

Airbus profits take off in 2014, no turbulence seen in 2015

MUNICH: Airbus Group said on Friday, 27 February, its net profit soared 59 percent in 2014 thanks to record deliveries of passenger jets and that it expects revenue and operating profits to climb further this year.



The company, best known for its passenger jets, chalked up a net profit of 2.34 billion euros (\$2.6 billion), which would have been even better had it not been for a provision of 551 million euros for delays to its A400M military transport plane.

That writedown was mostly compensated for however with an exceptional gain of 383 million euros due its sale of an 8 percent stake in Dassault Aviation, as well as its holdings in Finnish defence company Patria.

Operating profits climbed 54 percent to 4 billion euros, and it said this measure of earnings does not include exceptional items and that it expects a slight increase in 2015.

Sales, which are booked when aircraft are delivered, rose by 5 percent to 60.7 billion euros to what Airbus said was a record level, even though orders slumped by 23 percent to 166.4 billion.

Airbus' order book nevertheless increased by 26 percent to stand at 857.5 billion euros at the end of last year.

"We achieved a significant improvement in profitability and cash generation in 2014 thanks to a record order book and strong operational performance in most areas," chief executive Tom Enders said in a statement.

"We delivered more commercial aircraft than ever before, including the first A350, and our net orders were, once again, more than twice the number of deliveries," he added.

The company said it expects deliveries to increase slightly this year and the order book to grow further.

Enders announced Airbus was stepping up production of its top-selling A320 range of single-aisle medium-range passenger jets.

However he said Airbus plans to temporarily slow production of the wide-body long-haul A330 in 2016, but quickly scale up manufacturing of the newer A350 which it began delivering last year.

He added the A380 super jumbo programme would break even this year.

Despite the delay to the A400M military transport plane, Airbus's defence and space unit still contributed 409 million euros in operating profit, although this was down 38 percent from the previous year.

Operating profit at the helicopters unit rose 4 percent to 413 million euros.

Airbus's management said it will propose to shareholders a dividend of 1.20 euros per share, up from 0.75 euros paid for 2013.

Airbus's shares jumped more than 6 percent in morning trading to 54.81 euros while the Paris CAC-40 index was flat overall.

Source: AFP

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