	2019	2018	2017(1)
Profit for the period attributable to equity owners of the parent (Net income), adjusted for diluted calculation	€ (1,362) million	€ 3,061 million	€ 2,368 million
Weighted average number of ordinary shares (diluted)	777,039,858	780,943,038	779,301,228
Diluted earnings per share	**€ (1.75)**	**€ 3.92**	**€ 3.04**

(1) 2017 figures are restated due to the application of IFRS 15.

For further information, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 18: Earnings per Share".

2.1.5 Changes in Total Equity (Including Non-Controlling Interests)

The following table sets forth a summary of the changes in total equity for the period 1 January 2019 through 31 December 2019.

(In € million)	
Balance at 31 December 2018, as reported	**9,719**
Restatements(1)	(122)
Balance at 1 January 2019, restated(1)	**9,597**
Loss for the period	(1,325)
Other comprehensive income	(3,021)
thereof foreign currency translation adjustments	*50*
Capital increase	621
Cash distribution to shareholders / Dividends paid to non-controlling interests	(1,280)
Equity transactions (IAS 27)	1,353
Share-based payment (IFRS 2)	76
Change in treasury shares	(31)
Balance at 31 December 2019	**5,990**

(1) Opening balance figures are restated due to the application of IFRIC 23.

The number of shares issued as of 31 December 2019 was 783,173,115. Please refer to the "Airbus SE IFRS Consolidated Financial Statements — IFRS Consolidated Statements of Changes in Equity for the years ended 31 December 2019 and 2018" and to the "Notes to the IFRS Consolidated Financial Statements – Note 34: Total Equity".

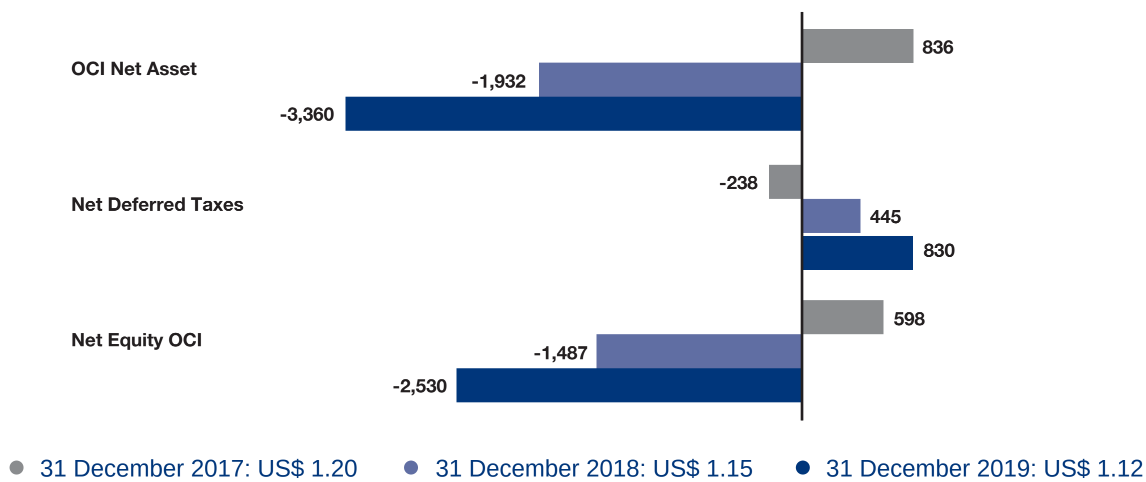
2.1.5.1 Cash Flow Hedge Related Impact on AOCI

As of 31 December 2019, the notional amount of the Company's portfolio of outstanding cash flow hedges amounted to US$ 97.1 billion, hedged against the euro and the pound sterling. The year-end mark to market valuation of this portfolio required under IFRS 9 (2017 under IAS 39) resulted in a negative pre-tax accumulated other comprehensive income ("**AOCI**") valuation change of € -1.4 billion as of 31 December 2019 compared to 31 December 2018, based on a closing rate of €/US$ 1.12 as compared to a pre-tax AOCI valuation change of € -3.0 billion as of 31 December 2018 compared to 31 December 2017, based on a closing rate of €/US$ 1.15. For further information on the measurement of the fair values of financial instruments, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 37: Information about Financial Instruments".

Positive pre-tax mark to market values of cash flow hedges are included in other financial assets, while negative pre-tax mark to market values of cash flow hedges are included in other financial liabilities. Year-to-year changes in the mark to market value of effective cash flow hedges are recognised as adjustments to AOCI. These adjustments to AOCI are net of corresponding changes to deferred tax assets (for cash flow hedges with negative mark to market valuations) and deferred tax liabilities (for cash flow hedges with positive mark to market valuations).

The following graphic presents the cash flow hedge related movements in AOCI over the past three years. The mark to market of the backlog is not reflected in the accounts whereas the mark to market of the hedge book is reflected in AOCI.

CASH FLOW HEDGE RELATED MOVEMENTS IN AOCI IN € MILLION (BASED ON YEAR-END EXCHANGE RATES) (1)



(1) Cash flow hedge in AOCI in total equity (including non-controlling interests).

As a result of the negative change in the fair market valuation of the cash flow hedge portfolio in 2019, AOCI amounted to a net liability of €-3.4 billion for 2019, as compared to a net liability of €-1.9 billion for 2018. The corresponding €+0.4 billion tax effect led to a net deferred tax asset of €0.8 billion as of 31 December 2019 as compared to a net deferred tax asset of €0.4 billion as of 31 December 2018.

For further information, please refer to the "Notes to the IFRS Consolidated Financial Statements — Note 37.5: Information about Financial Instruments — Derivative Financial Instruments and Hedge Accounting Disclosure".

2.1.5.2 Foreign Currency Translation Adjustment Impact on AOCI

The €50 million currency translation adjustment related impact on AOCI in 2019 mainly reflects the effect of the variations of the US dollar and the pound sterling.

2.1.6 Liquidity and Capital Resources

The Company's objective is to generate sufficient operating cash flow in order to invest in its growth and future expansion, honour the Company's dividend policy and maintain financial flexibility while retaining its credit rating and competitive access to capital markets.

The Company defines its consolidated net cash position as the sum of (i) cash and cash equivalents and (ii) securities, minus (iii) financing liabilities (all as recorded in the Consolidated Statements of Financial Position). Net cash position is an alternative performance measure and an indicator that allows the Company to measure its ability to generate sufficient liquidity to invest in its growth and future expansion, honour its dividend policy and maintain financial flexibility. The net cash position as of 31 December 2019 was €12.5 billion (€13.3 billion as of 31 December 2018 before the initial application impact of IFRS 16).

The liquidity is further supported by a €3.0 billion syndicated back-up facility, undrawn as of 31 December 2019 with no financial covenants, as well as a €5.0 billion Euro Medium Term Note programme, a €3.0 billion Negotiable Euro Commercial Paper programme and a $ 3.0 billion US commercial paper programme. See "— 2.1.6.3 Consolidated Financing Liabilities" and please refer to the "Notes to the IFRS Consolidated Financial Statements — Note 37.1: Information about Financial Instruments — Financing Risk Management". The factors affecting the Company's cash position, and consequently its liquidity risk, are discussed below.

For information on Airbus SE's credit ratings, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 35: Capital Management".

2.1.6.1 Cash Flows

The Company generally finances its manufacturing activities and product development programmes, and in particular the development of new commercial aircraft, through a combination of flows generated by operating activities, customer advances, risk-sharing partnerships with subcontractors and European governments' refundable advances. In addition, the Company's military activities benefit from government-financed research and development contracts. If necessary, the Company may raise funds in the capital markets.

The following table sets forth the variation of the Company's consolidated net cash position over the periods indicated.

(In € million)	**2019**	2018	2017
Net Cash position at 1 January	**13,281**	**13,391**	**11,113**
Initial application impact of IFRS 16	(1,352)	0	0
Gross cash flow from operations[1]	3,391	5,515	4,451
Changes in other operating assets and liabilities (working capital)[2]	2,176	(633)	266
thereof customer financing	*58*	*79*	*(100)*
Cash used for investing activities[3]	(2,092)	(1,377)	(982)
thereof industrial capital expenditures	*(2,340)*	*(2,285)*	*(2,558)*
Free Cash Flow[4]	**3,475**	**3,505**	**3,735**
thereof M&A transactions	*(92)*	*514*	*886*
Free Cash Flow before M&A[5]	*3,567*	*2,991*	*2,849*
Cash flow from customer financing (net)	58	79	(100)
Free Cash Flow before customer financing	*3,417*	*3,426*	*3,835*
Free Cash Flow before M&A and customer financing	***3,509***	***2,912***	***2,949***
Cash distribution to shareholders / non-controlling interests	(1,280)	(1,161)	(1,046)
Contribution to plan assets of pension schemes	(1,752)	(2,519)	(458)
Changes in capital and non-controlling interests	194	117	83
Change in treasury shares / share buyback	(31)	(49)	0
Others	(1)	(3)	(36)
Net Cash position at 31 December	**12,534**	**13,281**	**13,391**

(1) Represents cash provided by operating activities, excluding (i) changes in other operating assets and liabilities (working capital), (ii) contribution to plan assets of pension schemes and (iii) realised foreign exchange results on treasury swaps (€102 million in 2019, €-45 million in 2018, €185 million in 2017). It is an alternative performance measure and an indicator used to measure its operating cash performance before changes in other operating assets and liabilities (working capital).
(2) Excluding reclassification of certain trade liabilities and some perimeter change impacts from changes in consolidation.
(3) Does not reflect change in securities (net investment of €-397 million in 2019, net investment of €-93 million in 2018, net investment of €-1,233 million in 2017), which are classified as cash and not as investments solely for the purposes of this net cash presentation. Excluding bank activities.
(4) Does not reflect change of securities, change in cash from changes in consolidation, contribution to plan assets of pension schemes and realised foreign exchange results on treasury swaps. Excluding bank activities. Free Cash Flow is an alternative performance measure and indicator that reflects the amount of cash flow generated from operations after cash used in investing activities.
(5) Free Cash Flow before M&A refers to Free Cash Flow adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and indicator that reflects Free Cash Flow excluding those cash flows from the disposal and acquisition of businesses.

The net cash position as of 31 December 2019 was €12.5 billion, a 5.6% decrease from 31 December 2018. Please see further details below.

Gross Cash Flow from Operations

Gross cash flow from operations is an alternative performance measure and an indicator used by the Company to measure its operating cash performance before changes in working capital. Gross cash flow from operations decreased to €3.4 billion for 2019, which reflects the EBIT Adjusted, record deliveries and the impact of the recognition of compliance related penalties amounting to €-3.6 billion. The negative impact from recognising these penalties was neutralised by a corresponding increase in current liabilities included in changes in other operating assets and liabilities (working capital).

Changes in Other Operating Assets and Liabilities (Working Capital)

Changes in other operating assets and liabilities (working capital), is comprised of inventories, trade receivables, contract assets and contract liabilities (including customer advances), trade liabilities, and other assets and other liabilities and others. They resulted in a positive working capital variation of €2.2 billion for 2019, versus a negative impact of €-0.6 billion for 2018.

In 2019, the positive working capital variation reflects the change in other assets and liabilities and others (€+3.1 billion), mainly due to the positive impact of the recognition of penalties (see "Gross Cash Flow from Operations" above), the change in contract assets and contract liabilities (€+2.0 billion), the change in trade receivables (€+0.9 billion), and the change in inventories (€+0.8 billion). This was partially compensated by the decrease in trade liabilities (€-3.9 billion).

European governments' refundable advances. As of 31 December 2019, total European governments' refundable advances liabilities, recorded on the statement of financial position in the line items "non-current other financial liabilities" and "current other financial liabilities" due to their specific nature, amounted to €4.3 billion, including accrued interest.

European governments' refundable advances (net of reimbursements) decreased in 2019, primarily related to the payments made on the A380 programme. Please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 11: Revenue and Gross Margin" and "– Note 25: Other Financial Assets and Other Financial Liabilities".

Cash Used for Investing Activities

Management categorises cash used for investing activities into three components: (i) industrial capital expenditure, (ii) M&A transactions and (iii) others. Cash used for investing activities amounted to €-2.1 billion for 2019, €-1.4 billion for 2018 and €-1.0 billion for 2017.

Capital expenditure. Capital expenditure (investments in property, plant and equipment and intangible assets) amounted to €-2.3 billion for 2019, €-2.3 billion for 2018 and €-2.6 billion for 2017. This stabilisation of capital expenditure in 2019 demonstrates the Company's sound approach to capital allocation and supports the current production rates. In 2018, it related to Airbus programmes of €-1.6 billion (mainly for the Beluga XL, and the ramp-up phase of the A320 Family and the A350 XWB) and additional projects in the other business segments of €-0.7 billion. Capital expenditure includes product-related development costs that are capitalised in accordance with IAS 38. See "— 2.1.2.2 Capitalised development costs".

M&A transactions. In 2019, the €-0.1 billion figure includes net proceeds from the funding of OneWeb Communications and the disposals of PFW Aerospace GmbH and Alestis Aerospace S.L. Please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 7: Acquisitions and Disposals".

In 2018, the €0.5 billion figure includes net proceeds from the disposal of Plant Holdings, Inc. and Compañía Española de Sistemas Aeronáuticos, S.A. ("CESA").

Free Cash Flow

The Company defines Free Cash Flow as the sum of (i) cash provided by operating activities and (ii) cash used for investing activities, minus (iii) change of securities, (iv) contribution to plan assets of pension schemes, (v) realised foreign exchange results on treasury swaps and (vi) Airbus Bank activities. It is an alternative performance measure and key indicator that is important in order to measure the amount of cash flow generated from operations after cash used in investing activities. As a result of the factors discussed above, Free Cash Flow amounted to €3.5 billion for 2019 as compared to €3.5 billion for 2018 and €3.7 billion for 2017.

Free Cash Flow before M&A

Free Cash Flow before mergers and acquisitions refers to Free Cash Flow adjusted for net proceeds from disposals and acquisitions. It is an alternative performance measure and key indicator that reflects Free Cash Flow excluding those cash flows resulting from acquisitions and disposals of businesses.

Free Cash Flow before M&A and Customer Financing

Free Cash Flow before M&A and customer financing refers to Free Cash Flow before mergers and acquisitions adjusted for cash flow related to aircraft financing activities. It is an alternative performance measure and indicator that may be used occasionally by the Company in its financial guidance, especially when there is higher uncertainty around customer financing activities.

Cash Distribution to Shareholders / Non-Controlling Interests

Cash distribution to shareholders / non-controlling interests amounted to €-1.3 billion in 2019, €-1.2 billion in 2018, €-1.0 billion in 2017.

Contribution to Plan Assets of Pension Schemes

The cash outflows of €-1.8 billion, €-2.5 billion and €-0.5 billion in 2019, 2018 and 2017, respectively, primarily relate to a contribution to the Contractual Trust Arrangement ("CTA") for allocating and generating pension plan assets in accordance with IAS 19, as well as to plan assets in the UK and to German benefit funds. Please refer to the "Notes to the IFRS Consolidated Financial Statements — Note 31.1: Post-employment Benefits — Provisions for Retirement Plans" and "— Note 31.2 Provisions for Deferred Compensation".

Change in Treasury Shares

Change in treasury shares for 2019 amounted to €-31 million. Change in treasury shares for 2018 amounted to €-49 million. In 2017 there was no change in treasury shares. As of 31 December 2019 and 2018, the Company held 862,610 and 636,924 treasury shares, respectively.

2.1.6.2 Cash and Cash Equivalents and Securities

The cash and cash equivalents and securities portfolio of the Company is invested mainly in non-speculative financial instruments, mostly highly liquid, such as certificates of deposit, overnight deposits, commercial papers, other money market instruments and bonds. Please refer to the "Notes to the IFRS Consolidated Financial Statements — Note 37.1: Information about Financial Instruments — Financial Risk Management".

The Company has a partially automated cross-border and domestic cash pooling system in all countries with major group presence and whenever country regulations allow such practice (among others, this includes mainly France, Germany, Spain, the Netherlands, the UK and the US). The cash pooling system enhances management's ability to assess reliably and instantaneously the cash position of each subsidiary within the Company and enables management to allocate cash optimally within the Company depending upon shifting short-term needs.

2.1.6.3 Financing Liabilities

The outstanding balance of the Company's consolidated financing liabilities increased from €8.9 billion as of 31 December 2018 to €10.1 billion as of 31 December 2019. The increase is mainly due to the application of IFRS 16, see "— 2.1.2 Significant Accounting Considerations, Policies and Estimates," partly offset by the conversion of the convertible bond issued on 1 July 2015 for an amount of €500 million. For further information, please refer to the "Notes to the IFRS Consolidated Financial Statements — Note 36.3: Net Cash — Financing Liabilities".

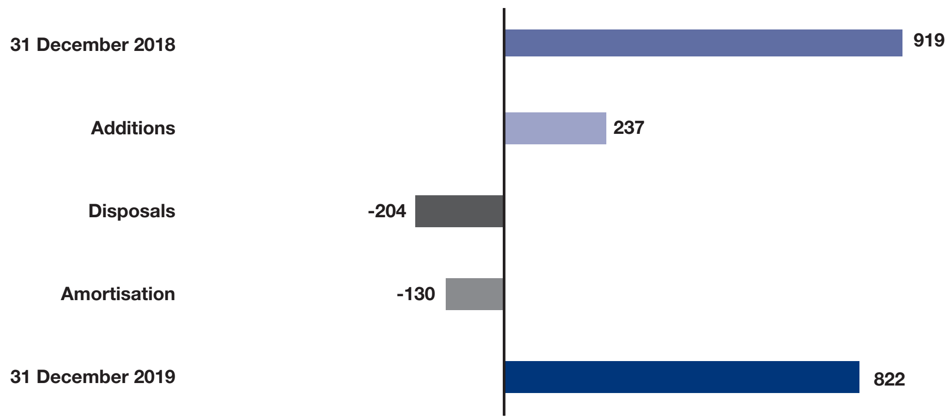
2.1.6.4 Sales Financing

The Company favours cash sales and encourages independent financing by customers, in order to avoid retaining credit or asset risk in relation to delivered products. However, in order to support product sales, primarily at Airbus and Airbus Helicopters, the Company may agree to participate in the financing of customers, on a case-by-case basis, directly or through guarantees provided to third parties.

The financial markets remain unpredictable, which may cause the Company to increase its future outlays in connection with customer financing of commercial aircraft and helicopters, mostly through finance leases and secured loans and if deemed necessary through operating lease structures. Nevertheless, the Company intends to keep the amount as low as possible.

Dedicated and experienced teams structure such financing transactions and closely monitor total finance and asset value exposure of the Company and its evolution in terms of quality, volume and intensity of cash requirements. The Company aims to structure all financing it provides to customers in line with market-standard contractual terms so as to facilitate any subsequent sale or reduction of such exposure.

Evolution of Airbus Gross Exposure during 2019 in US$ million



Airbus gross customer financing exposure as of 31 December 2019 is distributed over 30 aircraft, operated at any time by approximately 8 airlines. In addition, the level of exposure may include other aircraft-related assets, such as spare parts. More than 90% of Airbus gross customer financing exposure is distributed over 6 countries (this excludes backstop commitments).

Over the last three years (2017 to 2019), the average number of aircraft delivered in respect of which financing support has been provided by Airbus amounted to less than 1% of the average number of deliveries over the same period, *i.e.* 1 aircraft financed per year out of 794 deliveries per year on average.

Airbus Helicopters' gross customer financing exposure amounted to €48 million as of 31 December 2019. This exposure is distributed over 21 helicopters, operated by approximately 6 companies.

For further information, please refer to the "Notes to the IFRS Consolidated Financial Statements – Note 27: Sales Financing Transactions".