

Airbus profits halved but hopes to meet delivery target

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European air giant Airbus said Thursday its half-year profits plunged, as the company is hit by delays in the delivery of its A320neo engines, but

confirmed its objective to provide 800 aircraft this year despite "risks".

Net income for the period more than halved to 496 million euros (\$582 million) from 1.09 billion last year including "a negative impact from the foreign exchange revaluation of financial instruments."

"The first half financials reflect the back-loaded deliveries due to A320neo engine shortages, while on the positive side there was a strong improvement on the A350 programme," CEO Tom Enders said in a company statement.

"A320neo aircraft deliveries picked up during the second quarter but challenges remain to meet our full year targets."

"Market demand remains strong for the expanded Airbus portfolio that now includes the A220 at the smaller end."

The A320neo is a more fuel-efficient version of the Airbus company's best-selling airliner, the A320.

The planes are equipped with a new generation of engines and have aerodynamic modifications that allow airlines to save 15 percent on fuel, which is a major operating cost.

The medium-range, single-aisle Airbus aircraft and similarly upgraded Boeing planes have attracted thousands of orders as airlines seek to ensure they remain competitive in the future.

But the new engines have suffered from technical glitches and delays.

Airbus said Thursday that 110 A320neo aircraft were delivered during the first half, up from 59 in the same period last year, and "the ramp-up is ongoing."

"Engine manufacturers are working to meet their commitments and resources and capabilities have been mobilised internally.

"A recovery plan is in place and the number of stored aircraft has started to decline from the end of May peak but risks remain to meet the 800 aircraft delivery target, which is challenging."

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