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## **Airbus agrees 3.6bn euro deal to settle corruption investigations**

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Airbus is to pay 3.6 billion euros in fines and penalties to Britain, France and America after settling claims against it of bribery and corruption.

Three and a half years after the Serious Fraud Office and other law agencies began investigations into the use of middlemen to facilitate lucrative deals, Airbus has reached a settlement on the cases, pending final court approvals.

Airbus is due to appear in the High Court in London on Friday, after which details of allegations made against it are expected to be released.

Airbus is the world's second largest aerospace manufacturer after Boeing, its American rival, with annual revenues of 64 billion euros. It employs 134,000 people globally, with 13,500 in Britain making wings for commercial and military aircraft, satellites and missile systems.

The size of the settlements will wipe out Airbus's profits for the year. The company said that it would take a charge in its 2019 accounts. After-tax profits in 2018 were 3 billion euros.

The settlement has been made through a deferred prosecution agreement, a legal device reached under the supervision of a judge in cases of fraud, bribery or economic crimes. It is the fraud office's seventh in four years.

Deferred prosecution agreements are designed for companies to make full reparation for the impact of their crimes, but without the reputational damage of a criminal conviction that could put a company out of business and workers out of their jobs.



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They also avoid lengthy and costly criminal trials. The most high-profile such agreement — and the largest in terms of reparations — was the £671 million settlement with Rolls-Royce, the engine maker, three years ago for bribing businessmen and officials across five continents and over two decades. Just under £500 million was paid to the British taxpayer.

Tesco, the supermarket chain, was the subject of a £235 million deferred prosecution agreement in the same year over alleged criminal activity in inflating its profits.

While there is no detail yet of how the Airbus fines and penalties will be split between Britain, America and France, the settlement is likely to set a new record in the British courts.

Airbus said yesterday: “The investigations relate to allegations of bribery and corruption and to inaccuracies in filings made with the US authorities pursuant to the International Traffic in Arms Regulations.”

Corruption at Airbus has been a huge embarrassment for the government, with the investigation leading to the UK Export Finance agency freezing support to Airbus.

An investigation by The Times revealed that in the five years up to 2016 Airbus accounted for £6 billion, or 45 per cent, of the agency’s support to manufacturers with facilities in the UK — in Airbus’s case, usually in the form of short-term loans to airlines or governments to make sure that deals go through. That freeze has since ended.

Shares in Airbus rose by 1 per cent in Paris yesterday to 134.16 euros.