Flying by nature

Global Market Forecast
2007 - 2026

2007-2026 Global Market Forecast

AIRBUS

Air transport has a role in most people life …

Share time with friends and family

Discover new horizons and cultures

Open new markets

Increase opportunities and business

Resolve global issues

… people and goods need to fly

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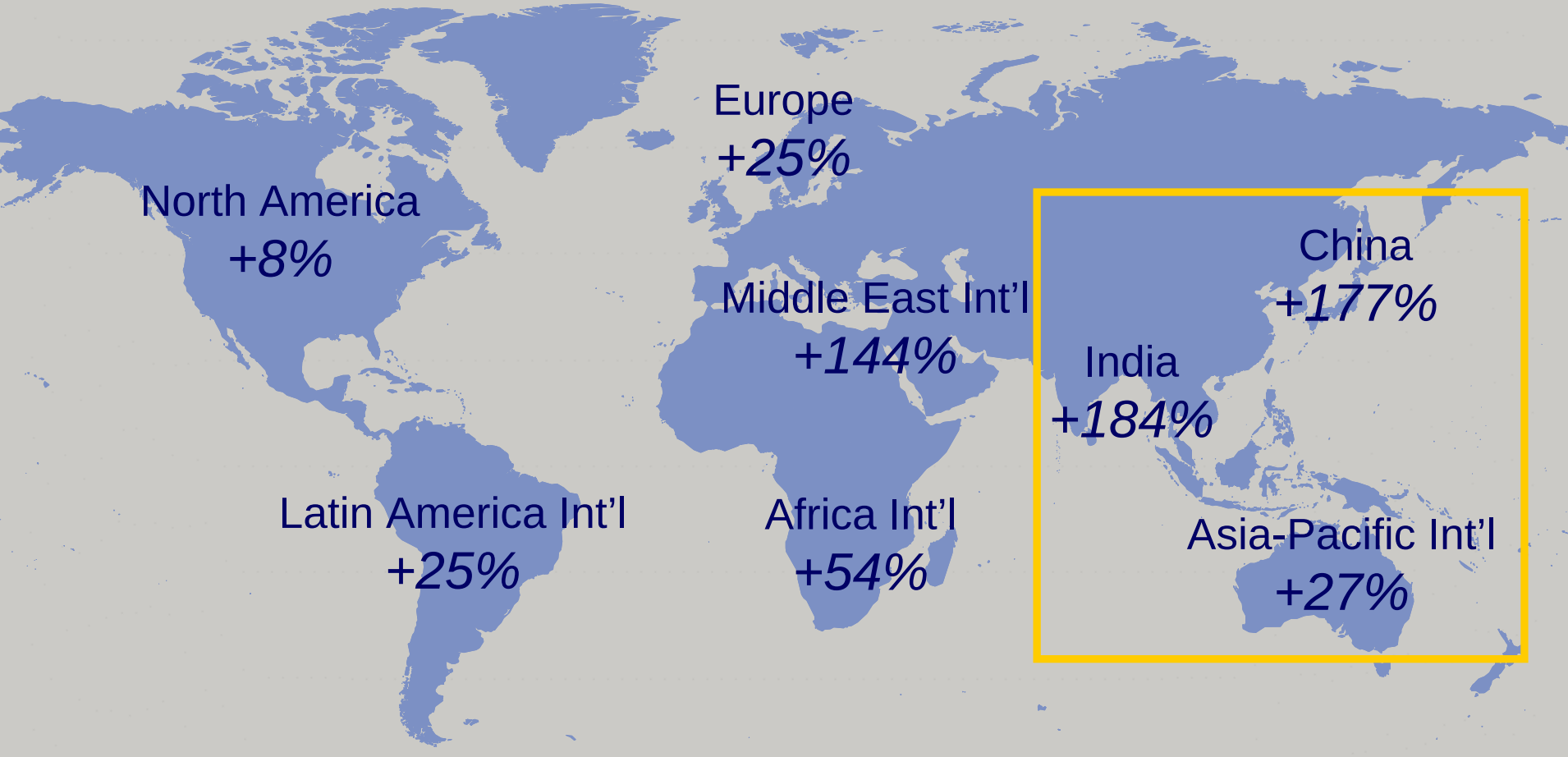
Today's passenger traffic 36% above 2000 level

RPK growth: 2007 vs. 2000



Source: ATA (North America), AEA (Europe), AAPA Int'l (Asia-Pacific), IATA Gabi (Latin America, Africa & Middle East), CAAC (China)

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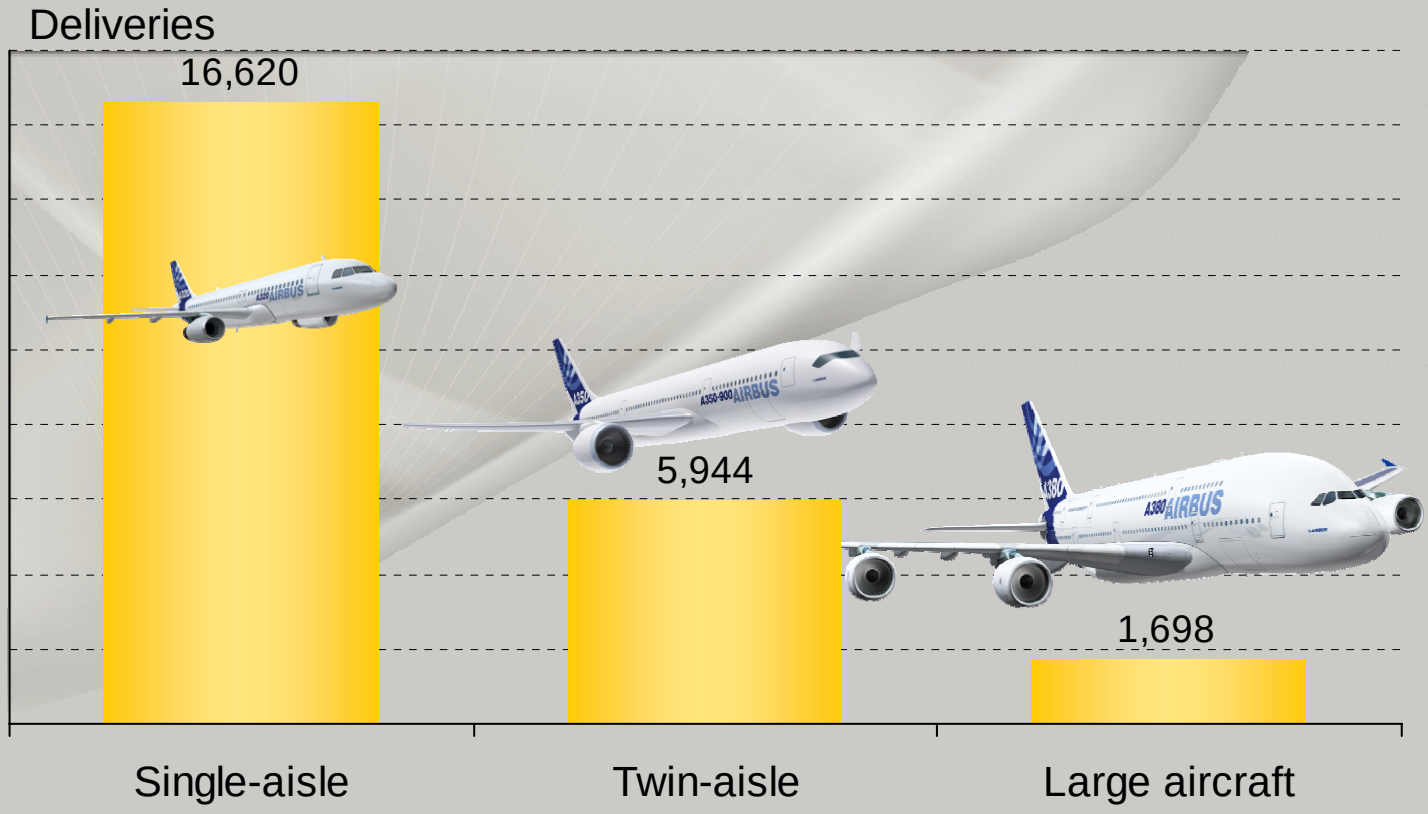
The main drivers of tomorrow's traffic growth

- Growing Middle East passenger and cargo hubs
- Asia: a new economic paradigm in the making
- LCCs in Asia growing in number and traffic share
- Accelerating deregulation in Asia
- Continuing high growth rate for domestic China and emerging China international outbound traffic

20-year demand for 24,262 new passenger & freighter aircraft

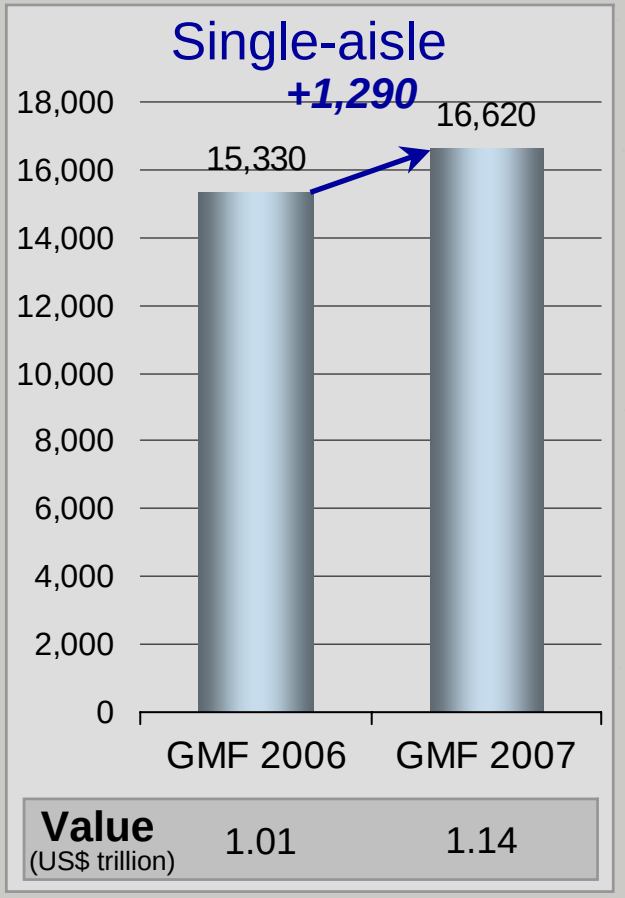


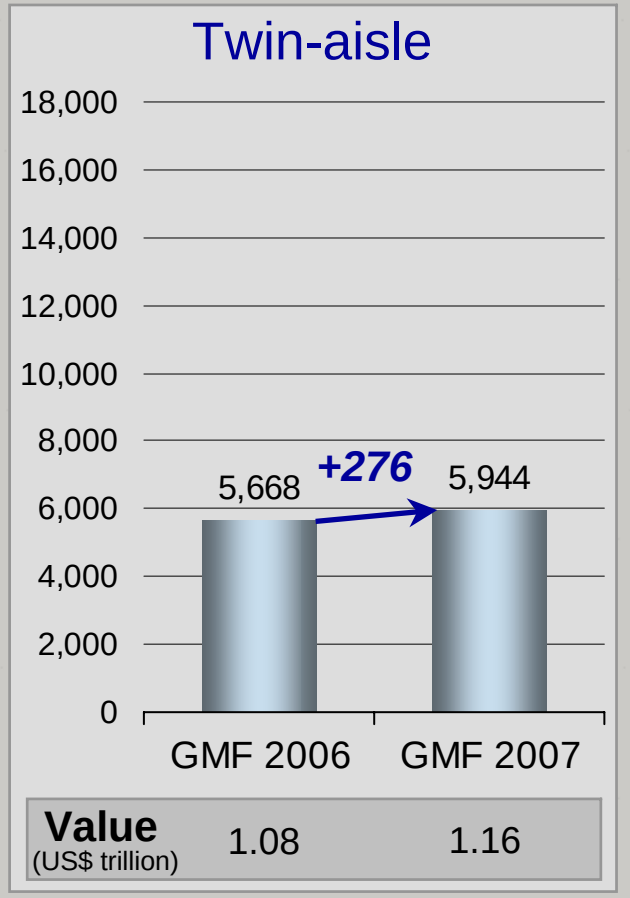
% unit:	68%	25%	7%
% value:	40%	41%	19%

Passenger aircraft ≥100 seats

24,262 GMF 2007 vs. 22,663 GMF 2006 results

All passenger (≥100 seats) and freighter aircraft new deliveries

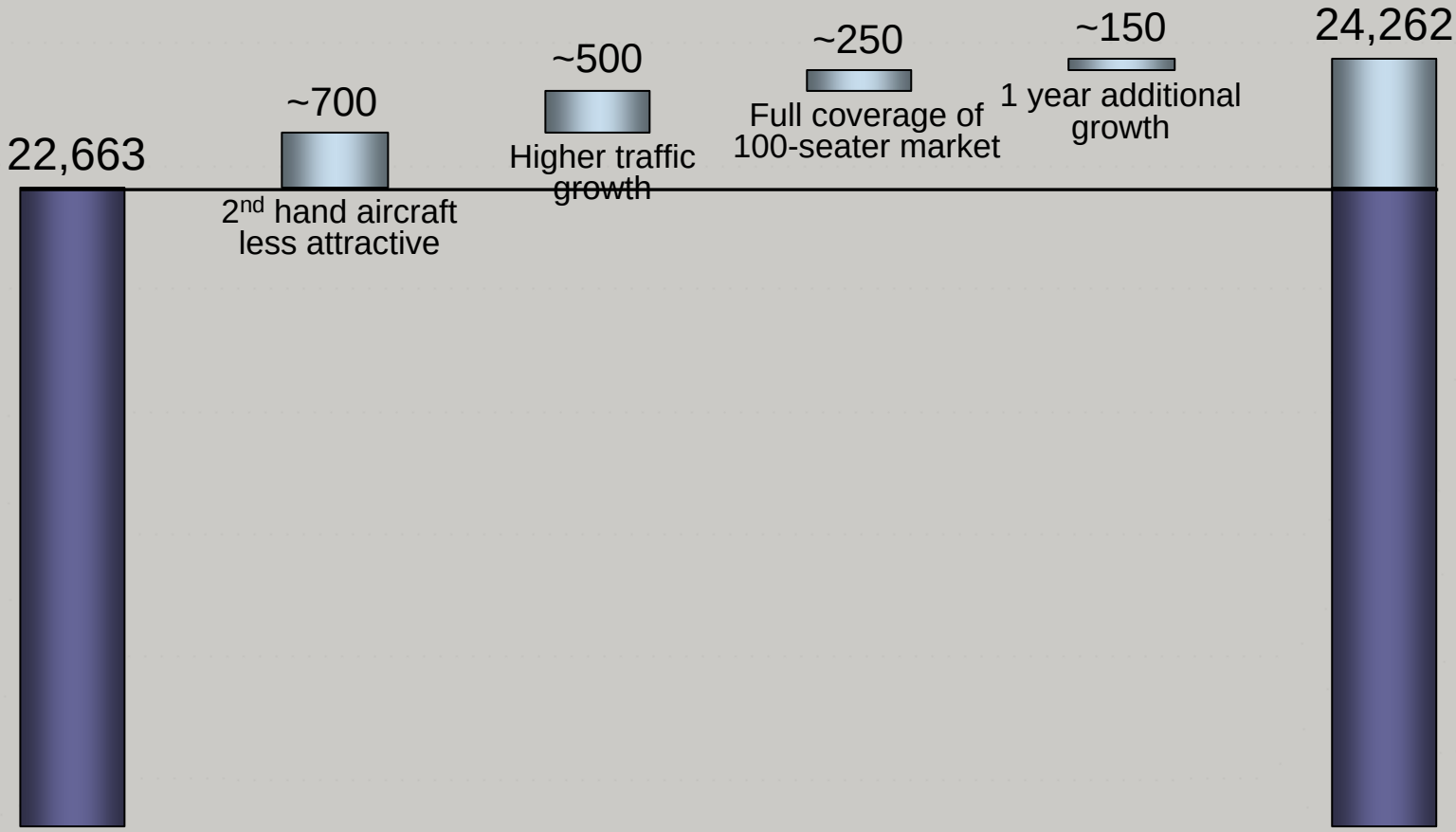




- **1,599 units more demand than anticipated in 2006**

GMF 2007 vs. GMF 2006 results

All passenger (≥100 seats) and freighter aircraft new deliveries



2006-2025 new deliveries

GMF 2006

2007-2026 new deliveries

GMF 2007

2007-2011: highest yearly traffic growth in emerging and large population regions

Expanding Regions

India	+11.3%
China	+11.1%
Eastern Europe	+9.4%
Middle East	+9.0%
CIS	+8.6%
Africa	+7.7 %
Asia*	+6.8%
Latin America	+6.6%

5.6 billion people 2007

Developed Regions

Australasia	+6.4%
Western Europe	+5.6%
Japan	+5.2%
North America	+4.1%

1 billion people 2007

* Asia excludes India & China

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The world of 2026 will be very different from today

1986	2006	2026
1- US	1- US	1- US
2- Japan	2- Japan	2- China
3- Germany	3- China	3- Japan
4- UK	4- Germany	4- Germany
5- France	5- UK	5- India
6- Italy	6- France	6- UK
7- Brazil	7- Italy	7- France
8- Canada	8- Canada	8- Brazil
9- Mexico	9- Brazil	9- Italy
10- Spain	10- India	10- Russia
11- China	11- Spain	11- Mexico
12- Netherlands	12- South Korea	12- South Korea

Ranking by real GDP

Source: Global Insight, Airbus

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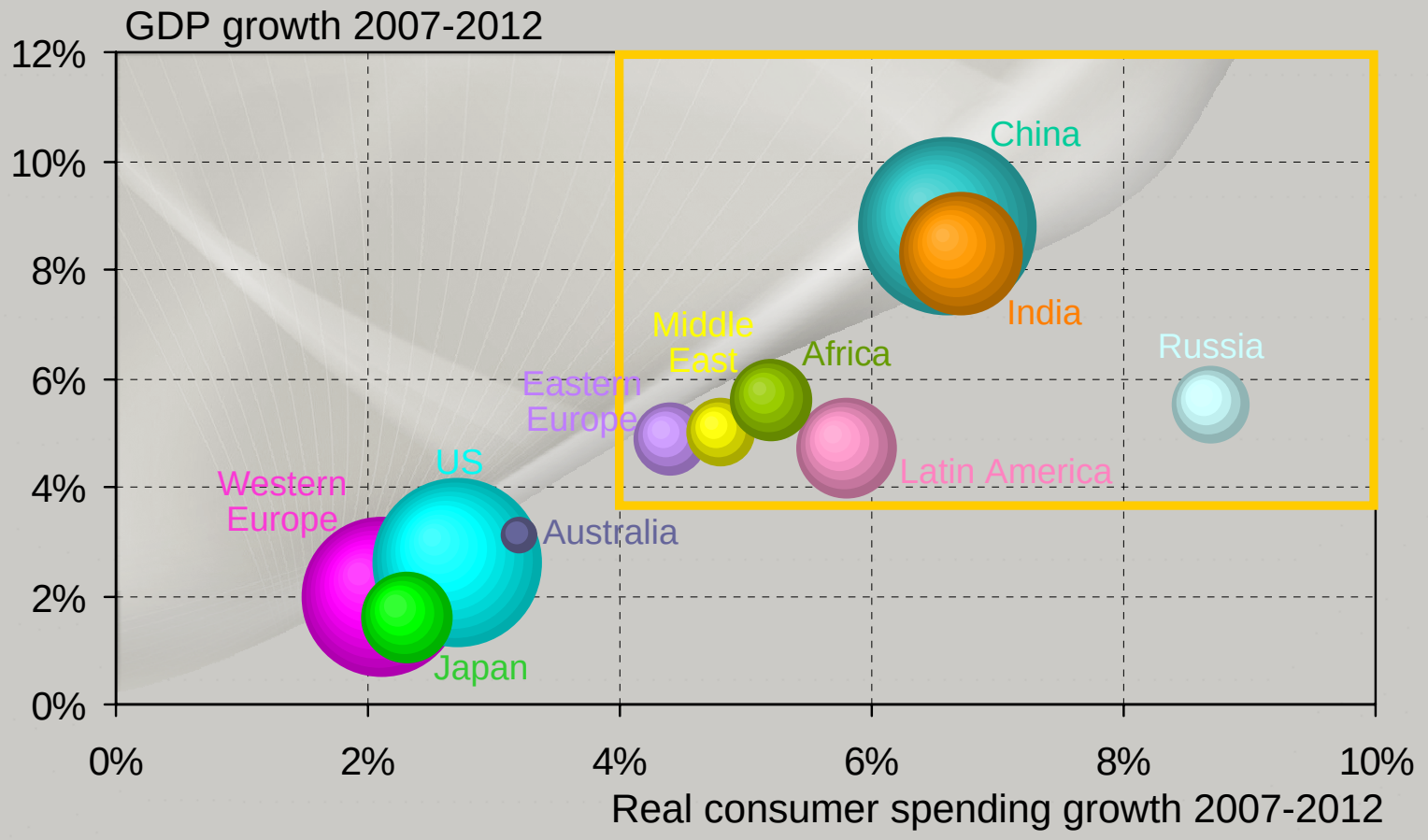
Emerging countries will drive the world economy



Bubble size proportional to ***real GDP at PPP (Purchasing Power Parity)*** in US$billions in 2012

Source: Global Insight, Airbus

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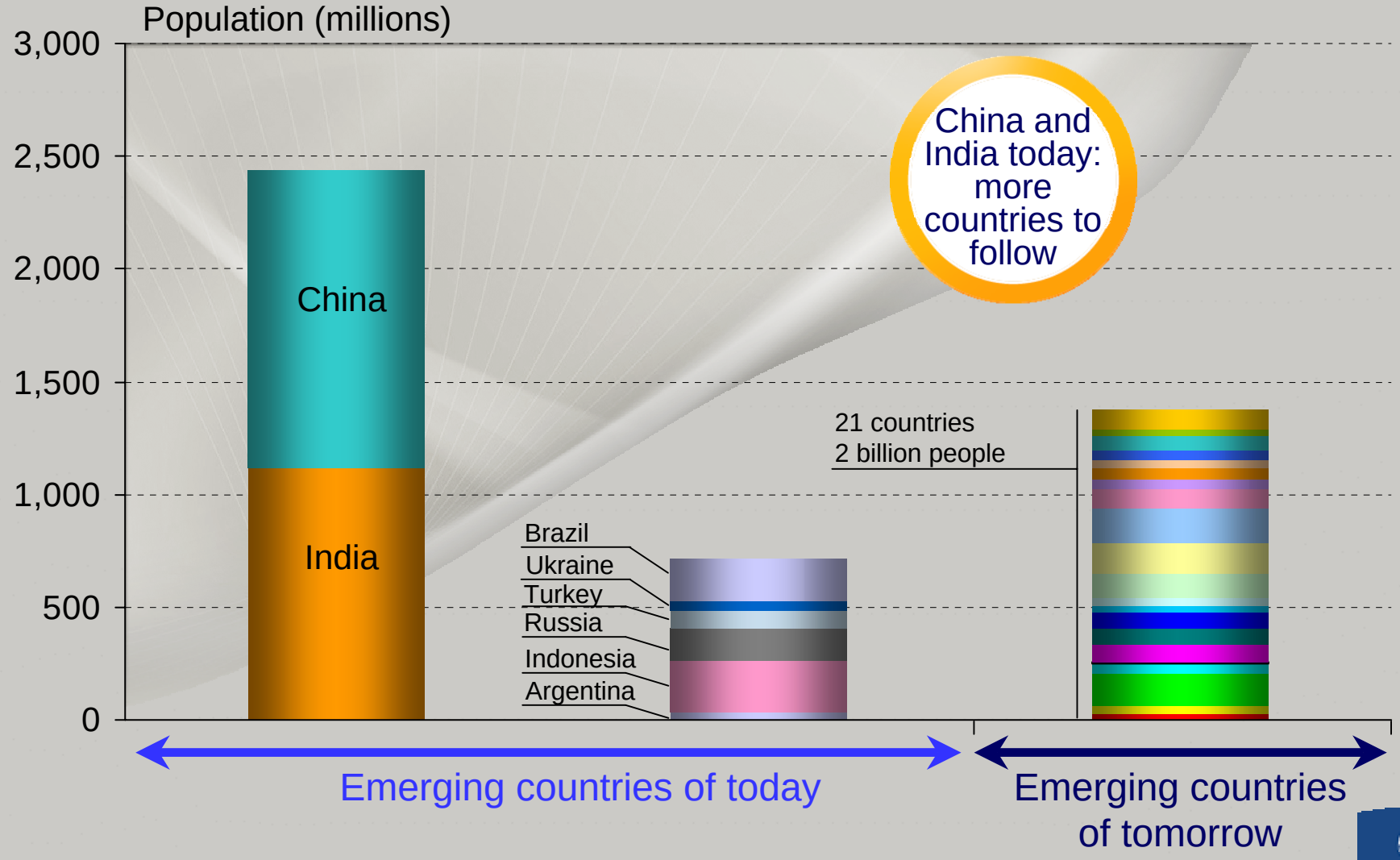
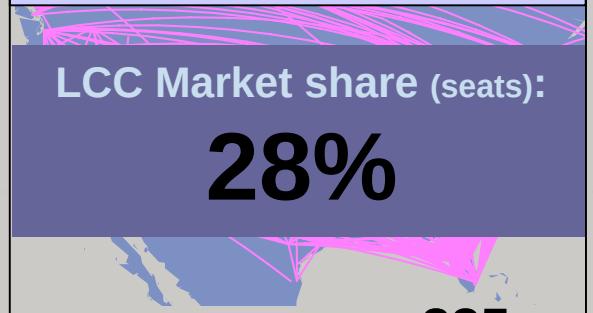
Other emerging countries as big as China and India combined



Great potential for Low Cost Carriers (LCC) around the world

North America

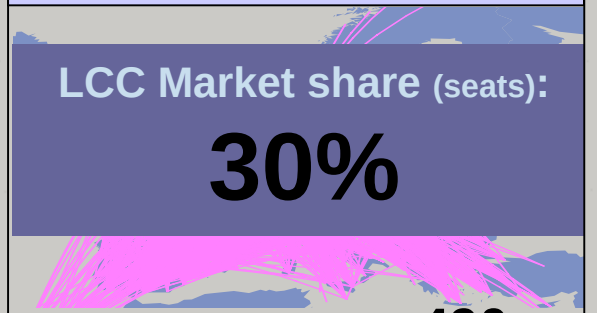


LCC Market share (seats):

28%

Population :	335m
Number of LCCs :	13
Deregulation :	1978

Europe

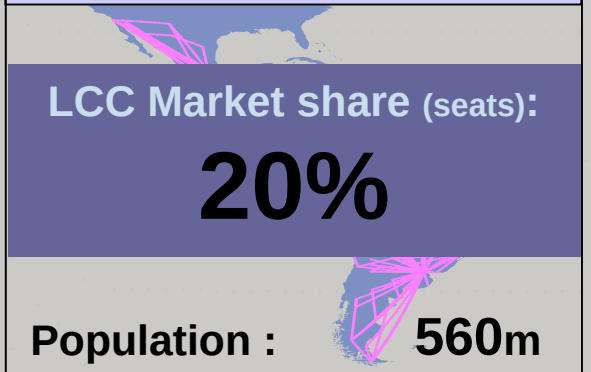


LCC Market share (seats):

30%

Population :	490m
Number of LCCs :	44
Deregulation :	1997

Latin America

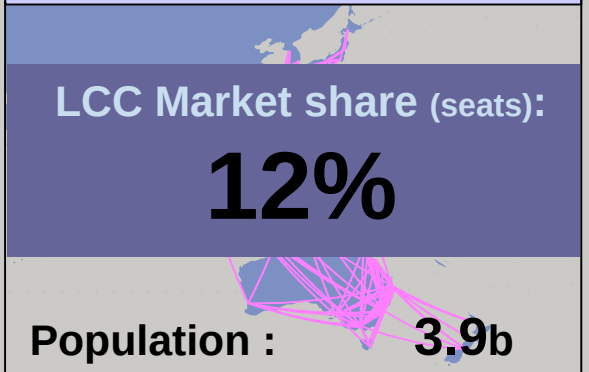


LCC Market share (seats):

20%

Population :	560m
Number of LCCs :	10
Deregulation :	acceleration today

Asia-Pacific



LCC Market share (seats):

12%

Population :	3.9b
Number of LCCs :	43
Deregulation :	acceleration today

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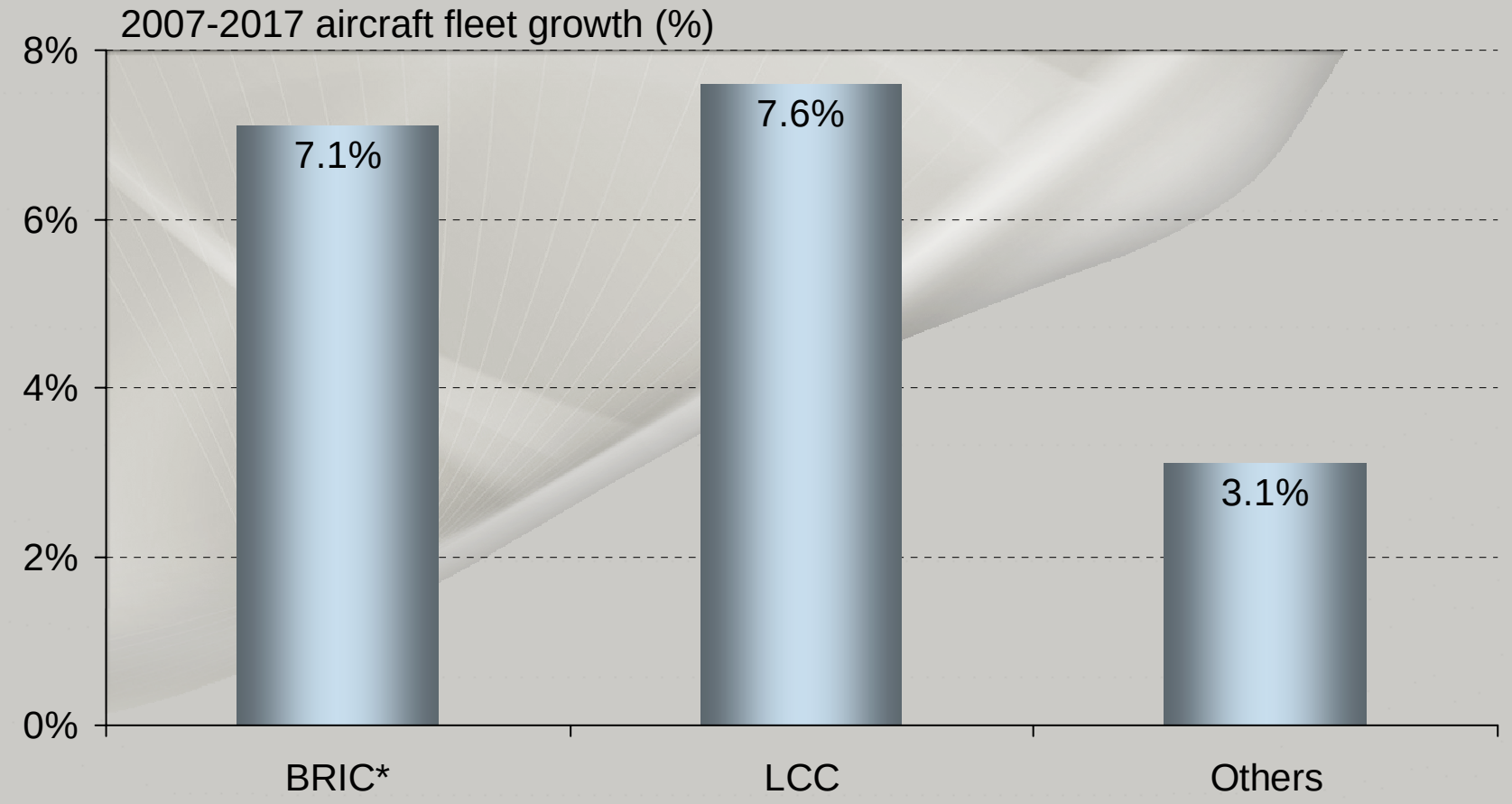
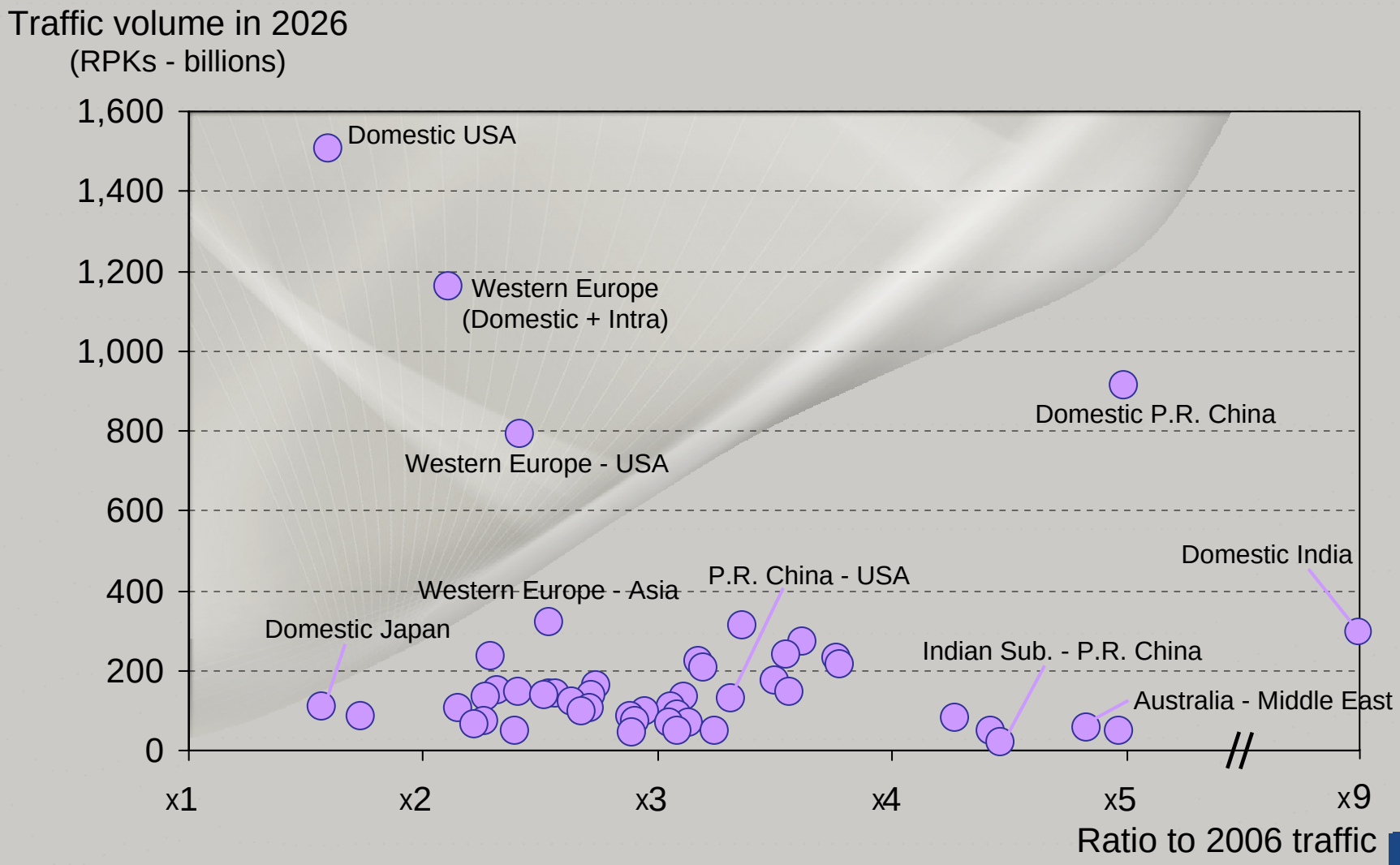
LCC and emerging market fleets growing more than twice as fast as the others



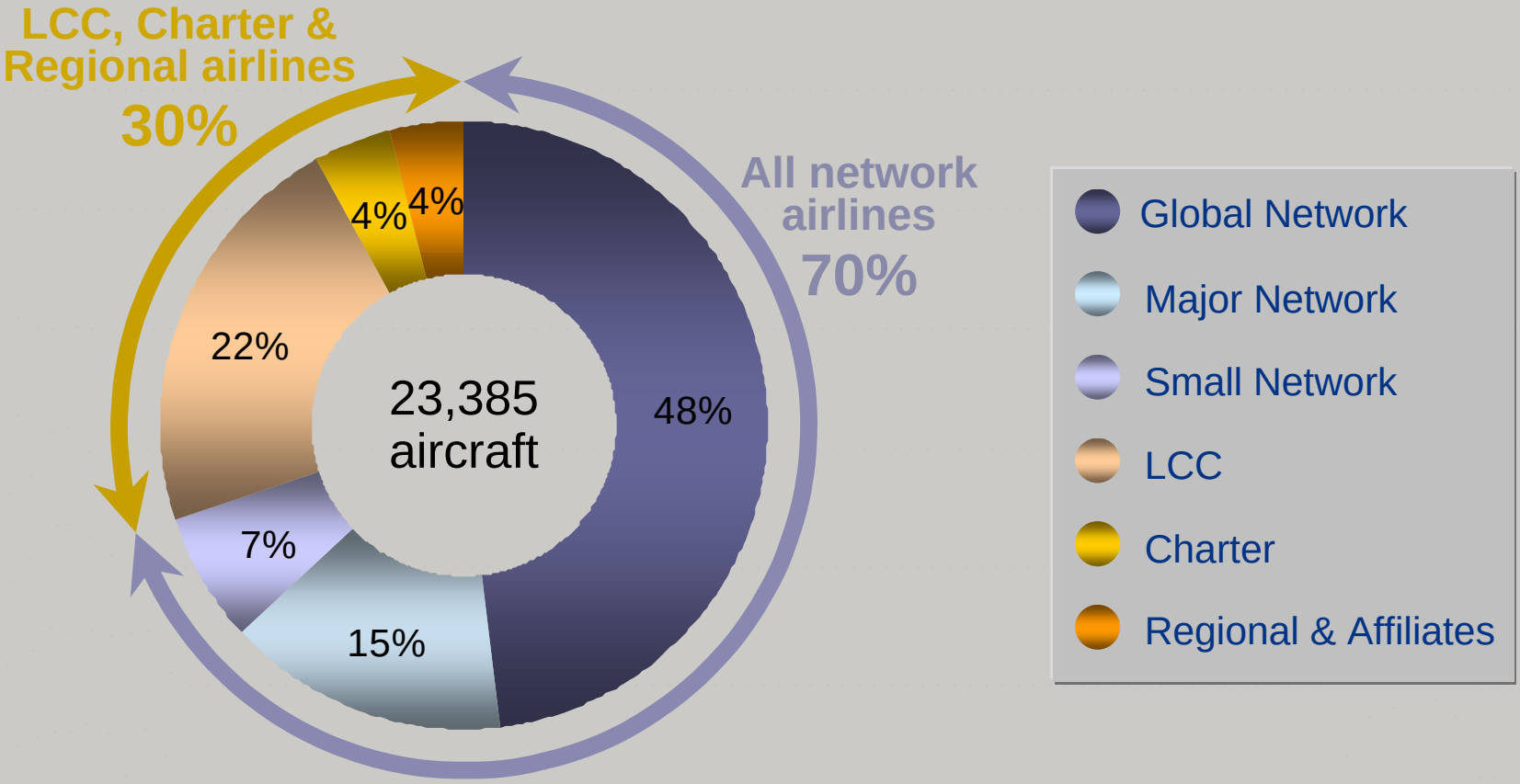
- **LCC in BRIC* countries growing at 14.4% per year**

* Brazil, Russia, India & China

India and China fastest growing, but US remains the largest market



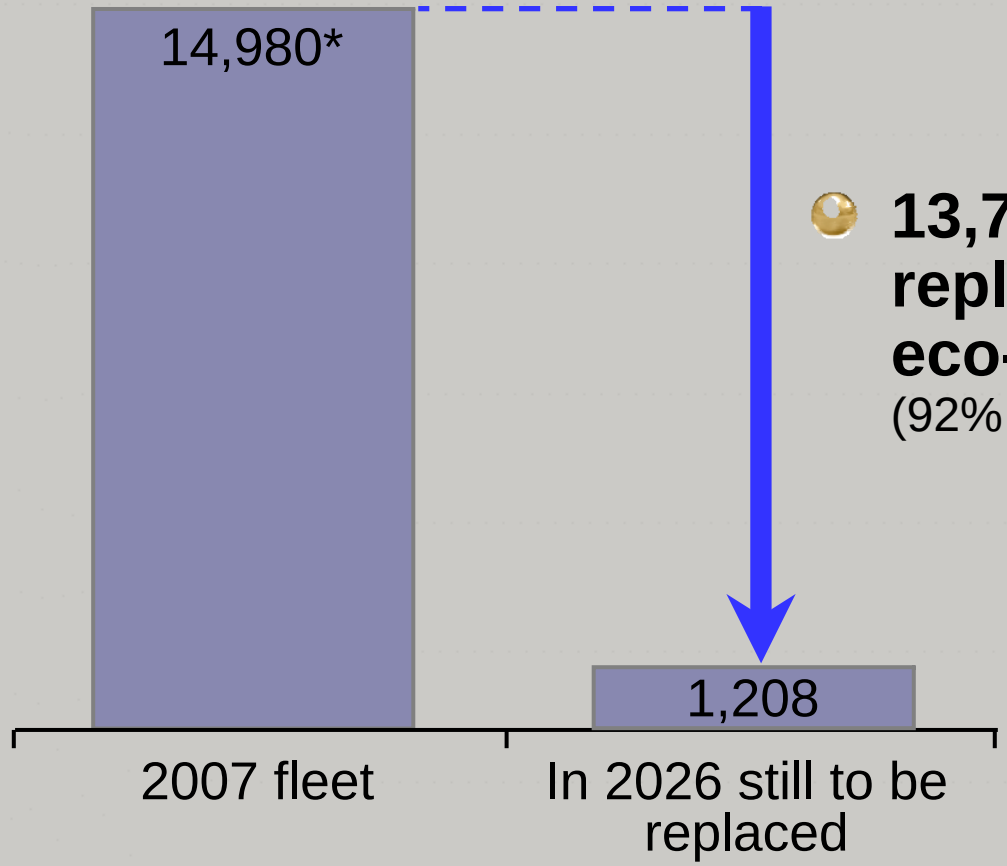
Network airlines' demand represents 70% of total



Passenger aircraft demand ≥100 seats

Excluding freighters

Large replacement opportunity for aircraft driving demand

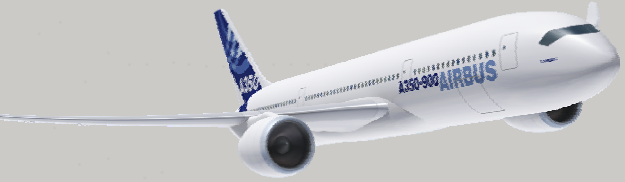


- **13,772 aircraft to be replaced by more eco-efficient model**
  (92% of current fleet)

* end-2007 passenger and freighter fleet in service

20-year demand for 24,262 aircraft

16,620 single aisles



5,944 twin aisles

1,698 very large aircraft

Market value of $2.8 trillion

The world needs the A380

- Air traffic will double in the next 15 years
- Big cities are getting bigger and driving world growth
- Operational constraints limit frequency growth
- Larger capacity means fewer flights and greater environmental responsibility

- **A380 – designed with the future in mind**

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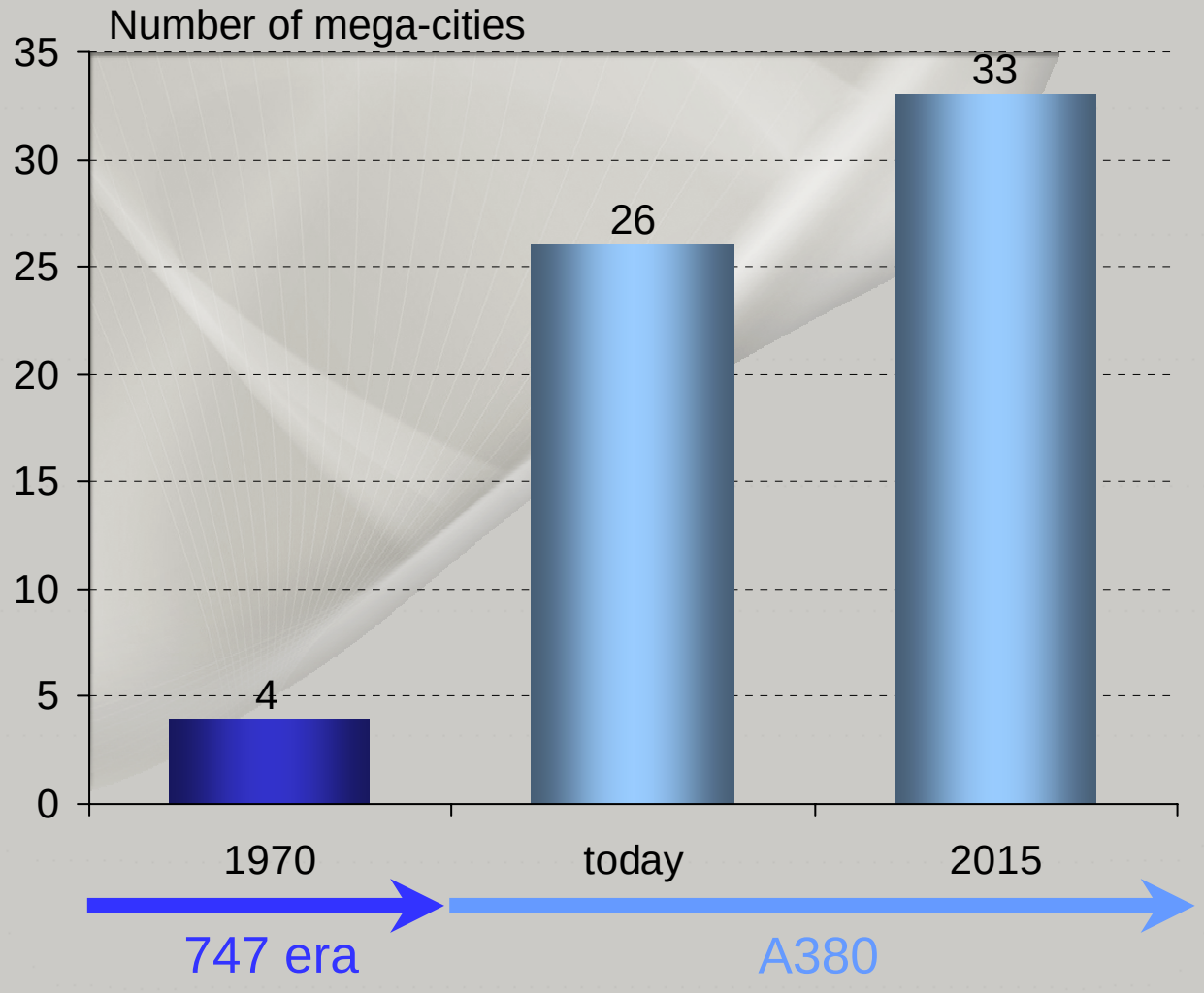
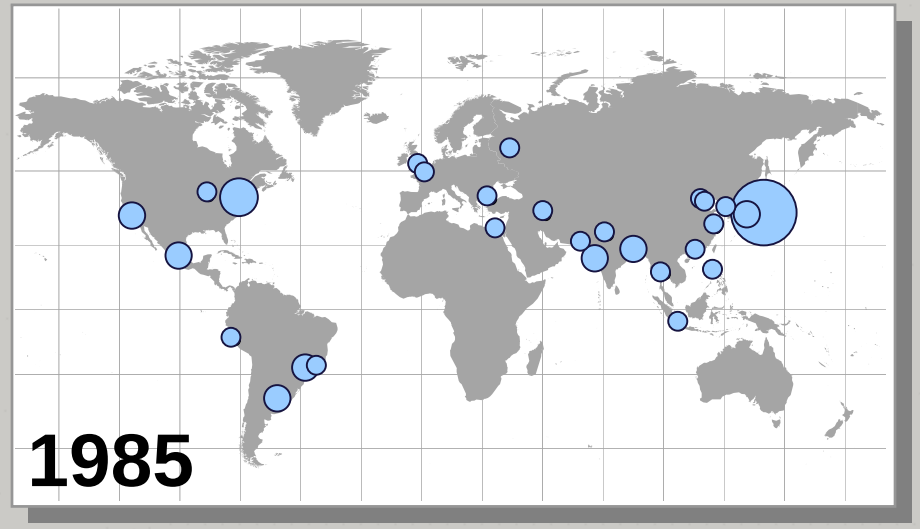
More mega-cities



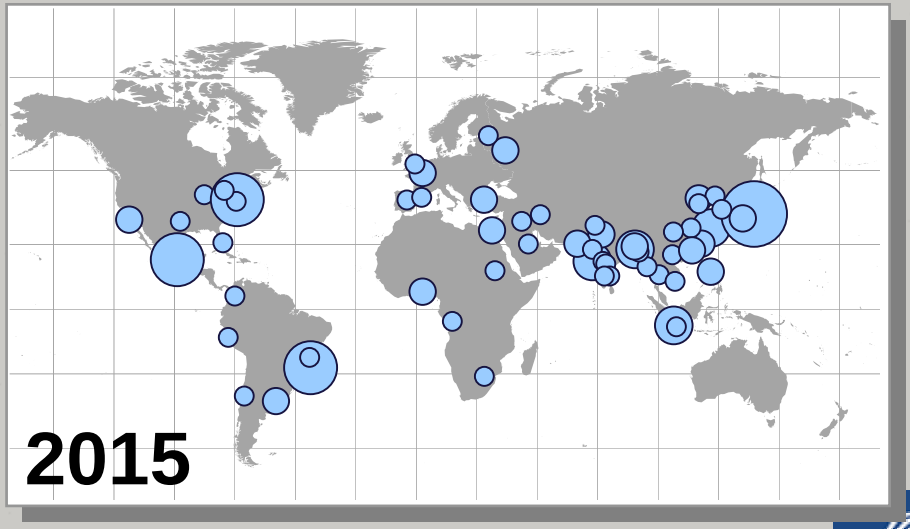
Mega-cities: agglomerations of more than ten million people

Larger mega-cities



Urban population

- 5-10 million
- 10-15 million
- 15-20 million
- 20-25 million
- >25 million



Source: UN, Thomas Brinkhoff: City Population, Airbus

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Mega hub cities are big points of origin and destination

For routes over 2,000nm/3,700km excluding domestic traffic

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The reality about hub-cities

Hub cities are big points

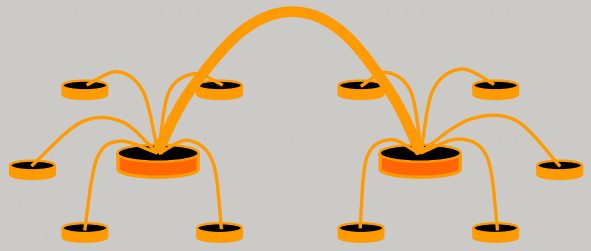
Hub cities are getting bigger

Hub-cities are the most ***dynamic*** cities

Hub traffic to double in 20 years

Stronger hubs and network development

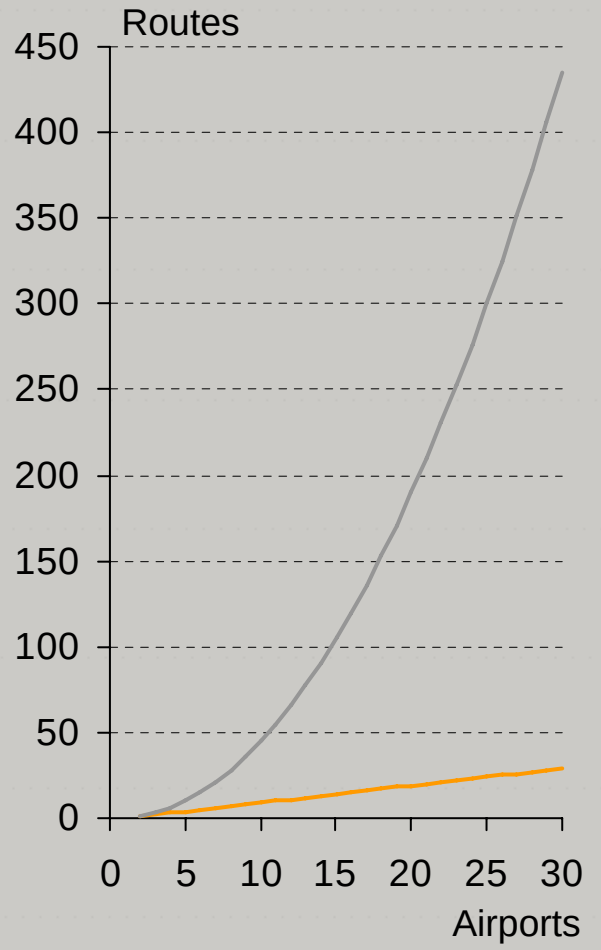
Hub



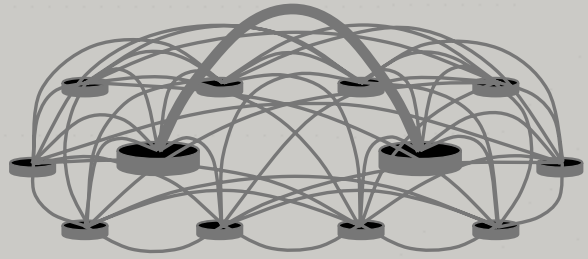
More efficient network

- Hubs are points too
- Improve connectivity
- Fewer flights
- Less fuel
- Less emissions
- Less noise

Pure point-to-point
a greater burden on networks



Pure point-to-point



Less efficient network

- Market development
- If traffic/frequency sufficient
- More flights
- More fuel
- Higher emissions
- Greater noise

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In 2015 60% of Europe to Asia traffic will be hub-to-hub

Hub-to-hub

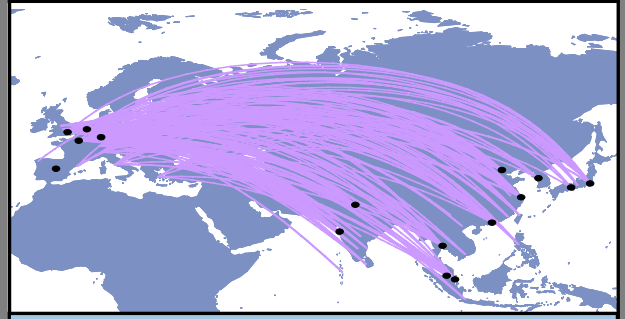
Examples
BJS-FRA, SEL-LON

Growth potential
48 current and 3 new city pairs

Organic growth:
+14.7 million seats

43 Million seats in 2015

Hub-to-secondary



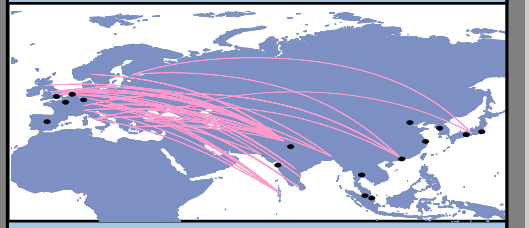
Examples
TYO-VIE, HEL-BKK

Growth potential
168 current and 61 new city pairs

Organic growth:
+8 million seats

31 Million seats in 2015

Secondary-to-secondary



Examples
BHX-LHE, MAN-HYD

Growth potential
37 current and 9 new city pairs

Organic growth:
+0.9 million seats

3 Million seats in 2015

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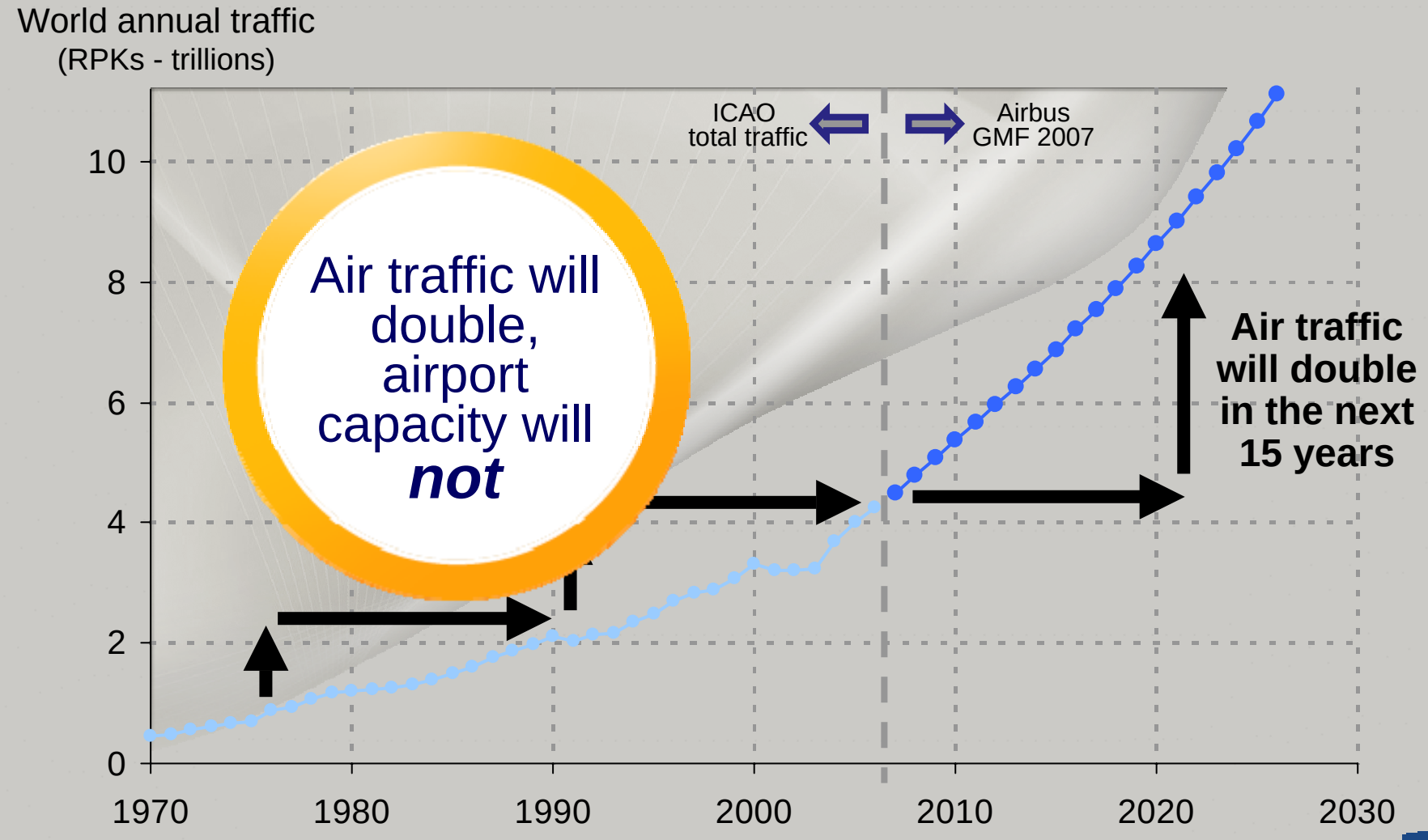
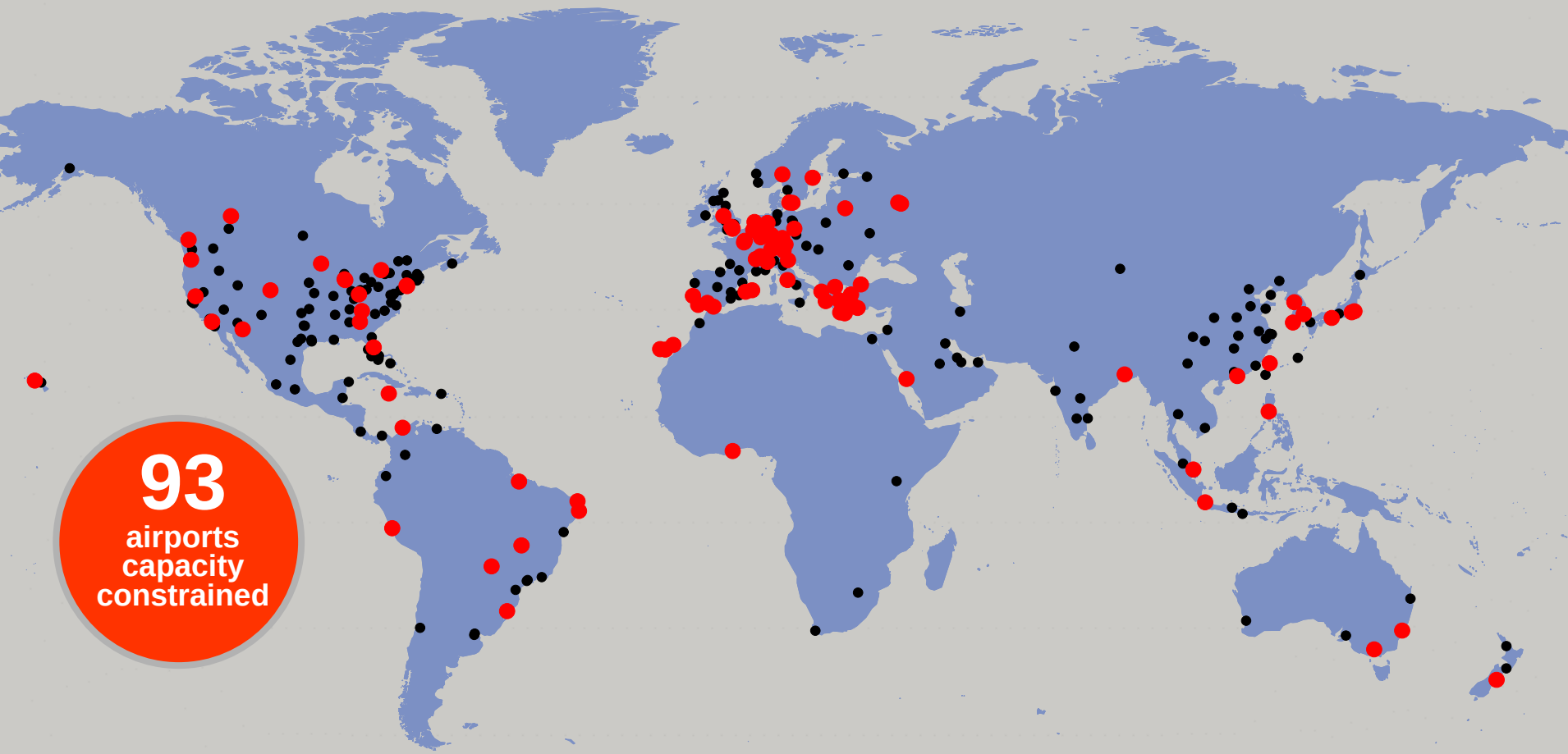
Air travel is a strong growth market



Source: ICAO, Airbus

70% of the worldwide traffic concentrated in 250 airports



- **93 capacity constrained airport represents 64% of worldwide traffic**

Source : IATA, OAG, Airbus, Schedule flights, September 2007. 3492 airports with registered scheduled operations

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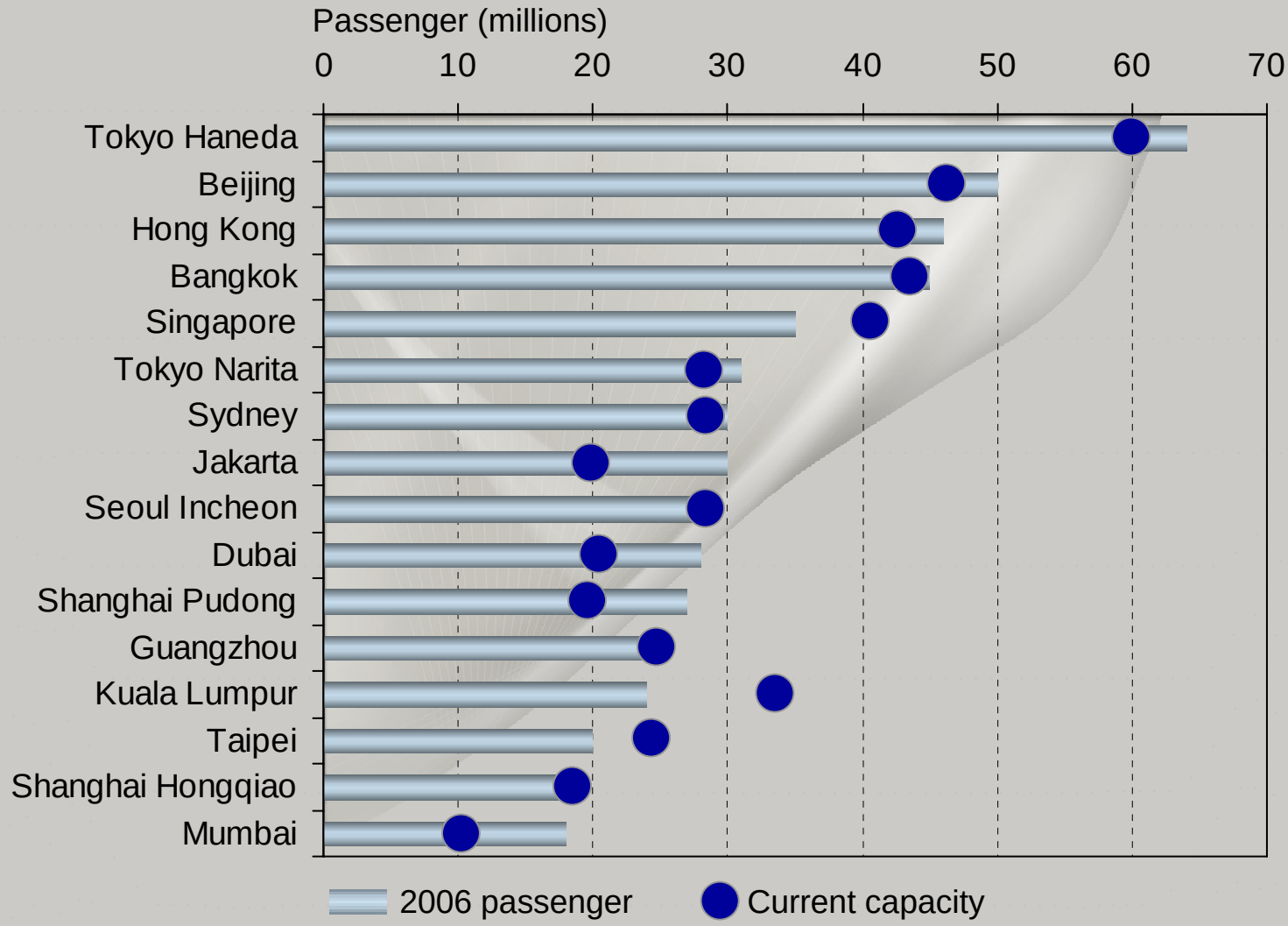
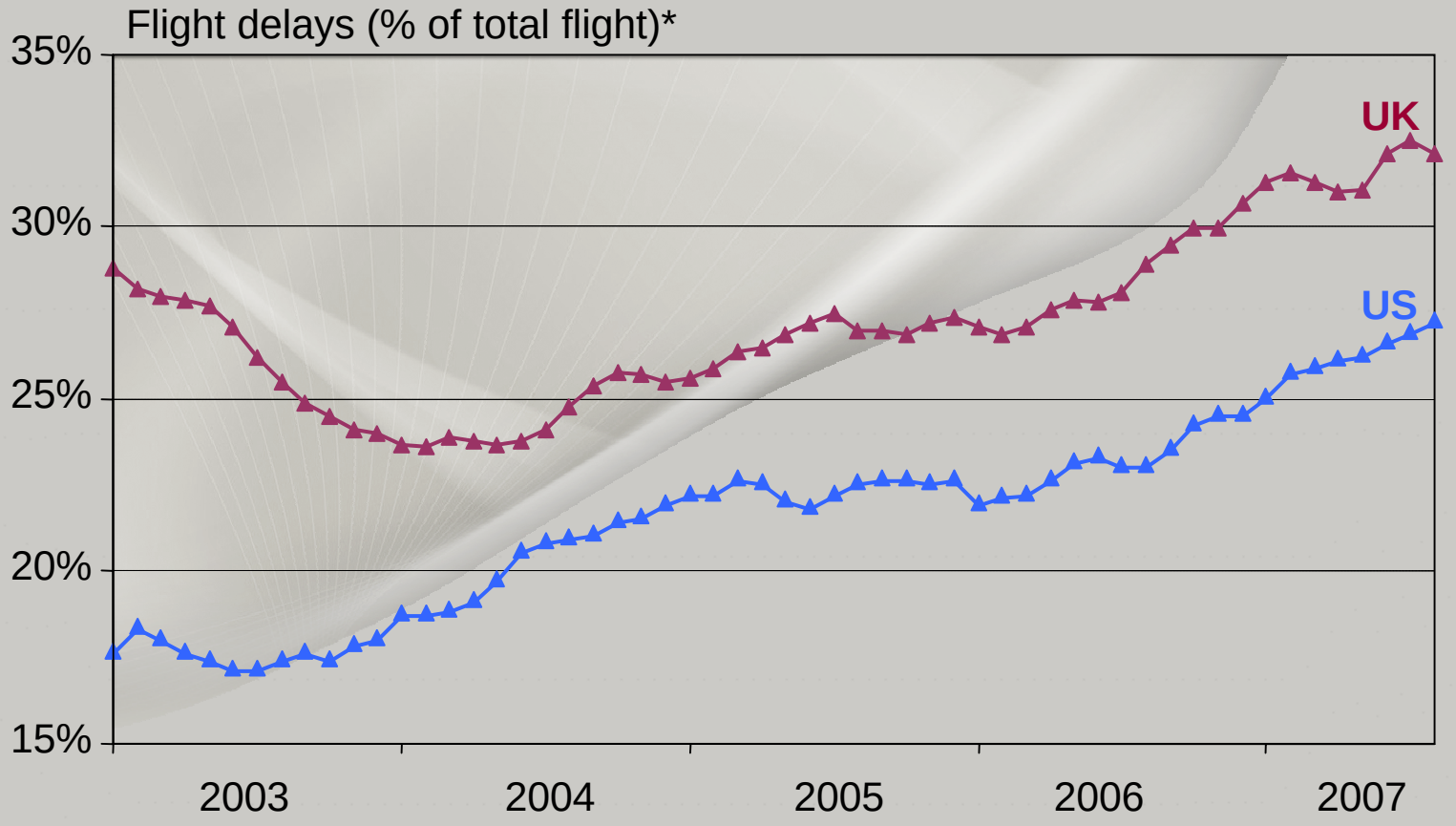
Already operating at or near design capacity



Source : CAPA, ACI, Airbus

More flight delays in Europe and in the US



* 12 months rolling average at 15 minutes or more delay

Source: FAA, AEA, CAA, Airbus

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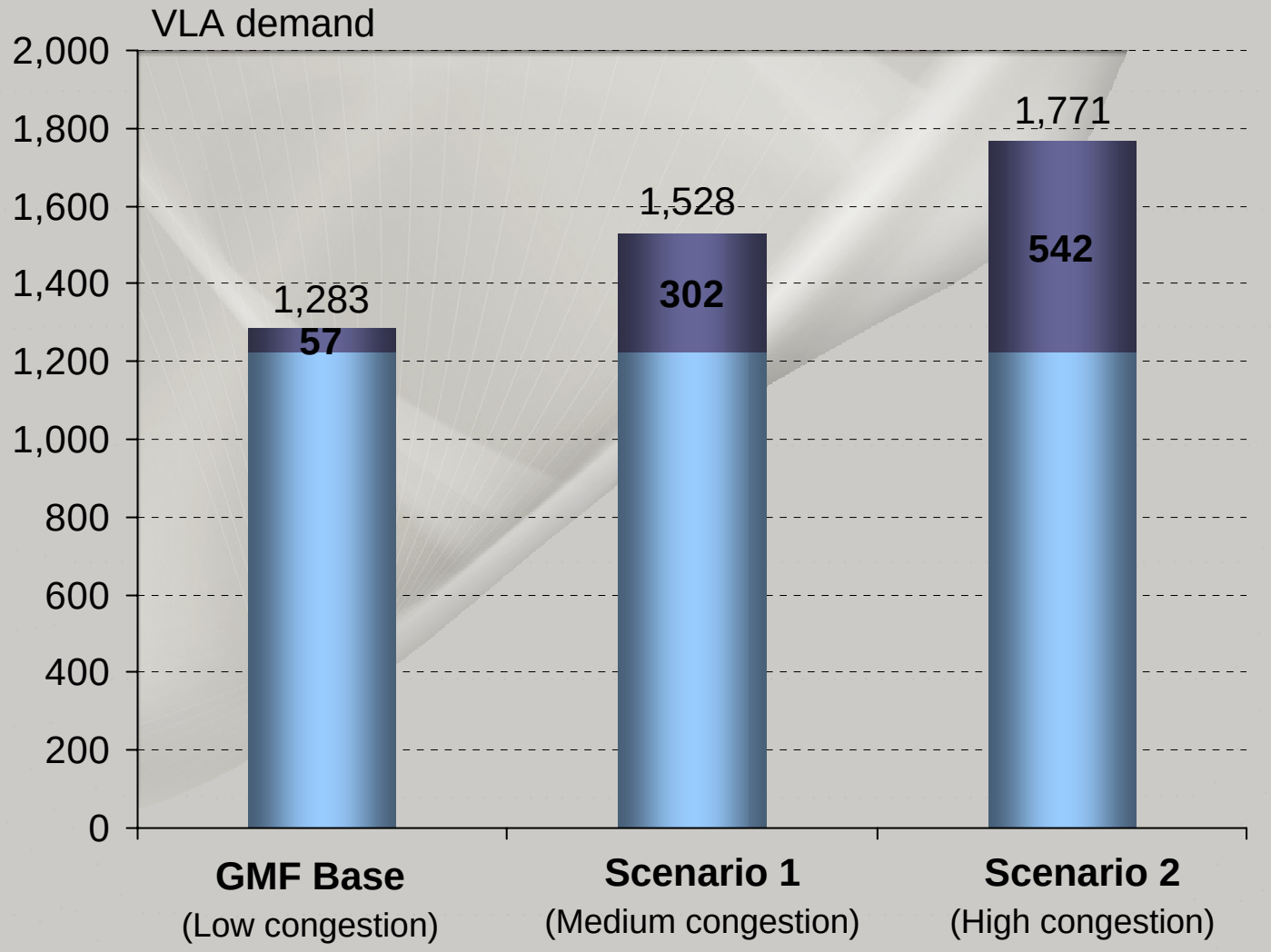
Worsening of congestion could push VLA demand higher



Top ten reasons why bigger is better

1. Traffic to almost treble in next 20 years
2. “Hub-to-hub” is just “big point-to-big point”
3. Global Hub Cities getting bigger, inhabitants richer and more internationally mobile
4. People live in and want to go to global hub cities
5. Passengers want more comfort and cheaper flights
6. New large aircraft offer better economics
7. New large aircraft are more eco-efficient
8. Diminishing return of additional frequency
9. Airport congestion worsening
10. Airport capacity improvement limited

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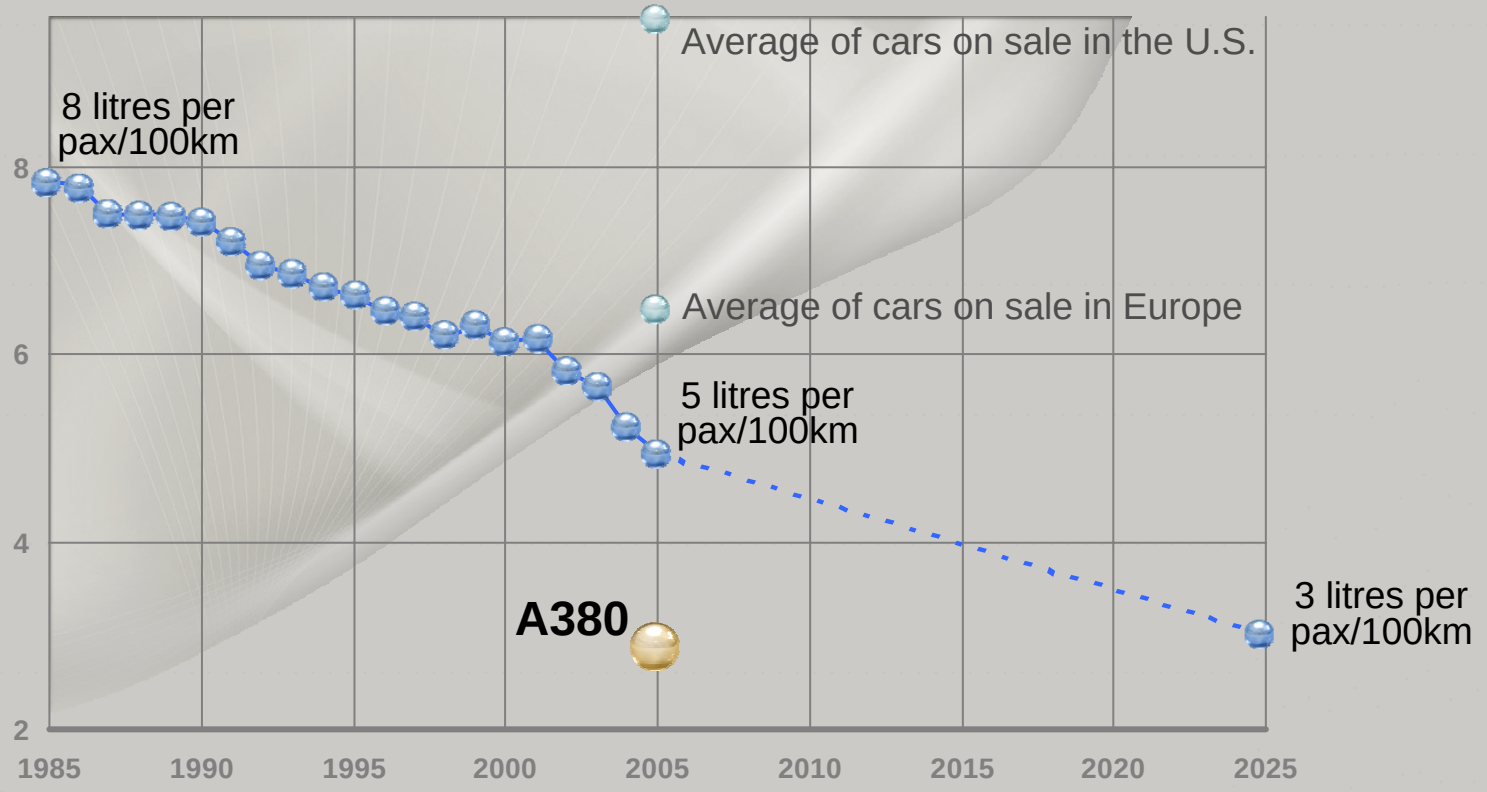
Airbus doing more with less

- **More passengers, less flights**
- **More passengers, less fuel consumption**
- **More passengers , less noise**
- **More passengers , less CO2 emission**

A380: more passengers, less fuel consumption

Airbus doing more with less

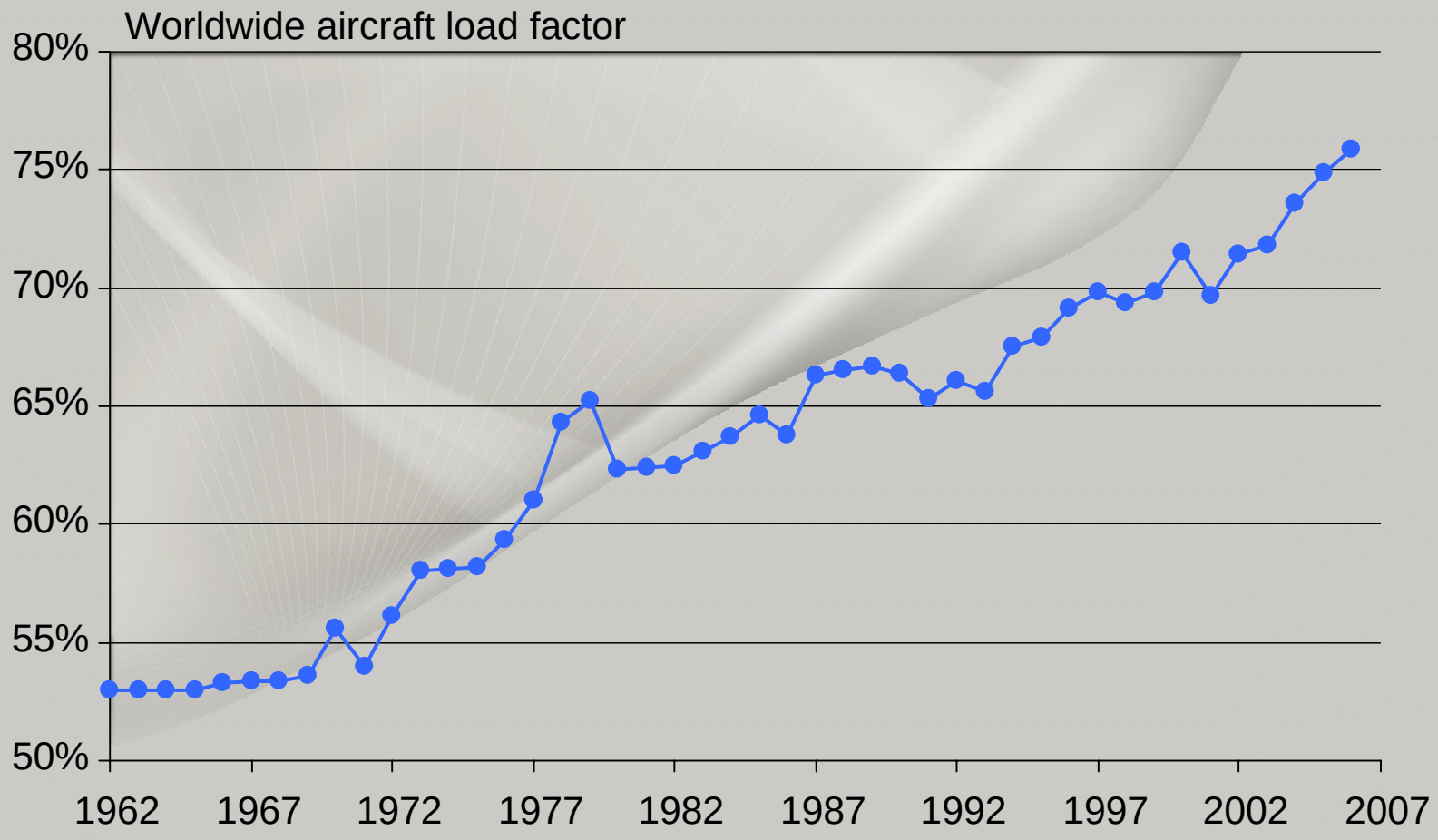
Worldwide passenger air traffic fuel consumption (liters per 100 ASK)



- **The A380 is the first aircraft to consume less than 3 litres of fuel per 100 ASK**

Like a car pool; only better

Environmental efficiency through airline productivity



Source: ICAO, Airbus

A380: more passengers, less flights

Airbus doing more with less

"By 2016, … the A380 could enable **nearly 10 million more passengers to fly** to/from Heathrow **with no increase in flights**"

Eryl Smith

Business Strategy, Planning and Development Director

Image of London Heathrow Terminal 5, courtesy BAA

- **A380 maximises slot and space utilisation to the benefit of airlines, airports and the environment**

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A380: more passengers, less noise

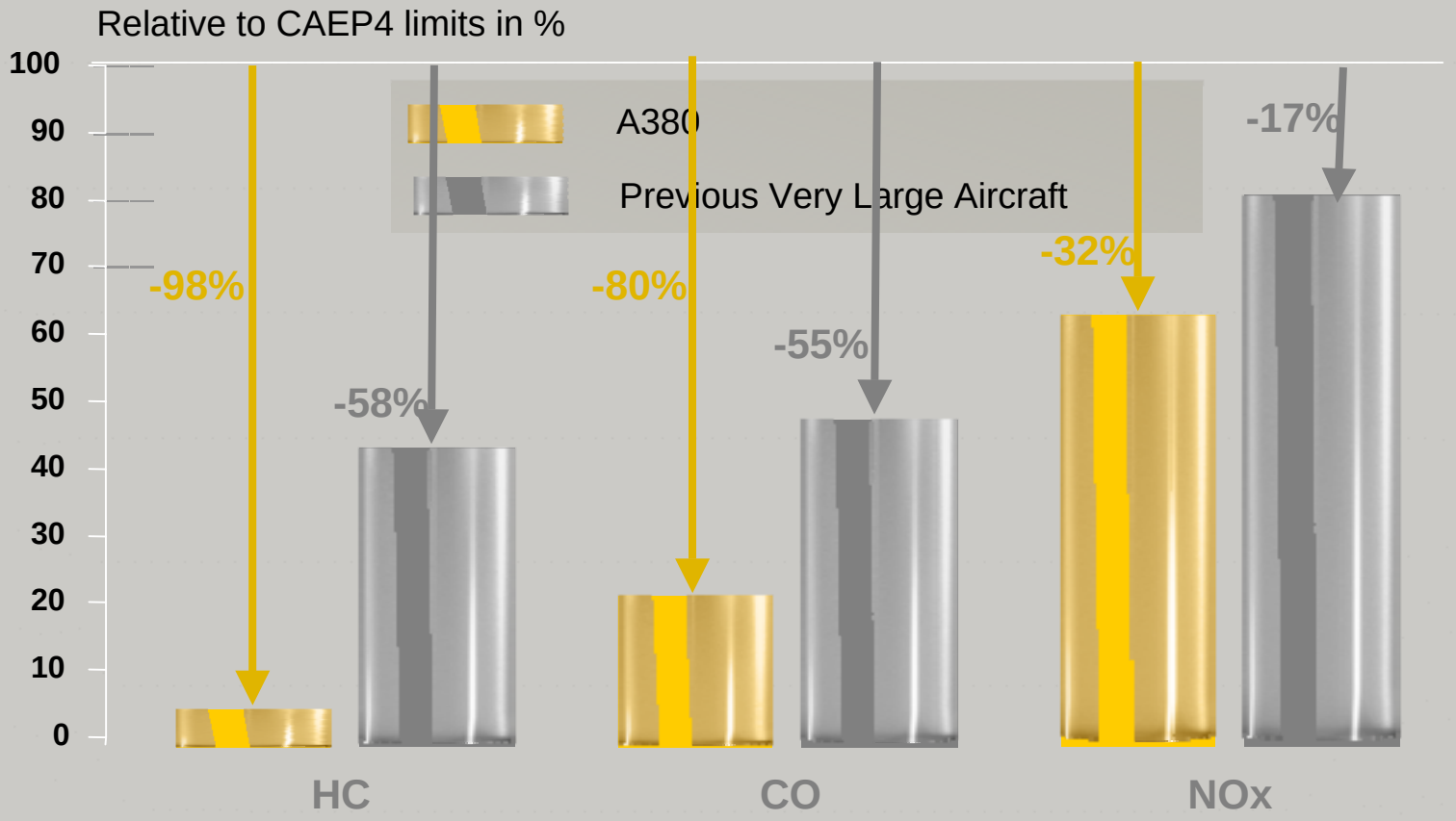
Airbus doing more with less

85 dbA contour at London Heathrow – 5,000 nm mission

- **A380… half the noise footprint on departure with 40% more capacity per flight**

A380: more passengers, less emissions

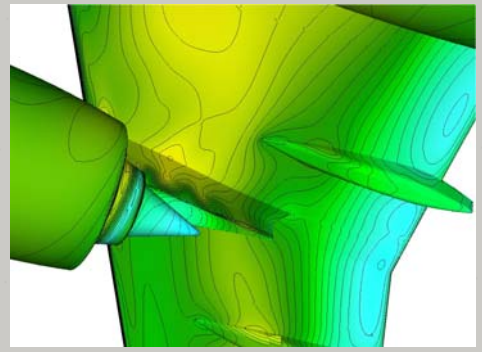
Airbus doing more with less



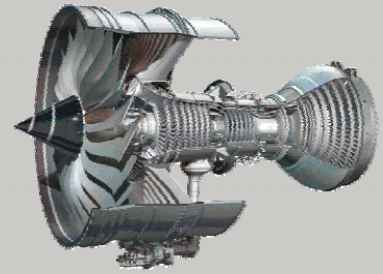
ACARE's ambitious goals:

50% cut in CO2 emissions > Vision 2020

Aircraft manufacturers 20-25%



Engine manufacturers
15-20%



Operations 5-10%
Air Traffic Management

ACARE: Advisory Council for Aeronautics Research in Europe

The Airbus Way: **G**reener, **C**leaner, **Q**uieter, **S**marter

Global ISO 14001 Certification

Investing in research to **design** cleaner aircraft

Inventing new best practices to disassemble and recycle **end-of-life** aircraft

Managing the **supply chain** for a shared vision of environmental responsibility

See the bigger picture

Optimising **aircraft operations** and maintenance for enhanced environmental performance

Mitigating the impact of **manufacturing** on the environment thanks to cleaner technologies and processes

Developing intermodal **transport** solutions for minimal infrastructure footprint

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February 1st, 2008: groundbreaking first test flight with alternative fuels

Optimising **aircraft operations** and maintenance for enhanced environmental performance

Greener, Cleaner, Quieter, Smarter

- 1st flight from Filton to Toulouse
- GTL provided by Shell
- GTL to be made of gas or organic plant matters
- 1st step in long term testing to evaluate viable and sustainable alternative fuel of the future
- GTL has attractive characteristics for local air quality (no sulphur) and fuel burn

QATAR AIRWAYS القطرية

وقود WOQOD

قطر للبترول Qatar Petroleum

QATAR SCIENCE & TECHNOLOGY PARK
Member of Qatar Foundation

AIRBUS

ROLLS ROYCE

AIRBUS

Greener by recycling

Inventing new best practices to disassemble and recycle **end-of-life** aircraft

Greener, Cleaner, Quieter, Smarter

Developing environmental best practices for aircraft dismantling and recycling

Airbus PAMELA project

PAMELA: Process for Advanced Management of End-of-Life of Aircraft

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Airbus doing more with less

Greener, Cleaner, Quieter, Smarter

- Vision
- Ambition
- Innovation
- Determination

- **Airbus leading the industry in eco-efficiency**

Flying by nature

Global Market Forecast

2007 - 2026

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