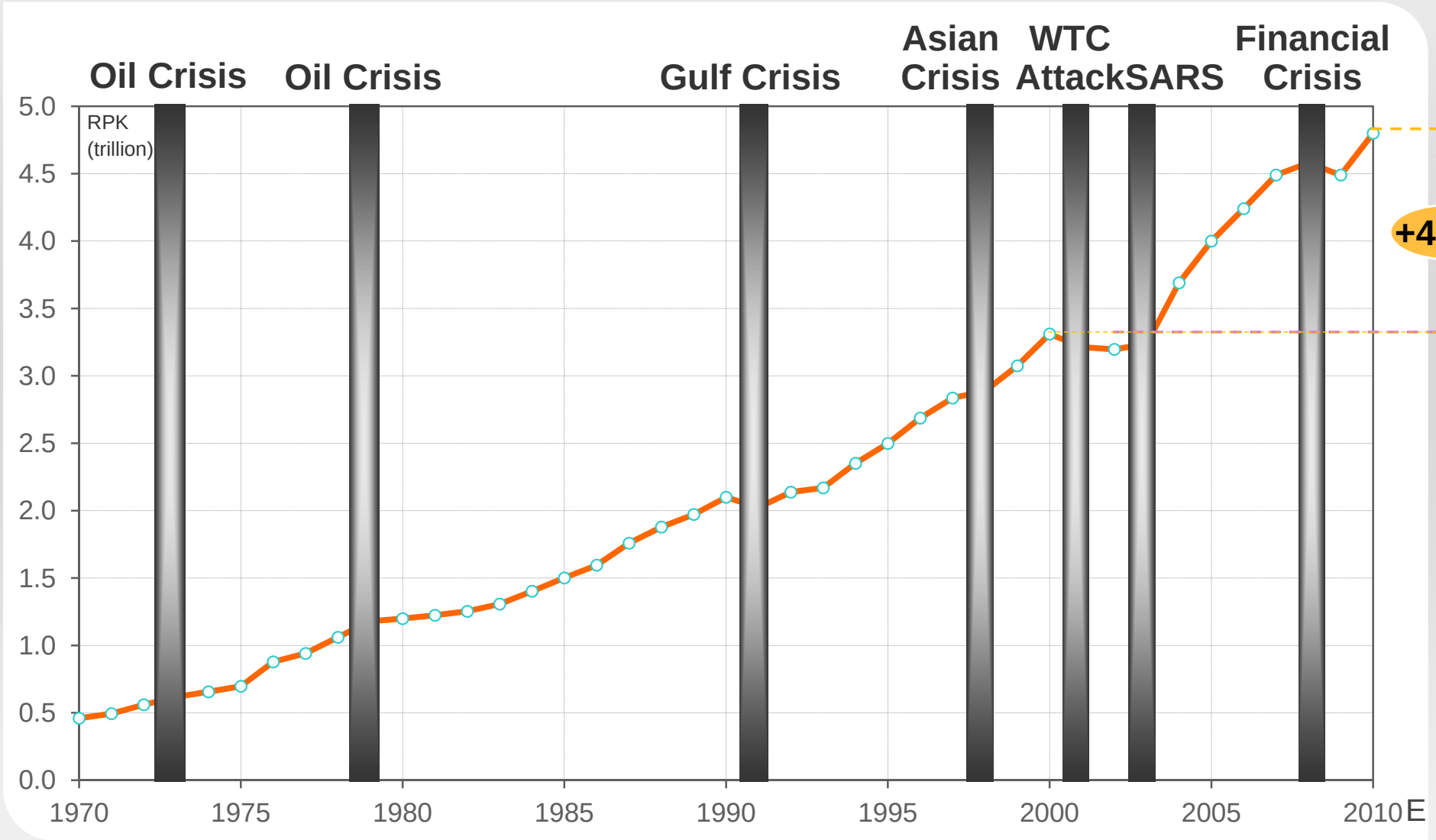
Market value of $3.2 trillion

Source: Airbus GMF 2010

AIRBUS

Air travel has proved to be resilient to external shocks

World annual traffic



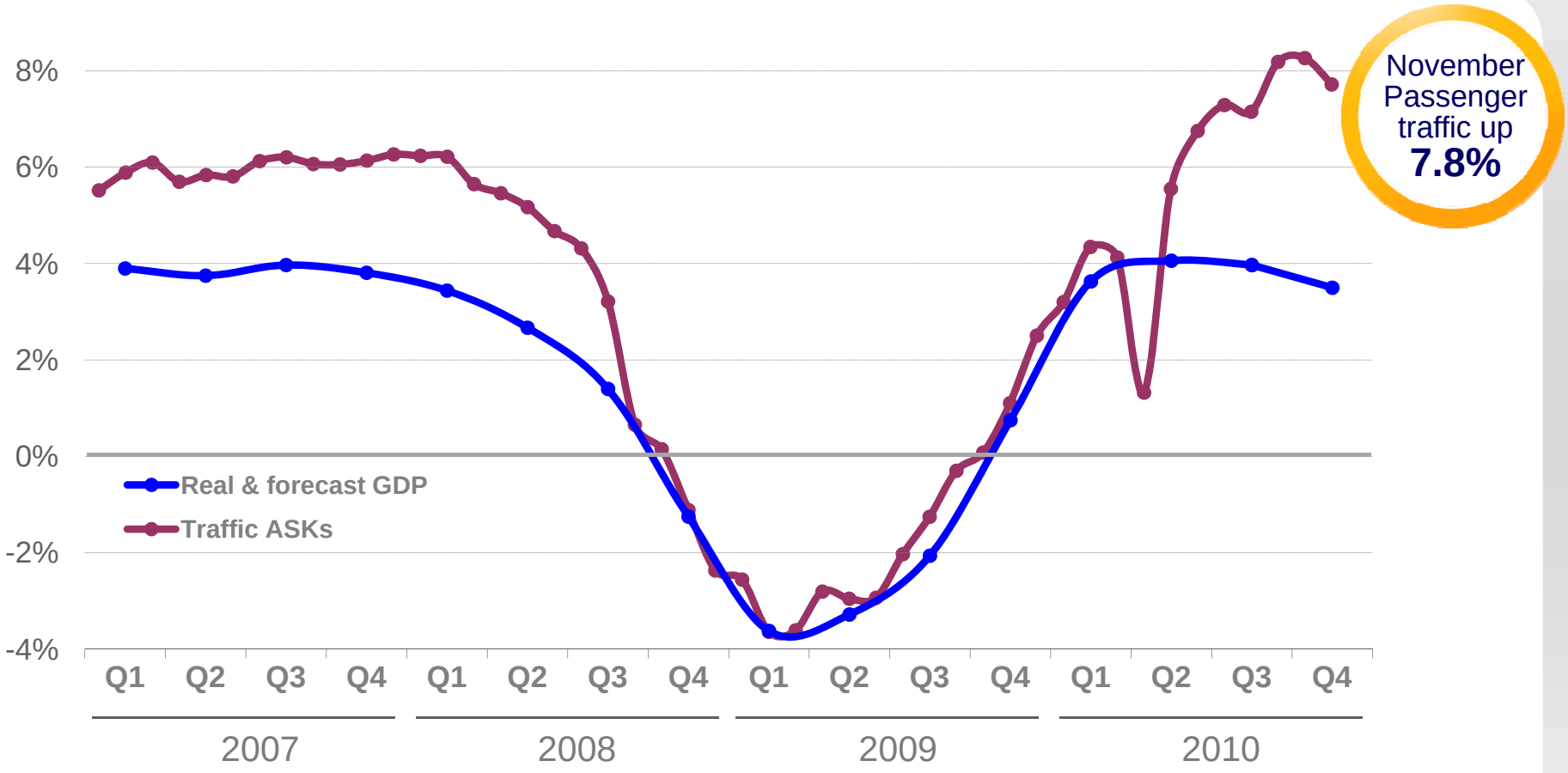
Source: ICAO, Airbus

* since 2000

AIRBUS

GDP and passenger traffic development

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



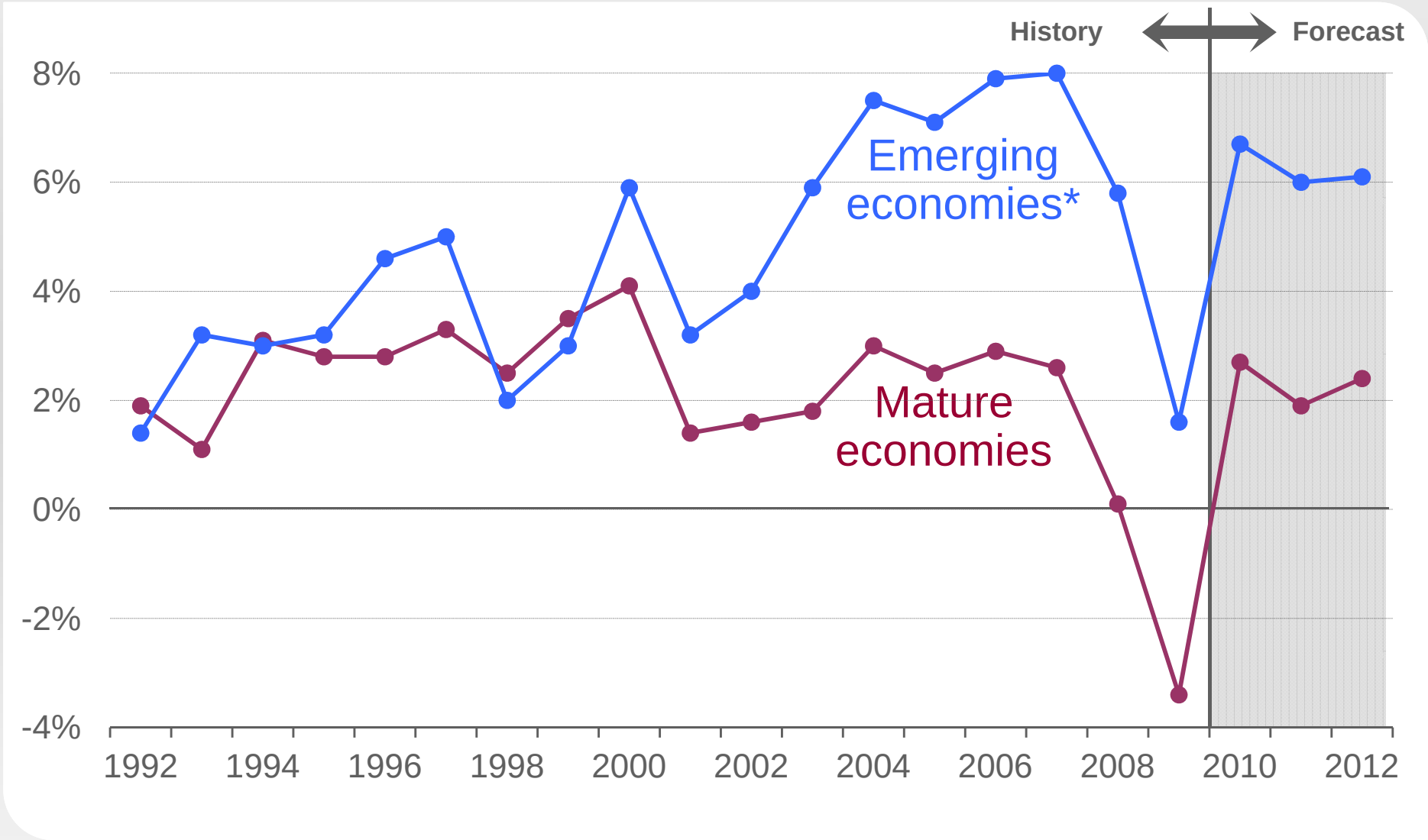
Passenger traffic recovering in-line with GDP

Source: IHS Global Insight (November 2010 data), OAG (ASKs data), Airbus

AIRBUS

Still a two-speed World

Real GDP growth (%)



This is mainly driven by the potential to travel in certain regions

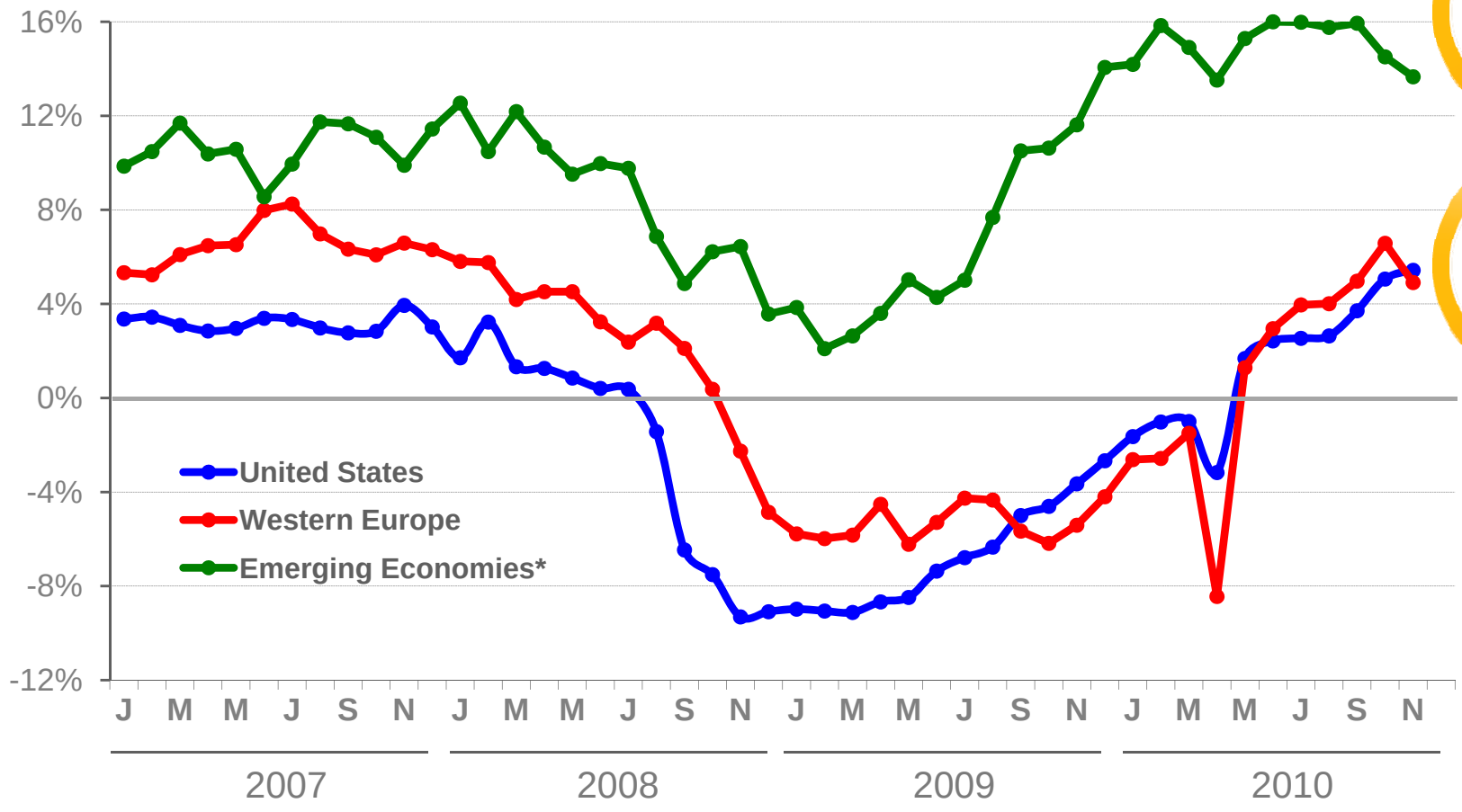
Source: IHS Global Insight (November 2010), Airbus

* 54 emerging economies

AIRBUS

All regions are currently growing

Passenger traffic (monthly ASKs year-over-year)



Traffic up 13.7%

Traffic up 5.4% 4.9%

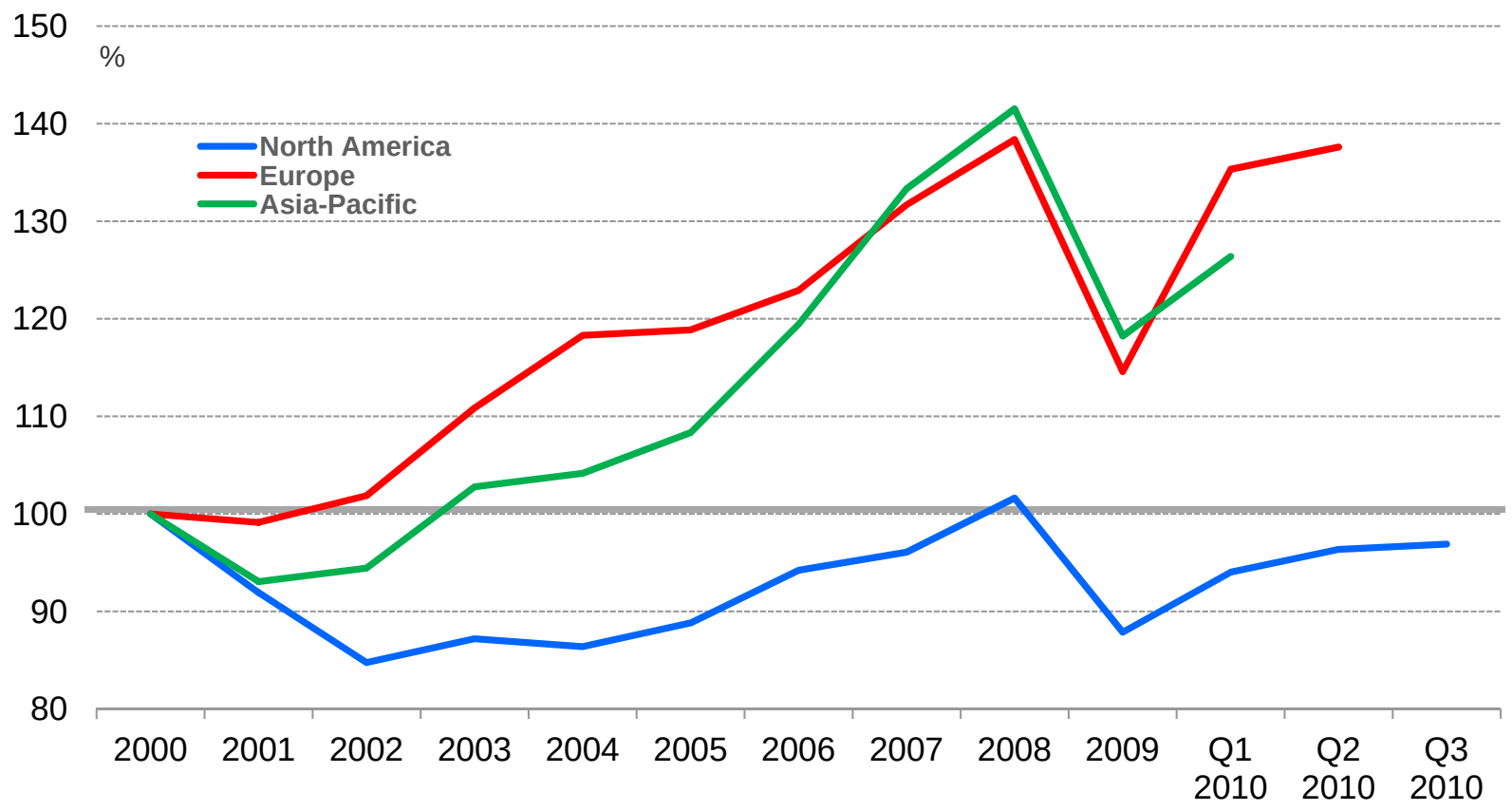
Emerging economies are leading the way

Source: OAG (ASKs), * 54 emerging economies, Airbus

AIRBUS

Yields recovering in all regions

Relative yield evolution (base year 2000)



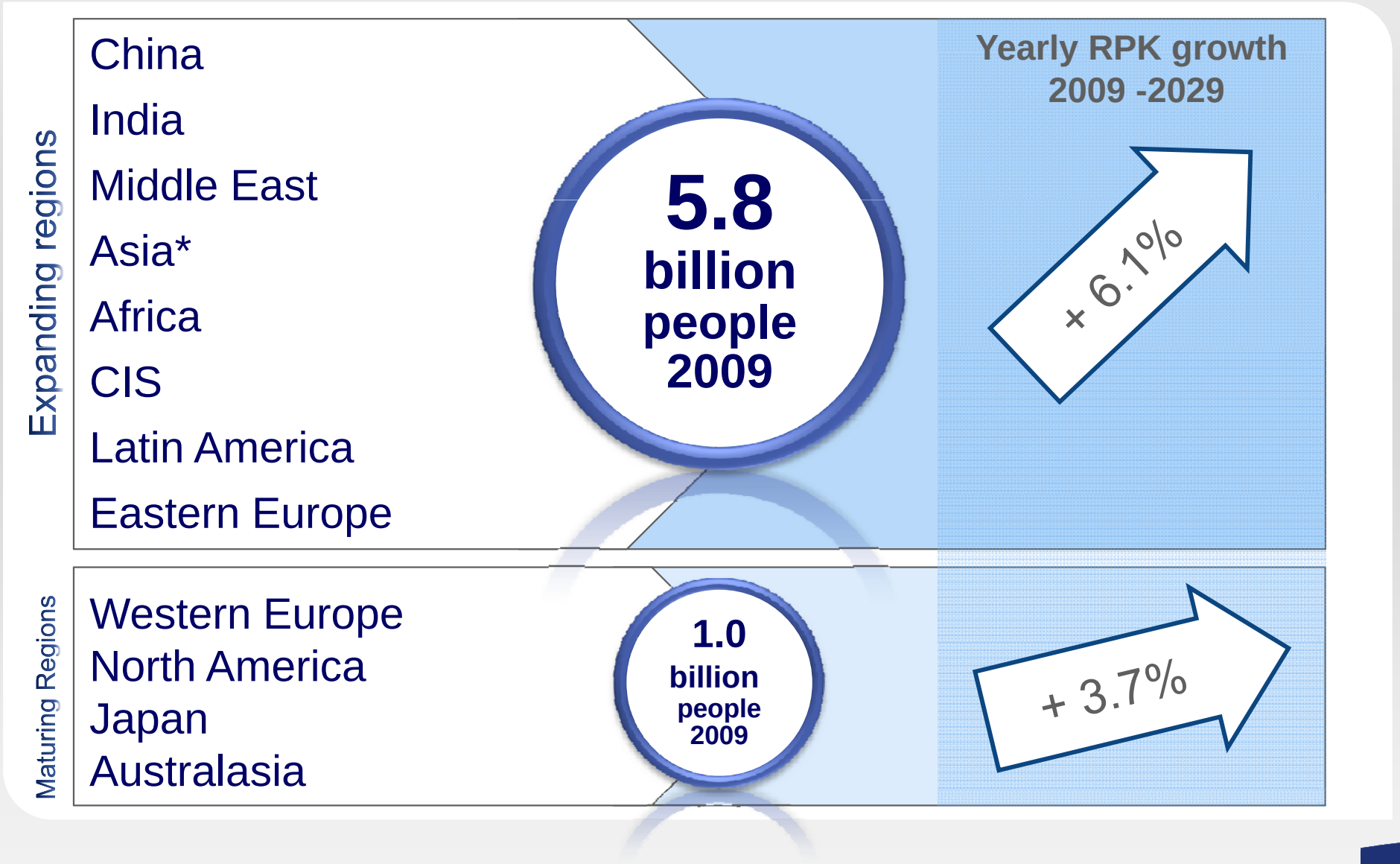
Recovery driven by premium traffic

Global yields have increased +0.8% pa

Source: ATA, AEA, AAPA and airlines data for 2010

AIRBUS

5.8 billion people will increasingly want to travel by air



* Asia excludes India, China and Japan

AIRBUS

Impressive airline industry expansion in emerging countries

Passenger aircraft over 100 seats operated by airlines

		Jan 2000	Dec 2010	
China Mainland	Fleet in service	453	1386	×3
	Backlog	47	565	×12
India	Fleet in service	112	322	× 3
	Backlog	12	280	× 23

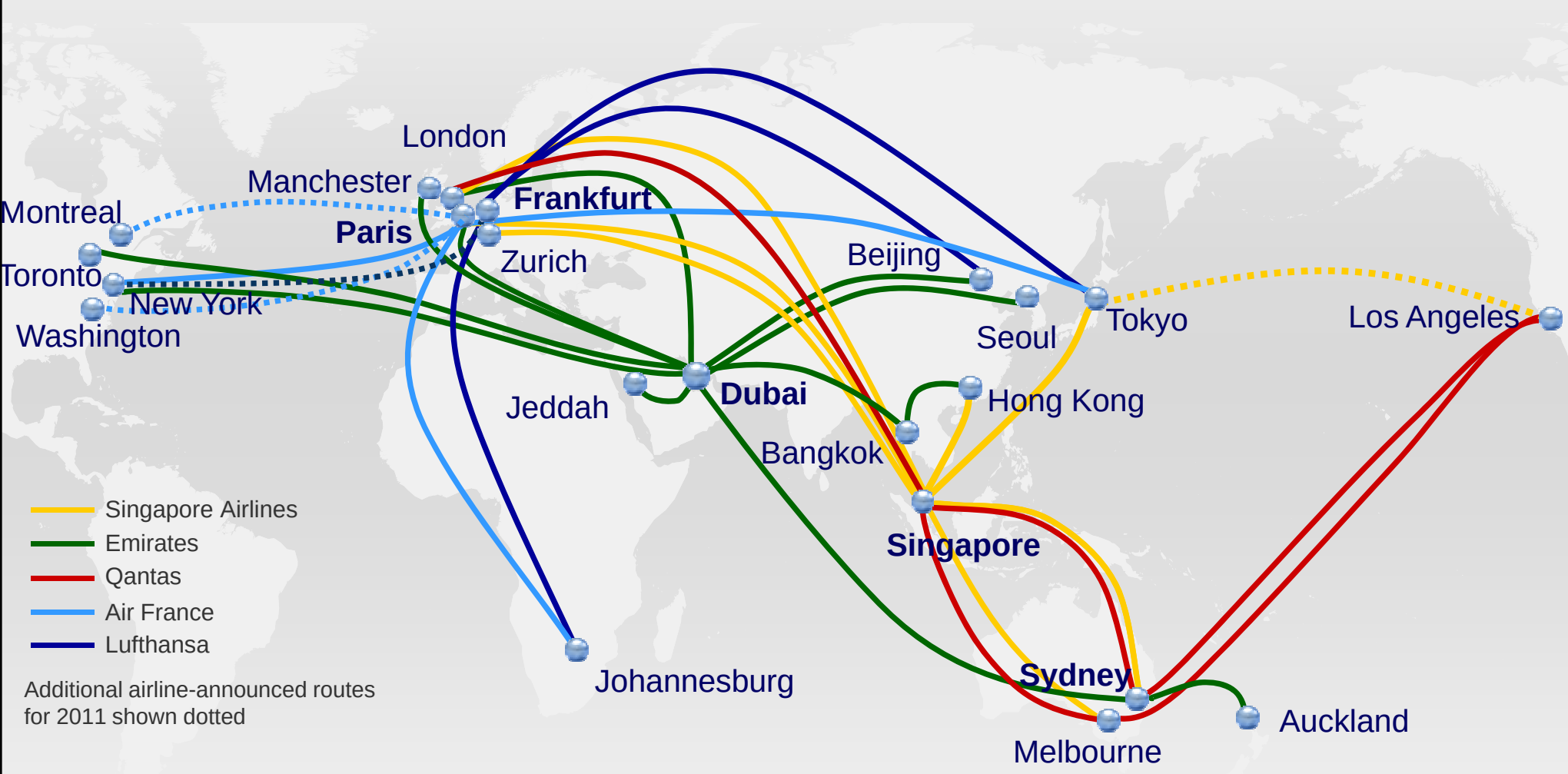
Source: Ascend

AIRBUS

Growing A380 network especially in Asia-Pacific

40 A380s flying 27 routes to 20 destinations

24,000 revenue flights and over 200,000 flight hours

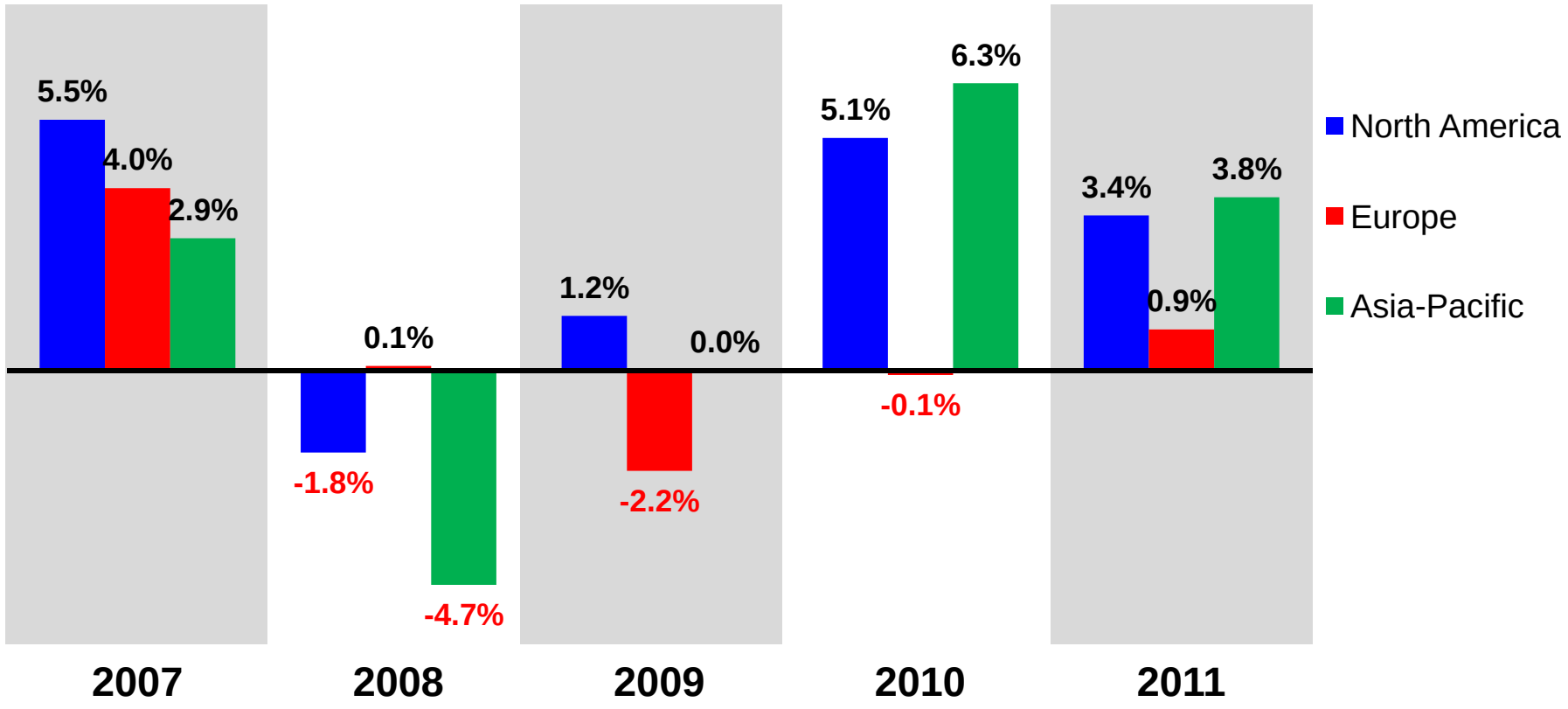


Over 9 million passengers have enjoyed the A380 experience in the first three years

AIRBUS

Airlines returning to profitability

Airline industry EBIT margins (% of revenues)

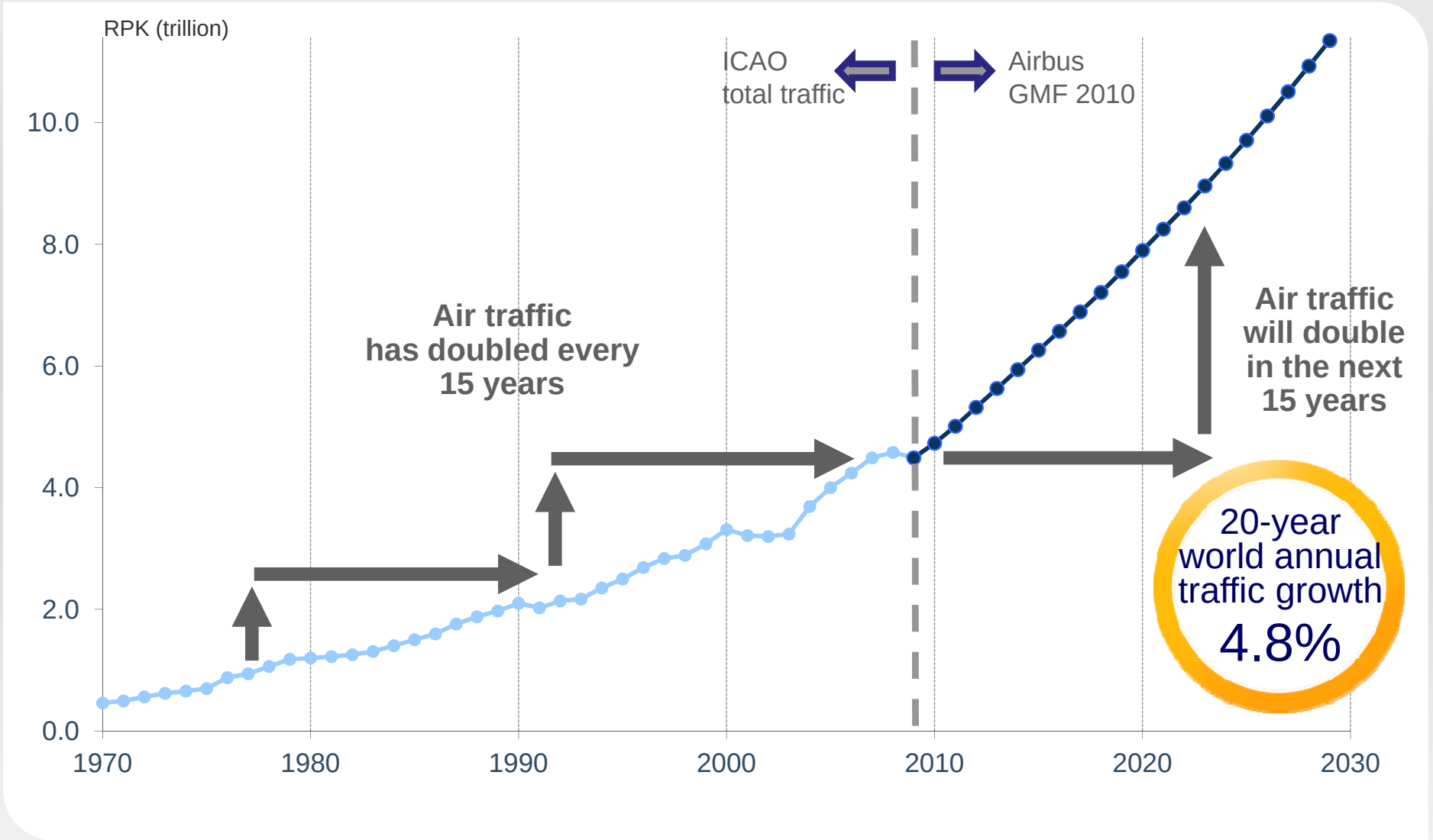


EBIT: Asian airlines performing well

Source: ICAO history / IATA forecast (September 2010)

Long term fundamentals will lead to growth

World annual traffic



Source: ICAO, Airbus GMF 2010

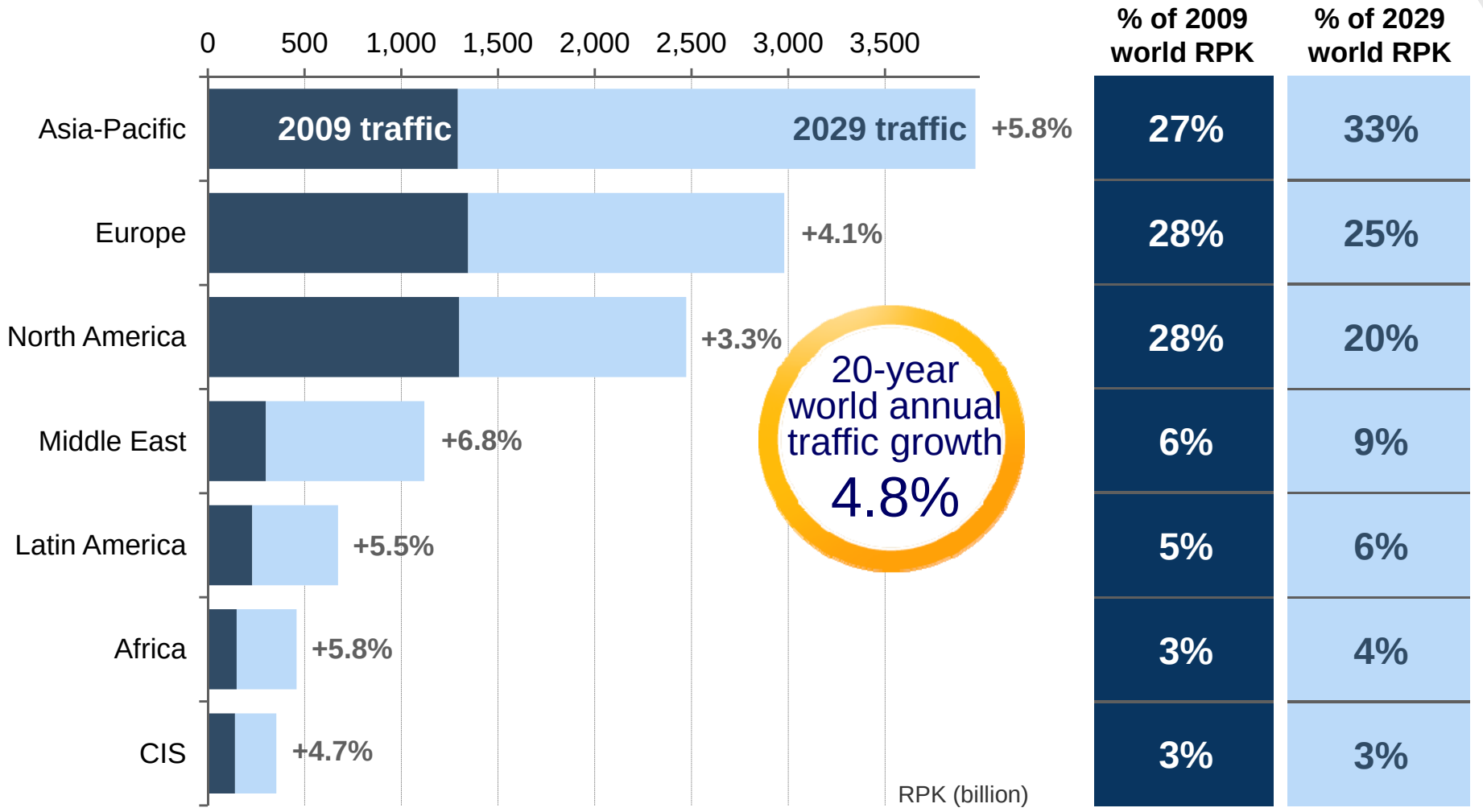
AIRBUS

Main drivers for growth

- Replacement of aircraft in service in mature markets
- Dynamic growth in emerging markets
- Continued growth of LCCs, especially in Asia
- Greater and continued market liberalization
- Traffic growth on the existing route network where it is more efficient to add capacity than frequency

Asia-Pacific airlines will lead world traffic by 2029

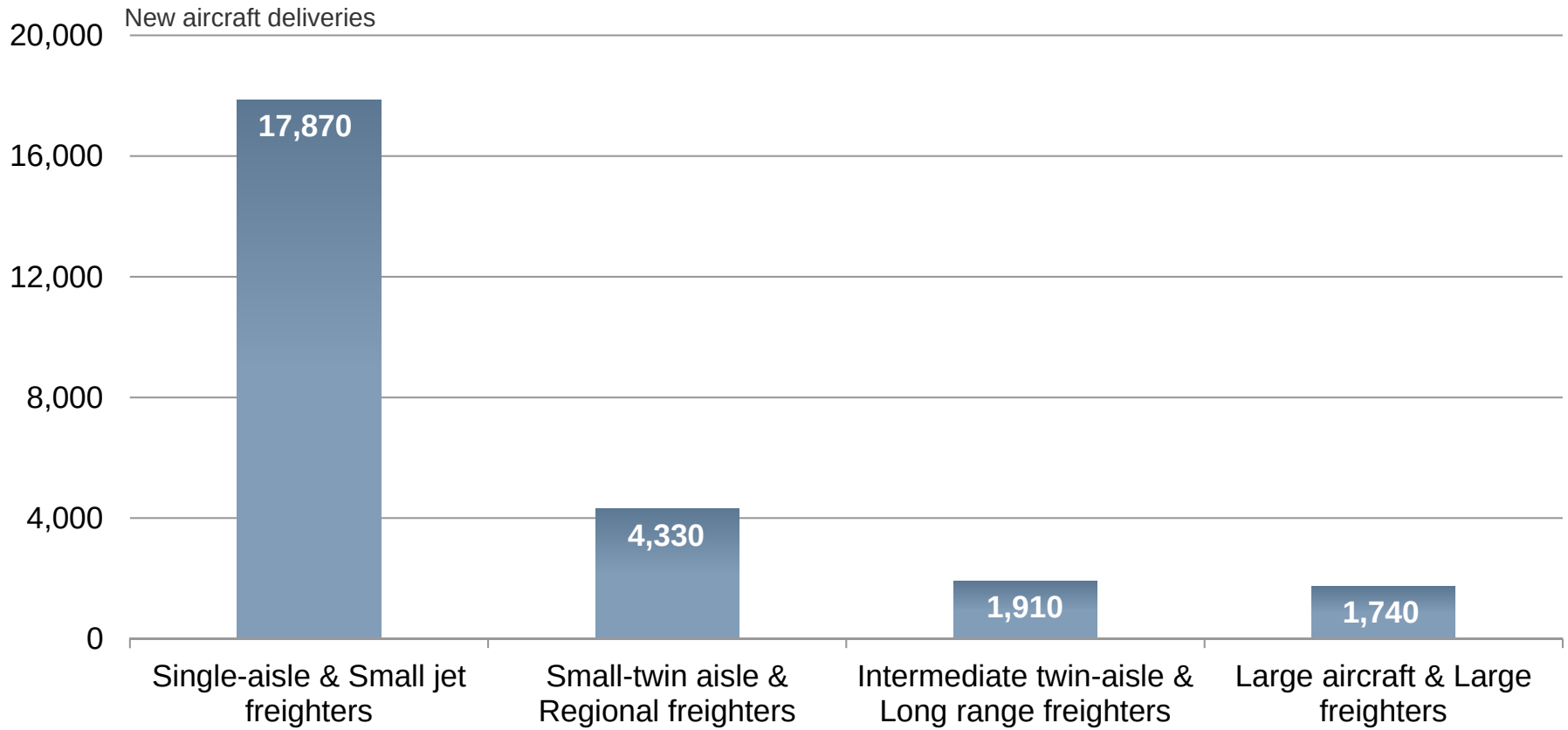
2009 and 2029 traffic volume per airline domicile region



Source: Airbus GMF 2010

New aircraft demand will average at 1,300 per year

20-year new deliveries of passenger and freighter aircraft



% units	69%	17%	7%	7%
% value	40%	26%	16%	18%

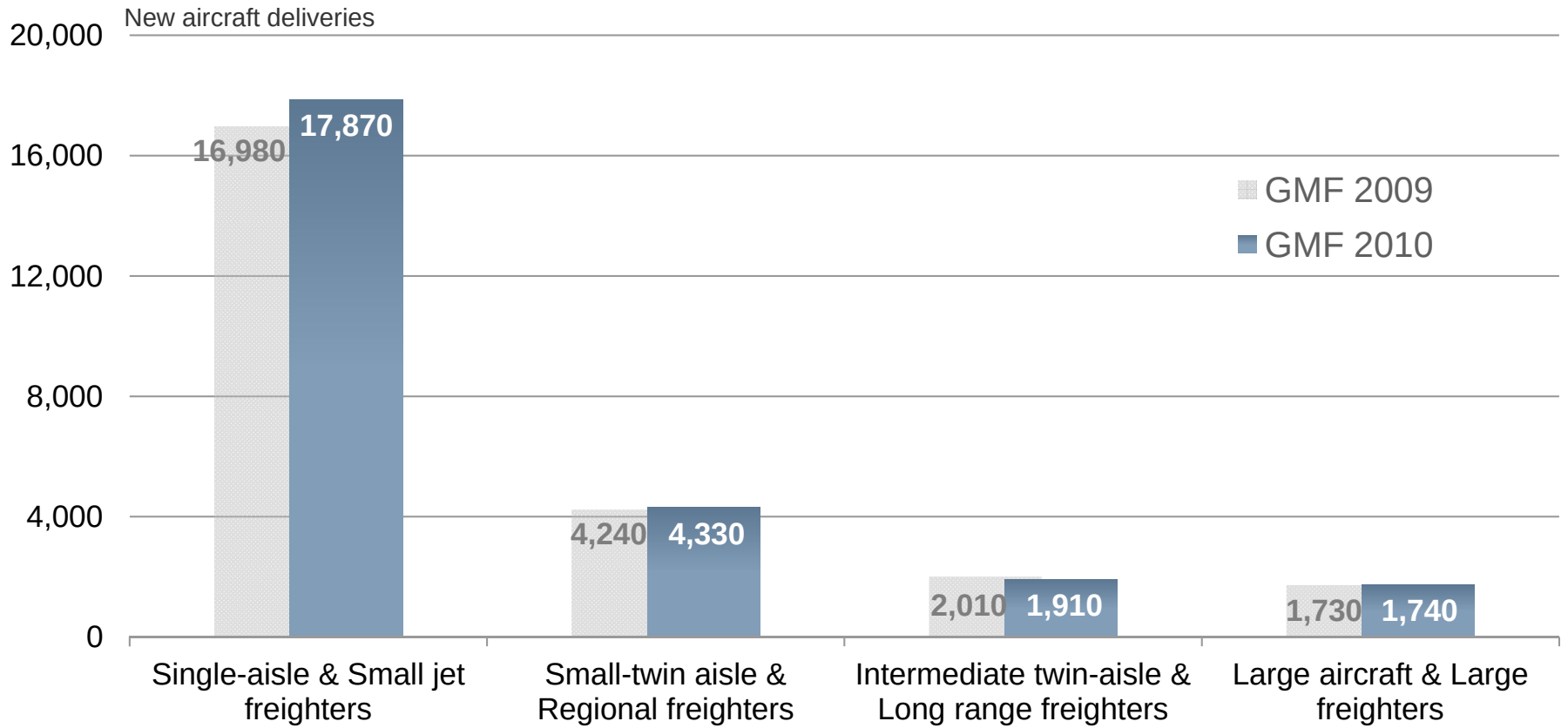
Passenger aircraft (≥ 100 seats) and freighter aircraft (> 10 tons)

Source: Airbus GMF 2010

AIRBUS

New aircraft demand will average at 1,300 per year

20-year new deliveries of passenger and freighter aircraft



% units	69%	17%	7%	7%
% value	40%	26%	16%	18%

Passenger aircraft (≥ 100 seats) and freighter aircraft (> 10 tons)

Source: Airbus GMF 2010

AIRBUS

20-year demand for over 25,800 new aircraft

20-year new deliveries of passenger and freighter aircraft

17,870 single-aisle aircraft

6,240 twin-aisle aircraft

1,740 very large aircraft

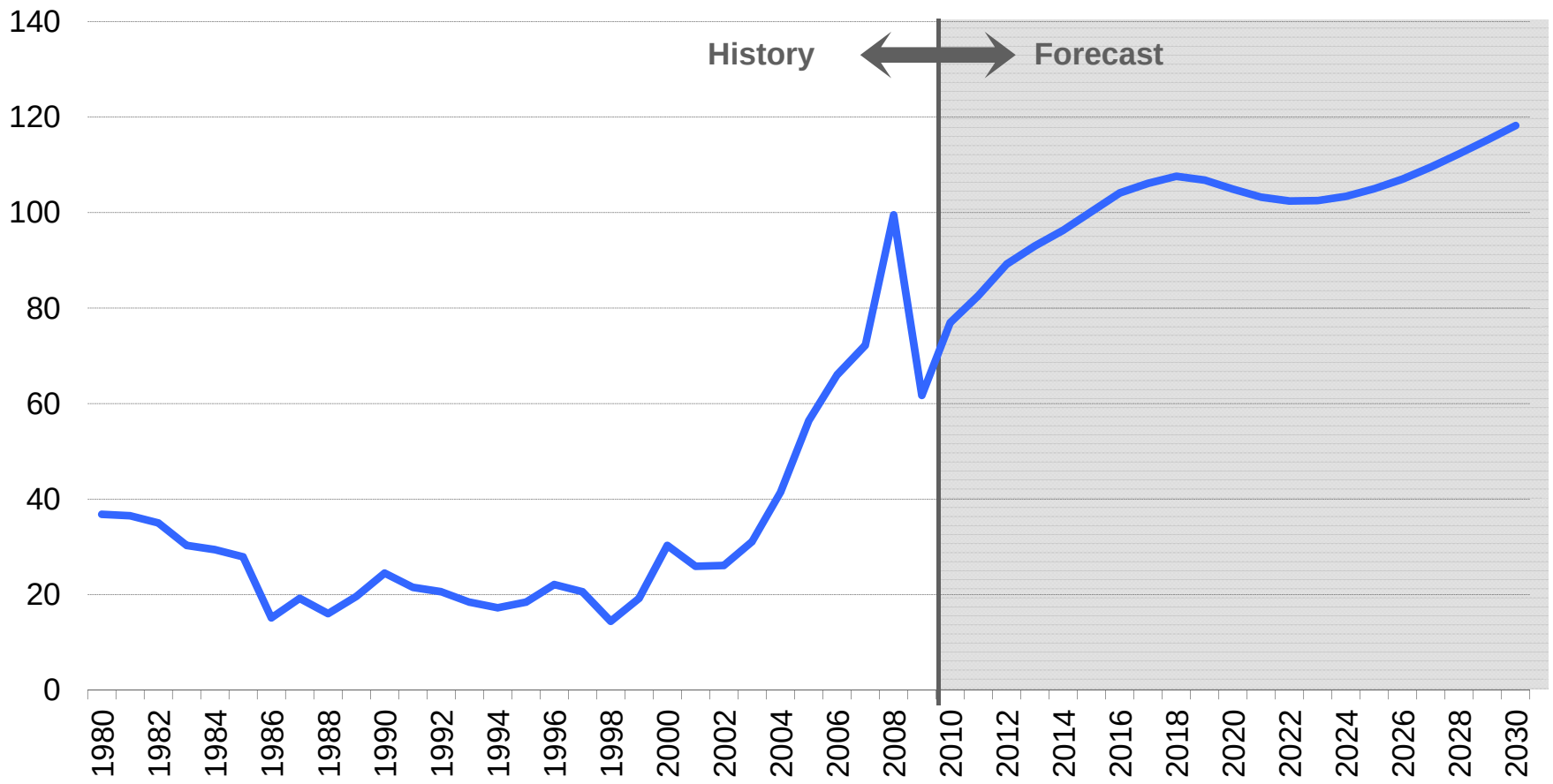
Market value of $3.2 trillion

Passenger aircraft (≥ 100 seats) and freighter aircraft (> 10 tons)

Source: Airbus GMF 2010

In the future there will be a need to mitigate oil price risk

Oil price (Current US$ per bbl)



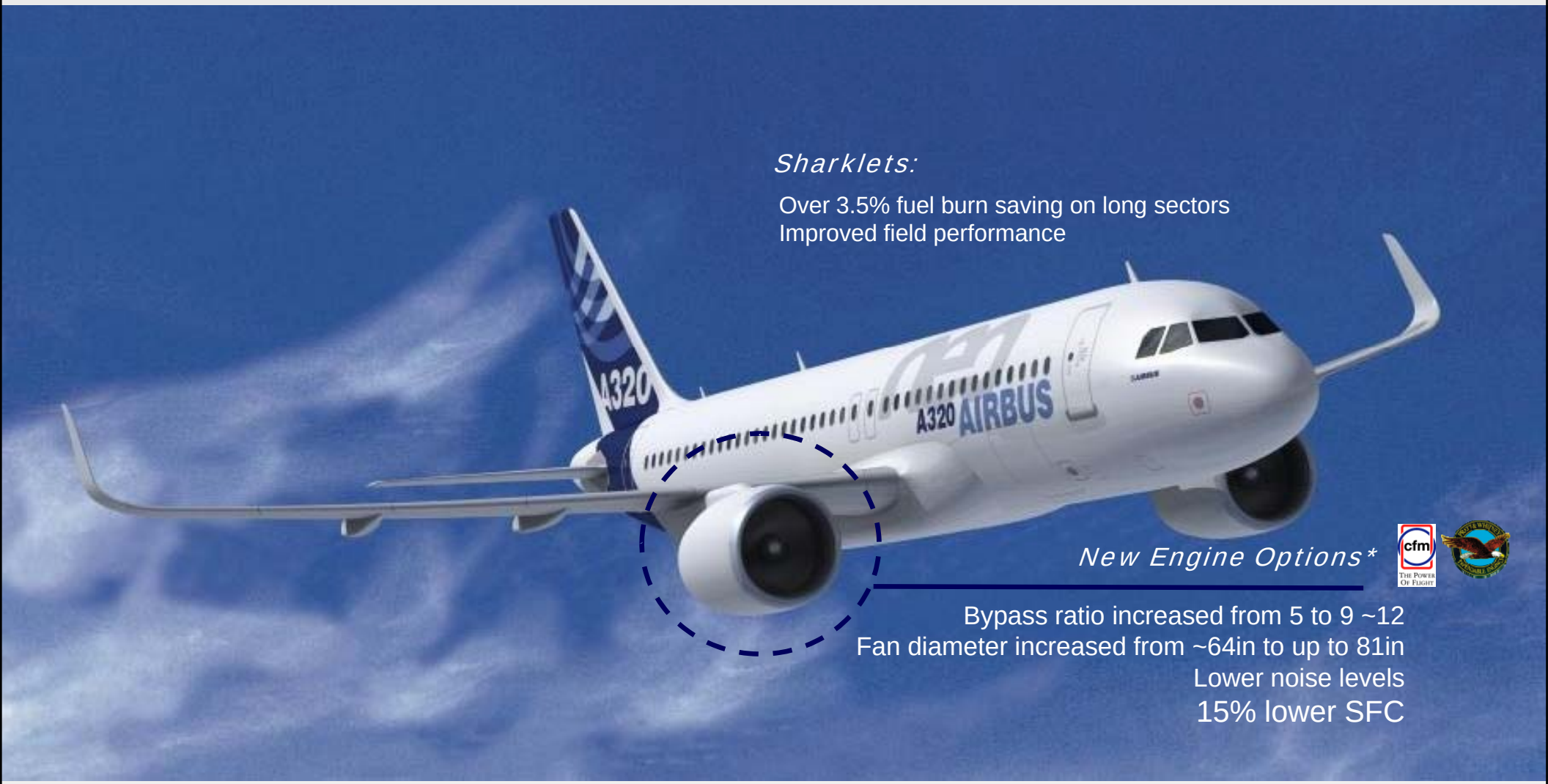
Source: EIA, IHS Global Insight (November 2010), Airbus

AIRBUS

Innovation towards greater fuel efficiency

Bringing the best aircraft at the right time

A320neo – to further improve efficiency



Sharklets:

Over 3.5% fuel burn saving on long sectors
Improved field performance

*New Engine Options**

Bypass ratio increased from 5 to 9 ~12
Fan diameter increased from ~64in to up to 81in
Lower noise levels
15% lower SFC

Maintaining commonality… up to 15% fuel burn reduction

AIRBUS

The case for the A320neo

Competes well with all new entrants in the market

Minimum change "new engine option", maintaining maximum airframe commonality

From 2015 to beyond 2025, demand for up to 4,000 A320neo deliveries

Includes the combined benefit of Sharklets and new engines (up to15% fuel burn saving)

Significant market demand for a significant improvement

AIRBUS

A320neo will be built on proven experience

A320 Family in-service statistics:

- Total take-offs: Over 50 million
- Average daily utilisation: 8.7FH (up to 14.5FH)
- Fleet reliability: 99.7%

A320neo will inherit proven values:

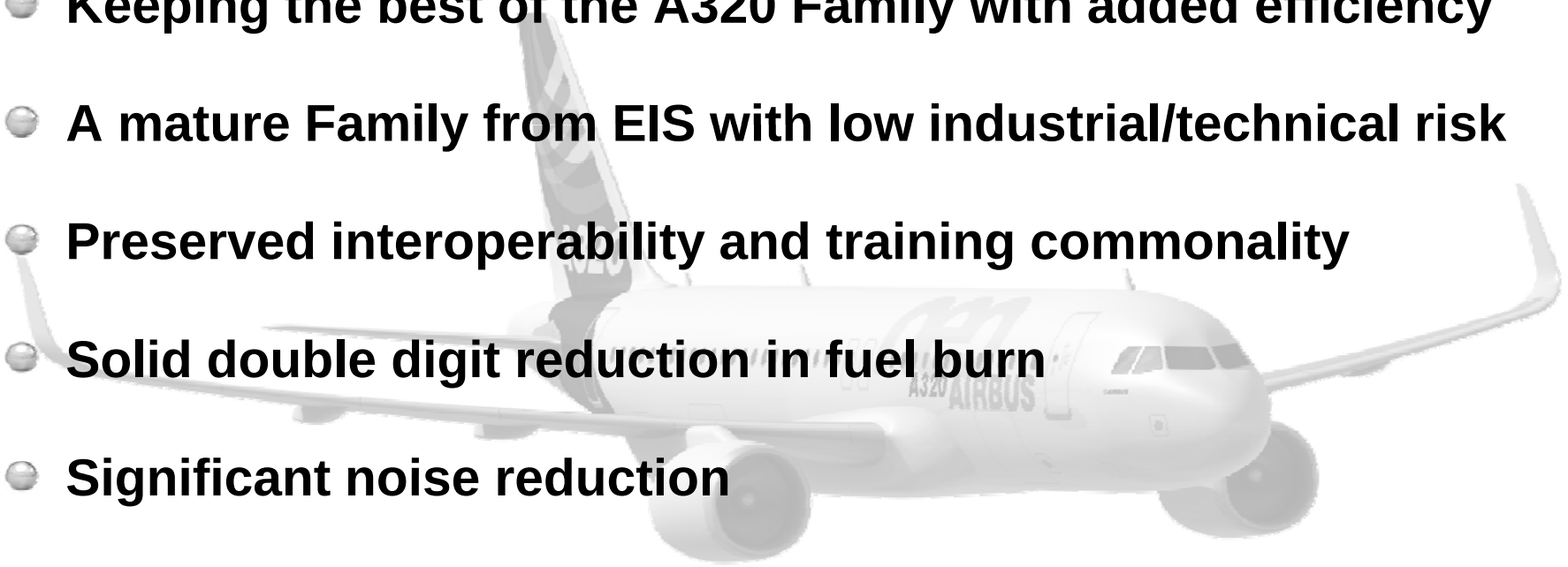
- A320neo will have a high level of systems and avionics commonality with the A320
- A320 systems and avionics are proven to be highly reliable – only 1 delay per 500 flights

Maturity and reliability from day one

One A320 take-off or landing every three seconds

AIRBUS

A320neo benefits summary



- **Keeping the best of the A320 Family with added efficiency**
- **A mature Family from EIS with low industrial/technical risk**
- **Preserved interoperability and training commonality**
- **Solid double digit reduction in fuel burn**
- **Significant noise reduction**
- **<u>No</u> increase in maintenance cost**

The best of what we have today – with MUCH better fuel burn

AIRBUS


A320
A320 AIRBUS

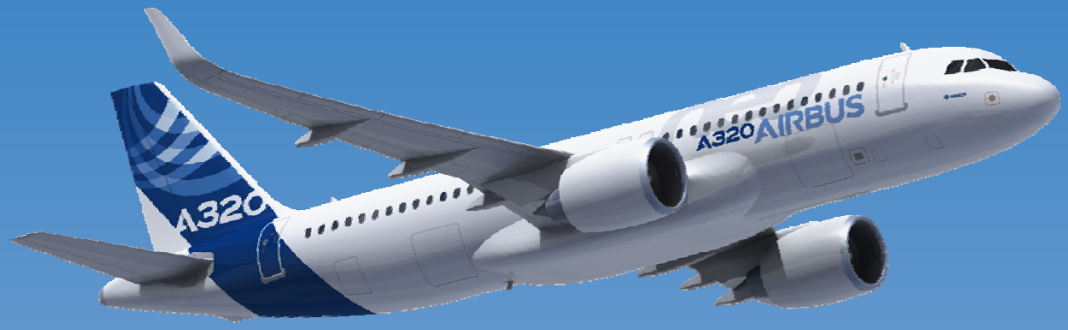
Summary

- A market for more than 25,800 new passenger and freighter aircraft.
- Neo will be addressing a market of about 18,000 single-aisle passenger aircraft.
- The twin-aisle passenger aircraft market will account for more than 5,700 new aircraft deliveries.
- Some 1,300 very large aircraft to meet passenger demand offering lower cost per seat and more flexibility.
- The demand for 870 new freighter aircraft deliveries reflects the market needs for highly efficient aircraft to compensate further increasing fuel price.
- Strong A380 demand: 32 mega-cities growing to over 80 in 20 years.

AIRBUS

Airbus Global Market Forecast
2010 – 2029

Toulouse, December 13th



Christopher Emerson
Senior Vice President
Market & Product Policy

Reducing risk through analysis

- 20 year aircraft demand forecast, **aircraft >19 seats**
- Traffic forecast modeling **155 distinct traffic flows**
- Detailed study of **network evolution**,
  including new routes, markets and deregulation hot spots
- Model the impact of **evolving airline models** e.g. Low Cost Carriers
- Fleet build-ups covering **938 passenger** and **217 freight carriers**
- In use for both Airbus **internal** and **external purposes**

Regularly updated to reflect market trends and evolution

AIRBUS

Taking into account key industry drivers

Economics
- Growth
- **Emerging markets**
- Trade
- Cycles

Demographics
- **Population growth**
- Age profiles
- Middle class
- **Urbanisation**

Networks
- **Global cities**
- Hubs
- **New routes**
- Deregulation

Passengers
- Ticket price
- Comfort
- **Origin and destination**
- Connectivity
- Environment

Airlines
- **Fuel**
- Range
- Fleet mix
- **Business models**
- Environment

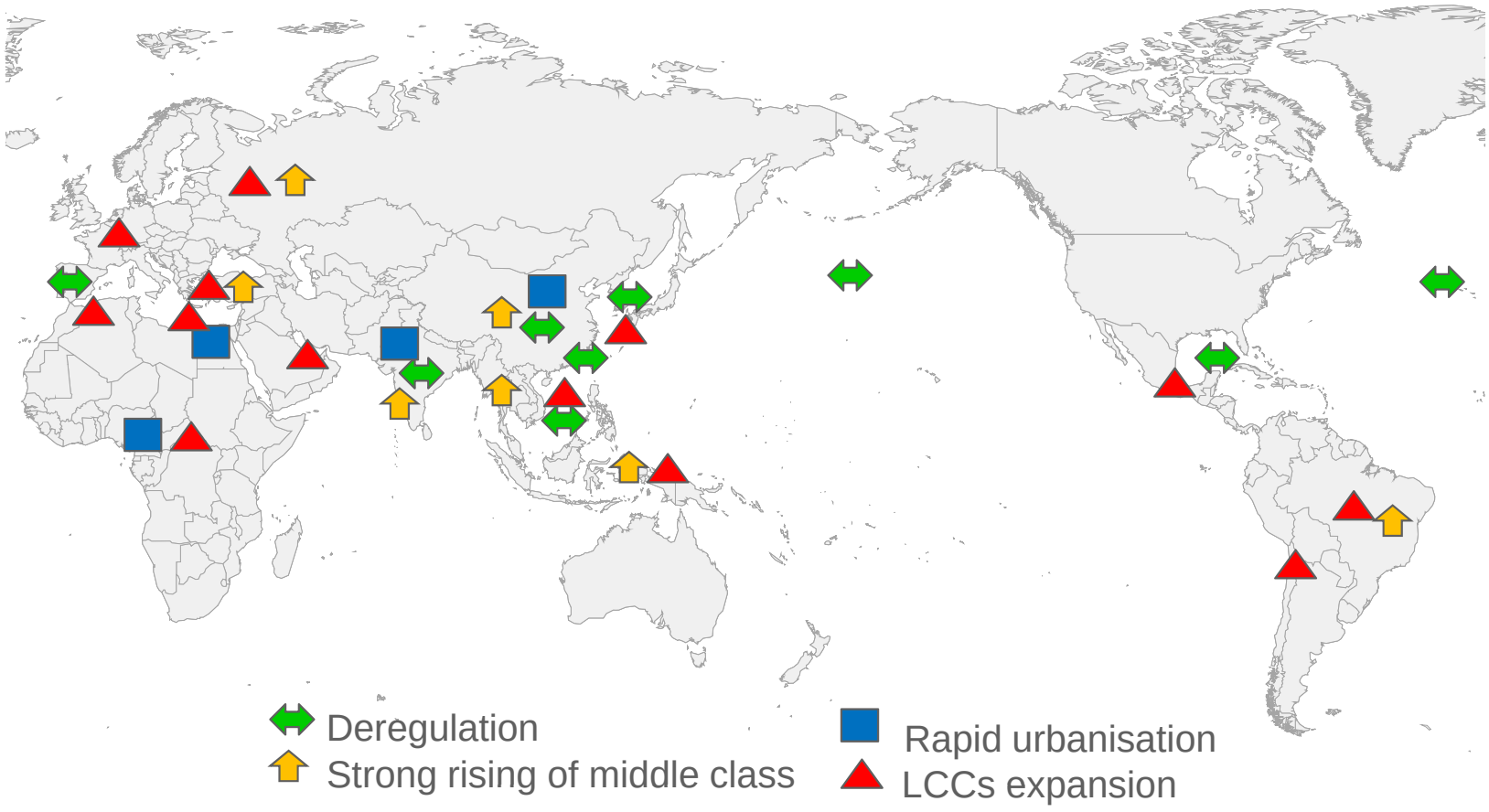
Aircraft
- Seats, speed, utilisation
- **Frequency, load factor**
- Range, fleet mix
- Replacement
- Environment

AIRBUS

Growth is accelerated by certain macro factors

Recent traffic “hot spots”

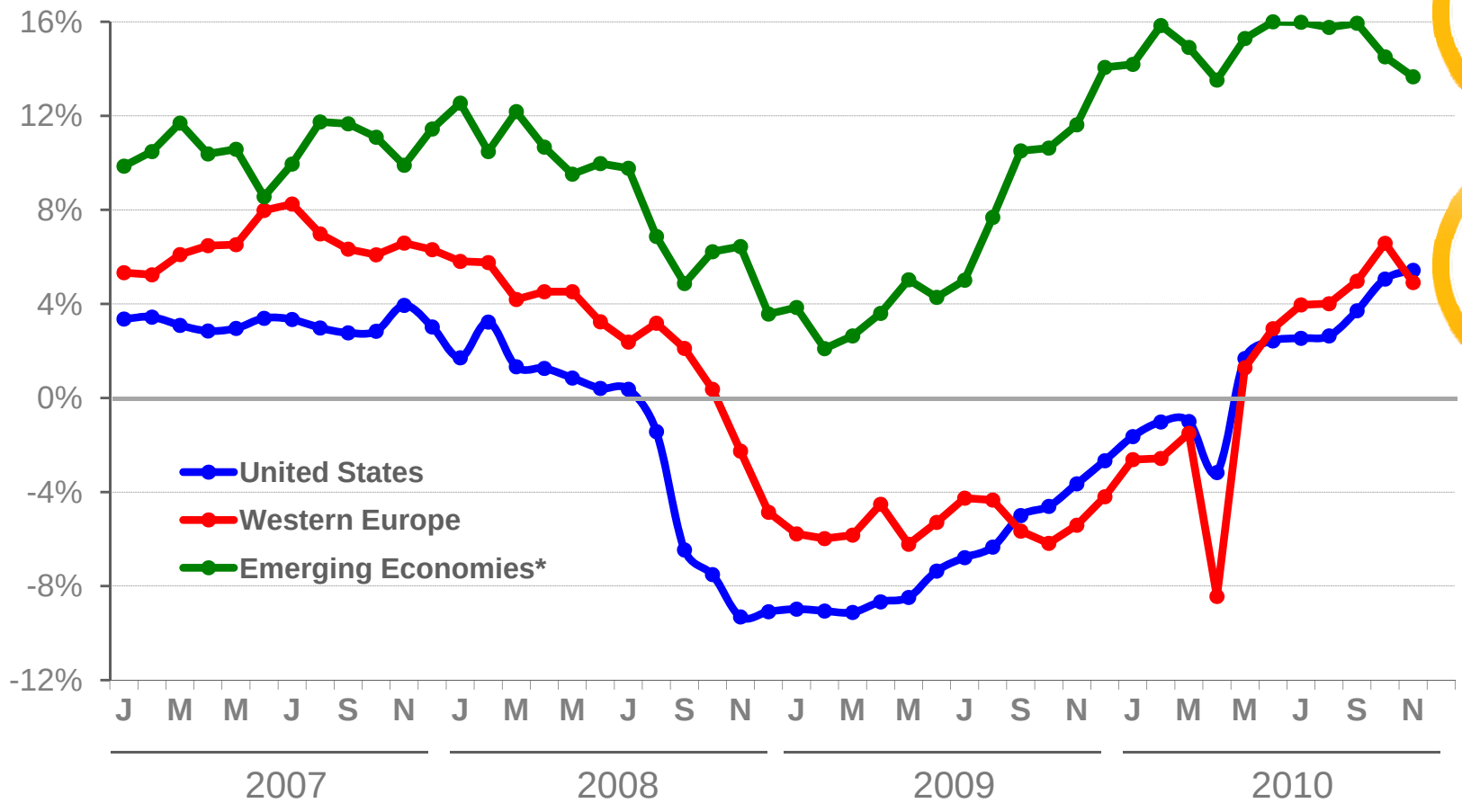
Note : non exhaustive map



AIRBUS

All regions are currently growing

Passenger traffic (monthly ASKs year-over-year)



Traffic up 13.7%

Traffic up 5.4% 4.9%

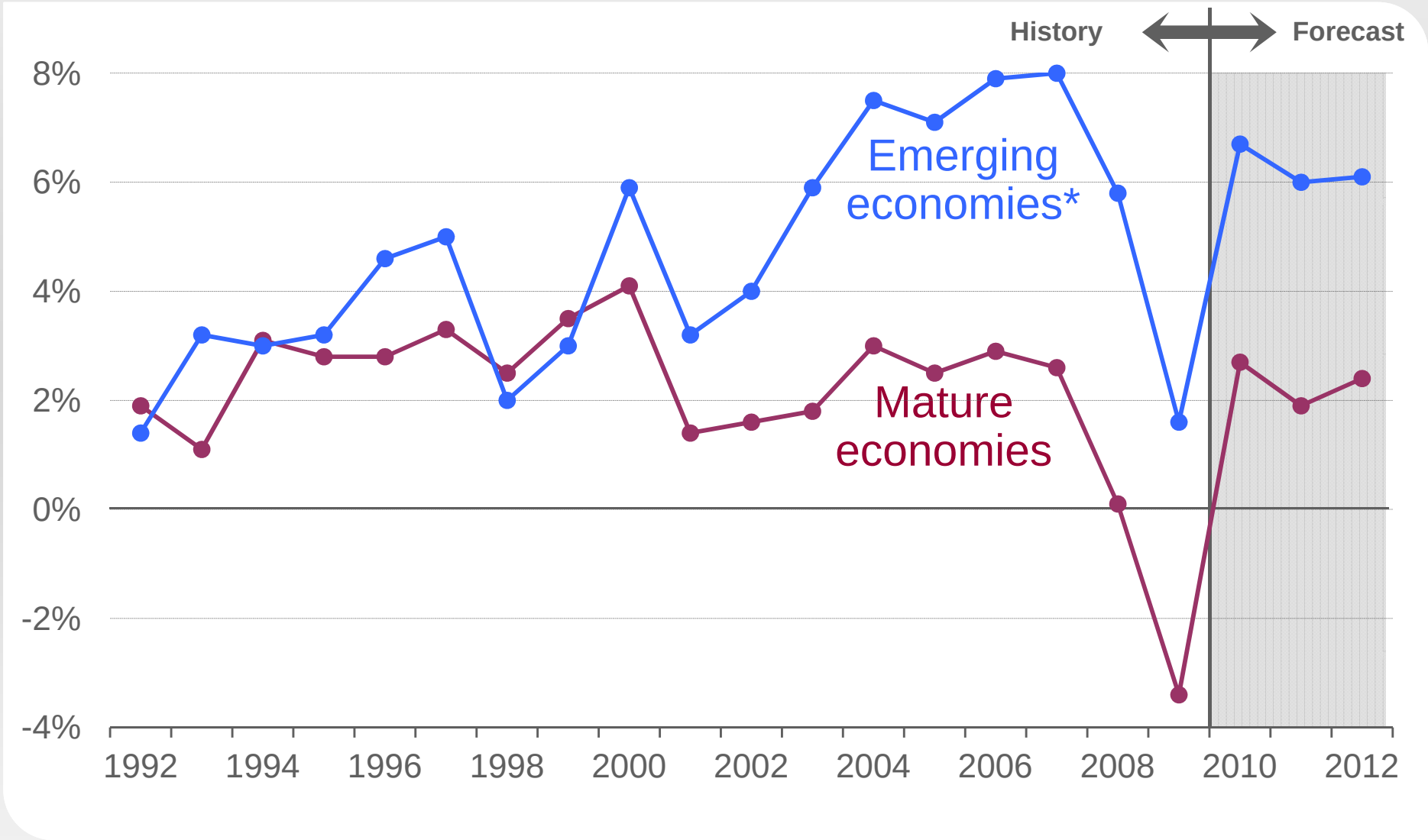
Emerging economies are leading the way

Source: OAG (ASKs), * 54 emerging economies, Airbus

AIRBUS

Still a two-speed World

Real GDP growth (%)



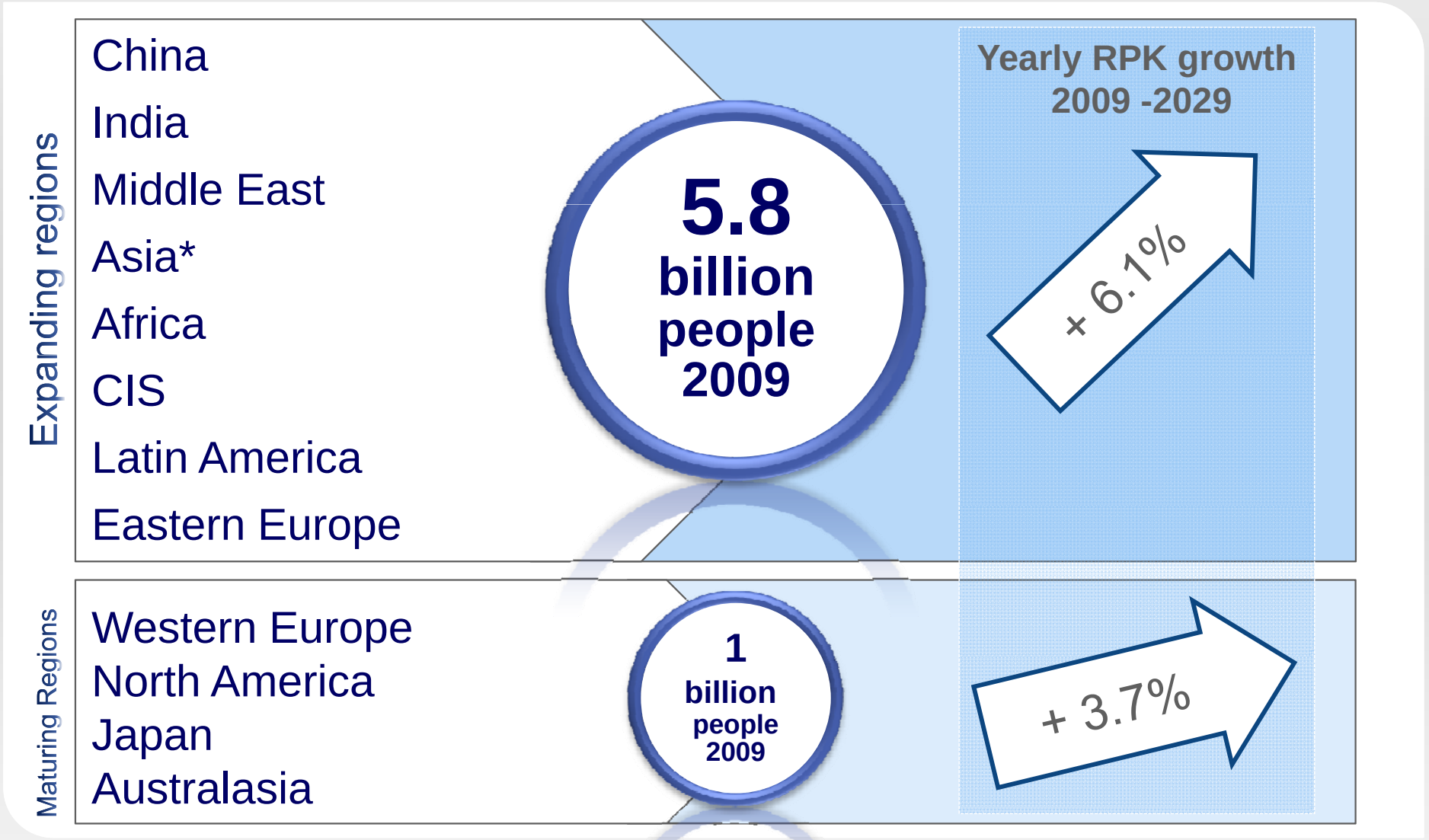
This is mainly driven by the potential to travel in certain regions

Source: IHS Global Insight (November 2010), Airbus

* 54 emerging economies

AIRBUS

5.8 billion people will increasingly want to travel by air

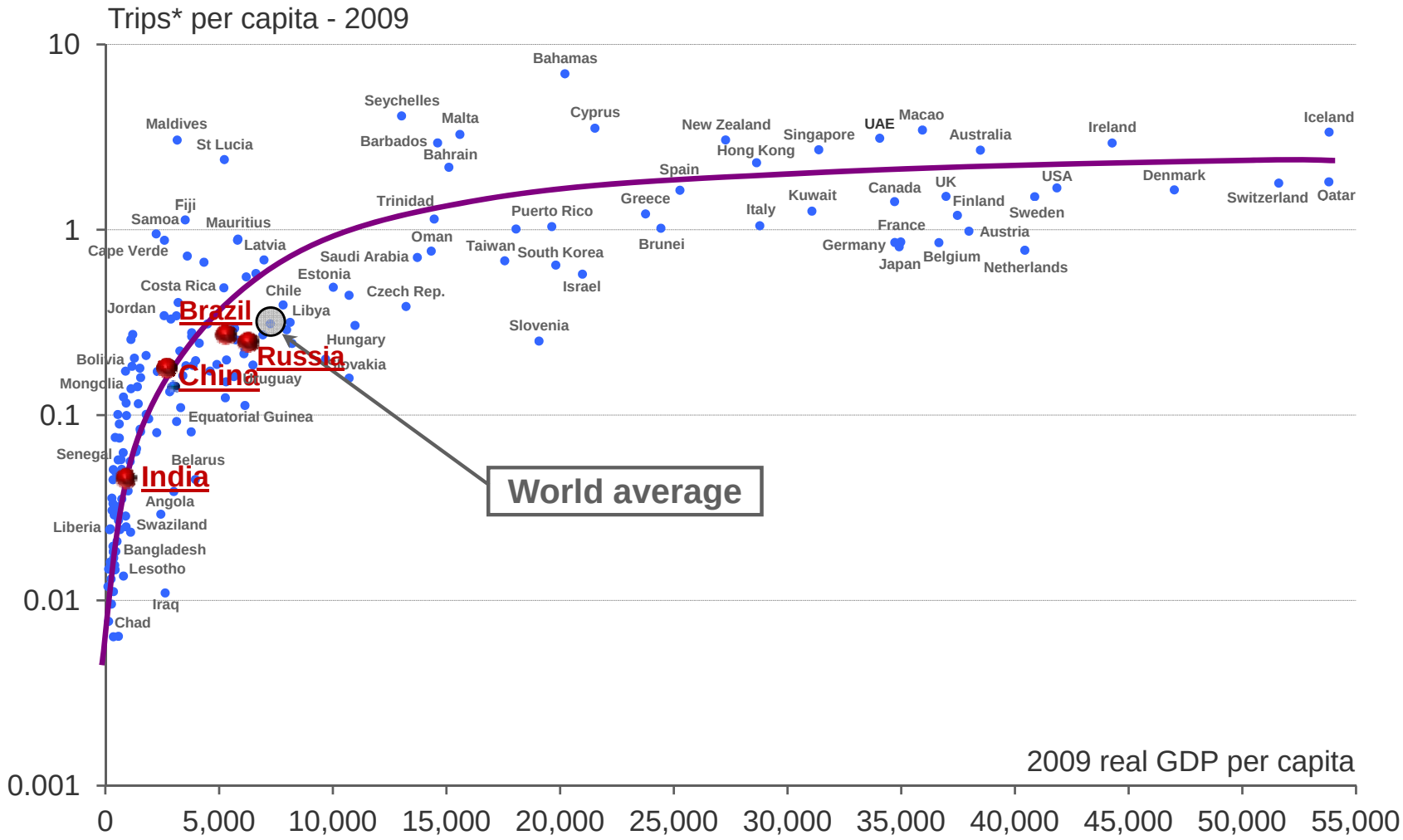


* Asia excludes India, China and Japan

AIRBUS

Emerging economies on the edge to strong travel growth

Propensity to travel



* Passengers originating from respective country

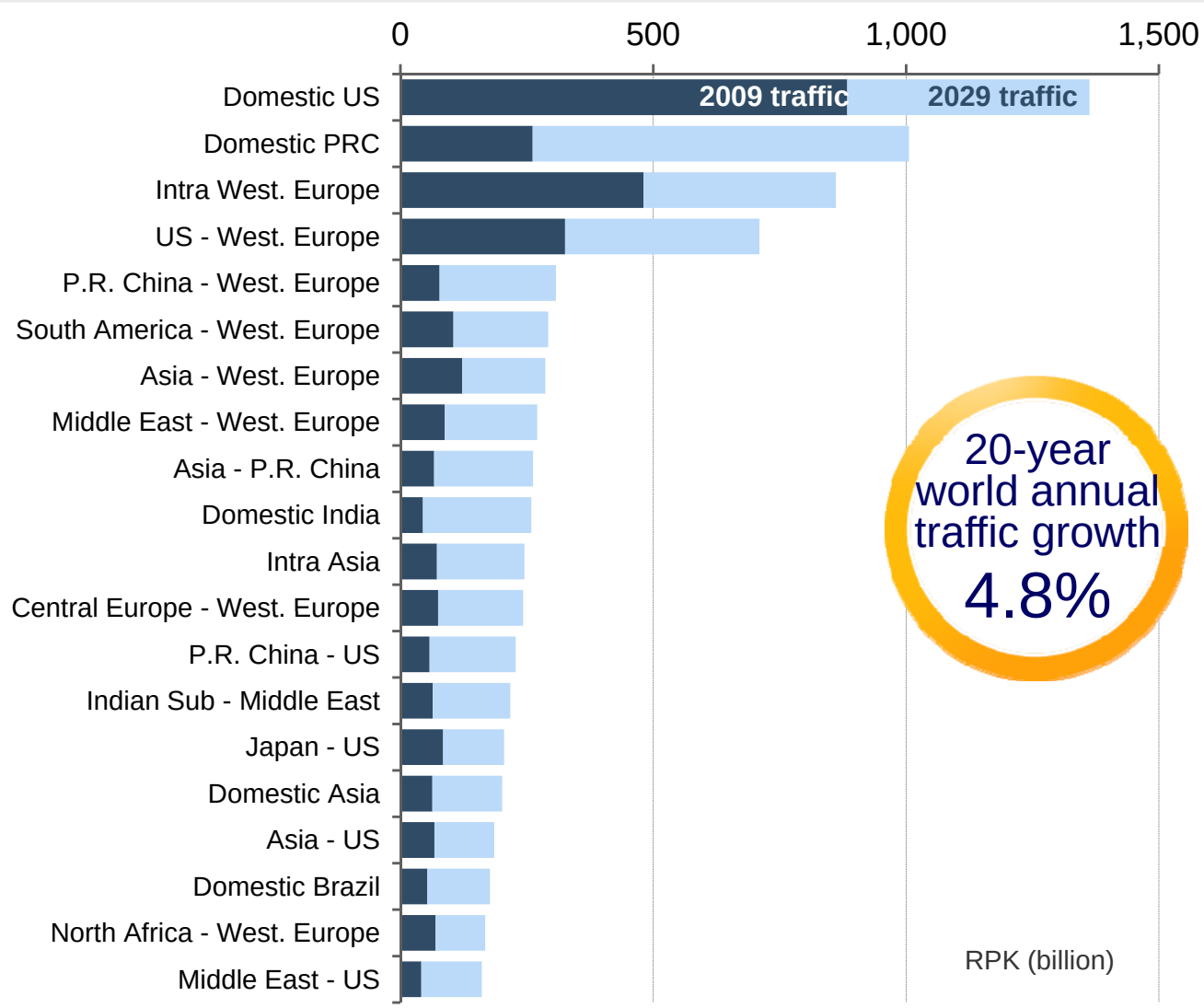
Note: GDP in US$2005

Source: IATA PaxIS, Global Insight, Airbus

AIRBUS

Largest 20 traffic flows in 2029

2009 and 2029 traffic volume per biggest traffic flow



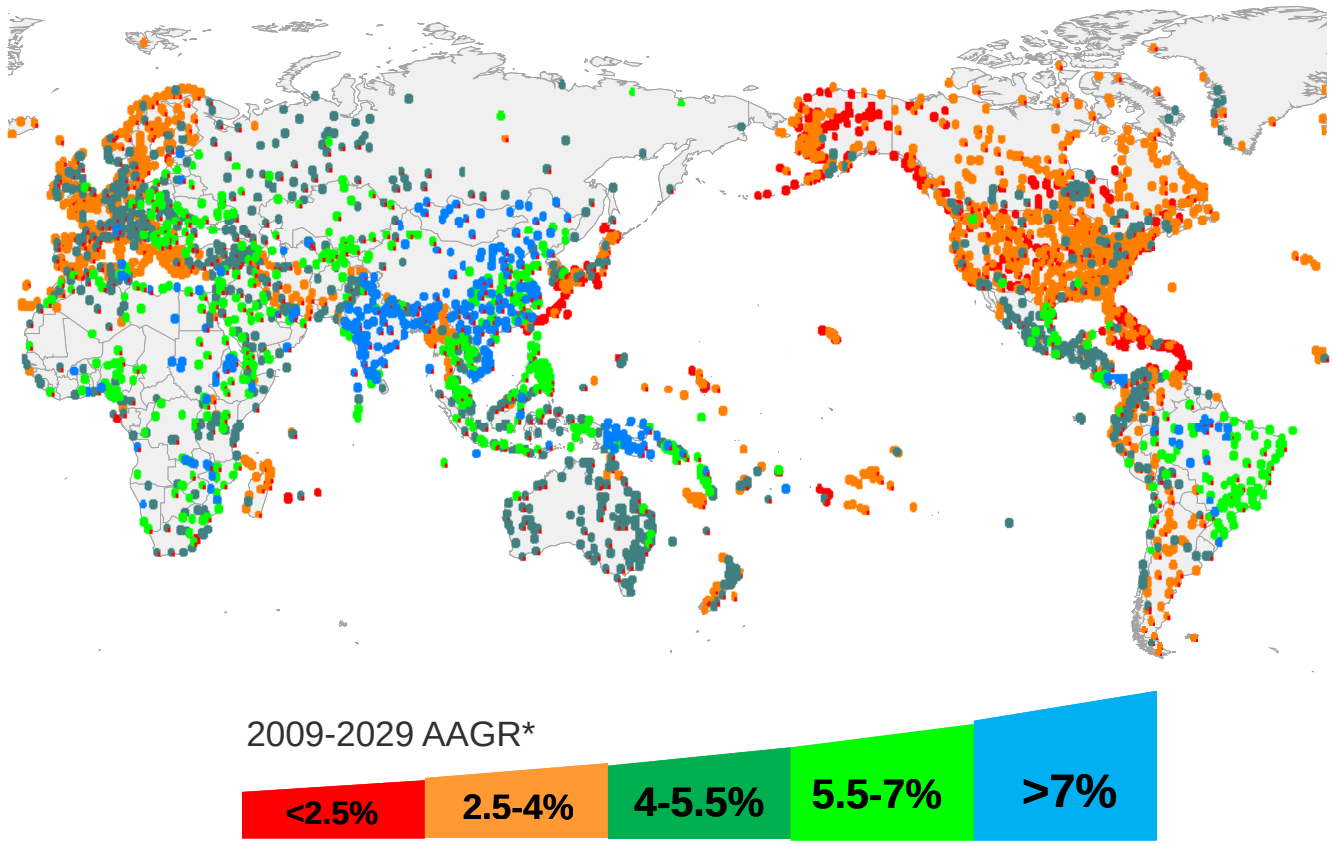
	20-year growth	% of 2029 world RPK
Domestic US	2.2%	11.3%
Domestic PRC	7.0%	8.4%
Intra West. Europe	3.0%	7.2%
US - West. Europe	4.0%	5.9%
P.R. China - West. Europe	7.1%	2.6%
South America - West. Europe	5.3%	2.4%
Asia - West. Europe	4.4%	2.4%
Middle East - West. Europe	5.8%	2.3%
Asia - P.R. China	7.1%	2.2%
Domestic India	9.2%	2.2%
Intra Asia	6.3%	2.0%
Central Europe - West. Europe	6.1%	2.0%
P.R. China - US	7.1%	1.9%
Indian Sub - Middle East	6.3%	1.8%
Japan - US	4.5%	1.7%
Domestic Asia	6.0%	1.7%
Asia - US	5.2%	1.5%
Domestic Brazil	6.2%	1.5%
North Africa - West. Europe	4.5%	1.4%
Middle East - US	7.1%	1.3%

Source: Airbus GMF 2010

AIRBUS

Map of traffic growth

GMF 2010 key numbers and 20-year change

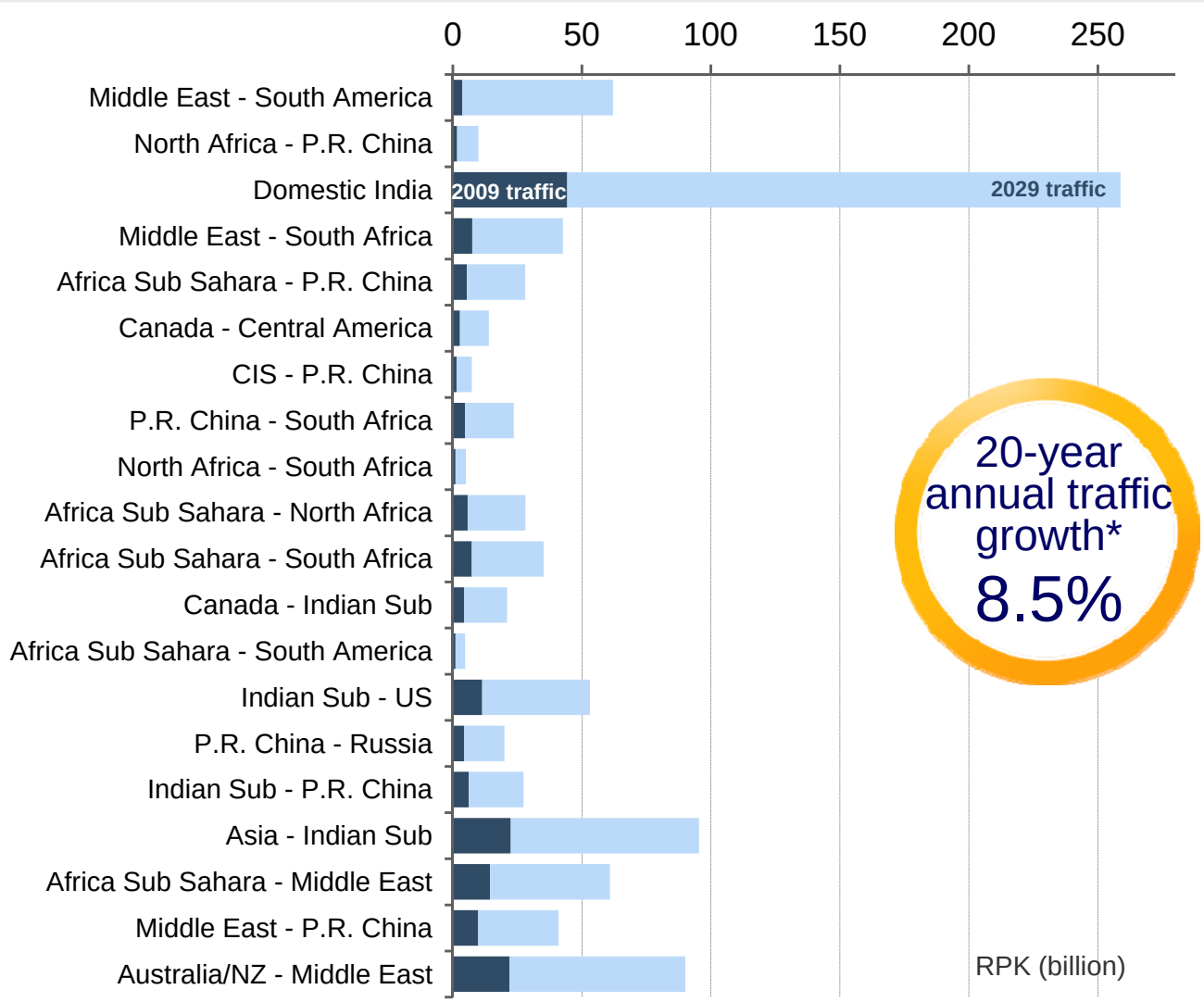


Source: Airbus GMF 2010

AIRBUS

Top 20 fastest growing flows until 2029

2009 and 2029 traffic volume per fastest growing traffic flow



	20-year growth	% of 2029 world RPK
Middle East - South America	15.2%	0.5%
North Africa - P.R. China	9.5%	0.1%
Domestic India	9.2%	2.2%
Middle East - South Africa	9.1%	0.4%
Africa Sub Sahara - P.R. China	8.6%	0.2%
Canada - Central America	8.5%	0.1%
CIS - P.R. China	8.5%	0.1%
P.R. China - South Africa	8.3%	0.2%
North Africa - South Africa	8.3%	0.1%
Africa Sub Sahara - North Africa	8.3%	0.2%
Africa Sub Sahara - South Africa	8.2%	0.3%
Canada - Indian Sub	8.1%	0.2%
Africa Sub Sahara - South America	8.1%	0.1%
Indian Sub - US	8.0%	0.4%
P.R. China - Russia	7.8%	0.2%
Indian Sub - P.R. China	7.7%	0.2%
Asia - Indian Sub	7.5%	0.8%
Africa Sub Sahara - Middle East	7.5%	0.5%
Middle East - P.R. China	7.4%	0.3%
Australia/NZ - Middle East	7.3%	0.7%

20-year annual traffic growth* 8.5%

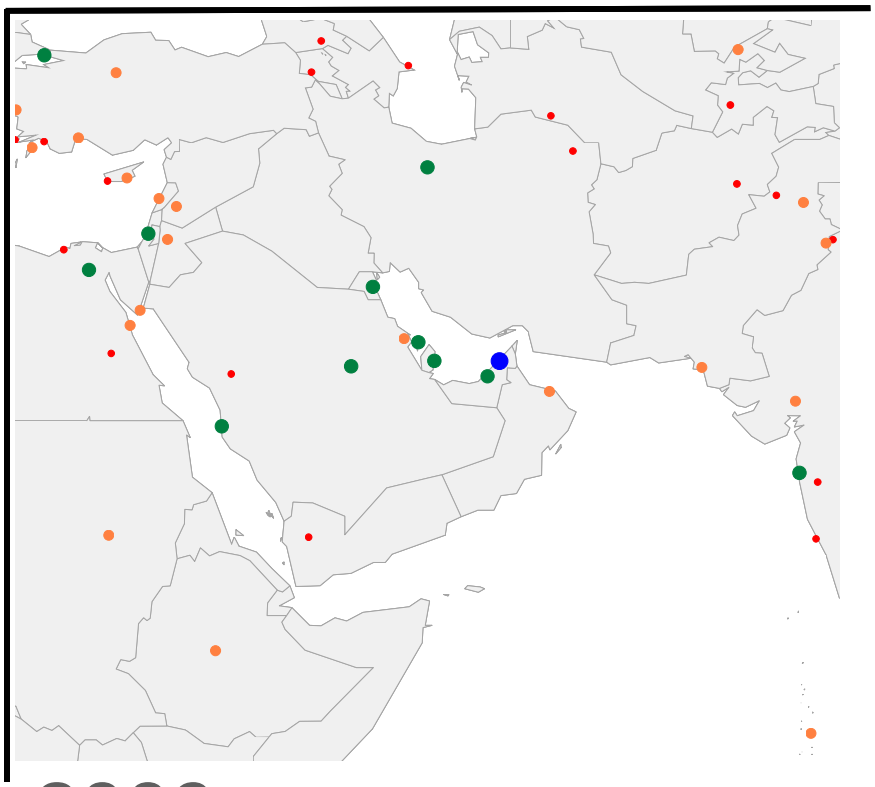
* 20-year annual traffic growth referring to the illustrated 20 traffic flows

Source: Airbus GMF 2010

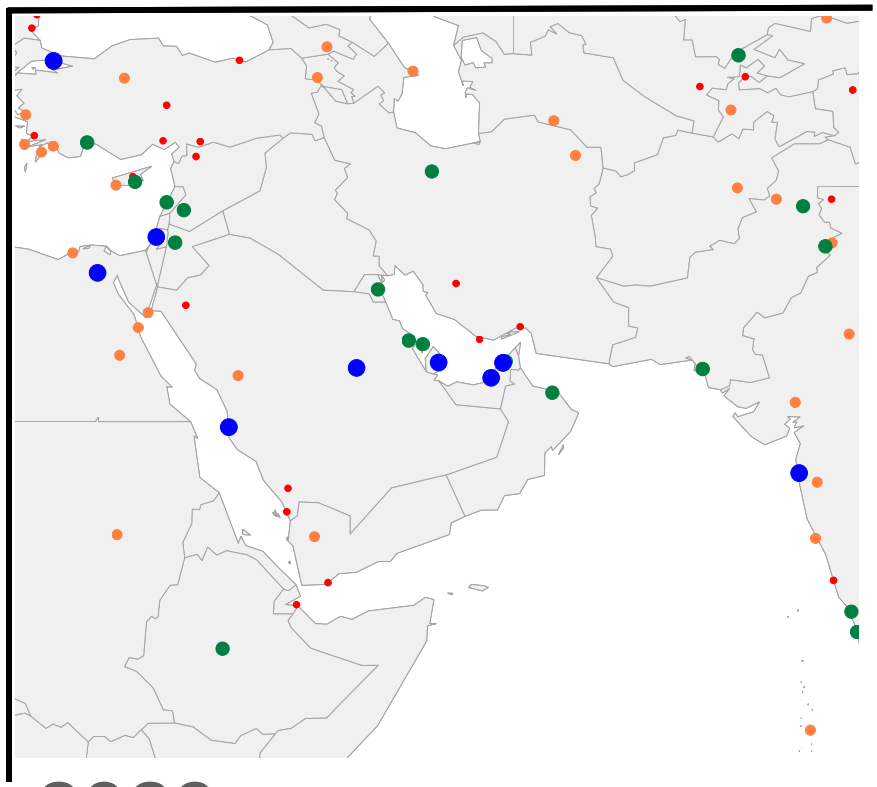
AIRBUS

Middle East traffic to double by 2017

Level of RPK from/to each city in 2009 and 2029 for Middle East



2009



2029

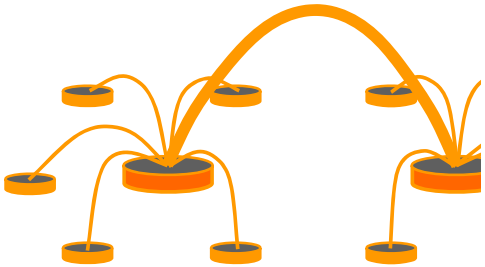
100-250 millions 250-1000 millions 1-5 billions >5 billions

AIRBUS

From traffic growth to aircraft demand

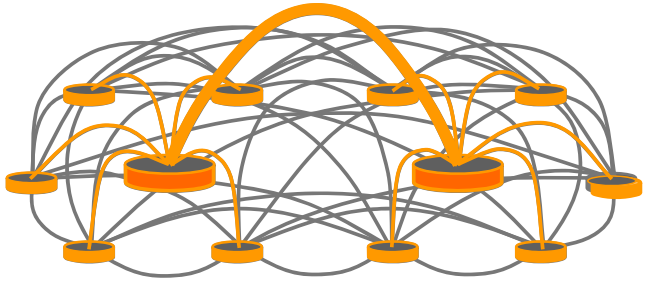
The way how the traffic is accommodated in the network has a big impact on the type and the number of aircraft the industry requires

Hub & Spoke

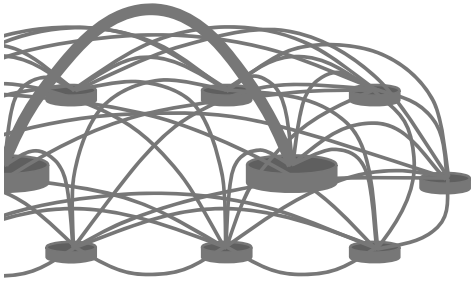


Tendency to Bigger ai

Hubs are big points



e “point-to-point”

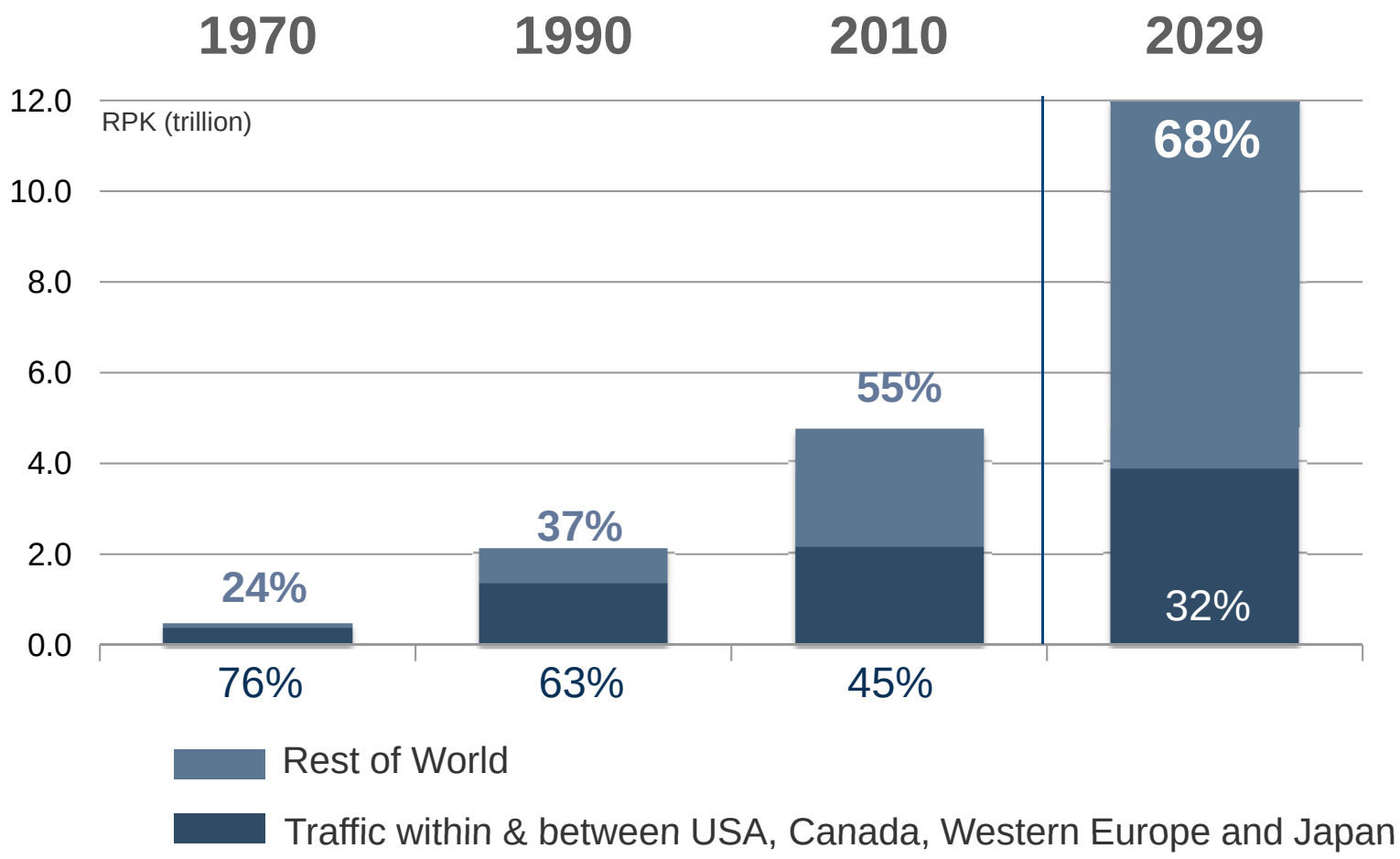


ıcy to Smaller aircraft ?

AIRBUS

68% of 2029 traffic volume will be between expanding regions

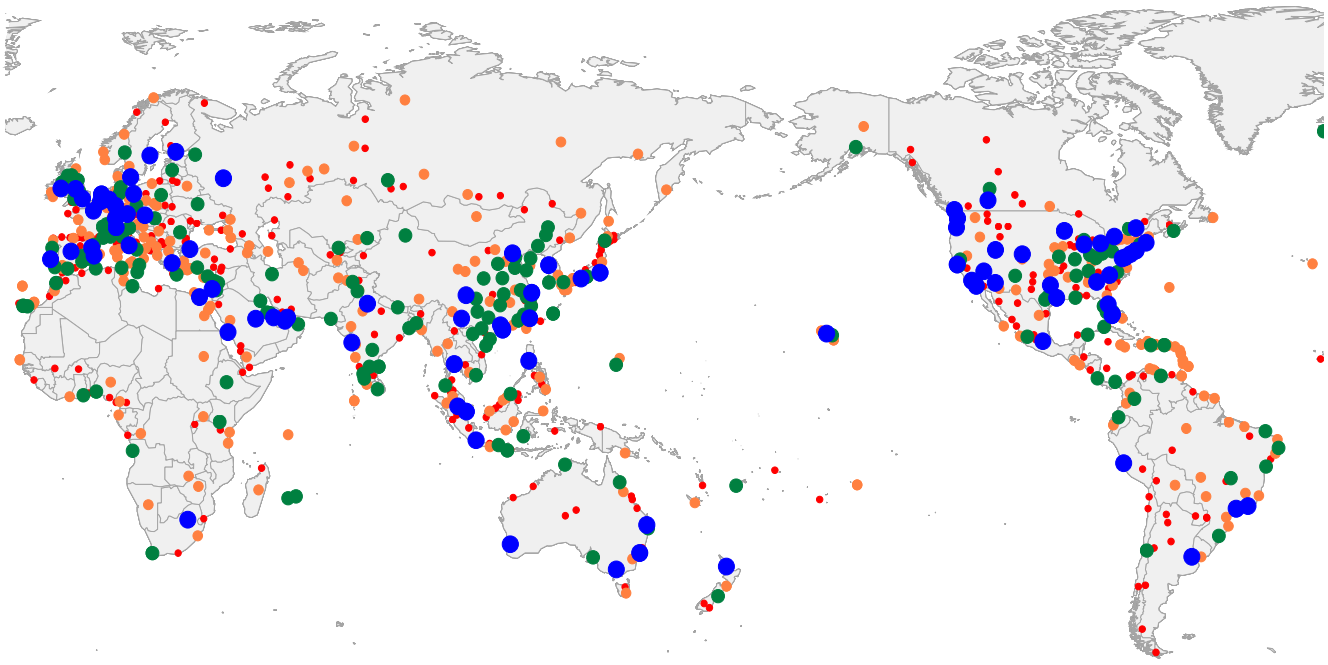
Market share on total traffic, emerging vs. mature traffic flows



Source: Airbus GMF 2010

Traffic will remain concentrated around mega-cities

Level of RPK from/to each city in 2009 and 2029



2009

2029

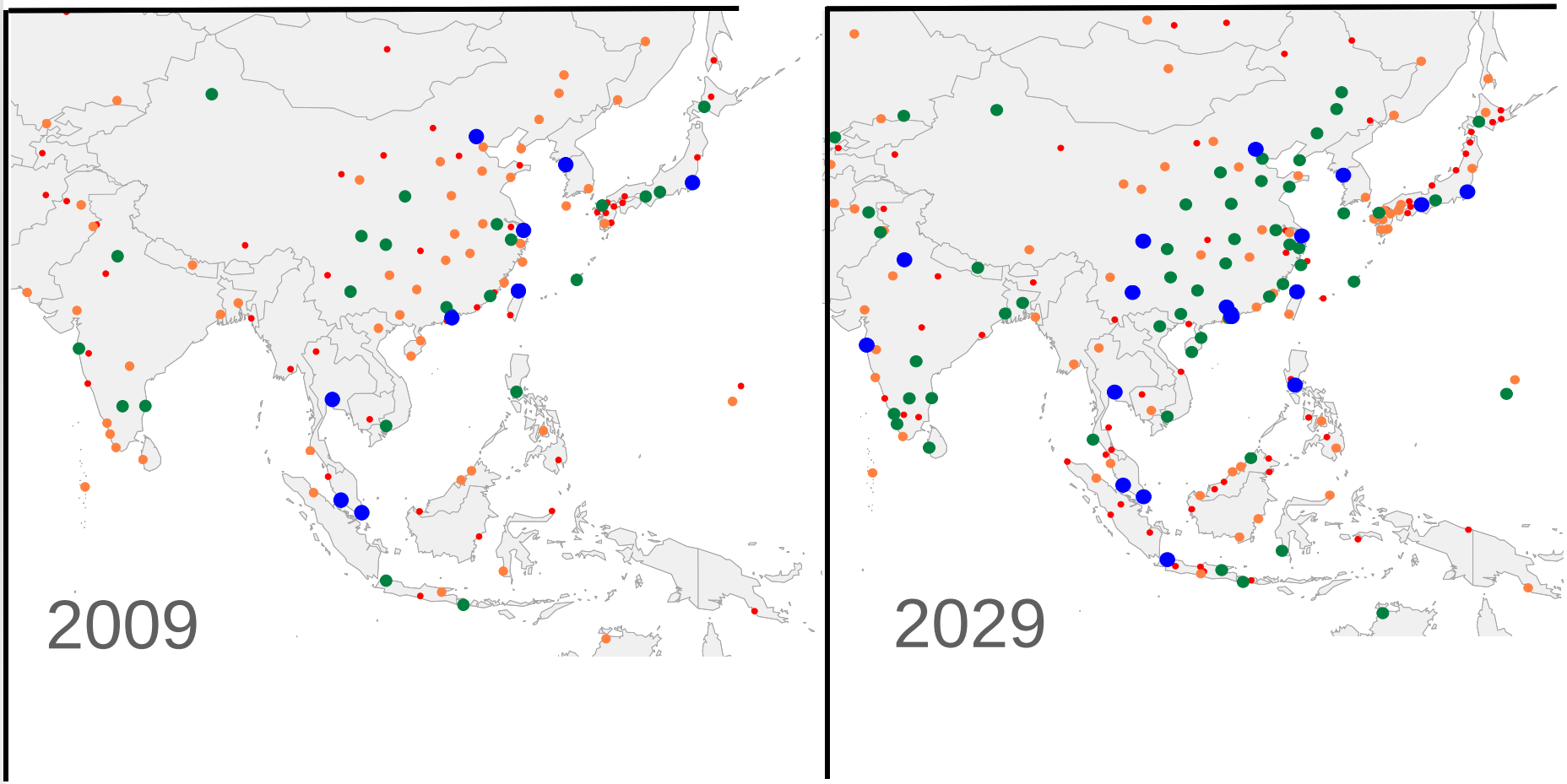
Top 500/3300 cities

100-250 millions 250-1000 millions 1-5 billions >5 billions

AIRBUS

Strong increase of mega-cities in Asia

Level of RPK from/to each city in 2009 and 2029 for Asia

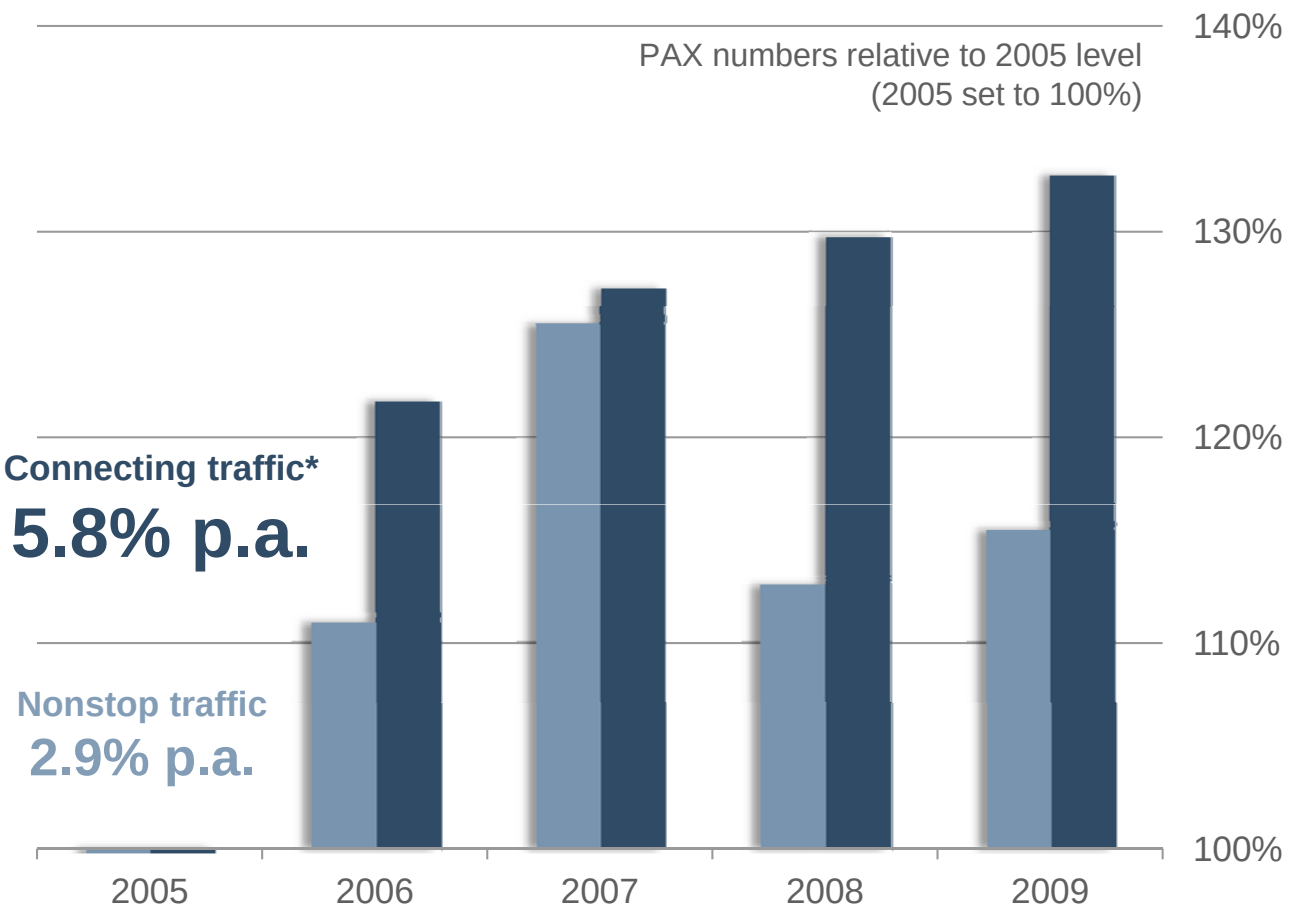


100-250 millions 250-1000 millions 1-5 billions >5 billions

AIRBUS

Mega-cities are likely to be hubs (e.g. Hong Kong)

Development of passenger numbers on HKG arrival flights from Europe and the Americas



* Connecting traffic vs. nonstop traffic: e.g. LHR – HKG – SYD vs. LHR – HKG

Source: IATA PaxIS (month of September), Airbus

AIRBUS

Successful airlines driven by hub strategy

Attracting passengers to the Hub from a wide range of origin and destination

Attracting a wider range of passengers profile (Business, Tourism, VFR, …)

Building flexibility to reallocate traffic through the Hub

Lowering seat costs with bigger aircraft at the hub

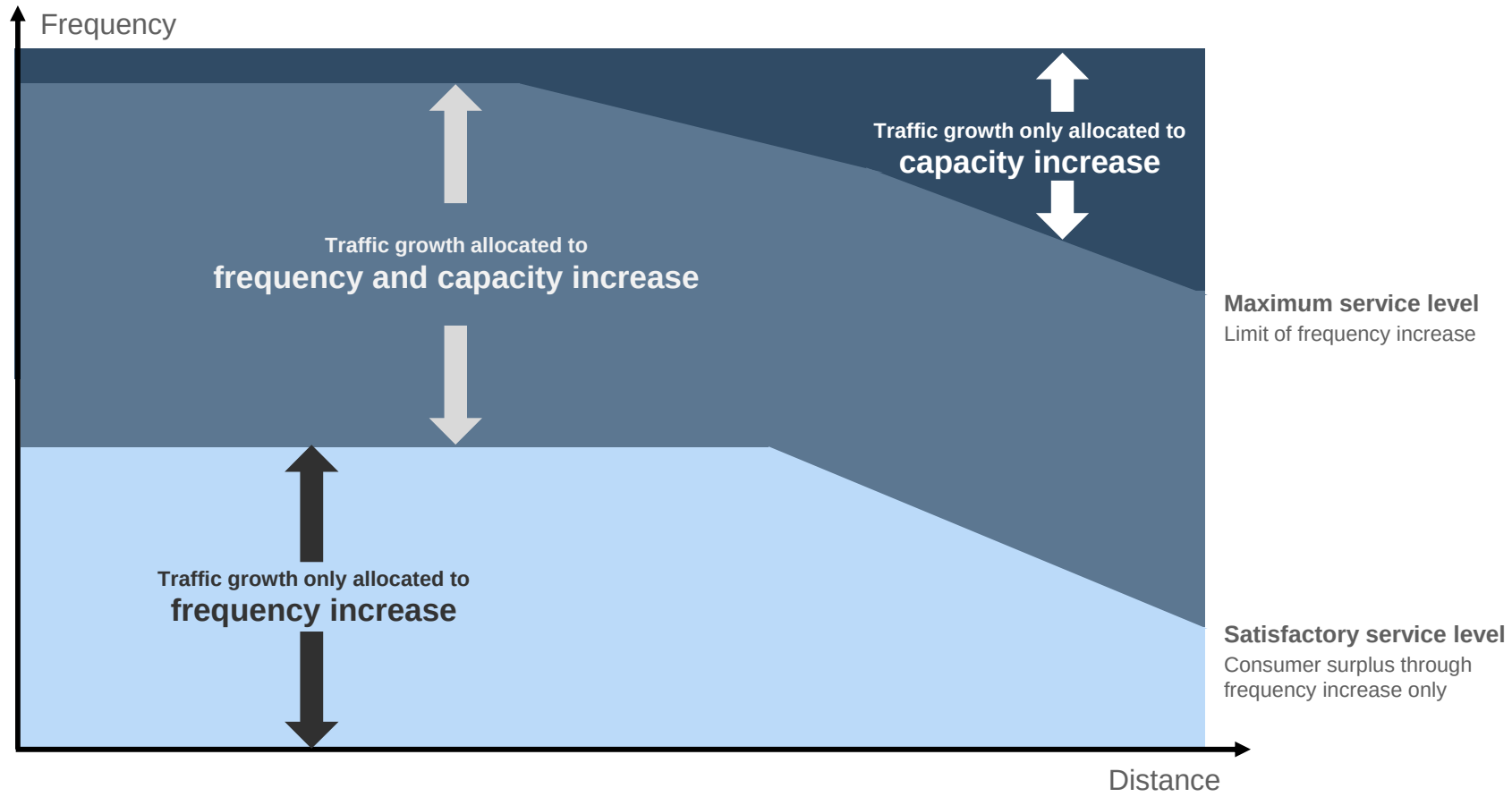
During the crisis the most resilient routes have been:

- large routes
- from/to hubs
- a wide class mix
- with many connecting pax

AIRBUS

Growth realistically split between frequency and capacity

Allocation of traffic growth to flight frequency and aircraft capacity (as function of frequency and distance)



Qualitative model; model quantitatively differentiated according to different traffic regions and traffic flows

Source: Airbus GMF 2010

AIRBUS

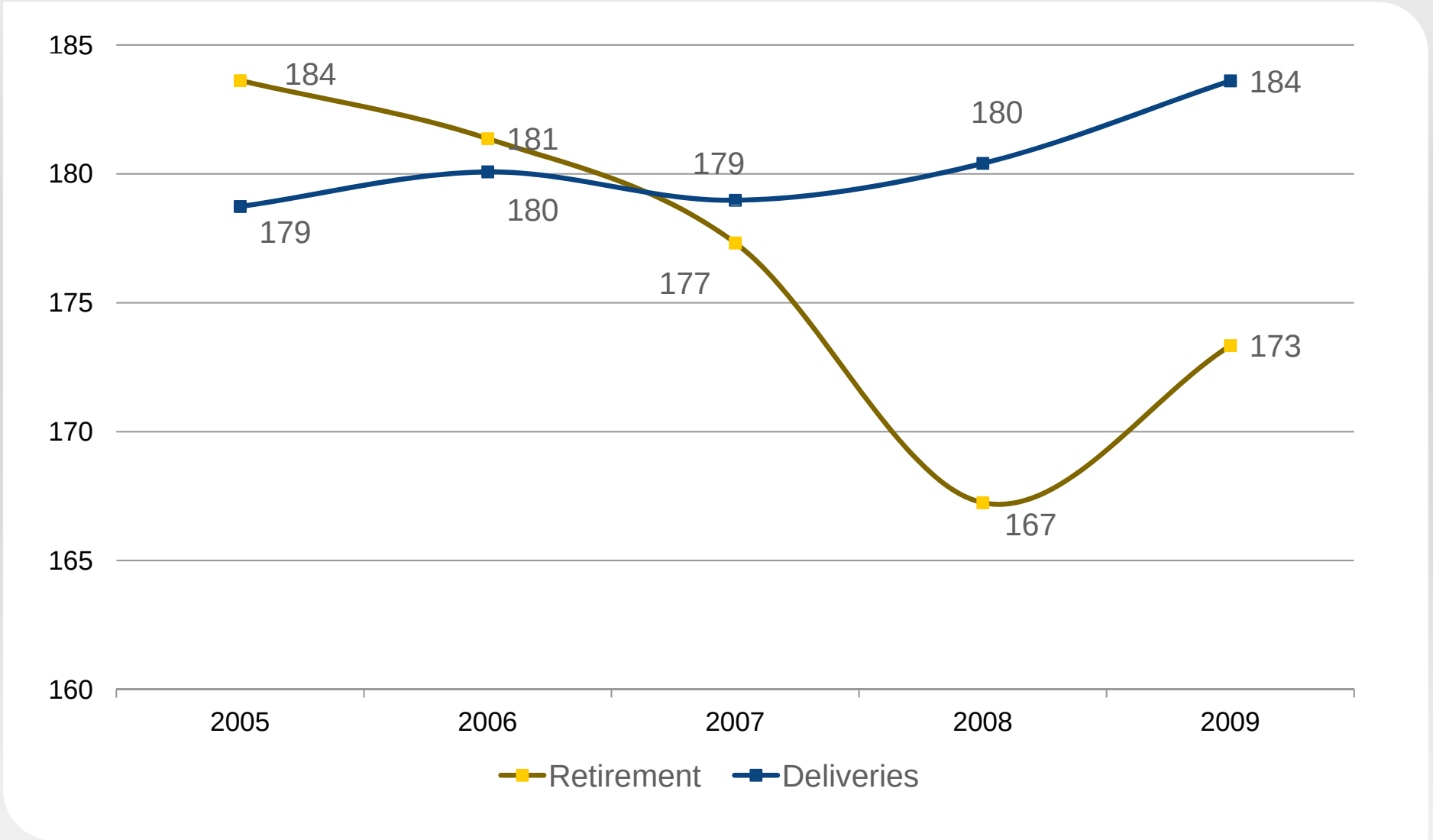
Growth in the size and number of mega-cities

Destinations with more than 10 000 daily long haul pax

Main long-haul VLA routes by 2029

AIRBUS

Aircraft delivered continue to be larger than those they replace



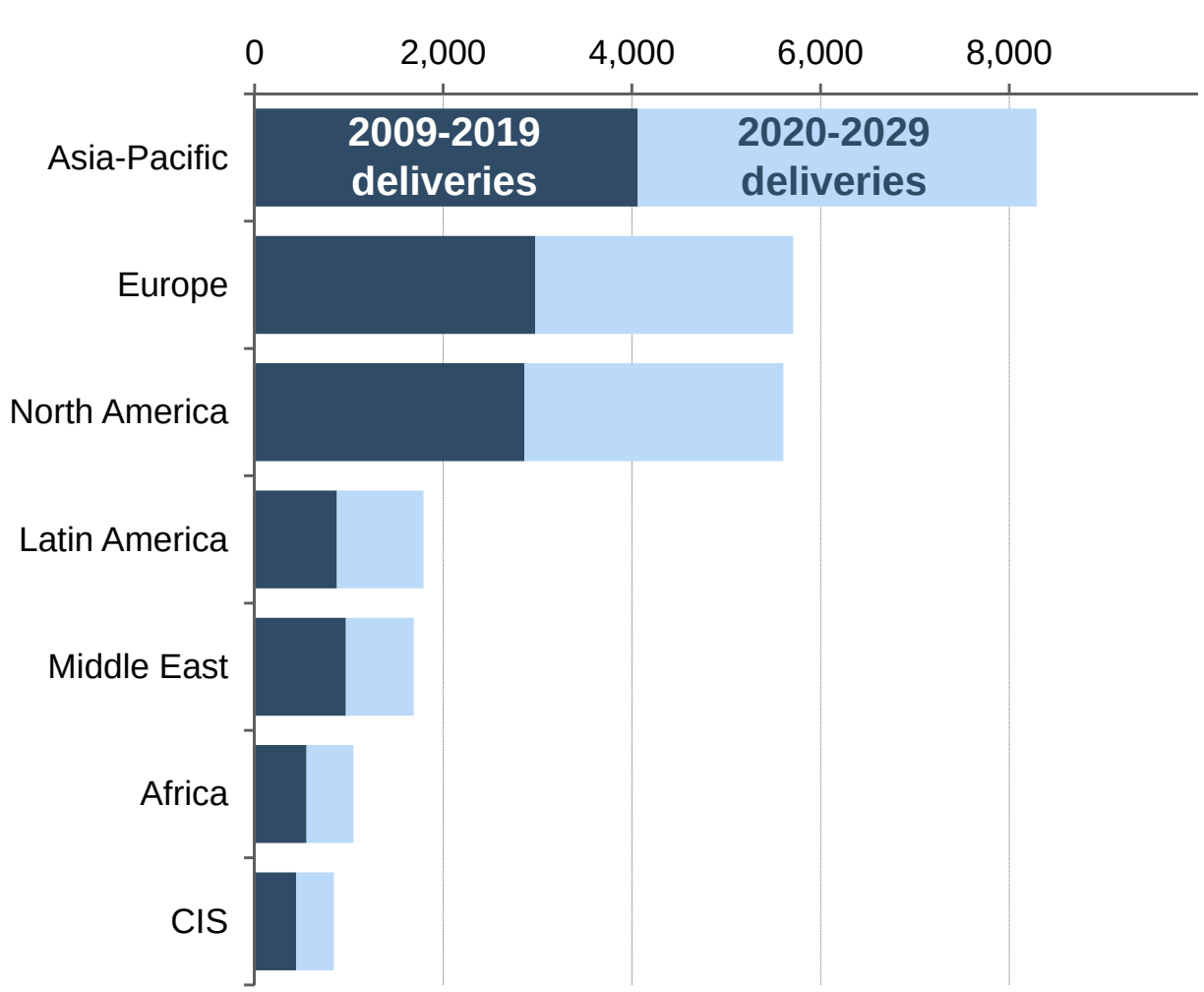
Note: Passenger jet aircraft excluding regional types

Source: Ascend, Airbus

AIRBUS

Asia-Pacific airlines to further strengthen their dominant position for new passenger aircraft

20-year new deliveries of passenger aircraft



	20-year total deliveries	% of 20-year total deliveries
Asia-Pacific	8,290	33%
Europe	5,710	23%
North America	5,610	23%
Latin America	1,790	7%
Middle East	1,690	7%
Africa	1,050	4%
CIS	840	3%

Source: Airbus GMF 2010

AIRBUS

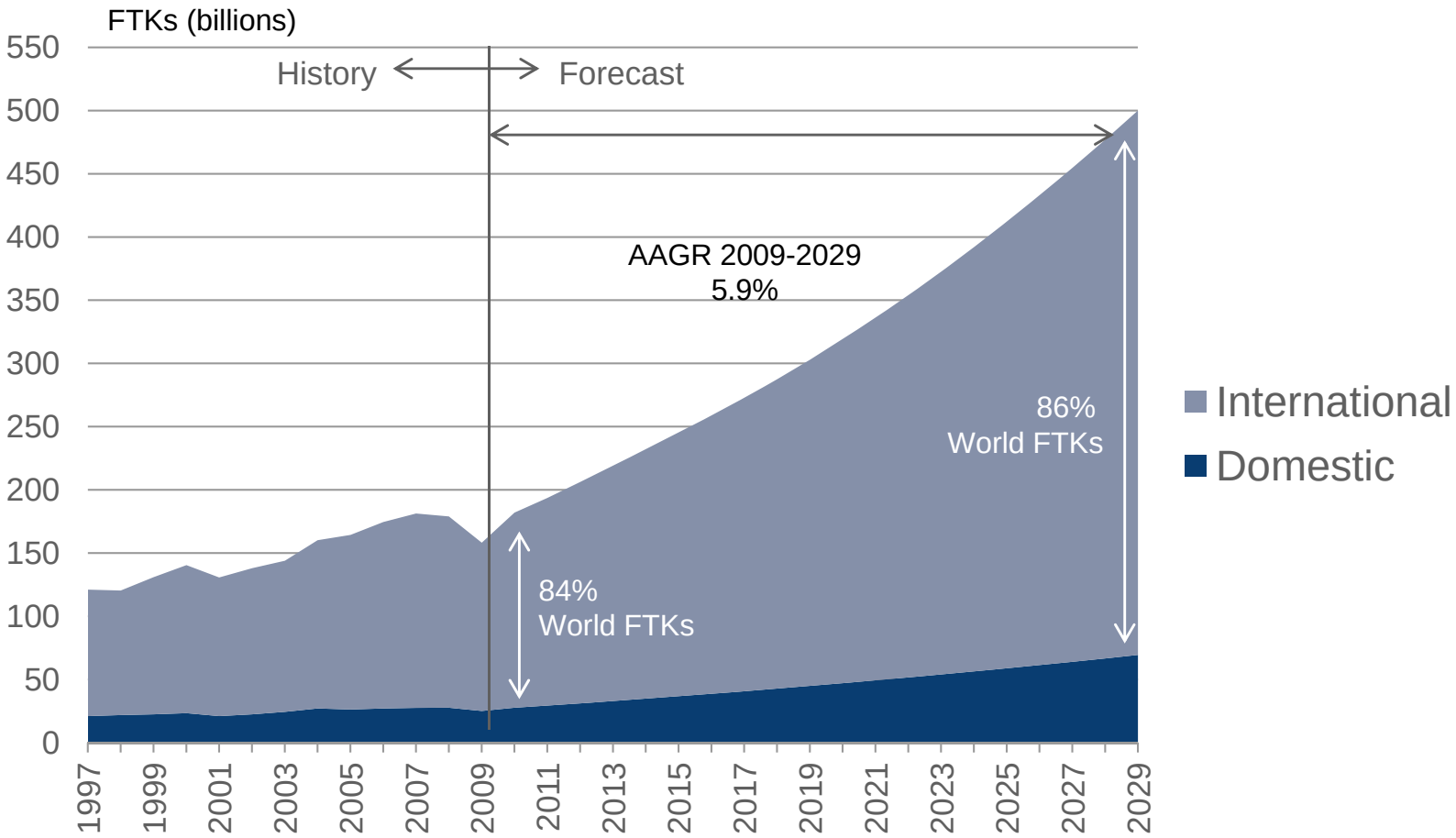
GMF freight forecast methodology

- **Specific methodology** for air cargo forecast
- **Regularly updated** to reflect market trends and evolution
- 20 year freighter aircraft demand forecast, payload **>10 tons**
- Traffic forecast modeling **144 distinct traffic flows**
- Fleet build-ups covering **217 freight carriers**

Source: Airbus GMF 2010

Freight traffic to triple in the next 20 years

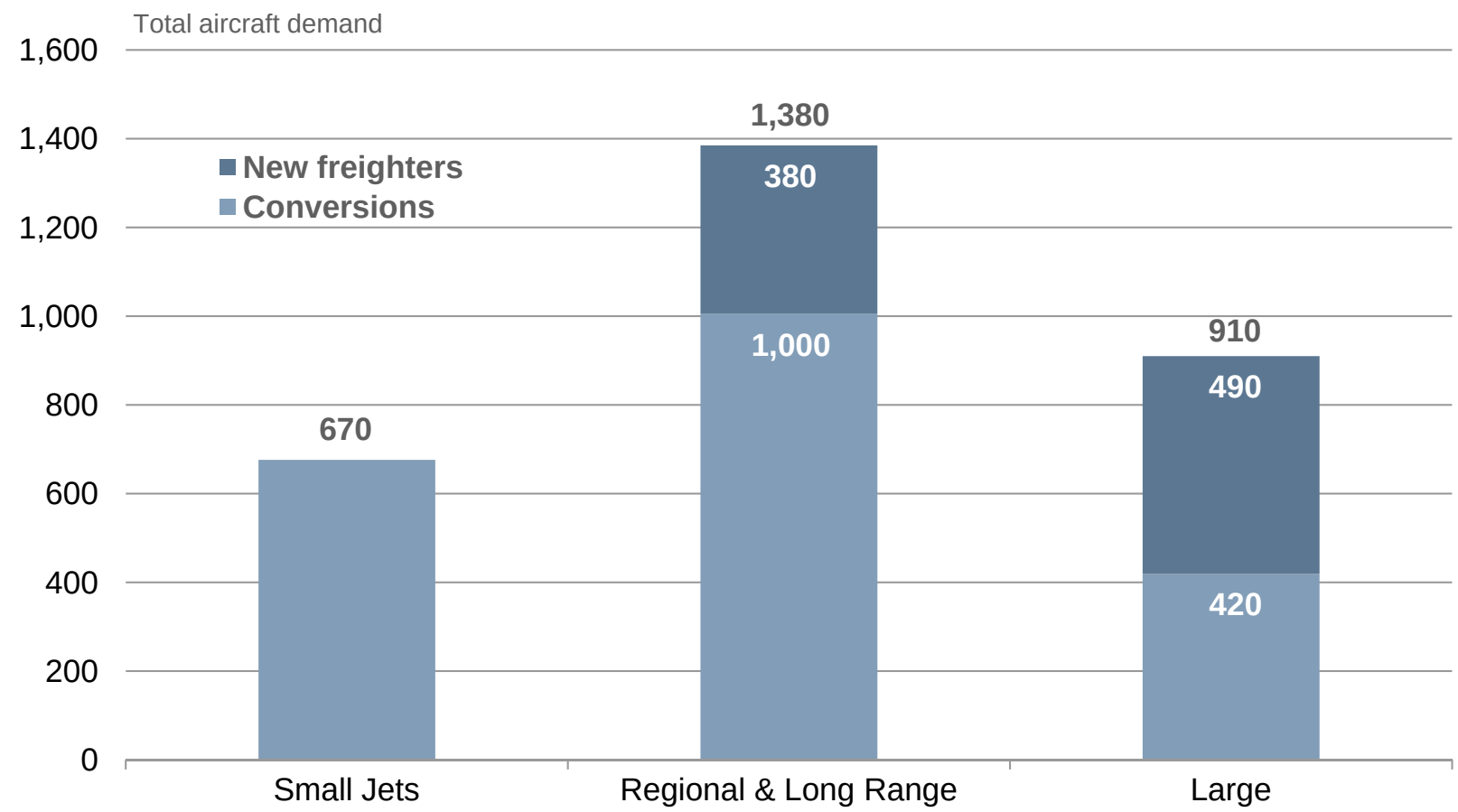
Freight traffic forecast



Source: Airbus GMF 2010

20-year freighter demand for almost 3,000 aircraft

20-year freighter aircraft demand



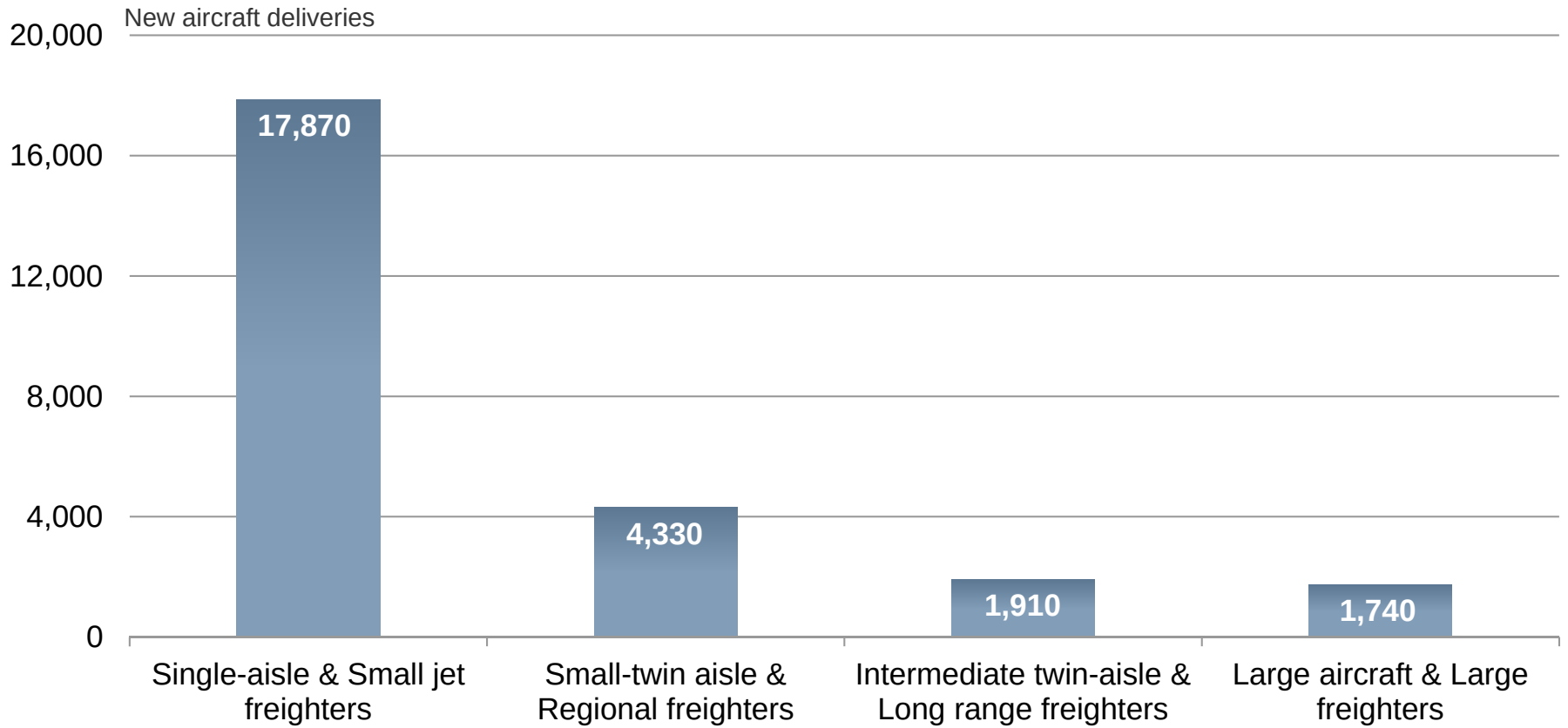
Small jet freighters: 727, 737, A320P2F, BAe 146, DC-9, Tu-204 ;
Regional & long range freighters: 707, 757, 767-200, A300, A310, A321P2F, DC-8, DC10 -10, A330, 767-300, 747 Combi, DC10-30 ;
Large freighters: 747F, 777, A350, MD-11, A380

Source: Airbus GMF 2010

AIRBUS

New aircraft demand will average at 1,300 per year

20-year new deliveries of passenger and freighter aircraft



% units	69%	17%	7%	7%
% value	40%	26%	16%	18%

Passenger aircraft (≥ 100 seats) and freighter aircraft (> 10 tons)

Source: Airbus GMF 2010

AIRBUS

Airbus Global Market Forecast
2010 – 2029

Toulouse, December 13th