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Airbus reports a loss of nearly 60 percent

By Volker Mester

Tom Enders (57) ist seit Juni 2012 Vorstandsvorsitzender des Airbus-Konzerns

Tom Enders (57) has been Chairman of the Airbus Group since June 2012

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Operating profit fell by 56 percent. Aircraft builders must sell old models with high price reductions.

Hamburg the nine-month results of the European aerospace group appears at first glance. [Airbus Group](#) unspectacular: With an almost unchanged sales of 42.7 billion euros, net profit increased by five percent to 1.8 billion euros. However, on closer inspection, the figures show that the dominant civil aviation sector is currently struggling with an enormous headwind.

Delivery delay for civil jets

The operating profit (EBIT) of this segment thus fell by 59 percent to EUR 775 million. Tom Enders, CEO of the Airbus Group, said in the official announcement of the Group, "The expected nine-month results reflect the delivery plan, which is heavily focused on the fourth quarter of the fiscal year, as well as the further production up-stream and the switchover to the new versions Our A320 and A330 models." In the plain text, this means that the modernization of the Airbus civilian jet range has resulted in difficulties that lead to delays in delivery and significant additional costs.

The US subsidiary Pratt & Whitney (P & W) is particularly responsible for the changeover problems in the Hamburg-based best-seller, the A320 family for medium-haul flights. The manufacturer of the particularly economical engines, which make the A320neo from the A320, had to grant deficiencies with the hardware and the software of the engines.

Several airlines refused to take off their jets before the difficulties were resolved. Although they were "now largely coped", as it is now called by Airbus. But from January to the end of September 2016, only 24 copies of the A320neo were handed over to customers and P & W could still not deliver fast enough. "This means that the delivery plan continues to be under pressure in the fourth quarter."

Anger with suppliers

The new A350 long-haul jet, which has been delivered to airlines since the end of 2014, also has an upswing with suppliers. This is about late deliveries and defects in the interior, such as seats and toilets. However, Airbus plans to deliver 50 aircraft this year; According to the current state, it is only 29 since January.

As in the A320 program, the conversion to the Neo version with lower consumption also applies to established A330 long-haul flights; The first delivery is planned for the end of 2017. The model change in the A320 family and the A330, however, according to Airbus, but the prices. Surveys by the American consulting firm AirInsight show that the "classic" types A330 and A319 have the highest discounts in the industry with price discounts of around 60 percent.

600 places fall away

Despite all the adversities, Enders remains in its forecast that the Airbus Group will report an operating result at the previous year's level (4.1 billion euros) for 2016. Details about the announced savings program, which is likely to have an effect on the Toulouse location, are expected to be available this year. Already on Wednesday, the group announced that in the helicopter group, almost 600 vacancies would be dropped in two French plants.

In order to achieve the targeted operating result, it would have to be able to deliver more than 670 aircraft by the end of the year, said Chief Financial Officer Harald Wilhelm. So far, the goal was "more than 650". In the sale, Airbus will still have to give a strong boost if the order backlog is to be further expanded - as enders promised. This would require more than 670 orders. By the end of September, however, Airbus had only received 380 orders.