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Airport increasingly serving as a springboard for intercontinental travel

## **Munich Airport reports record net annual profit of €155 million for 2017**

With consolidated earnings after taxes at around €155 million, Munich Airport achieved the best result in its history in 2017. The Group again achieved a year-on-year increase of €100 million in annual revenues to around €1.5 billion – thanks in large part to a substantial 5.5 percent rise in total passengers to 44.6 million. The airport's strong economic performance also paid off for the neighboring communities, which will again take in business tax revenues of €35 million.

In view of the record figures, Dr. Michael Kerkloh, the President and CEO of Munich Airport, is confident that the company is well prepared for the challenges that lie ahead: "This ensures that Munich Airport will be able to make the necessary investments to handle its future tasks with its own financial resources." Kerkloh's outlook at today's annual press conference in Munich: "All the signs point to a continuation of our very satisfactory performance, so that we fully expect to report earnings at around the same level for 2018."

A look at the current traffic trends in the recently launched summer timetable period confirms this assessment. With five Lufthansa Airbus A 380 aircraft now stationed in Munich, the Bavarian hub has become just the fourth European airport – after London, Paris and Frankfurt – to serve as a home base for the world's largest passenger aircraft. Lufthansa will operate daily services to Los

Angeles, Hong Kong and Beijing with the superjumbo. In addition, the German carrier has added four plans from the Airbus A320 to its Munich fleet for medium-haul flights. This has further improved the connectivity of the Munich hub.

Another important component enhancing Munich Airport's hub status is the upgrade of the Lufthansa fleet with modern Airbus A350 long-haul jets. The airline has already eight of a total of 15 of these widebody jets in service. The Munich Airport 2108 summer timetable includes a more extensive range of intercontinental flights and destinations than ever before. CEO Kerkloh called this "a further step in solidifying Munich Airport's hub function." He added: "The new long-haul services have greatly strengthened our airport's global network. Munich is becoming more and more attractive as a springboard for travel to other continents."

The Lufthansa subsidiary Eurowings is also helping to maintain the momentum of this trend: From the beginning of next week, Eurowings will be launching new long-haul services to and from Munich. The airline will offer scheduled services from Munich to 15 intercontinental destinations – including such holiday hotspots as Cancun, Fort Myers, Mauritius, Montego Bay and Las Vegas. As a result, travellers will have the option of flying with low-cost airlines on long-haul routes for the first time. Thanks to Eurowings, the share of low-cost carriers in total traffic in Munich is expected to increase to around 11 percent in 2018.

## Summary of Munich Airport's annual results:

FMG Group financial results	2017	2016
[€m]	[IFRS]	[IFRS]
Group sales	1,470	1,364
Earnings before interest, taxes depreciation and amortization (EBITDA)	520	529
Depreciation and amortization	220	239
Earnings before interest and taxes (EBIT)	300	290
Financial result	-75	-80
Taxes	-70	-58
EAT	155	152
EBITDA margin	35%	39%
Operating cash flow	380	529

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Please note that the 2017 financial results are still preliminary approximate values!

The approx. 2 percent year-on-year decrease in EBITDA resulted from non-recurring gains from disposals.

The decrease in operating cash flow resulted mainly from liabilities in connection with the construction of the satellite terminal in 2016 and from higher tax payments in 2017.

## Summary of annual figures of Munich Airport:

<u>Traffic figures</u>	2017	2016	Change
<b>Passenger volume</b>			
Commercial traffic	44,577,241	42,261,309	5.5 %
<b>Aircraft movements</b>			
Total	404,505	394,430	2.6 %
<b>Cargo [in tons]</b>			
Airfreight and airmail turnover	378,803	353,650	7.1 %
Thereof airfreight turnover	362,831	334,497	8.5 %

FMG (Flughafen München GmbH), incorporated in 1949, operates Munich Airport, which opened at its present site on May 17, 1992. It is jointly owned by the Free State of Bavaria (51 percent), the Federal Republic of Germany (26 percent) and the city of Munich (23 percent). The FMG corporate group, with its 16 subsidiaries, employs over 9,000 people. With a total workforce of about 35,000 employees with 550 companies, Munich Airport is one of Bavaria's most important workplaces. Within just a few years of opening, Munich Airport developed into a major air transportation hub and was firmly established as one of Europe's 10 busiest airports. Munich Airport now offers connections to more than 250 destinations all over the world. In 2017 it handled about 405,000 flights with 44.6 million passengers. Munich Airport was the first – and remains the only – European hub to earn the prestigious "Five Star Airport" designation from the London-based international air transport rating organization Skytrax.



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