Presented by: JOHN LEAHY
Chief Operating Officer Customers

Global Market Forecast

2015-2034

AIRBUS

Global Market Forecast 2015: Highlights

GMF 2015 key numbers and 20-year change

World Fleet Forecast	2014	2034	% change 2014-2034
RPK (trillions)	6.2	**15.2**	145%
Passenger Aircraft Fleet	17,354	**35,749**	106%
New passenger aircraft deliveries		**31,781**	
Dedicated Freighters	1,633	**2,687**	65%
New freighter aircraft deliveries		**804**	
Total New Aircraft Deliveries		**32,585**	

New aircraft deliveries

+1,227 aircraft

GMF 2015 vs. GMF 2014

Passenger aircraft (≥ 100 seats)

Jet freight aircraft (>10 tons)

Source: Airbus GMF2015

AIRBUS

20-year demand for 32,600 new passenger and freight aircraft

20-year new deliveries of passenger and freighter aircraft

22,927 single-aisle aircraft +856

8,108 twin-aisle aircraft +322

1,550 very large aircraft +49

32,585 new aircraft +1,226

Market Value of –

$4.9 trillion

Passenger aircraft (≥ 100 seats)

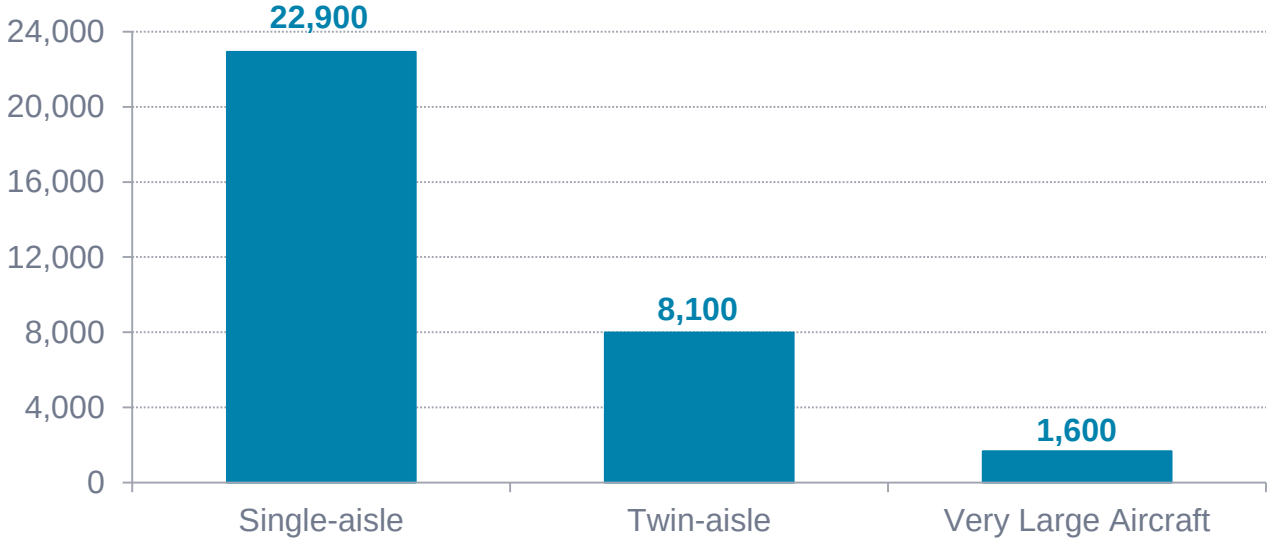
Jet freight aircraft (>10 tons)

Source: Airbus GMF2015

AIRBUS

Single-aisle: 70% of units; Wide-bodies: 55% of value

20-year new deliveries of passenger and freighter aircraft



% units	70%	25%	5%
% value	45%	43%	12%

New Deliveries

–

32,600

GMF 2015 -2034

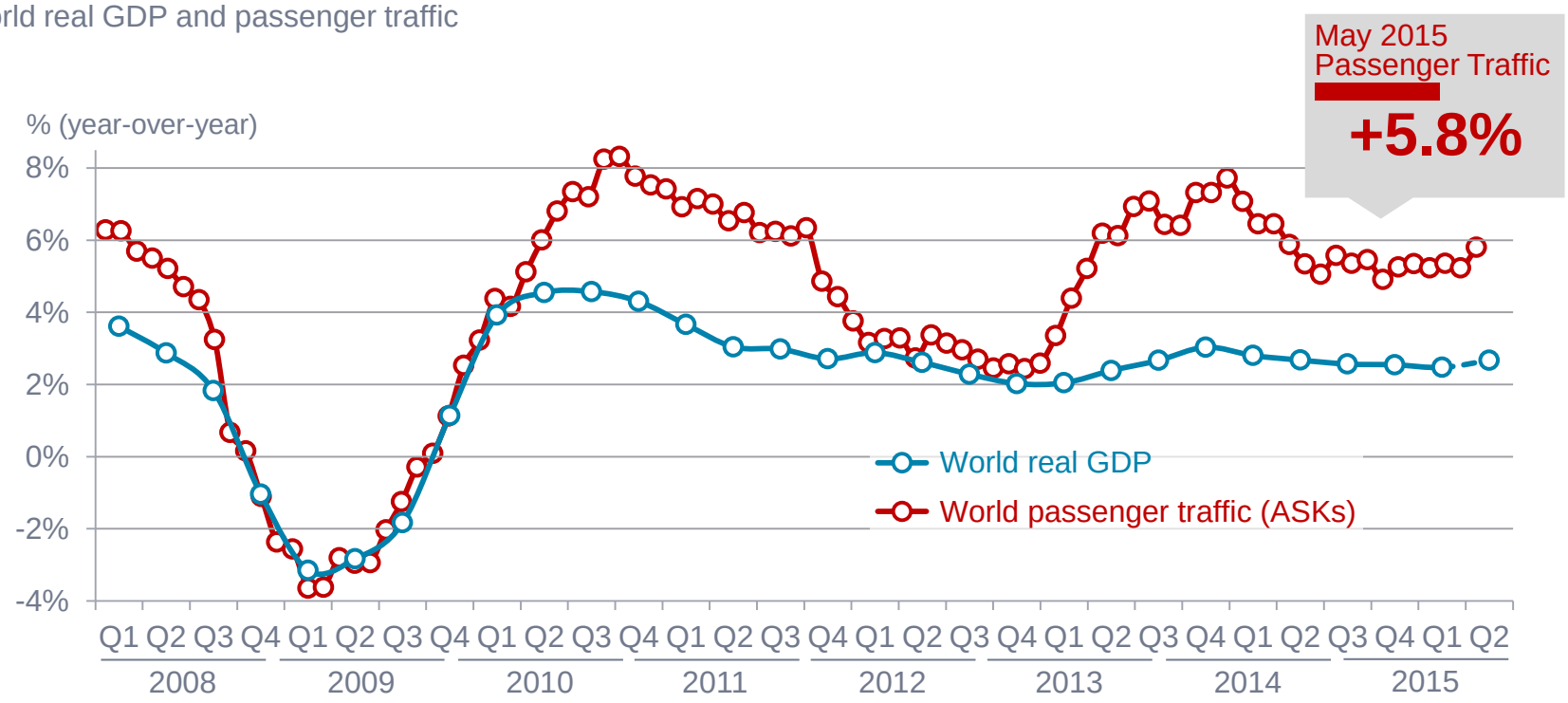
Passenger aircraft (≥ 100 seats) and jet freight aircraft (>10 tons)

Source: Airbus GMF May 2015

AIRBUS

Passenger traffic is outperforming GDP growth

World real GDP and passenger traffic

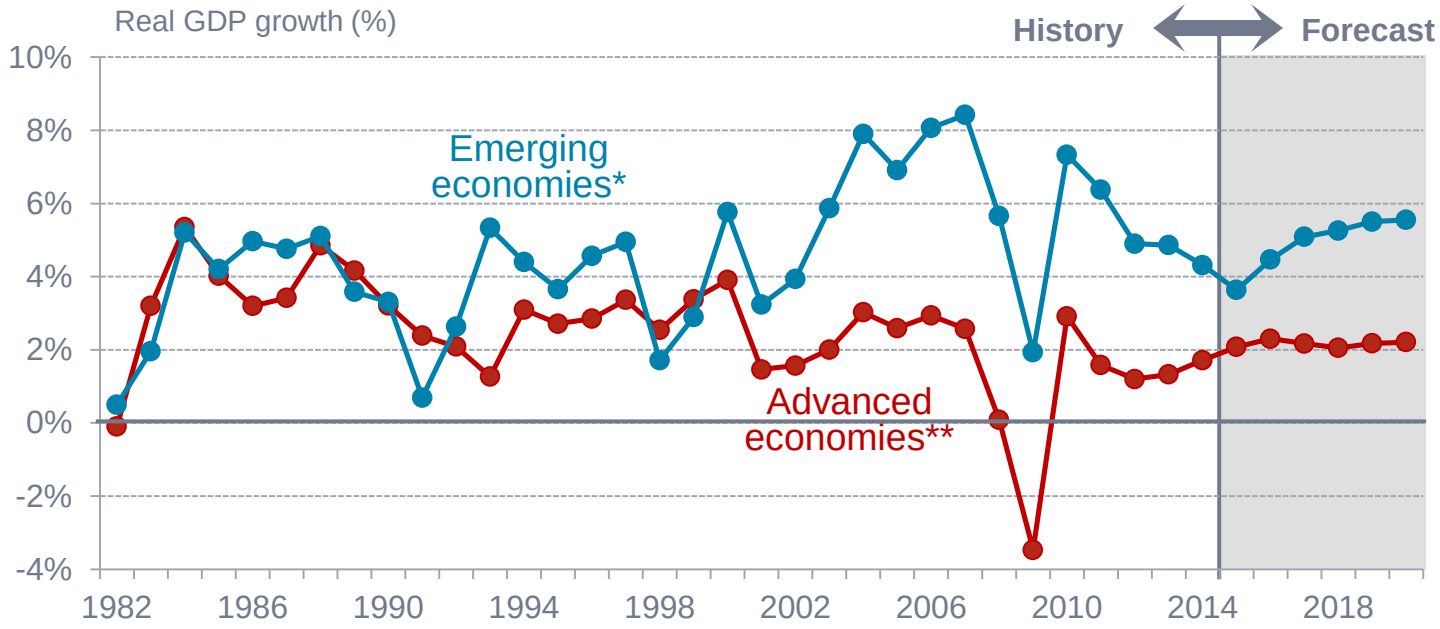


Source: IHS Economics, OAG, Airbus GMF2015

AIRBUS

A two-speed economic world

Comparison of year-over-year GDP growth



Emerging economies will continue to lead the pack

* 54 emerging economies

** 32 advanced economies

Source: IHS Global Insight, Airbus GMF2015

AIRBUS

Air transport growth is highest in expanding regions

Emerging/ Developing

China
India
Middle East
Asia
Africa
CIS
Latin America
Eastern Europe

6.3 billion people 2014

Yearly RPK growth 2015 - 2034

+5.8 %

Advanced

Western Europe
North America
Japan

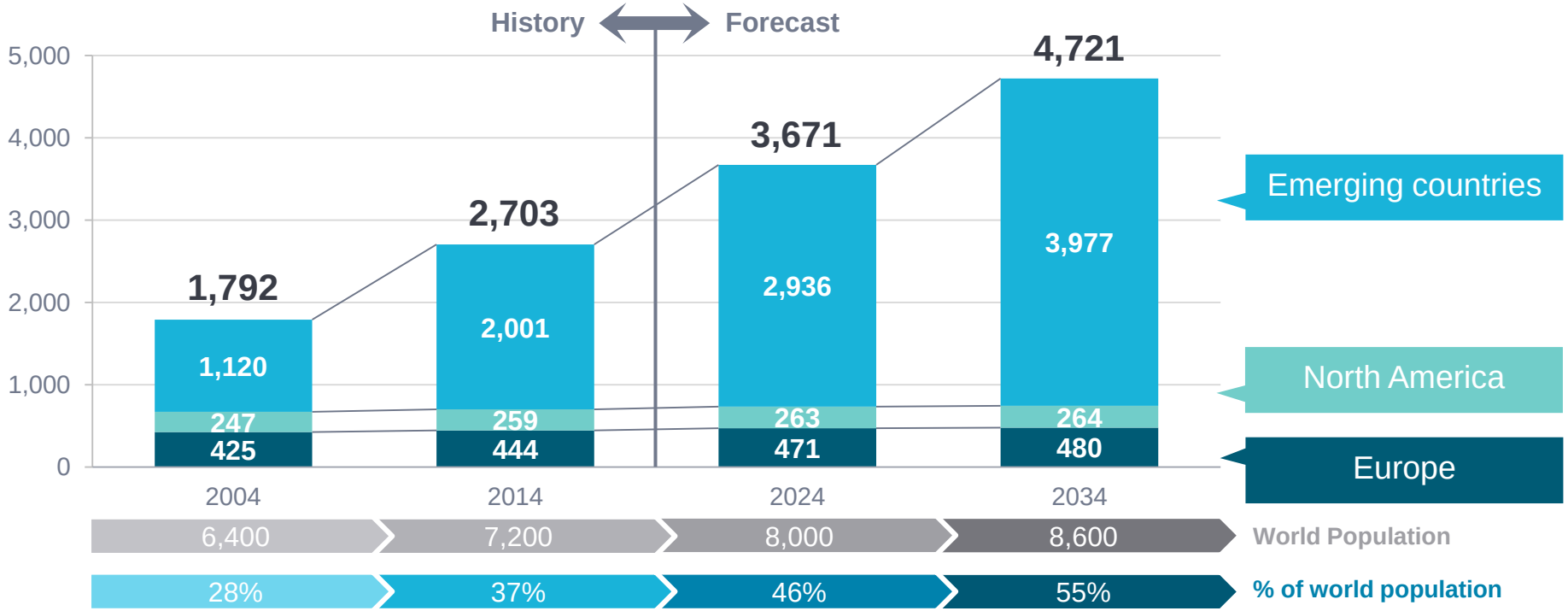
1 billion people 2014

+3.8 %

AIRBUS

Middle Class to grow, doubling in emerging countries…

Middle Class*, millions of people



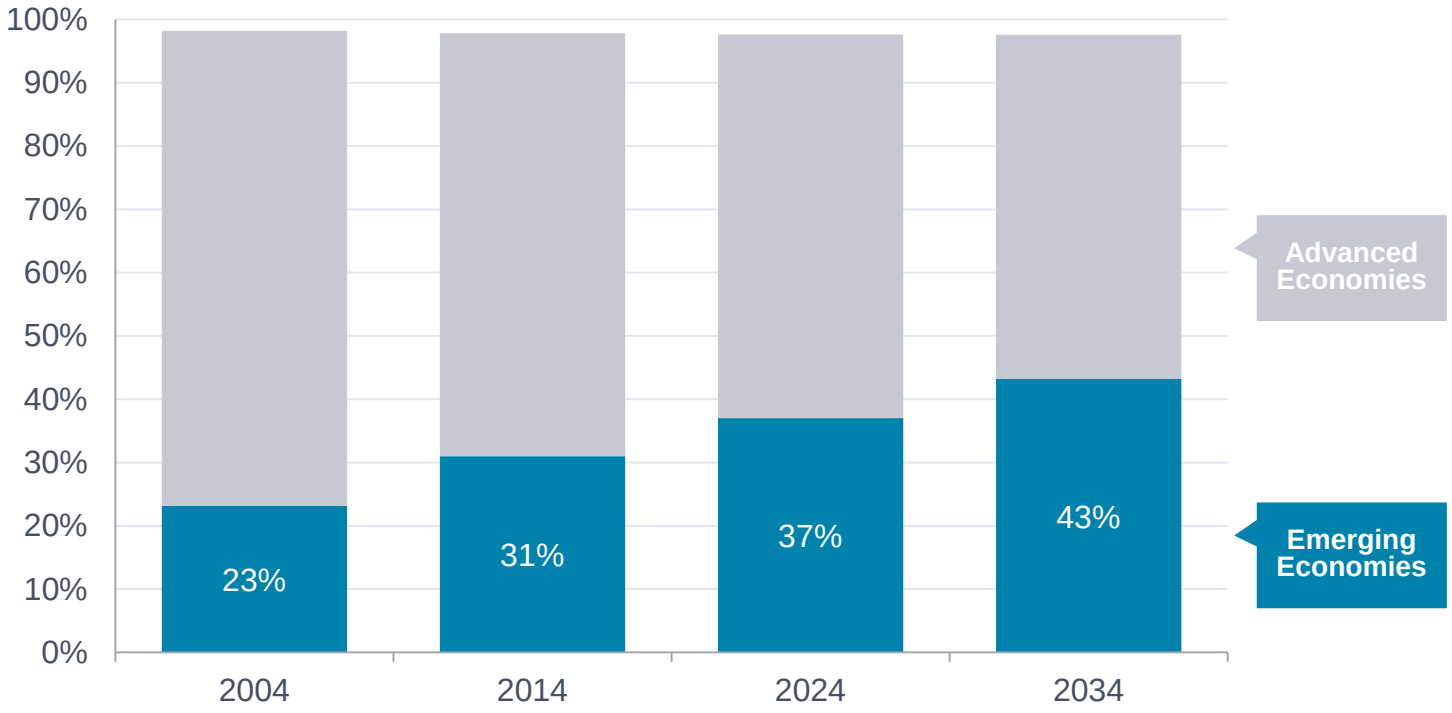
Source: Oxford Economics, Airbus GMF2015

* Households with yearly income between $20,000 and $150,000 at PPP in constant 2014 prices

AIRBUS

Private consumption to become important growth driver in emerging markets

Share of total world private consumption (%)



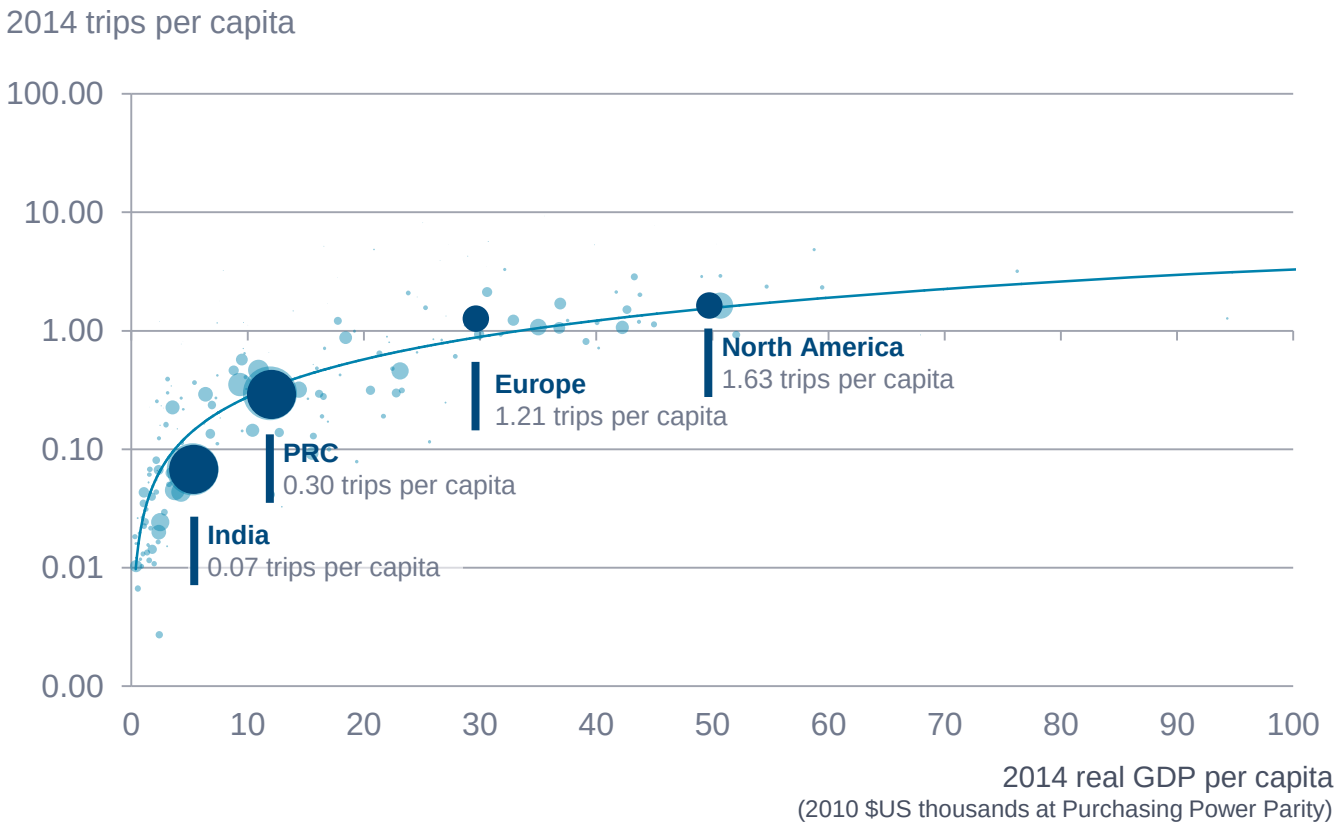
Emerging markets to represent –

43% of the world private consumption by 2034, up from 31% today

Source: IHS Economics, Airbus GMF2015

AIRBUS

Europeans and North American are the most willing to fly…



Propensity to travel

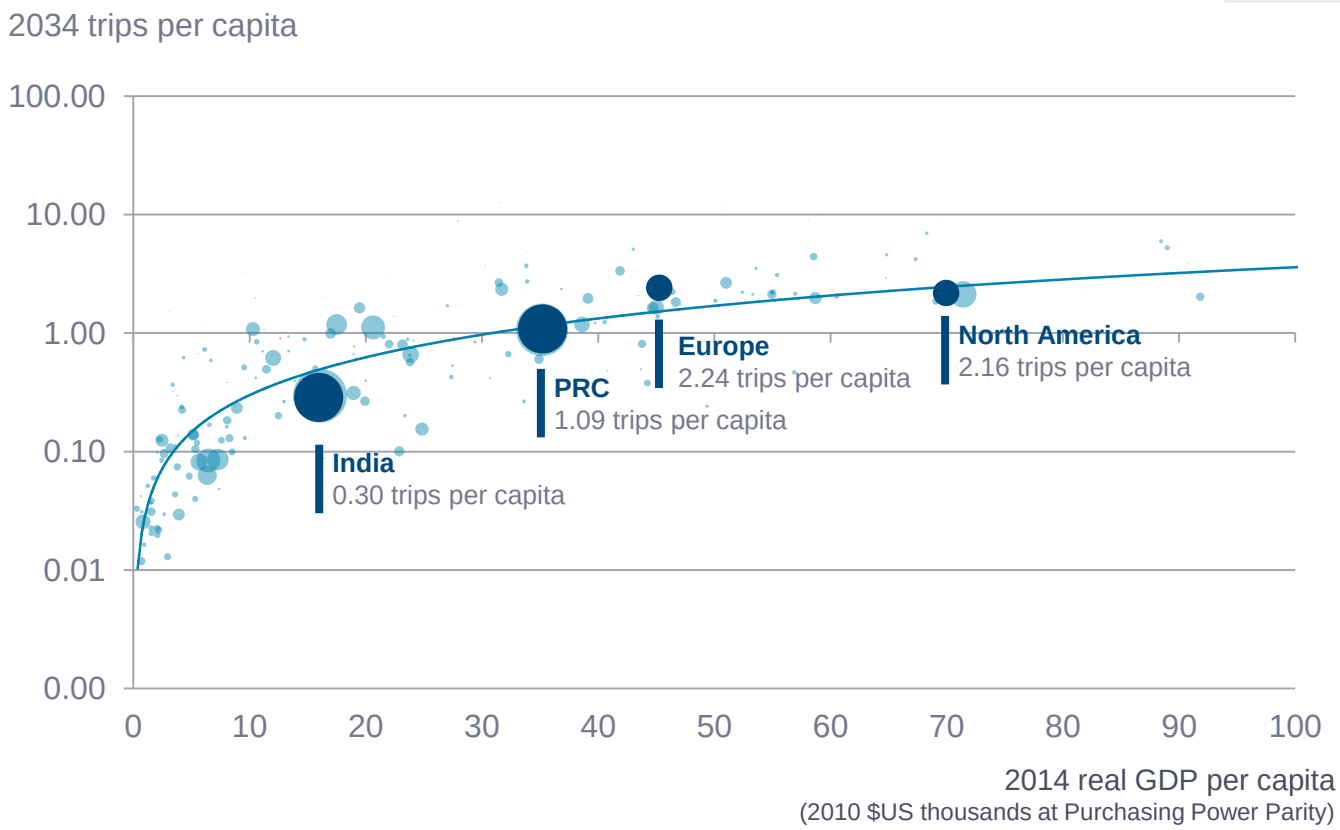
–

25%

of the population of the emerging countries took a trip a year in **2014**

Sources: Sabre, IHS Economics, Airbus GMF2015

…but by 2034, PRC will reach current European levels



Propensity to travel

–

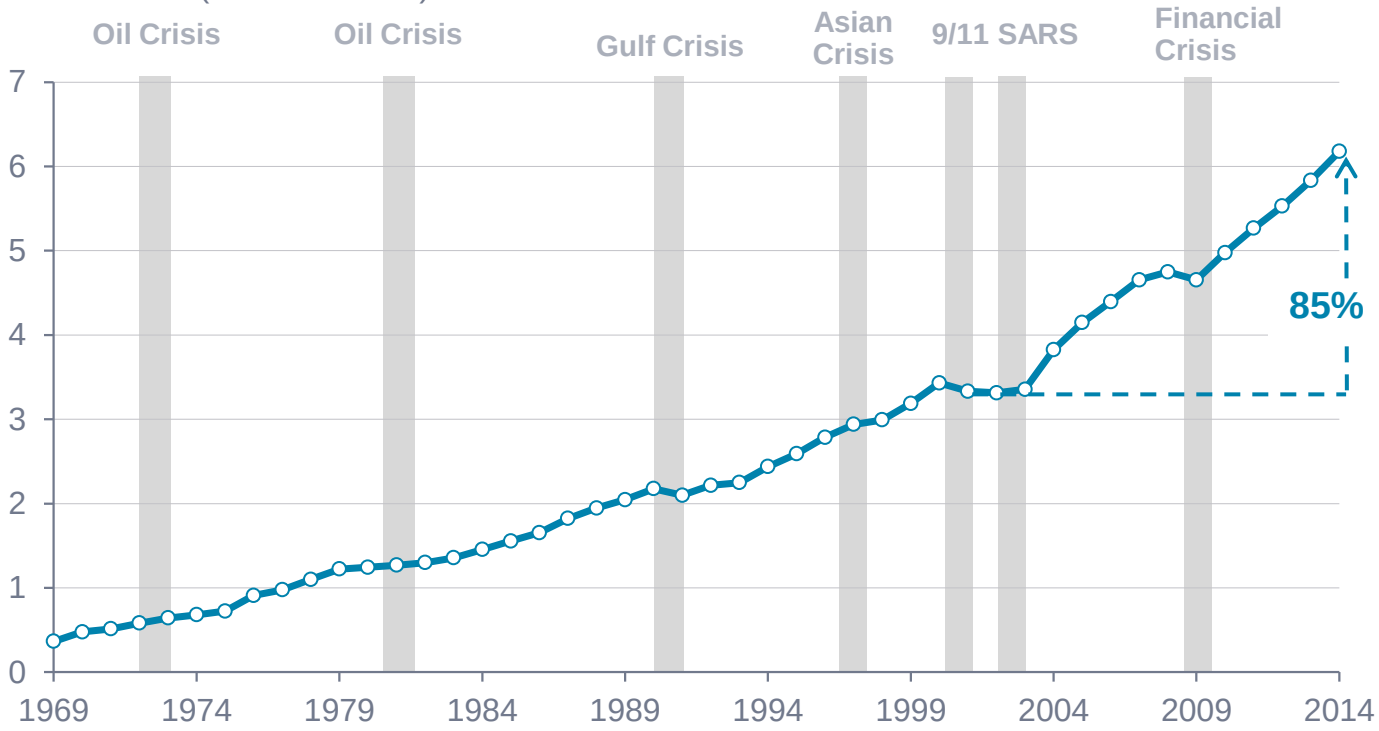
74%

of the population of the emerging countries will take a trip a year in **2034**

Sources: Sabre, IHS Economics, Airbus GMF2015

Air travel has proven to be resilient to external shocks

World annual traffic (RPKs - trillions)



World traffic

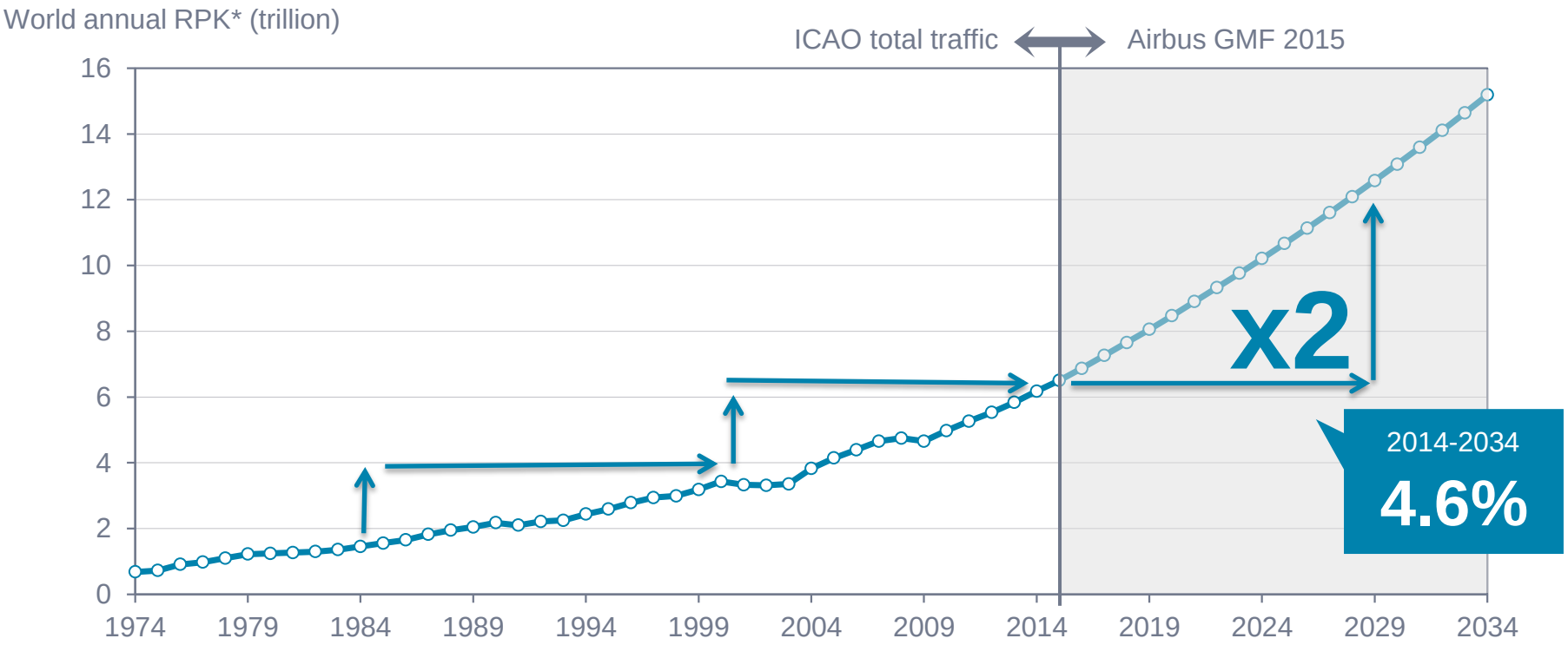
85%

growth since 9/11

Source: ICAO, Airbus

AIRBUS

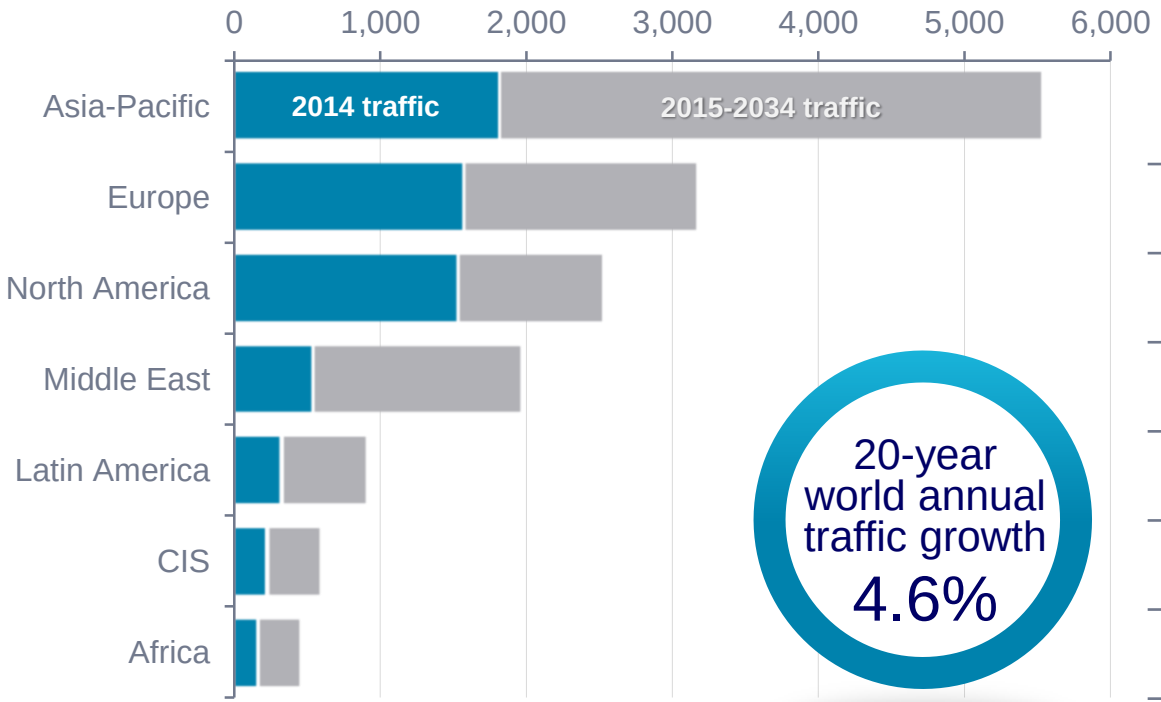
Air traffic will double in the next 15 years



Source: ICAO, Airbus GMF2015

Asia-Pacific to lead in world traffic by 2034

RPK traffic by airline domicile (billions)



20-year world annual traffic growth 4.6%

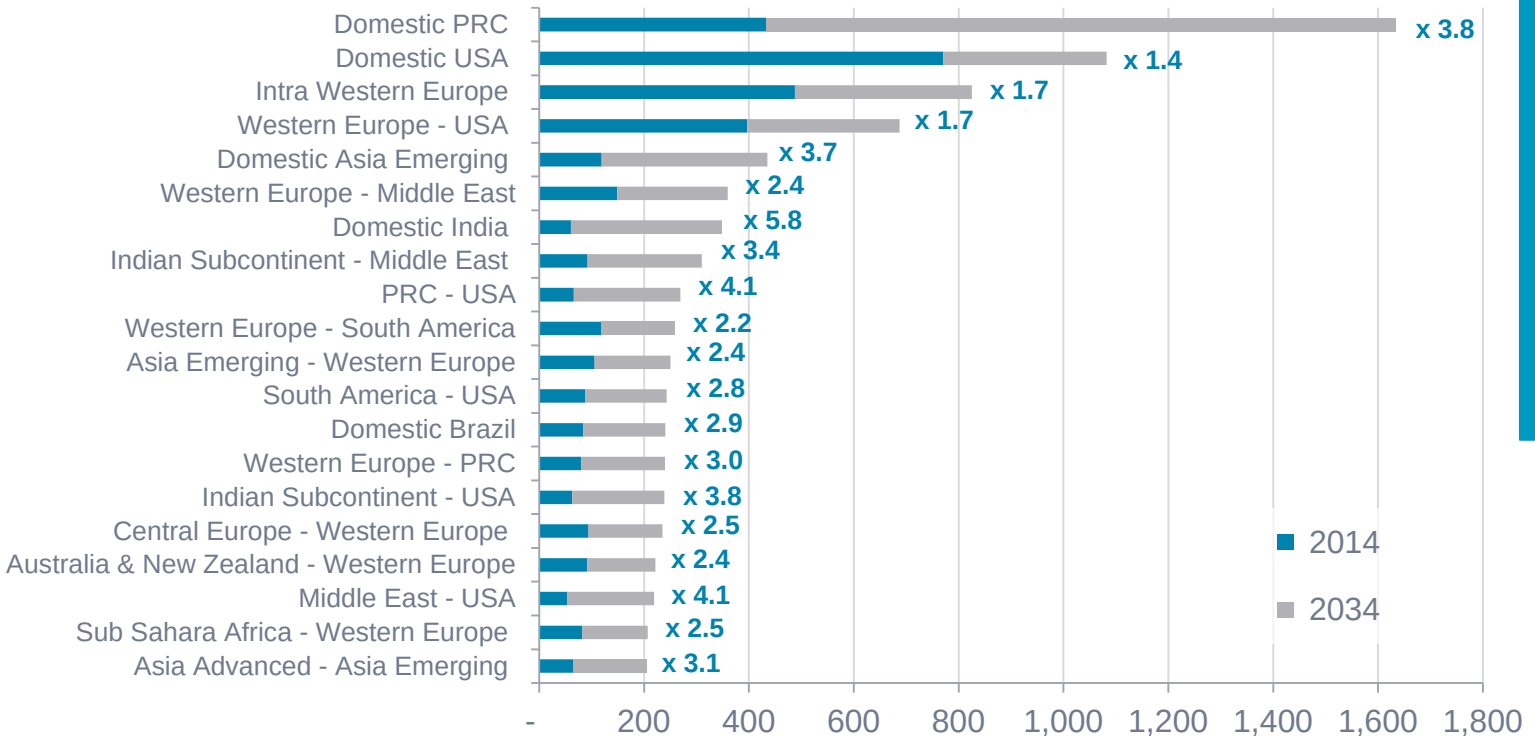
	% of 2014 world RPK	20-year growth	% of 2034 world RPK
Asia-Pacific	29%	5.7%	36%
Europe	25%	3.6%	21%
North America	25%	2.5%	17%
Middle East	9%	6.7%	13%
Latin America	5%	5.2%	6%
CIS	4%	4.9%	4%
Africa	3%	5.3%	3%

Source: Airbus GMF2015

AIRBUS

Domestic PRC will be the largest O&D traffic flow

Annual O&D traffic per flow (billion RPK)



Source: Airbus GMF2015

Asia Pacific leading growth

–

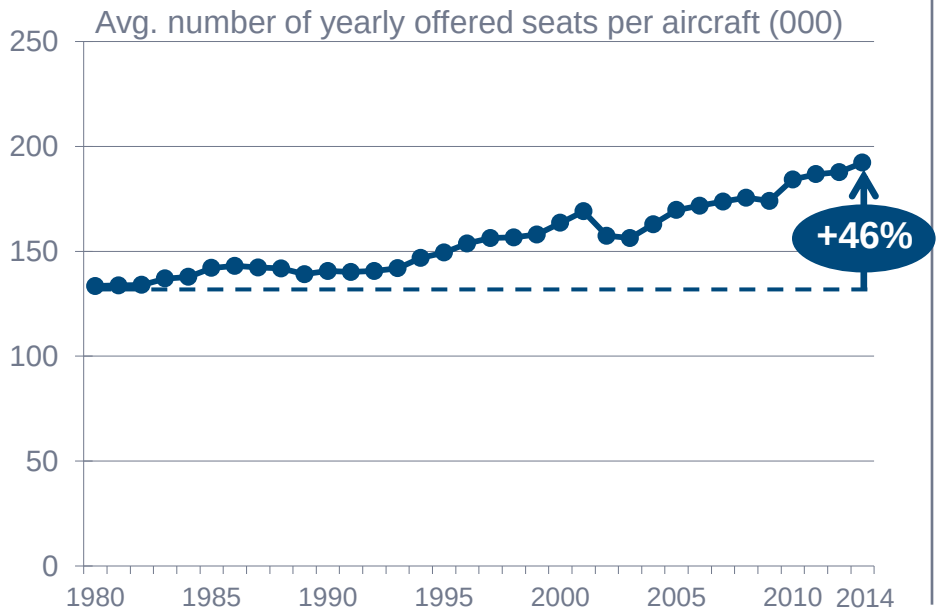
50%

of the top twenty traffic flows will involve Asia Pacific

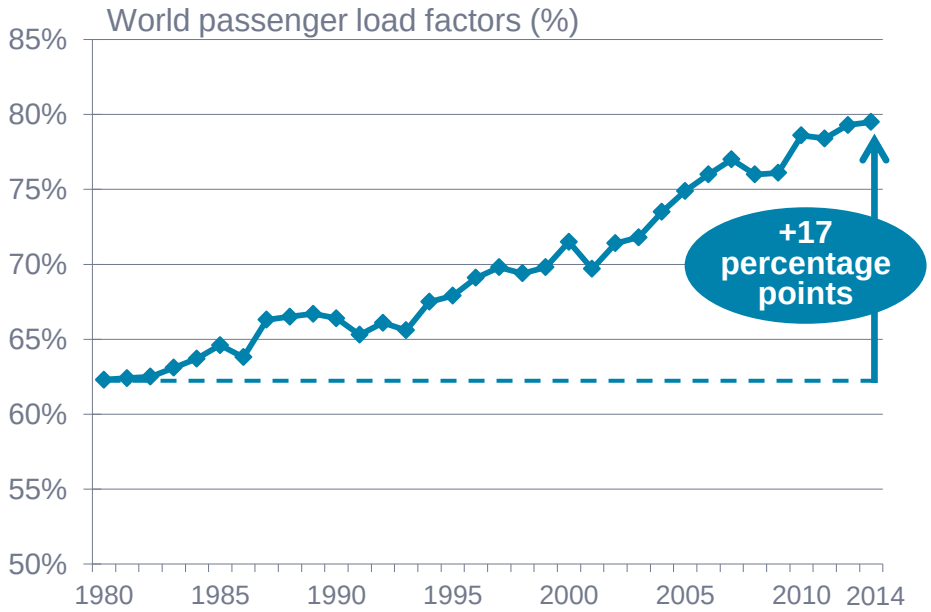
AIRBUS

More productive seats…

Yearly offered seats per aircraft



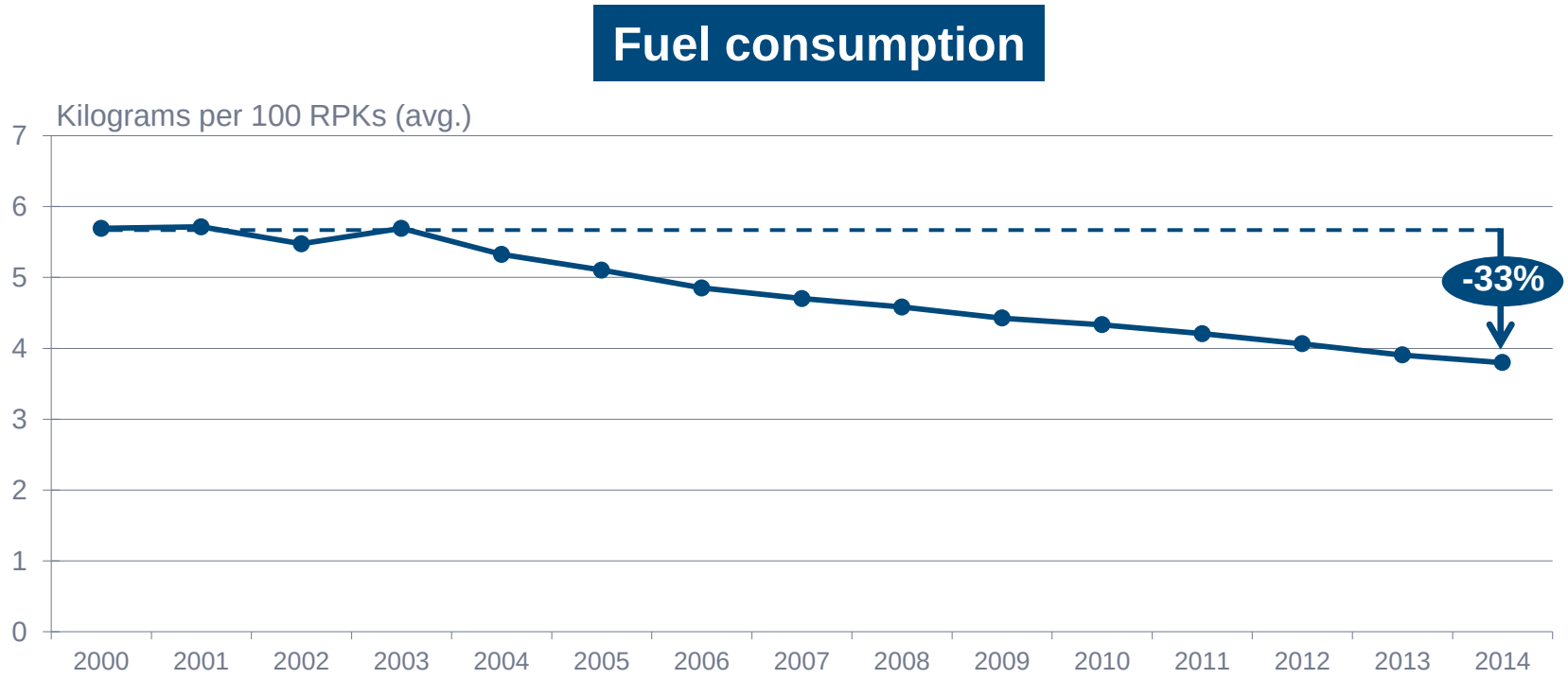
Load factors



Source: OAG, Ascend, ICAO, Airbus GMF2015

AIRBUS

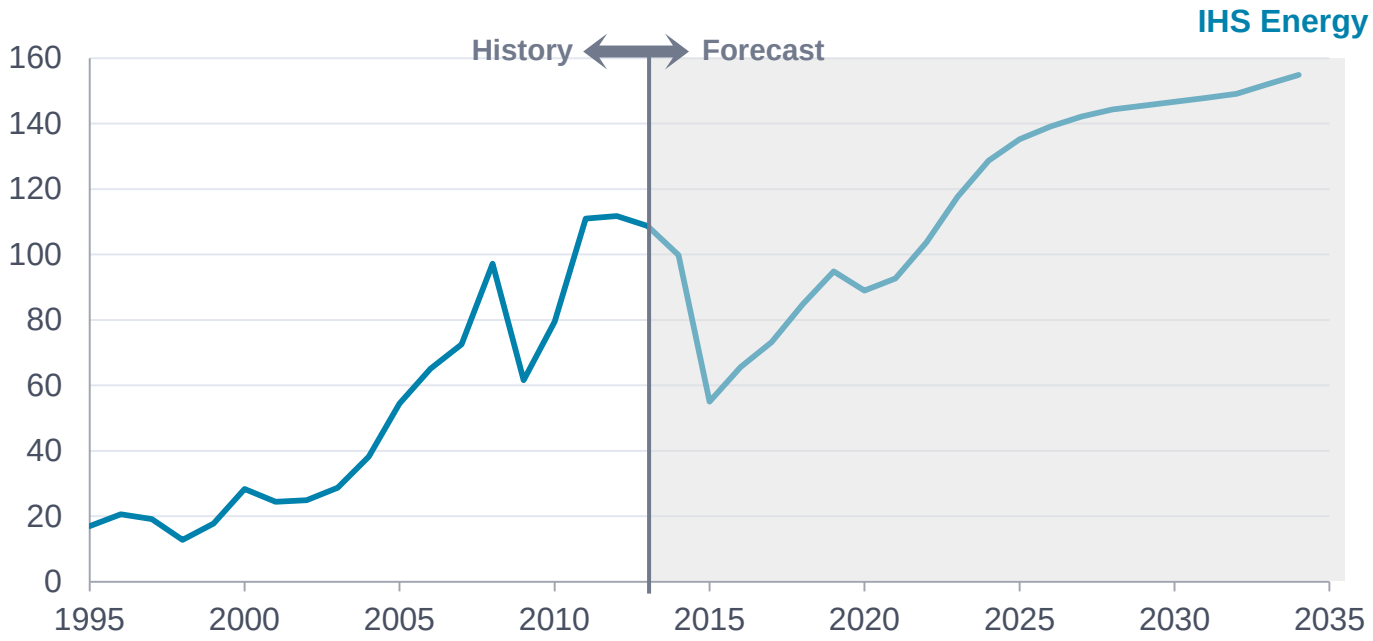
Less fuel burn, therefore less emissions…



Source: ICAO, IATA, Airbus GMF2015

Short to medium term forecasts have been revised down

Brent oil price (US$ per bbl. in nominal 2015)



Oil prices

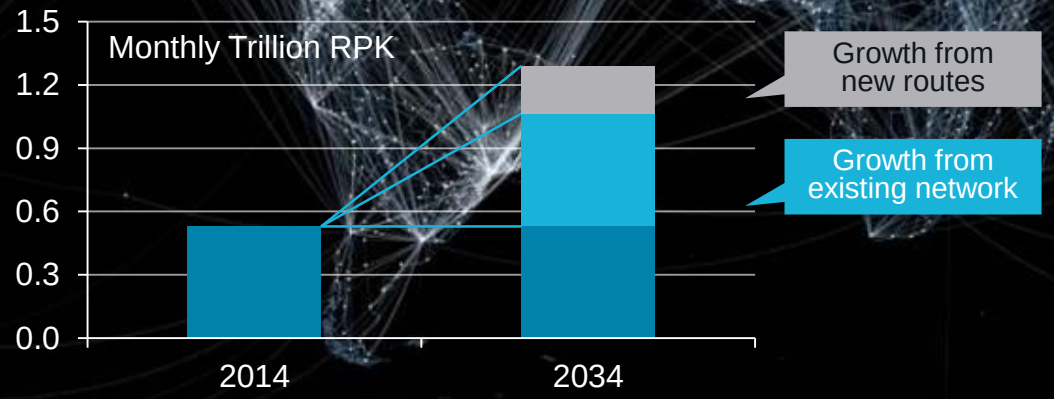
Oil price down but trend uncertain

Short-term good for airline profitability

Medium-term boost for global GDP

Source: IHS Energy, Oxford Economics

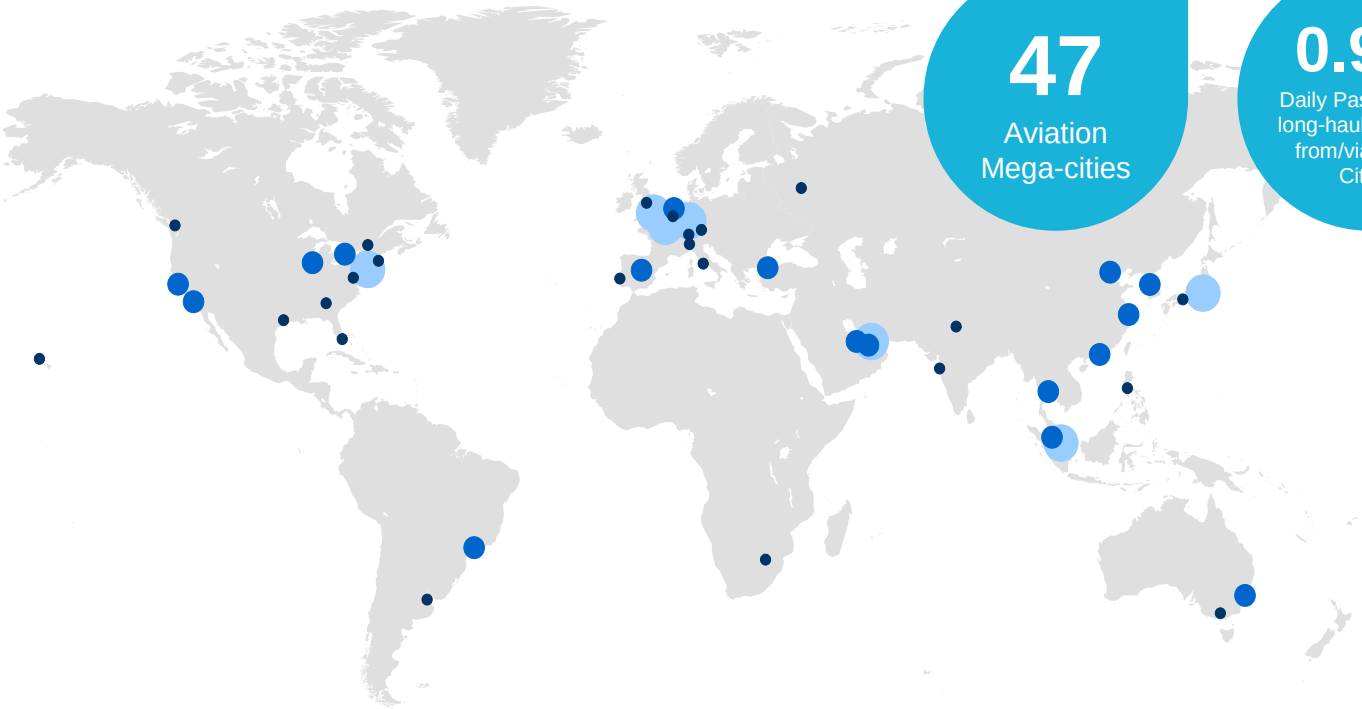
70% of traffic growth until 2034 will be coming from existing network



Source: Airbus GMF2015

47 Aviation Mega-Cities in 2014

2014 Aviation Mega-Cities



47
Aviation Mega-cities

0.9M
Daily Passengers: long-haul traffic to/ from/via Mega-Cities

90%+
of long-haul traffic on routes to/from/via 47 cities

22%
of World GDP in 2014

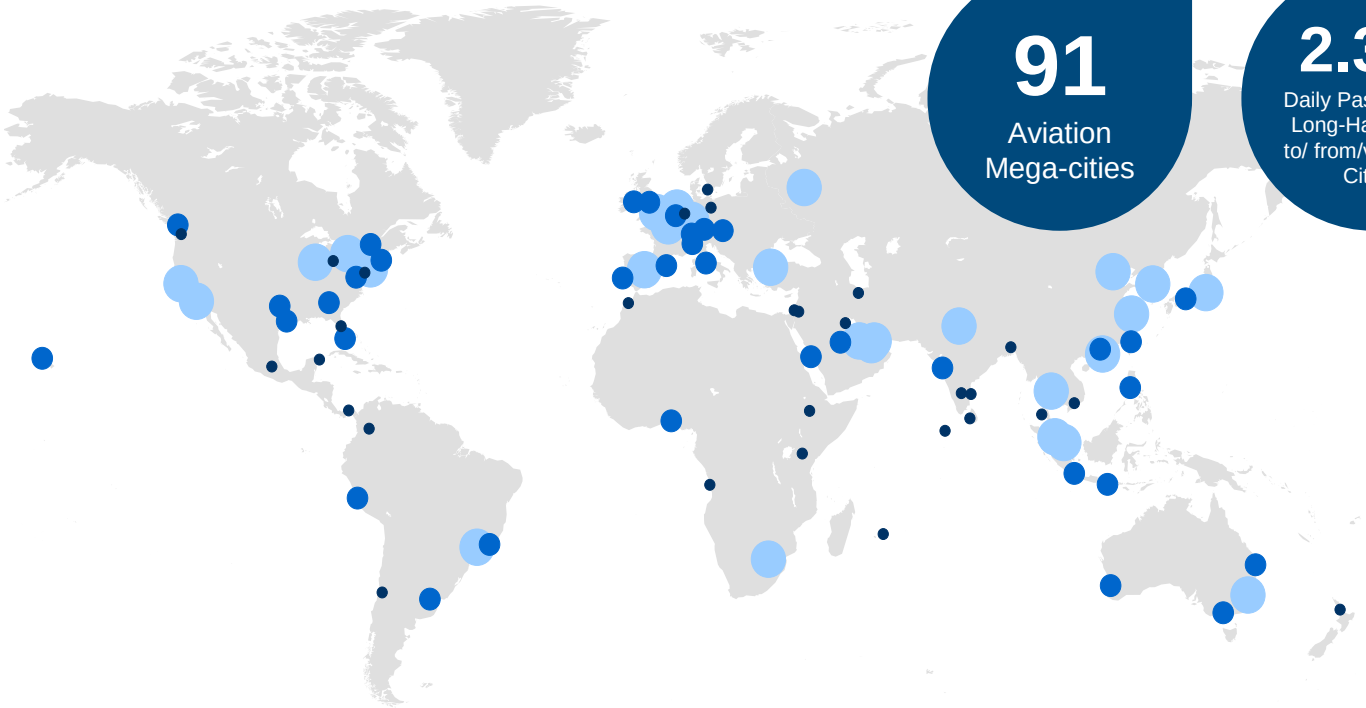
- >50 000 daily long-haul passengers
- >20 000 daily long-haul passengers
- >10 000 daily long-haul passengers

Source: McKinsey, UNPD, Airbus GMF2015

AIRBUS

… and 91 Mega-Cities by 2034

2034 Aviation Mega-Cities



91
Aviation Mega-cities

2.3M
Daily Passengers: Long-Haul traffic to/ from/via Mega-Cities

95%+
of long-haul traffic on routes to/from/via 91 cities

35%
of World GDP in 2034

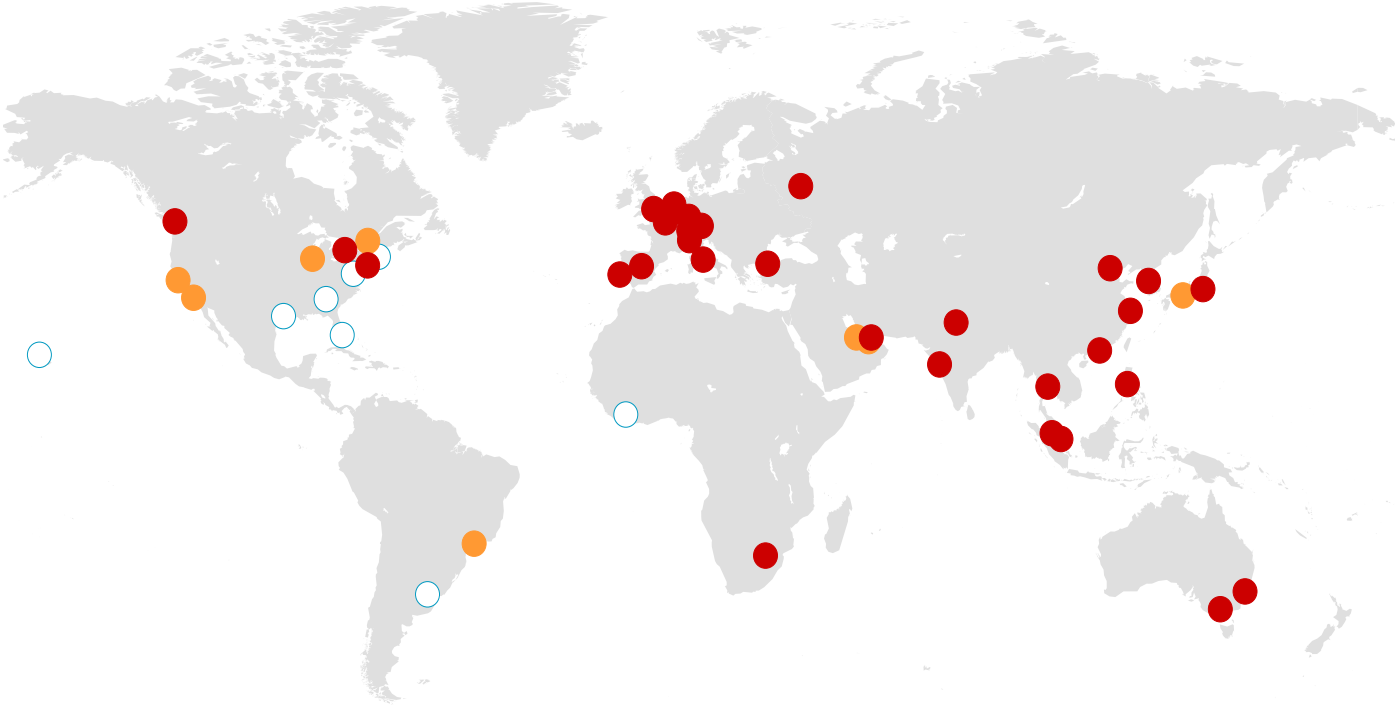
- >50 000 daily long-haul passengers
- >20 000 daily long-haul passengers
- >10 000 daily long-haul passengers

Source: McKinsey, UNPD, Airbus GMF2015

AIRBUS

These airports are already largely congested

2014 Aviation Mega-Cities



Source: IATA WSG database, Airbus GMF

39 out of the **47** Aviation Mega Cities are schedule-constrained today

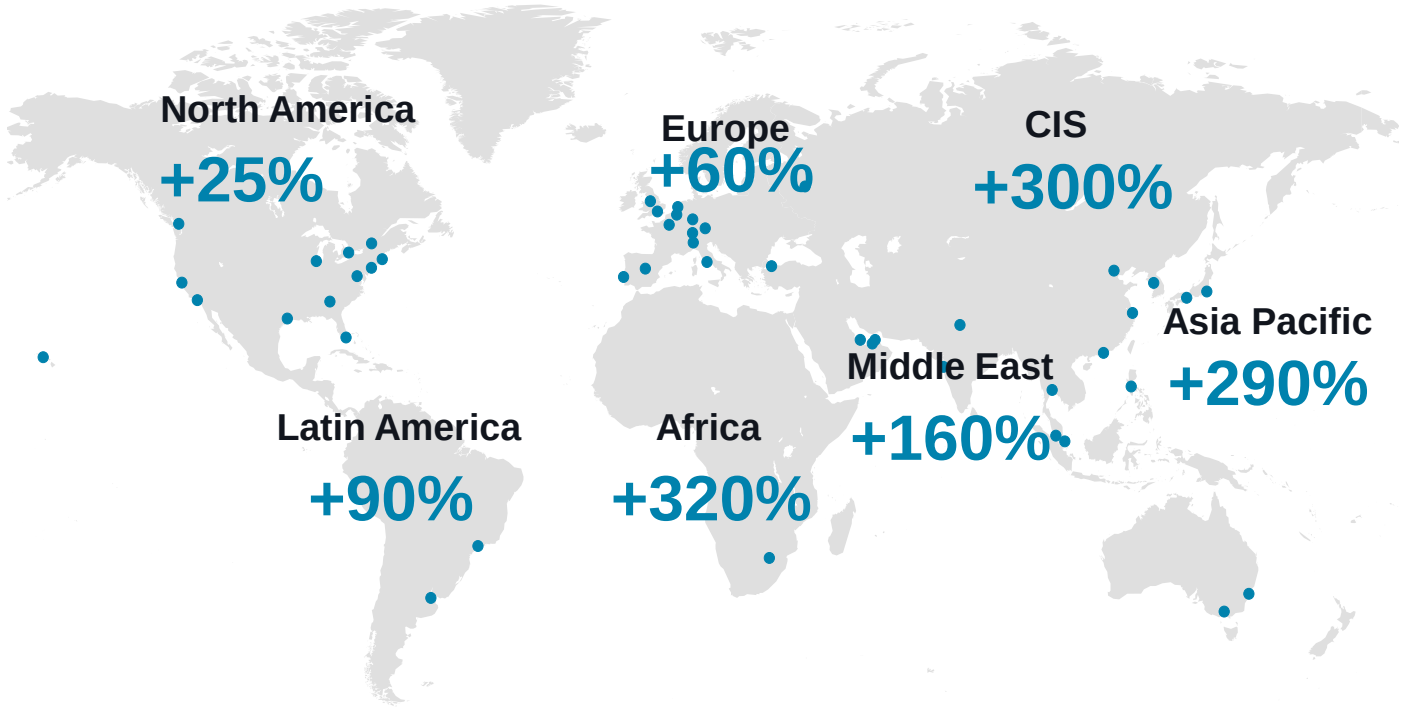
*Aviation Mega-Cities International Airports

- **IATA WSG level 1**: airport infrastructure is adequate
- **IATA WSG level 2**: airports with potential for congestion
- **IATA WSG level 3:** airports where conditions make it impossible to meet demand

AIRBUS

The bigger the city, the wealthier the population

GDP per capita ratio between Aviation Mega-Cities and regional average



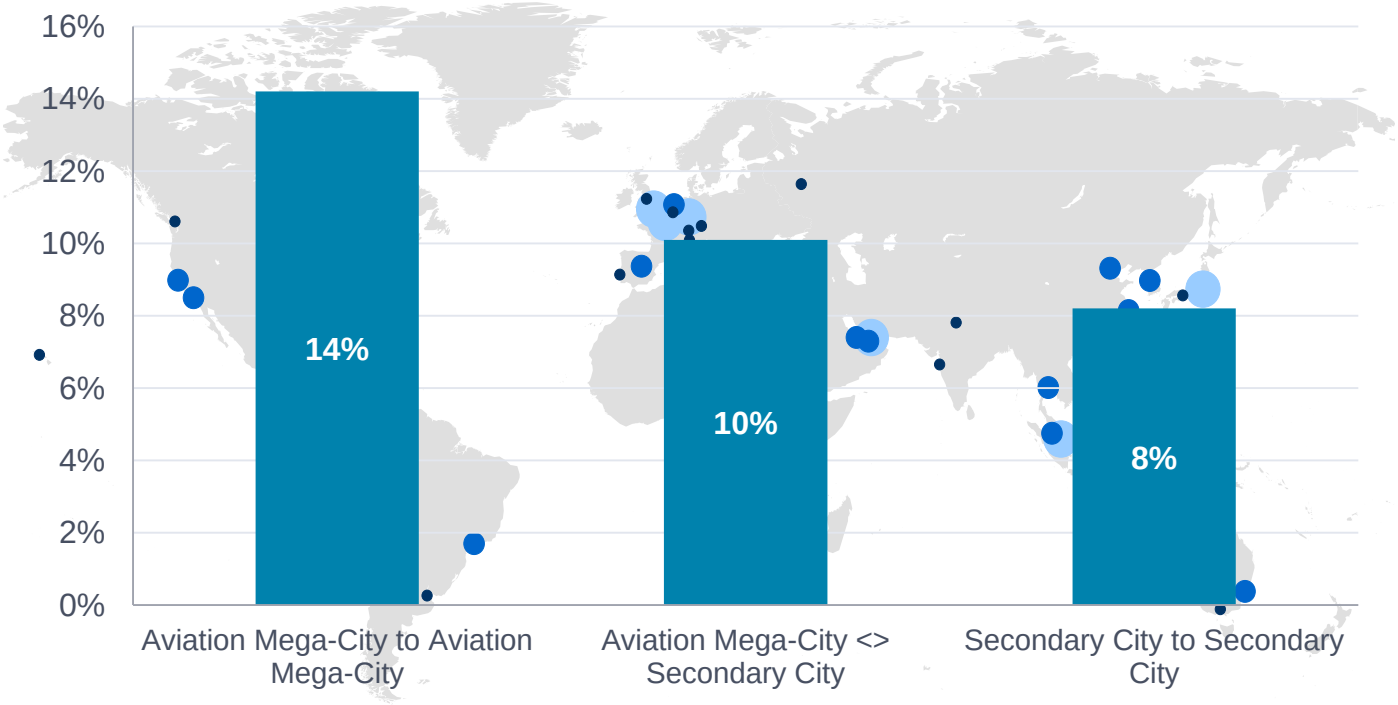
47
Aviation Mega-cities

Source: Oxford Economics, UNPD, IHS Global Insight, Airbus GMF2015

AIRBUS

Routes between Aviation Mega-cities have more premium passengers

Percentage of premium passengers on routes types



Cities with more than 10,000 daily passengers, Long-haul, flight distance >2,000nm, excl. domestic traffic

Percentage of premium between AMC 2014

–

14%

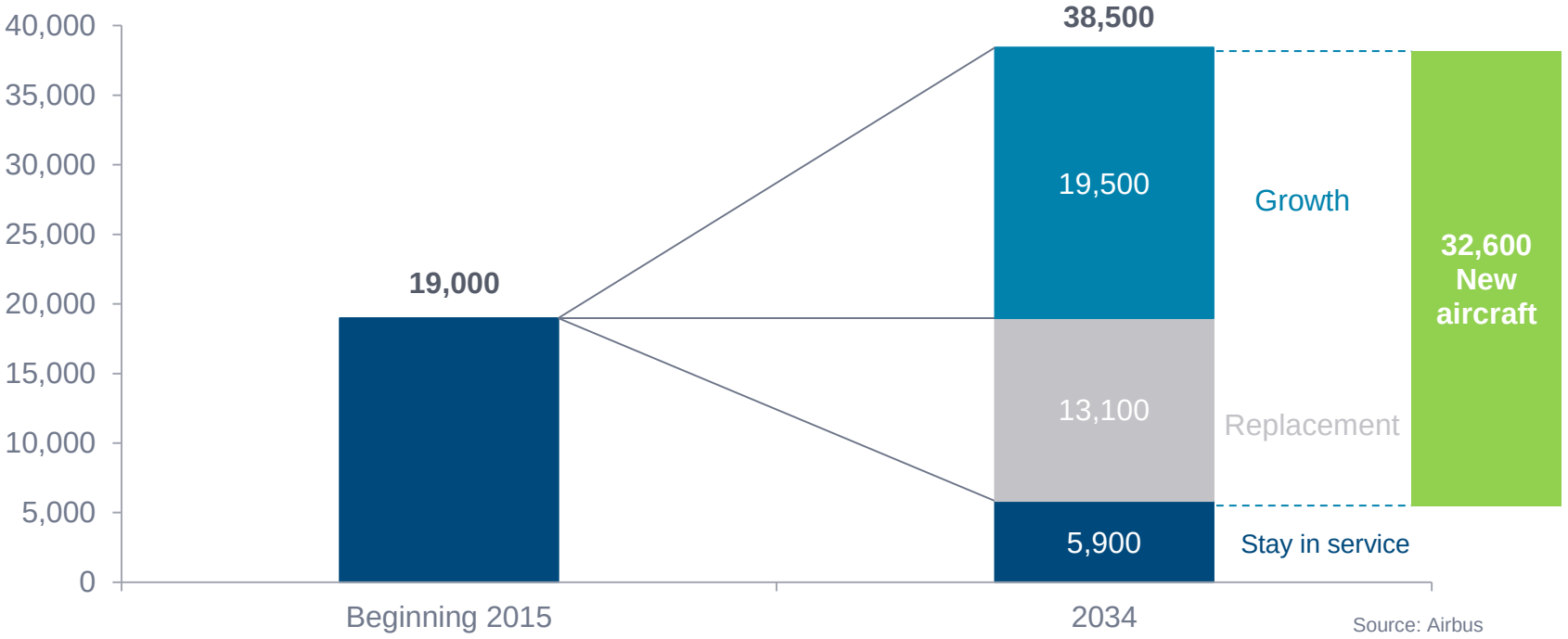
compared to 11% average international long-haul

Source: Sabre (September 2014 data), Airbus GMF2015

AIRBUS

Demand for some 32,600 new passenger and freighter aircraft

Fleet in service evolution: 2015-2034



Source: Airbus

Note: Passenger aircraft ≥100 seats, Freighter aircraft ≥10 tonnes

Summary

- **Strong and resilient passenger traffic growth**
- **Oil price down but trend uncertain**
  - Short-term good for **airline profitability**
  - Medium-term boost for **global GDP**
- **Demand for 32,600 new aircraft by 2034 –** ~31,800 passenger aircraft and 800 freighters
- **13,100 passenger aircraft needed for replacement**, largely single-aisle
- **Single-aisle represent 70% of demand in units, but wide-bodies represent 55% of value**
- **VLA demand largely concentrated on Aviation Mega-cities**

  but network efficiencies will drive proliferation of new VLA destinations

AIRBUS