



POSITION REPORT

Annual Financial Report
2017/18

Group Management Report of FACC AG for the 2017/18 Financial Year

- With a growth rate of 3.7%, the global economy experienced the biggest upturn of the decade.
- High passenger volumes and the persistently low price of oil had a positive impact on the aviation industry.
- In 2017, airlines generated the third highest revenues in history. Airbus and Boeing delivered 1,481 aircraft.
- The order backlog for aircraft with more than 100 seats remained high at 13,800.

1. BUSINESS ENVIRONMENT

The global economy was shaped by a broad economic recovery in 2017. According to estimates by the International Monetary Fund (IMF), global economic output rose by 3.7% after an increase of 3.2% in 2016, while growth in the industrialised countries rose to 2.3% (previous year: 1.7%) following a slowdown in the previous year. In the emerging and developing countries, economic growth remained high at 4.7% (previous year: 4.4%). According to the IMF, also the USA and China, the world's two major economies, each recorded an increase in economic growth in 2017: The United States are currently undergoing a robust economic recovery. In 2017, the US economy grew by 2.2% (previous year: 1.5%), with consumers being the main drivers of the economic upturn. Companies also made a strong contribution to growth with increasing capital investments.

China, whose economy continued on a strong growth trajectory, was the largest contributor to global economic growth with a growth rate of 6.8% (previous year: 6.7%) as shown by economic data. The shift of the Chinese economy to an increasingly consumer-oriented economy is still in full swing.

The eurozone economy ended 2017 on a strong note as well: After five years of moderate recovery, growth in the European Union sped up with an increase of 2.5% compared to 1.8% in the previous year. This acceleration was mainly driven by consumer spending. Investment activity remained strong and exports were on the rise. Moreover, these growth dynamics within the eurozone are spreading to more and more member states of the European Union.

Despite the overall improvement of the economic situation, risks such as rising protectionism in world trade still remain a threat, according to IMF forecasts. The issue of whether there will be an agreement on the continuation of free trade between Britain and the EU also remains to be resolved. The withdrawal of the United Kingdom from the European Union will have a significant impact on

London as a financial centre and will cause a great deal of uncertainty for the British economy. According to current forecasts, the risks of geopolitical conflicts also remain high.

2. INDUSTRY ENVIRONMENT

Airlines recently continued their positive earnings trend, which was caused in part by strong demand, and implemented efficiency improvements and successful consolidations. The persistently low price of oil, which is a major component of airlines' operating costs, also contributed to this positive development.

The International Air Transport Association (IATA) announced an above-average increase of 7.5% in global passenger traffic in 2017, with demand increases varying by region: 4.0% in North America, 8.0% in Europe and 10.0% in Asia. Confronted with increasing passenger volumes, the airlines expanded their fleets, with the global fleet growing by 5.2% in 2017. IATA calculated industry-wide profits of USD 34.5 billion for 2017, which is the third year in a row in which airlines exceeded the USD 30 billion profit mark.

Airbus and Boeing delivered 1,481 aircraft in 2017. During the same period, airlines ordered 2,021 aircraft from Airbus and Boeing. The order backlog for aircraft with more than 100 seats slightly increased to around 13,800 aircraft. Assuming that production rates remain constant, this order backlog corresponds to a calculated production period of nine years.

3. GENERAL INFORMATION

The FACC Group based in Ried im Innkreis is an Austrian group of companies which specialises in the development, production and maintenance of aircraft components.

The product range includes structural components (wing-to-body fairings, fan cowls and composite components for engines, wing parts and wingtips) as well as components for aircraft interiors (overhead stowage compartments, cabin linings, service units, etc.).

Due to different applications of the products, three operating segments were created. The Aerostructures segment is responsible for the development, production, distribution and repair of structural components, while the Cabin Interiors segment is responsible for the development, production, distribution and repair of cabin interiors and the Engines & Nacelles segment covers the production,

distribution and repair of fan cowls. After customer contracts have been concluded and the orders processed, the individual orders are then manufactured in the Group's five plants. In addition to the three operating segments, the Group also comprises the central services Finance and Controlling, Human Resources, Quality As-

urance, Purchasing and IT (including Engineering Services). The central services support the operating segments in fulfilling their duties within the framework of a matrix organisation.

4. DEVELOPMENT OF THE FACC GROUP

	2015/16 MEUR	2016/17 MEUR	2017/18 MEUR
Revenues	580.2	705.7	750.7
One-time effects	0.0	0.0	5.7
Of which product revenues	518.6	646.1	691.0
Of which revenues from development services	61.6	59.6	59.7
EBIT	-58.8	25.0	63.8
One-time effects	-41.9	0.0	15.2
EBIT adjusted for one-time effects	-16.9	25.0	48.6
EBIT margin (adjusted)	-10.1%	3.8%	6.5%
Earnings after taxes	-52.3	15.2	39.7
Earnings per share	-1.14	0.33	0.87

In the 2017/18 financial year, the FACC Group generated revenues of EUR 750.7 million, which represents an increase of EUR 45.0 million or 6.4% compared to the previous year.

Revenues from product deliveries increased by 6.9% to EUR 691.0 million. The main drivers of product sales in the 2017/18 financial year were the programmes for the Airbus A320 family, Airbus A350 XWB, Boeing 787 as well as the Bombardier and Embraer Business Jets. All other programmes, including all components for the equipment of Rolls-Royce and Pratt & Whitney engines, developed in line with FACC management plans and contributed to the Group's growth.

Growth was fueled by the increasing rate ramp ups for the new major B787 and A350 aircraft programmes and the growing demands of the A320 aircraft family. It should be noted that the B737 winglet programme, which has been manufactured exclusively by FACC since 2001, is losing significance after 18 years of series production. Revenues from this project decreased from approximately EUR 50 million in the 2016/17 financial year to EUR 40 million in the 2017/18 financial year. Call-offs from this project will be gradually reduced over the next two years and will cease completely by 2020. The orders received in recent years and new winglet programmes more than compensate for the loss of sales, but will be accompanied by a temporary slowdown in growth in the structural division until 2019/20.

Revenues from the offsetting of development services remained constant at EUR 59.7 million (previous year: EUR 59.6 million).

The cost of materials increased by EUR 7.6 million from EUR 443.0 million to EUR 450.6 million in the 2017/18 financial year. This increase was brought about by a higher operating performance.

The materials ratio (cost of materials/revenues) decreased by 3 percentage points to 60.0% (previous year: 63.0%) due to further measures to increase efficiency in the manufacturing environment and adjustments to supply chain management (new tenders and allocation of new supplier contracts).

Group personnel expenses increased by EUR 11.2 million from EUR 173.2 million to EUR 184.4 million in 2017/18. The personnel cost ratio (personnel expenses/sales revenues) increased by 0.1 percentage points compared to the previous year to 24.6%. In production, however, the personnel cost ratio was significantly reduced. The workforce was expanded with particular emphasis on white-collar workers to meet the requirements of the development projects and secure future growth.

In the past financial year, earnings before interest and taxes (EBIT) amounted to EUR 63.8 million (previous year: EUR 24.9 million).

The one-time effects in the amount of EUR 15.2 million were largely due to the conclusion of customer negotiations. As a consequence of the amendments to IAS 8, the relevant receivables were value-adjusted or provisions were established in previous periods.

4.1. Financial position

The main objectives of financial management are to ensure that the Group has access to adequate liquidity at all times, to avoid financial risks and to guarantee financial flexibility. In order to secure the company's liquidity and reduce risks, FACC makes use of various internal and external funding sources with differing maturities. Long-term liquidity forecasts are based on the Group's operational planning. The cash flow from operating activities in the operating segments constitutes the Group's main source of liquidity. This reduces external borrowing requirements and the associated interest expenses. FACC also makes use of a variety of funding instruments to assure its liquidity, including corporate bonds, promissory note loans, loan agreements with banks and lease arrangements.

Financing instruments

The banking policy, procedures for the approval of banking relationships, loan agreements, liquidity and financial asset management, and the management of currency and interest rate risks are set down in the treasury principles. It is a basic principle of the Group that its lines of credit are administered at the corporate level by the treasury department.

For information on the company's capacity to raise funds through authorised and conditional capital increases and on funding sources, please refer to Notes 30. Through these diverse measures, FACC has created a stable and sustainable basis to meet its future funding requirements.

4.1.1. Liquidity analysis

One of FACC's key performance indicators is free cash flow, which the company determines by combining its cash flow from operating activities with its cash flow from investing activities.

	2015/16 MEUR	2016/17 MEUR	2017/18 MEUR
Cash flow from operating activities	-9.3	20.0	63.1
Cash flow from investing activities	-50.9	-34.4	-35.1
Free cash flow	-60.2	-14.4	26.0
Cash flow from financing activities	3.9	6.0	-12.9
Net change in cash and cash equivalents	-56.3	-8.4	15.0
Valuation effects from currency translation differences	1.5	0.5	0.2
Cash and cash equivalents at the beginning of the period	111.0	56.2	48.3
Cash and cash equivalents at the end of the period	56.2	48.3	63.5

Cash flow from operating activities

The cash flow from operating activities in the 2017/18 financial year amounted to EUR 63.1 million, which corresponds to an increase of EUR 43.1 million compared to the previous year's figure of EUR 20.0 million. In addition to a favourable revenue and earnings development in the year under review, this growth was mainly driven by an increase in working capital of EUR 43.1 million.

Cash flow from investing activities

The cash outflow resulting from investing activities in the 2017/18 financial year amounted to EUR -35.1 million compared with EUR -34.4 million in the previous year.

Project investments were mainly driven by development and tooling costs for the Airbus A350-1000, A330neo, Bombardier C Series and Embraer-E2 jets models as well as by investments in the duplication of various tools to safeguard future production rates.

Capital expenditures on property, plant and equipment are mainly attributable to the expansion of production capacities at the Austrian plant 2 in St. Martin and plant 4 in Reichersberg, the ramp up of new programmes as well as the support of increasing call-up orders within the framework of ongoing projects. In the course of the financial year, new investments were made in production plants for capacity expansion, additional automation measures, the optimisation of existing production facilities and infrastructure along with maintenance investments.

Cash flow from financing activities

In the 2017/18 financial year, cash flow from financing activities amounted to EUR –12.9 million (previous year: EUR 6.0 million). In the year under review, the cash inflow from financing activities amounted to EUR 11.9 million (previous year: EUR 24.6 million).

Cash inflows were essentially offset by cash outflows resulting from the repayment of loans totaling EUR 6.8 million, the redemption of a tranche of the promissory note loan amounting to

EUR 8.0 million as well as the payment of interest on both loans and bonds in the amount of EUR 10.1 million.

4.1.2. Net debt

On 28 February 2018, net debt amounted to EUR 181.9 million (previous year: EUR 197.0 million). On the balance sheet date, the Group's cash and cash equivalents amounted to EUR 63.5 million (previous year: EUR 48.3 million).

	2015/16 MEUR	2016/17 MEUR	2017/18 MEUR
Promissory note loans	42.0	42.0	34.0
Of which promissory note loans 2012–2017	8.0	8.0	0.0
Of which promissory note loans 2012–2019	34.0	34.0	34.0
Bonds 2013–20 (ISIN AT0000A10J83)	89.2	89.4	89.6
Other financial liabilities	96.9	71.9	121.7
Gross financial liabilities	228.0	245.3	245.2
Less			
Cash and cash equivalents	56.2	48.3	63.5
Financial assets	56.2	48.3	63.5
Net debt	172.0	197.0	181.9

4.2. Net asset position

The balance sheet total increased by EUR 18.2 million to EUR 703.6 million compared to the previous year.

	29.02.2016 MEUR	28.02.2017 MEUR	28.02.2018 MEUR
Non-current assets	357.9	357.5	351.2
Current assets	311.3	327.9	352.4
Assets	669.2	685.4	703.6
Equity	267.1	269.7	323.1
Non-current liabilities	250.7	242.2	211.1
Current liabilities	164.2	173.5	169.4
Debt	414.9	415.7	380.5
Equity and liabilities	669.2	685.4	703.6

4.2.1. Assets

Non-current assets of the FACC Group decreased by EUR 6.3 million to EUR 351.2 million compared to the balance sheet date on 28 February 2017.

Current assets increased by EUR 24.5 million in the same period of the previous year. Inventories also increased due to the increase in product sales. Cash and cash equivalents increased by EUR 15.2 million to EUR 63.5 million as of the balance sheet date on 28 February 2018.

4.2.2. Equity

FACC Group's equity amounted to EUR 323.1 million at the end of the reporting period. This corresponds to an equity ratio of 45.9% as of 28 February 2018 (previous year: 39.4%).

4.2.3. Debt

Within non-current liabilities, other financial liabilities decreased by EUR 11.5 million to EUR 56.1 million.

Within current liabilities, trade payables decreased by EUR 9.3 million to EUR 48.9 million. Other financial liabilities increased by EUR 19.5 million to EUR 65.8 million. The second tranche of the EUR 8.0 million promissory note loan recorded under current liabilities was repaid in June 2017.

5. DEVELOPMENT OF THE BUSINESS SEGMENTS

Segment reporting follows the internal management and reporting of FACC AG. The operating result (EBIT) is the key performance indicator used to steer the business segments and is reported to the corporate body responsible (Management Board of FACC AG). Due to different applications of the products, three operating segments were created:

- **Aerostructures:** development, production, distribution and repair of structural components
- **Engines & Nacelles:** development, production, distribution and repair of engine components
- **Cabin Interiors:** development, production, distribution and repair of cabin interiors

In the 2017/18 financial year, major new contracts were signed in all segments of the Group to ensure the sustainable implementation of the FACC strategy. Contracts worth the equivalent of approximately EUR 750 million were signed and implemented in the course of the 2017/18 financial year. Revenues from these contracts will contribute to further growth of the FACC divisions from the 2019/20 financial year onwards.

5.1. Aerostructures segment

Revenues in the Aerostructures segment amounted to EUR 334.4 million in the 2017/18 financial year (previous year: EUR 331.0 million). Revenues from product deliveries increased by EUR 1.2 million or 0.4% to EUR 305.1 million. Revenues from development activities increased by 18.3% from EUR 27.1 million to EUR 32.0 million in the period under review.

Earnings before interest and taxes (EBIT) in the Aerostructures segment stood at EUR 38.1 million in the 2017/18 financial year (previous year: EUR 51.2 million).

This positive development in the Aerostructures segment was mainly influenced by the increasing demand for components of the Airbus A350 aircraft and the continued ramp up of production rates for Airbus A320, Airbus A321 and Bombardier C Series products. On the other hand, the launch of the Boeing 737 MAX led to a decline in sales of Boeing 737 NG winglets (see also the Notes in section 4).

5.2. Engines & Nacelles segment

Revenues in the Engines & Nacelles segment reached EUR 161.9 million in the 2017/18 financial year (previous year: EUR 142.0 million). This corresponds to an increase of 14.1%.

Revenues from product deliveries increased significantly by 12.7% from EUR 133.8 million to EUR 150.7 million. Revenues from development services increased by EUR 1.8 million from EUR 8.2 million to EUR 10.0 million.

Earnings before interest and taxes (EBIT) in the Engines & Nacelles segment stood at EUR 16.9 million in the 2017/18 financial year (previous year: EUR -13.8 million).

The efficiency improvements, learning curve effects, automation measures and volume effects implemented in the division have all contributed to the ongoing increase in earnings in relation to sales revenues.

The ramp up of the series production for the A350 Translating Sleeve (TRSL) project had a positive effect on the development of the Engines & Nacelles segment. This segment also benefited from a steady increase in demand for engine components for the Airbus A320neo family of aircraft and the planned production ramp up of the A330 Neo Fan Cowl Doors.

The Engine Composites segment continued its positive development. The Airbus A350 Trent XWB and Pratt & Whitney PW800 Bypass Ducts projects have made a significant contribution to the development of the business according to plan.

5.3. Cabin Interiors segment

The Cabin Interiors segment was once again able to achieve considerable growth compared to the previous year with revenues amounting to EUR 254.3 million in the 2017/18 financial year (previous year: EUR 232.8 million). This segment thus once more recorded a significant increase compared to the previous year. Total product sales in 2017/18 amounted to EUR 235.1 million (previous year: EUR 208.5 million). Growth of 12.8% was driven by a continuous increase in the new programmes for the Airbus A350, with rev-

venues from development services falling by EUR 6.6 million from EUR 24.3 million to EUR 17.7 million.

Earnings before interest and taxes (EBIT) in the Interiors segment amounted to EUR 8.8 million in the 2017/18 financial year (previous year: EUR –12.4 million).

The financial performance of the Interiors segment was positively influenced by the systematic continuation of measures introduced in the 2016/17 financial year, meaning that positive operating EBIT was already generated in the second half-year.

6. RISK REPORT

In the course of its business activities, the FACC Group is exposed to a large number of risks that are inseparably linked to its business operations. FACC is committed to identifying and actively managing risks in the business environment at an early stage. The corporate risk strategy and hedging measures are implemented centrally for the entire Group.

The respective risk owner bears direct responsibility for risk management. The Director Risk Management reports directly to the Board of Management, which assumes overall responsibility for risk management. Within the framework of the risk management system, both risks that have occurred and potential future risks are continuously monitored and evaluated by the operating units and reported to the Management Board twice a year once they have been reviewed by management. Exceptional events are immediately reported to the responsible risk owner or Director Risk Management. The latter decides whether the Management Board is to be notified straight away, who in turn reports to the Supervisory Board at its meetings.

This ensures that significant risks are identified at an early stage and measures can be taken to counteract or limit them. According to the Management Board, potential risks currently identified are deemed manageable and controllable and, therefore, do not jeopardise the company's ability to continue as a going concern.

The following key risk areas can be identified:

6.1. Management risks

Based on market observations and analyses, a five-year business plan is drawn up, which defines the basic corporate strategy and is reviewed and approved by the Supervisory Board. The specific business objectives for each financial year are derived from this plan, which is updated on an annual basis.

Short-term changes in the market pose the greatest risk. In addition, successful operational implementation is also repeatedly jeopardised by external factors which can often scarcely be influenced.

FACC's management is responsible for implementing policy consistently, while promptly responding to short-term changes in line with the defined corporate strategy. In doing so, it must be ensured

that the strategic direction of the company as well as the planned sales and earnings targets are taken into due account.

6.2. Sales risks

The FACC Group operates in a highly competitive field and has a limited number of customers (aircraft manufacturers). FACC's business activities are cyclical and sensitive to the profit situation of commercial airlines and their orders for aircraft placed with manufacturers. The business performance of commercial airlines, in turn, is influenced by the global economic situation and the geopolitical environment.

The industry-specific risks to which the Group is exposed lie in changes to aircraft delivery schedules between manufacturers and final customers. The risk of a change in future aircraft deliveries directly affects the Group's future sales as the supply volumes of components manufactured by the Group change accordingly. This risk can take the shape of a reduction or a postponement of aircraft deliveries. As a consequence, development costs cannot be recovered within the calculation period.

FACC responds to this risk by achieving diversification within the industry: on the one hand, by maintaining supply contracts with the two dominant suppliers of commercial aircraft and, on the other hand, by entering into supply contracts in both the wide-body passenger aircraft and business jets segments. Furthermore, FACC is geographically diversified as it maintains supply contracts with the American/European market and Asia. FACC also acts as a development partner for the improvement of existing aircraft types, which results in supply contracts for the retrofitting of current aircraft models.

6.3. Purchasing and supplier risk

The purchasing department regularly carries out risk assessments of the company's suppliers to identify potential threats and risks at an early stage. This is done in order to be able to set the priorities for the planning and the execution of audits and support the decision-making process when awarding new contracts. The selection of new suppliers requires the involvement of the "Procurement Quality Assurance" (PQA) department to make sure that the necessary qualifications and approvals have been obtained and that there are no identifiable risks. When new projects are launched, suppliers are subjected to a mandatory first sample test to minimise product risk. The ongoing quality-compliant and timely delivery of materials and of semi-finished and finished products is assessed via SAP on a regular basis. This evaluation is also an integral part of the overall risk assessment. Deviations from the targeted component quality and delivery performance are systematically tracked, analysed, evaluated and benchmarked against defined goals. Noticeable variations are reported to the Management Board following the management reviews.

6.4. Business interruption risk

The company's production sites and plants are constantly maintained and serviced, thus keeping the risk of breakdowns or of lengthy production downtimes to a minimum. Business interruption risk is also covered by business interruption insurance with an indemnity period of 24 months.

6.5. Project management

FACC's project management is responsible for implementing the objectives defined by management by way of projects. In this regard, distinctions are made as to whether FACC is to assume development responsibility or not. Feasibility has to be assessed for each contract and associated risks identified, evaluated as well as closely monitored and analysed during the course of the project in order to initiate and implement appropriate measures, if deemed necessary. The major risks concern the availability of resources of any kind (manpower, equipment, materials, etc.) as well as external factors, which the project team encounters via the company's interfaces or via third parties.

6.6. Product liability and quality risk

The products designed and manufactured by the company are intended for installation in aircraft or engines. Defects or malfunctions of the manufactured products may, directly or indirectly, jeopardise the property, health or life of third parties. Long-term safety is therefore a top priority. The company is not in a position to reduce or exclude its liability towards customers, consumers or third parties by way of sales agreements. Each product developed and/or manufactured in-house, which is supposed to leave the company, is subject to thorough scrutiny with regard to its quality and functionality.

As to projects for which FACC bears development responsibility, a higher risk exists due to the possibility of construction errors. This can, however, be effectively minimised through systematic action. Regular controls at all stages of development are intended to mitigate risks early on. Besides, FACC operates an archive system with regard to quality records, which are either contractually stipulated or go beyond contractual obligations on a case-by-case basis. This is to demonstrate that products were manufactured and services rendered according to defined criteria, while keeping in line with the guidelines approved by both customers and the aviation authority/authorities.

Despite product liability risks being adequately insured, quality problems may negatively affect the company's net asset position, financial position and profit position.

6.7. Financial risks

In addition to financing risks, FACC's operational business is also exposed to interest rate and currency risks. The Group's overall risk management focuses on the unpredictability of developments on the financial markets and aims to minimise potentially negative effects on the Group's financial position. In order to hedge against specific risks, the Group makes use of derivative financial instruments, which are generally not used for speculative purposes. The Group's treasury department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units.

6.7.1. Currency risk

While the vast majority of sales by FACC are transacted in USD, a significant part of the costs are incurred in currencies other than USD, notably in EUR. FACC makes use of derivative financial instruments such as currency options and forward exchange transac-

tions to hedge against adverse changes in the USD-EUR exchange rate, which can potentially give rise to losses.

The hedging strategies employed by the Group's treasury department are designed to control and minimise the impact of exchange rate fluctuations. The Management Board approves the strategies and reports regularly to the Supervisory Board.

The risk management conducted by the Group's treasury department pursues the objective of hedging at least 80% of expected net cash flows in USD (from revenues and purchases of raw materials) for the next 12 months (on a rolling monthly basis) (hedge ratio). If market levels are favourable, hedging periods can be extended to up to 36 months. Sensitivity analyses showing the effects of hypothetical changes in exchange rates on the Consolidated Profit and Loss Statement and equity were carried out for the currency risks of financial instruments. In accordance with IFRS 7, currency risks result from financial instruments of a monetary nature that are not denominated in the reporting company's functional currency. As a consequence, receivables, liabilities, cash and foreign currency derivatives serve as the basis for calculating the sensitivity of the Consolidated Profit and Loss Statement. The sensitivity of equity also reflects the valuation effects of the cash flow hedges for foreign currency risks recorded in other comprehensive income. Translation differences from the translation of financial statements prepared in a currency other than the group currency were not included in the calculation.

6.7.2. Interest rate risk

Interest rate risk depends on the average financing term and the type of interest rate. Fixed interest rates are subject to the risk of falling interest rates, whereas variable interest rates carry the risk of rising interest rates.

An increase in interest rates of 50 basis points would have resulted in a reduction in earnings after taxes and equity of kEUR 255 (previous year: kEUR 270). A reduction in interest rates by 50 basis points would have resulted in an increase in earnings after taxes and equity of a similar magnitude. The calculation method is based on variable interest-bearing assets and liabilities.

7. RESEARCH, DEVELOPMENT AND INNOVATION

FACC continuously invests in research and development in order to strengthen business relationships with its customers and open up new fields of business. The main focus lies on proprietary in-house development in order to use the expertise acquired for all current and future customers. However, the company also cooperates with customers in order to further optimise products.

In the 2017/18 financial year, FACC spent EUR 3.5 million, or 0.5% of its sales, on basic research and advance development. Additional contract developments were carried out in collaboration with customers – project-related expenses were passed on to the development partners.

The consistent focus on technology development is a cornerstone of FACC's commercial success. Increasing competition, especially from competitors in low-wage countries, can only be countered by optimised processes and innovative products.

From the company's perspective, active research and innovation are a prerequisite for maintaining FACC's position as a leading development partner and systems supplier to its customers. Since FACC is often required to work with proprietary customer patents and processes, in-house developments help to secure existing orders and open up new business areas. Backed by a strong network of customers, suppliers and scientific partners, FACC develops new technologies for use in future series orders.

FACC is constantly working on new product solutions and production technologies. The company is currently focusing its research on four major projects aimed primarily at optimising the efficiency of components and their production.

Out of Autoclave

New production technologies are designed to enable the curing of fibre composite components without autoclaves, for instance in convection ovens or squeezers. Such alternatives consume less energy and can also help to increase the level of automation.

New materials

The use of new materials such as thermoplastic or fast-curing matrix systems enables a reduction in cycle times in component production. This is essential in order to be able to meet the required production rate of lightweight components in the future. Furthermore, the use of the appropriate matrix system can significantly reduce waste and thus greatly reduce production costs. FACC is committed to sustainable product design by using biological matrix systems made from sugar cane waste, which are applied in the Cabin Interiors segment.

Integral and differential construction

An optimal blend of integral and differential design results in robust production processes and consequently in a reduction in production costs. In this context, it is crucial to consider the entire process chain, from the design of components and tools to component production and assembly. Differential design relies on several simple fibre composite components that are connected to form an assem-

bly by means of intelligent bonding techniques. The advantage of this design lies in the high process stability of the production of the fibre composite components. The downside, however, is that this increases the assembly costs of final assembly. Integral design is based on the opposite principle. Reinforcement profiles such as top-hat profiles are not cured and assembled separately as with differential design. They are already joined to form a complex assembly in the clean room and are then cured in a single step. Due to the reduced assembly effort and the lack of connecting elements such as screws or rivets, integral design brings about a significant reduction in costs and weight.

Intelligent production systems

Intelligent production systems and innovative testing methods are intended to make production more robust, faster and more cost-effective. Examples include the use of intelligent detection methods for detecting foreign objects in fibre composite laminates as early as during the manufacturing process or increasing the digitisation level in production. FACC is thus taking an important step towards Industry 4.0.

Patents and prizes

FACC strives for a high degree of independence in its process portfolio with a view to safeguarding its technological leadership in the composite area. At the same time, the company seeks to gradually expand its component portfolio to tap into new sales opportunities. Both growth areas are flanked by an extended patent strategy, whose main objective is to guarantee maximum protection of intellectual property.

8. EMPLOYEES

As of 28 February 2018, the total headcount of the FACC Group stood at 3,402 full-time equivalents (FTE); (previous year: 3,393 FTE).

In Austria, 3,177 FTE were working for the company as of 28 February 2018. This corresponds to roughly 90% of the entire workforce.

	Blue collar	White collar	Total headcount
Central Services	131	320	451
Aerostructures	842	245	1,087
Engines & Nacelles	478	125	603
Cabin Interiors	724	234	958
Subsidiaries	74	189	263
FACC AG	–	40	40
Total	2,249	1,153	3,402

The international nature of the company is also reflected in its personnel structure. The employees working at the Austrian sites come from over 38 different countries and every continent. 56% of the workforce have Austrian citizenship and 22% are German nationals.

Healthy and Happy: FACC as a pioneer in workplace health promotion

FACC's commitment to the motivation, satisfaction and health of its employees is demonstrated by a wide range of measures and initiatives. For its "Healthy and Happy" project, FACC was awarded the seal of approval for workplace health promotion (BGF) by the Upper Austrian Regional Health Insurance Fund in 2017. In Austria, the BGF seal of approval is regarded as a visible sign and recognised standard for high-quality workplace health promotion. Independent experts verify whether the stringent quality criteria of the European network have been met for the BGF seal of approval through an objective and transparent procedure.

Continuous investment in human capital is a key factor contributing to the success of FACC. The Group is committed to lifelong learning and, for this purpose, offers its employees a wide range of extra-occupational education and further training opportunities. The FACC Academy, which serves as the central hub for all training activities, organised 495 internal training sessions with a total of 6,550 participants in 2017 alone. In addition, 145 external training sessions attended by 930 employees were held.

E-learning for more flexibility

In order to make responsible use of its employees' time resources, FACC is already offering selected training courses such as "Export Control Advanced" and "System Management" via e-learning. Meanwhile, e-learning content specifically tailored to the company's needs is being created by internal developers. The "SAP Material Flow" module has also been available online since spring 2018,

with the "Foreign Object Damage (FOD)" course scheduled to follow in September 2018. The learning units can be completed directly at the workplace via FACC's SAP system.

Global family

As an internationally operating company with employees from 38 countries, FACC attaches great importance to cross-cultural dialogue. In order to ensure good teamwork between staff, a large number of its employees attend language and intercultural training courses.

Apprentice training is a top priority at FACC. In the 2017/18 financial year, a total of 41 apprentices were enrolled in six different training programmes at FACC. The company was awarded the "State-Honoured Training Company" prize by the Federal Ministry of Science, Research and Industry in recognition of its high-quality apprentice training.

In-house development of young talents

FACC offers aspiring young apprentices highly specialised training programmes in plastics engineering, milling, cutting and machining techniques, design, information technology and, since 2017, also in process technology. At FACC, apprentices get access to the latest technologies and equipment in the company as soon as they start their training. This gives them the opportunity to make use of their innovative spirit and commitment to develop into the experts of the future.

9. SUSTAINABILITY MANAGEMENT

The sustainability management of FACC is an integral part of the corporate strategy and reports to the Management Board. Its aim is to take due consideration of the environmental and societal impacts of each business process, and to reconcile the company's economic imperatives with socio-ecological considerations. Sustainability management and the operating units cooperate closely with each other.

FACC's first Sustainability Report for the 2017 financial year will be presented in May 2018 and can be downloaded from the Group's website. The Sustainability Report was prepared in accordance with the "GRI standards" (standards of the Global Reporting Initiative) and the requirements of the Austrian "NaDiVeG" (Sustainability and Diversity Improvement Act) and is published as a separate non-financial report in accordance with section 267a of the Austrian Commercial Code (UGB).

10. REPORT ON BRANCH OFFICES

FACC AG does not operate any branch offices.

11. DISCLOSURES PURSUANT TO SECTION 243A OF THE AUSTRIAN COMMERCIAL CODE (UGB)

11.1. Report on the key features of the Group's internal control and risk management systems with regard to accounting procedures

Pursuant to section 243a paragraph 2 of the Austrian Commercial Code (UGB), FACC is required to describe the key features of the internal control and risk management system with regard to the accounting process. Pursuant to section 82 of the Austrian Stock Corporations Act (AktG), the Management Board of FACC has to ensure the establishment of an accounting and internal control system that complies with the company's requirements. Thus, the Management Board bears full responsibility for the implementation of an adequate internal control and risk management system with regard to the accounting process.

The key features of the risk management and internal control systems are laid down in FACC's risk management manual. This manual describes and identifies key finance and controlling processes and their associated risks.

The accounting-related internal control system is designed to guarantee timely, uniform and correct recording of all business processes and transactions, while ensuring that well-founded statements about the company's current business situation can be made at all times.

The measures and rules include, amongst others, the separation of functions, the dual control principle, rules governing authorised signatories, joint signatory powers for authorising payments only, which are restricted to a small number of persons, as well as system-supported checks by the EDP-software in use (SAP).

FACC has been using SAP in almost all areas across the company for more than ten years. The regularities of the SAP systems have been implemented in all relevant business processes.

In the course of monthly reporting to the Management Board and second-level management, especially comparisons between actual and budgeted figures are made. During its quarterly meetings, the Supervisory Board of FACC AG is informed about business performance and forecasts regarding the Group's further course of business. In its meetings, the Audit Committee of the Supervisory Board dealt, amongst others, with topics such as the internal control system, risk management and measures to mitigate internal control risks.

Within the framework of the budgeting process, budget costs are planned for each individual cost centre. Every cost centre manager is responsible for keeping in line with the budgeted costs and planned investments. All investment projects are subject to prior approval by the Management Board. Investments running over budget are also subject to prior approval by the Supervisory Board.

11.2. Disclosures on capital, share, voting and control rights and associated obligations

The FACC Group's share capital amounted to EUR 45,790,000 as of 28 February 2018 and is divided into 45,790,000 no-par value shares. All shares have been admitted to trading in the prime market segment of the Vienna Stock Exchange. Each share corresponds to one vote at the Annual General Meeting.

As of 28 February 2018, FACC International Company Ltd., Hong Kong held, either directly or indirectly, 55.5% of the shares of FACC AG. As of the balance sheet date on 28 February 2018, no other shareholders were known to hold more than 10% of the share capital.

The free float of FACC shares amounted to 44.5% on 28 February 2018.

There are no shares with special control rights.

FACC does not have an employee stock option plan in place under which employees do not directly exercise their voting rights for their shares in the company.

11.3. Authorised capital

At the Extraordinary General Meeting on 23 June 2014, authorised capital was approved. Accordingly, the Management Board is authorised, subject to prior approval by the Supervisory Board and within five years of the date on which the authorised capital was entered in the commercial register, to increase the company's share capital by up to a nominal figure of EUR 19,895,000 by issuing up to 19,895,000 new shares against cash or non-cash contributions. New shares can also be issued excluding shareholders' subscription rights.

At the Extraordinary General Meeting on 23 June 2014, authorised capital was approved. Accordingly, the Management Board is authorised, subject to prior approval by the Supervisory Board and within five years of the date on which the authorised capital was entered in the commercial register, to increase the share capital by up to a nominal figure of EUR 3,000,000 by issuing up to 3,000,000 new shares in order to grant share options to employees, executives and members of the Management Board of the company or of one of its affiliated companies. New shares can also be issued excluding shareholders' subscription rights.

11.4. Conditional capital

At the Extraordinary General Meeting on 23 June 2014, the share capital was conditionally increased by up to EUR 15,000,000 by issuing up to 15,000,000 new no-par value bearer shares (conditional capital). This conditional capital serves to grant subscription or conversion rights to creditors of convertible bonds and to prepare for the merger of several companies. The amount of capital issued and the conversion ratio are to be established in compliance with the provisions of the convertible bonds. The issue amount of the shares shall not be less than the pro-rata amount of the share capital.

11.5. Legal provisions for the appointment of the Management Board and Supervisory Board

As long as FACC International Company Ltd., Hong Kong, holds a stake in FACC AG of at least 25% of the company's share capital, it shall have the right to appoint up to one third of all members of the Supervisory Board in accordance with section 11 of the Articles of Association of FACC.

There are no other provisions in the Articles of Association that go beyond the statutory provisions governing the appointment of the Management Board and Supervisory Board and amendments to the Articles of Association.

11.6. Other disclosures

As of 28 February 2018, FACC AG did not hold any treasury shares.

FACC is unaware of any restrictions regarding the voting rights of FACC shares and any transfer thereof, including any restrictions resulting from agreements between shareholders.

No compensation agreements exist between FACC and the members of the Management and Supervisory Boards in the event of a public takeover bid.

Agreements regarding promissory note loans include change-of-control clauses. Lenders shall be entitled to terminate the agreement when

- a. Aviation Industry Corporation of China (AVIC) holds, either directly or indirectly, less than 50% plus one share of the borrower, or
- b. Aviation Industry Corporation of China (AVIC) is not entitled, either directly or indirectly, to appoint the majority of the members of the Management or Supervisory Board of the borrowers.

12. OUTLOOK

12.1. The civil aviation market

The growth trend in the civil aviation industry is expected to remain strong in the future. Current market forecasts of OEMs confirm the constant annual increase in passenger volumes of around 4.5%. Over the next two decades, the global aircraft fleet, which

currently amounts to 20,500 large commercial aircraft (source: Airbus' Global Market Forecast), will more than double to roughly 42,530 aircraft by 2036. 12,870 aircraft from the existing fleet will reach the end of their service life and be replaced by modern aircraft models. Based on these estimates, a total of 34,900 new aircraft with more than 100 seats will be required by 2036.

However, a significant shift towards the new growth markets China and India is also expected to occur. Traffic volumes (flights per year and per capita) are expected to quadruple in these markets by 2036. In the US and Europe, where air travel is already widespread, the number of flights per capita is also expected to increase by an additional 40%.

Last year, Airbus and Boeing delivered a total of 1,481 new aircraft to their customers. In the same period, 2,021 aircraft were sold to airlines, with a book-to-bill ratio of well over 1.

12.2. The FACC Group

FACC will continue to pursue the sales target of EUR 1 billion by the end of the 2020/21 financial year in line with the company's "Vision 2020" strategy. In the coming years, the company expects to gradually increase the production rates of its most important programmes. Thanks to FACC's balanced and modern product and customer portfolio, the company is able to profit from the general growth trend currently underway in almost all aircraft families.

FACC is particularly focused on processing the new orders signed last year, which are worth around EUR 750 million. It is expected that the first revenues from these new orders will be generated in the first half of the 2019/20 financial year.

Based on current market assessments and the Group's existing product mix, FACC expects revenue growth in the single-digit percentage range in the 2018/19 financial year. The initiatives to increase the level of automation and productivity and to outsource the production of simple composite parts to the supply chain will continue. This will lead to a substantial improvement in earnings.

By way of conclusion, the FACC Group will continue to strengthen its business activities, ranging from development and production to global supply chain management, whilst sustainably expanding its role as the partner of choice of the aviation industry. The implementation of the Group's "Vision 2020" strategy with a view to strengthening and expanding its position as a Tier-1 supplier for Airbus, Boeing, Bombardier, Embraer and all renowned engine manufacturers has top priority.

Ried im Innkreis, 2 May 2018

Robert Machtlinger
Chairperson of the
Management Board

Andreas Ockel
Member of the
Management Board

Aleš Stárek
Member of the
Management Board

Yongsheng Wang
Member of the
Management Board

Consolidated Profit and Loss Statement

for the period from 1 March 2017 to 28 February 2018

	Note	2016/17 restated ¹⁾ EUR'000	2017/18 EUR'000
Revenues	9	705,695	750,668
Changes in inventory of finished and unfinished products	10	6,959	11,099
Own work capitalised	11	11,145	8,763
Other operating income	12	41,025	28,867
Cost of materials and purchased services	13	-443,027	-450,595
Personnel costs	14	-173,236	-184,426
Depreciation, amortisation and impairment	15	-30,798	-32,895
Other operating expenses	16	-92,777	-67,721
Earnings before interest and taxes (EBIT)		24,986	63,760
Financing expenses	17	-11,184	-11,465
Interest income from financial instruments	17	635	134
Fair value measurement of derivative financial instruments	17	5,098	0
Financial result		-5,451	-11,331
Earnings before taxes (EBT)		19,535	52,429
Income taxes	18	-4,296	-12,700
Earnings after taxes		15,238	39,729
Of which attributable to non-controlling interests		10	-9
Of which attributable to shareholders of the parent company		15,229	39,738
Diluted (= undiluted) earnings per share (in EUR)	19	0.33	0.87
Issued shares (in shares)		45,790,000	45,790,000

¹⁾ Due to an error correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3).

Consolidated Statement of Comprehensive Income

for the period from 1 March 2017 to 28 February 2018

	Note	2016/17 restated ¹⁾ EUR'000	2017/18 EUR'000
Earnings after taxes		15,238	39,729
Revaluation effects of pensions and termination benefits	32	-223	364
Tax effect	18	56	-91
Items not subsequently reclassified to profit or loss		-167	273
Currency translation differences from consolidation	30	104	-650
Fair value measurement of securities	30	14	-8
Cash flow hedges	30	377	18,734
Tax effect	18	-98	-4,669
Items subsequently reclassified to profit or loss		397	13,407
Other comprehensive income after taxes		230	13,680
Total comprehensive income		15,469	53,408
Of which attributable to non-controlling interests		10	-9
Of which attributable to shareholders of the parent company		15,459	53,417

¹⁾ Due to an error correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3).

Consolidated Statement of Financial Position

as of 28 February 2018

ASSETS

	Note	01.03.2016 restated ¹⁾ EUR'000	28.02.2017 restated ¹⁾ EUR'000	28.02.2018 EUR'000
Intangible assets	20	145,867	149,743	147,660
Property, plant and equipment	21	165,234	166,116	173,704
Non-current receivables	22	29,494	27,866	24,614
Non-current receivables from related companies	23	0	0	4,750
Other non-current financial assets	24	451	465	457
Deferred taxes		16,833	13,285	0
Non-current assets		357,878	357,475	351,185
Inventories	25	107,823	113,379	130,562
Trade receivables	26	92,626	98,875	86,061
Receivables from construction contracts	28	20,243	18,788	17,212
Receivables from related companies		19,060	28,533	13,626
Current income tax receivables		45	8	30
Derivative financial assets	27	0	0	14,591
Other receivables and deferred items	26	15,292	20,039	26,803
Cash and cash equivalents	29	56,215	48,275	63,488
Current assets		311,303	327,897	352,373
Balance sheet total		669,181	685,372	703,558

¹⁾ Due to an error correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3).

EQUITY AND LIABILITIES

	Note	01.03.2016 restated ¹⁾ EUR'000	28.02.2017 restated ¹⁾ EUR'000	28.02.2018 EUR'000
Share capital	30	45,790	45,790	45,790
Capital reserve	30	221,459	221,459	221,459
Currency translation reserve	30	-250	-146	-797
Other reserves	30	-13,476	-13,349	981
Retained earnings	30	678	15,907	55,644
Equity attributable to shareholders of the parent company		254,201	269,660	323,077
Non-controlling interests		17	26	17
Equity		254,218	269,686	323,094
Promissory note loans	34	42,000	34,000	34,000
Bonds	34	89,242	89,416	89,589
Other financial liabilities	34	75,213	67,581	56,093
Derivative financial instruments	36	3,948	3,544	681
Investment grants	31	12,385	12,381	11,405
Employee benefit obligations	32	10,759	9,045	9,268
Other provisions	33	17,190	26,195	8,819
Deferred tax liabilities		0	0	1,246
Non-current liabilities		250,738	242,163	211,101
Trade payables		68,655	58,182	48,875
Liabilities towards related companies		425	1,813	3,548
Other liabilities and deferred items	35	25,526	27,433	30,248
Other financial liabilities	34	21,634	46,295	65,762
Promissory note loans	34	0	8,000	0
Advance payments received from construction contracts		4,023	1,627	7,907
Derivative financial instruments	36	29,528	15,634	0
Other provisions	33	13,359	12,969	9,249
Investment grants	31	904	1,165	1,130
Income tax liabilities		171	404	2,645
Current liabilities		164,225	173,523	169,363
Balance sheet total		669,181	685,372	703,558

¹⁾ Due to an error correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3).

Consolidated Statement of Changes in Equity

for the period from 1 March 2017 to 28 February 2018

					Attributable to shareholders of the parent company			
	Note	Share capital	Capital reserve	Currency translation reserve				
		EUR'000	EUR'000	EUR'000				
As of 1 March 2017 (previous)		45,790	221,459	-250				
Error correction according to IAS 8 ¹⁾	3	0	0	0				
As of 1 March 2016 (adjusted)		45,790	221,459	-250				
Earnings after taxes		0	0	0				
Other comprehensive income/loss	30	0	0	104				
Reclassification		0	0	0				
Total comprehensive income		0	0	104				
As of 28 February 2017		45,790	221,459	-146				
As of 1 March 2017 (previous)		45,790	221,459	-146				
Error correction according to IAS 8 ¹⁾	3	0	0	0				
As of 1 March 2017 (adjusted)		45,790	221,459	-146				
Earnings after taxes		0	0	0				
Other comprehensive income/loss	30	0	0	-650				
Total comprehensive income		0	0	-650				
As of 28 February 2018		45,790	221,459	-797				

Attributable to shareholders of the parent company							
Other reserves							
	Securities – available for sale	Cash flow hedges	Reserves IAS 19	Retained earnings	Total	Non- controlling interests	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
	-27	-9,727	-3,722	13,571	267,094	17	267,111
	0	0	0	-12,893	-12,893	0	-12,893
	-27	-9,727	-3,722	679	254,201	17	254,218
	0	0	0	15,229	15,229	10	15,238
	10	283	-167	0	230	0	230
	21	-22	1	0	0	0	0
	31	261	-166	15,229	15,459	10	15,469
	4	-9,466	-3,888	15,907	269,660	26	269,686
	4	-9,466	-3,888	30,240	283,993	26	284,019
	0	0	0	-14,333	-14,333	0	-14,333
	4	-9,466	-3,888	15,907	269,660	26	269,686
	0	0	0	39,738	39,738	-9	39,729
	-6	14,063	273	0	13,680	0	13,680
	-6	14,063	273	39,738	53,418	-9	53,408
	-1	4,597	-3,615	55,644	323,077	17	323,094

³¹ Due to an error correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3).

Consolidated Statement of Cash Flows

	2016/17 restated ¹⁾ EUR'000	2017/18 EUR'000
Operating activities		
Earnings before taxes	19,535	52,429
Plus financial result	5,451	11,331
Earnings before interest and taxes	24,986	63,760
Plus/minus		
Depreciation, amortisation and impairment	30,798	32,895
Income from the reversal of investment grants	-805	-1,821
Change in other non-current provisions	9,005	-17,376
Change in employee benefit obligations	-1,937	603
Other non-cash expenses/income	-4,507	10,000
	57,540	88,062
Change in working capital		
Change in inventory	-5,956	-18,626
Change in trade receivables and other receivables	-24,926	-27,960
Change in trade payables and other liabilities	-6,540	25,572
Change in current provisions	15	-3,842
Cash flow from ongoing activities	20,133	63,206
Interest received	73	134
Taxes paid	-173	-266
Cash flow from operating activities	20,033	63,074
Payments for the acquisition of intangible assets, plant, property and equipment	-34,406	-35,068
Proceeds from the disposal of intangible assets, plant, property and equipment	0	3
Cash flow from investing activities	-34,406	-35,064
Proceeds from non-current interest-bearing liabilities	0	7,267
Repayments of promissory note loans	0	-8,000
Repayments of non-current interest-bearing liabilities	-7,817	-6,819
Change in current interest-bearing liabilities	24,661	4,642
Interest paid	-10,865	-10,069
Cash flow from financing activities	5,979	-12,979
Net changes in cash and cash equivalents	-8,393	15,030
Cash and cash equivalents at the beginning of the period	56,215	48,275
Effects from foreign exchange rates	453	183
Cash and cash equivalents at the end of the period	48,275	63,489

¹⁾ Due to an error correction according to IAS 8, previous year's figures have been restated retrospectively (see Note 3).

Notes to the Consolidated Financial Statements

GENERAL INFORMATION

1. General information

The FACC Group (hereinafter referred to as FACC) with headquarters in Ried im Innkreis is an Austrian enterprise involved in the development, production and maintenance of aircraft components. Its primary fields of activity include the production of structural components such as parts of engine cowlings, wing claddings or control surfaces and the production of interiors fittings in the modern commercial aircraft such as overhead stowage compartments, cabin linings and service units. The majority of the components are manufactured from composite materials. FACC also integrates metallic components made of titanium, high-alloyed steels and other metals into these composite components and delivers the ready-to-install components to the manufacturers' assembly lines.

FACC AG has been listed on the Vienna Stock Exchange in the Prime Market exchange segment (commercial trade) since 25 June 2014.

FACC AG is part of the consolidation scope of Aviation Industry Corporation of China, Ltd. with headquarters in Beijing (Building 19, A5, Shuguang Xili, Chaoyang District, Beijing), commercial registration number 91110000710935732K.

2. Basis of preparation of the Consolidated Financial Statements

The Consolidated Financial Statements of FACC AG as of 28 February 2018 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU). According to section 245a of the Austrian Commercial Code (UGB), these Consolidated Financial Statements are subject to exception under Austrian law. All additional requirements of section 245a (1) of the Austrian Commercial Code (UGB) have been fulfilled.

The Consolidated Financial Statements are prepared as of the balance sheet date of the parent company, FACC AG. The financial year begins on 1 March and ends on 28 February of the following year. The annual financial statements of the individual domestic and foreign companies included in the Consolidated Financial Statements are prepared as of the reporting date of the Consolidated Financial Statements.

Accounting and valuation within the Group are carried out according to uniform criteria. The Consolidated Financial Statements were prepared on a going concern basis. For the sake of clarity, the "Consolidated Profit and Loss Statement", the "Statement of Comprehensive Income", the "Consolidated Statement of Financial Position", the "Consolidated Statement of Changes in Equity" and the

"Consolidated Statement of Cash Flows" have been summarised and are explained separately in the Notes according to the materiality principle.

The Consolidated Profit and Loss Statement has been prepared under the total cost convention.

The Consolidated Statement of Financial Position is classified by maturity in accordance with IAS 1. Assets and liabilities are classified as current if they are expected to be realised or settled within twelve months of the balance sheet date.

The Consolidated Financial Statements are presented in euros. Unless otherwise stated, all amounts have been rounded to the nearest thousand (kEUR). Due to rounding, slight differences may occur.

The accounting and valuation principles of the previous year, which form the basis for the present Consolidated Financial Statements, were applied unchanged and supplemented by new IFRS standards to be applied from this financial year onwards (see Note 43). A description of the accounting and valuation principles is given in Note 42.

In order to improve the informative value of the Consolidated Financial Statements, individual items and presentations have been restructured as of 28 February 2018 compared to the previous year. In addition, the Notes have been put into a different order, and the explanations contained therein have been adjusted or supplemented. The reference values have also been adjusted accordingly.

3. Changes in accounting estimates and errors

The audit according to section 2 paragraph 1 number 2 of the Accounting Control Act (audit without special reason) was completed by the Financial Market Authority (FMA) by decision of 28 August 2017. All detected violations, with the exception of "adjustment of provisions for pending losses" (violation of IAS 37.14 and IAS 37.66), were corrected in the Consolidated Financial Statements as of 28 February 2017 and explained in the Notes to the Consolidated Financial Statements during the ongoing proceedings in accordance with IAS 8.42. The Notes to the Consolidated Financial Statements as of 28 February 2017 refer to the final clarification regarding the provision for onerous contracts, which was still outstanding at that time. A final presentation of all facts and circumstances (including the adjustment of provisions for pending losses) was given in the abridged Notes of the Half Year Financial Report 2017/18.

Up to now, the time sequence, interdependence and link between cash flows have been analysed and examined in detail in order to assess whether individual agreements in the assessment of the existence of an impending loss according to IAS 38 are to be regarded as separate contracts or as a single contract with customers. On

this basis, two contracts concluded with the same customer were qualified as a single contract in order to calculate pending losses. As a result of this qualification, no pending losses were identified for two concrete contracts.

This approach has now been modified to the extent that the criteria pursuant to IAS 37.14 and IAS 37.66 have not been fully met in order for the two contracts to be considered as one. When assessing pending losses, the contracts must therefore be viewed separately

as the delivery obligations were negotiated separately and refer to different products and types of aircraft. In addition, the customer had the right to unilaterally terminate the contracts.

This resulted in additional provisions of kEUR 17,190 as of 1 March 2016 (29 February 2016) and kEUR 19,110 as of 28 February 2017. The increase of kEUR 1,920 in the 2016/17 financial year was recorded under other operating expenses.

Correction according to IAS 8 of the Consolidated Statement of Comprehensive Income

	28.02.2017 = 01.03.2017		
	Previous EUR'000	Correction EUR'000	Restated EUR'000
Revenues	705,695	0	705,695
Changes in inventory of finished and unfinished products	6,959	0	6,959
Own work capitalised	11,145	0	11,145
Other operating income	41,024	0	41,024
Cost of materials and purchased services	-443,027	0	-443,027
Personnel costs	-173,236	0	-173,236
Depreciation, amortisation and impairment	-30,798	0	-30,798
Other operating expenses	-90,857	-1,920	-92,777
Earnings before interest and taxes (EBIT)	26,905	-1,920	24,986
Financing expenses	-11,184	0	-11,184
Interest income from financial instruments	635	0	635
Fair value measurement of derivative financial instruments	5,098	0	5,098
Earnings before taxes (EBT)	21,454	-1,920	19,535
Income taxes	-4,776	480	-4,296
Earnings after taxes	16,678	-1,440	15,238
Items subsequently reclassified to profit or loss			
Currency translation differences from consolidation	104	0	104
Fair value measurement of securities (after tax)	10	0	10
Cash flow hedges (after tax)	283	0	283
Items not subsequently reclassified to profit or loss			
Revaluation effects of termination benefits (after tax)	-167	0	-167
Consolidated comprehensive income	16,908	-1,440	15,468
Income after taxes attributable to:			
Shareholders of the parent company ¹⁾	16,669	1,440	15,228
Non-controlling interests	10	0	10
Consolidated comprehensive income attributable to:			
Shareholders of the parent company	16,899	1,440	15,458
Non-controlling interests	10	0	10
¹⁾ Earnings per share, based on income after tax to which the shareholders of the parent company are entitled in the financial year (in EUR per share)	0.36		0.33

Correction according to IAS 8 of the Consolidated Statement of Financial Position

	29.02.2016 = 01.03.2016			28.02.2017 = 01.03.2017		
	Previous EUR'000	Correction EUR'000	Restated EUR'000	Previous EUR'000	Correction EUR'000	Restated EUR'000
Assets						
Intangible assets	145,867	0	145,867	149,743	0	149,743
Property, plant and equipment	165,234	0	165,234	166,116	0	166,116
Non-current receivables	29,494	0	29,494	27,866	0	27,866
Other non-current financial assets	451	0	451	465	0	465
Deferred taxes	12,536	4,297	16,833	8,508	4,777	13,285
Total non-current assets	353,581	4,297	357,878	352,698	4,777	357,475
Inventories	107,823	0	107,823	113,379	0	113,379
Trade receivables	92,626	0	92,626	98,875	0	98,875
Receivables from construction contracts	20,243	0	20,243	18,788	0	18,788
Receivables from related companies	19,060	0	19,060	28,533	0	28,533
Current income tax receivables	45	0	45	8	0	8
Other receivables and deferred items	15,292	0	15,292	20,039	0	20,039
Cash and cash equivalents	56,215	0	56,215	48,275	0	48,275
Total current assets	311,303	0	311,303	327,897	0	327,897
Total assets	664,884	4,297	669,181	680,595	4,777	685,372
Equity and liabilities						
Equity attributable to shareholders of the parent company						
Share capital	45,790	0	45,790	45,790	0	45,790
Capital reserve	221,459	0	221,459	221,459	0	221,459
Currency translation reserve	-250	0	-250	-146	0	-146
Other reserves	-13,476	0	-13,476	-13,349	0	-13,349
Retained earnings	13,571	-12,893	678	30,239	-14,333	15,907
Equity of the owners of the parent company	267,094	-12,893	254,201	283,993	-14,333	269,660
Non-controlling interests	17	0	17	26	0	26
Total equity	267,111	-12,893	254,218	284,019	-14,333	269,686
Promissory note loans	42,000	0	42,000	34,000	0	34,000
Bonds	89,242	0	89,242	89,416	0	89,416
Other financial liabilities	75,213	0	75,213	67,581	0	67,581
Derivative financial instruments	3,948	0	3,948	3,544	0	3,544
Investment grants	12,385	0	12,385	12,381	0	12,381
Employee benefit obligations	10,759	0	10,759	9,045	0	9,045
Other provisions	0	17,190	17,190	7,085	19,110	26,195
Total non-current liabilities	233,548	17,190	250,738	223,053	19,110	242,163
Trade payables	68,655	0	68,655	58,182	0	58,182
Liabilities towards related companies	425	0	425	1,813	0	1,813
Other liabilities and items	25,526	0	25,526	27,433	0	27,433
Other financial liabilities	21,634	0	21,634	46,295	0	46,295
Promissory note loans	0	0	0	8,000	0	8,000
Advance payments received from construction contracts	4,023	0	4,023	1,627	0	1,627
Derivative financial instruments	29,528	0	29,528	15,634	0	15,634
Other provisions	13,359	0	13,359	13,373	0	13,373
Investment grants	904	0	904	1,165	0	1,165
Income tax liabilities	171	0	171	0	0	0
Total current liabilities	164,225	0	164,225	173,523	0	173,523
Total equity and liabilities	664,884	4,297	669,181	680,595	4,777	685,372

Correction according to IAS 8 of the Consolidated Statement of Cash Flows

	28.02.2017 = 01.03.2017		
	Previous	Correction	Restated
	EUR'000	EUR'000	EUR'000
Earnings before taxes (EBT)	21,455	-1,920	19,534
Financial result	5,451	0	5,451
Earnings before interest and taxes (EBIT)	26,905	-1,920	24,985
Expenses/depreciation	30,798	0	30,798
Income from the release of investment grants	-805	0	-805
Change in long-term provisions	7,085	1,920	9,005
Change in obligations towards employees	-1,937	0	-1,937
Other non-cash expenses/income	-4,506	0	-4,506
Changes in working capital	-37,408	0	-37,408
Received interest	73	0	73
Paid taxes	-173	0	-173
Cash flow from operating activities	20,033	0	20,033
Cash flow from investing activities	-34,406	0	-34,406
Cash flow from financing activities	5,979	0	5,979
Net changes in cash and cash equivalents	-8,393	0	-8,393

4. Consolidated companies

The Consolidated Financial Statements of FACC AG include all companies controlled by FACC AG. According to IFRS 10, an investor has power over an investee if it has the ability to direct activities which significantly affect the investee's return, has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns.

The group of consolidated companies of FACC as of 28 February 2018 remained unchanged compared to 28 February 2017 and comprises eight companies, including FACC AG.

FACC AG comprised the following subsidiaries on 28 February 2018 and 28 February 2017:

Company	Headquarters	Issued and fully paid nominal capital	Currency	Direct share	Primary activities
FACC Operations GmbH	Ried im Innkreis, Austria	127,000,000	EUR	100%	Development & production of aircraft components; customer service & repair
FACC Solutions (Canada) Inc.	Montreal, Canada	10,000	CAD	100%	Production; customer service & repair
FACC Solutions Inc.	Wichita, Kansas, USA	10,000	USD	100%	Customer service & repair
FACC Solutions s.r.o.	Bratislava, Slovakia	6,639	EUR	100%	Design & engineering
FACC (Shanghai) Co., Ltd	Shanghai, China	2,000,000	RMB	100%	Design & engineering
FACC Solutions Private Limited	Pune, India	20,193,003	INR	100%	Design & engineering
CoLT Prüf und Test GmbH	St. Martin, Austria	35,000	EUR	91%	Design & engineering

5. Consolidation methods

The capital consolidation of fully consolidated affiliates is performed according to the acquisition method, which involves comparing the consideration paid with the revalued net assets (equity) of the acquired entity at the time of acquisition. Under IFRS 3, assets, liabilities and contingent liabilities, to the extent that they can be identified, are recognised at fair value on initial consolidation; any remaining positive difference between the procurement costs and the revalued equity share is capitalised as goodwill in the respective segment in the respective national currency. A negative difference is recognised in the Profit and Loss Statement under other operating income.

Goodwill and intangible assets with indefinite useful lives are tested for impairment (impairment test) together with the cash-generating units (business units) to which they are allocated at least annually and, if found to be impaired, are written down to the lower recoverable amount. If events are observed during the year that point to permanent impairment, the relevant cash-generating units are subjected to impairment tests on a case-by-case basis (see Note 42 and Note 20).

Revenues, earnings and expenses as well as receivable and liability settlements between consolidated companies are eliminated.

Interim results of non-current and current assets resulting from intra-group transactions are eliminated.

6. Currency conversion

The Consolidated Financial Statements are prepared in euros, the functional currency of FACC AG.

The annual financial statements of foreign subsidiaries are converted into euros in accordance with the functional currency concept of IAS 21. The euro is the local currency of all subsidiaries since they conduct their business independently from a financial, economic and organisational point of view.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency using the closing conversion rate at each balance sheet date. All exchange rate differences are recorded to profit or loss. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated at the rate that existed when the fair value was determined.

Goodwill arising on the acquisition of foreign subsidiaries is allocated to the acquired entities and converted at the exchange rate on the balance sheet date. The items in the profit and loss statements of foreign consolidated companies are converted at average period rates.

Currency conversion differences between the closing conversion rate or historical rates on the balance sheet and the average rate on the Profit and Loss Statement are recorded as part of the other comprehensive income in equity. Likewise, unrealised currency conversion differences from shareholder loans with long maturities within the Group are also recorded in the other comprehensive income.

Exchange rate differences arising from the conversion of transactions and monetary balance sheet items in foreign currencies are recorded to profit or loss at the exchange rates applicable at the time of the transaction or valuation.

The following exchange rates were used for currency conversions:

Currency	Abbrev.	Closing rate		Average rate	
		28.02.17	28.02.18	2016/17	2017/18
Canadian dollar	CAD	1.3984	1.5608	1.4435	1.4869
US dollar	USD	1.0597	1.2214	1.1012	1.1567
Chinese renminbi yuan	RMB	7.2728	7.7285	7.3700	7.7126
Indian rupee	INR	70.6290	79.6230	73.9357	74.6447

7. Use of assumptions and estimates

The preparation of the Consolidated Financial Statements requires management to make use of certain estimates and assumptions which impacted on amounts of the reported assets and liabilities as well as on the contingent liabilities, of other liabilities on the balance sheet date and the disclosure of earnings and expenses during the reporting period. The actual amounts may differ from the estimates given.

The **intrinsic value of goodwill**, of **assets with indefinite useful lives** and of **capitalised development projects which have not yet been completed** are assessed by calculating the value in use with the discounted cash flow method. The recoverable amount depends to a large extent on expected cash flow surpluses and the applied cost of capital. With respect to these parameters, management calculates estimates and makes assumptions relating to FACC's future surplus payments and capital costs expected in the planning periods as well as the individual cash-generating units. Estimates

are made to the best of our knowledge and belief subject to the going concern assumption, build on our experience and take remaining uncertainty into account in an appropriate manner.

A sensitivity analysis was performed to illustrate the effects of changing parameters in the planning calculation on the Consolidated Profit and Loss Statement. The planning assumptions made for the impairment test of goodwill and the sensitivity analysis are explained in more detail in Note 20, "intangible assets".

Capitalised development projects were tested for impairment in the course of the 2017/18 financial year to the extent that there were indications of impairment, such as expected losses within the framework of multi-year planning. The intrinsic value was assessed by calculating the value in use of the development projects using the discounted cash flow method. The recoverable amount depends to a large extent on expected cash inflows from the respective projects and the applied cost of capital. With respect to these parameters, management calculates estimates and makes assumptions relating to FACC's future surplus payments and capital costs expected in the planning periods as well as the individual cash-generating units. Estimates are made to the best of our knowledge and belief subject to the going concern assumption, build on our experience and take remaining uncertainty into account in an appropriate manner.

Impairment requirements are assessed at the level of individual projects or projects to be considered jointly, provided that these generate independent cash flows. Under certain conditions, development projects pertaining to the same type of aircraft are grouped together for purposes of impairment testing.

The **amortisation of capitalised development costs** is calculated on the basis of the number of shipsets to be delivered. This number of shipsets represents an assumption resulting from a well-founded determination procedure (see Note 20).

The **useful life of property, plant and equipment** is derived from estimates based on the operation of comparable assets. The useful lives thus determined are constantly checked for their continued validity and, if necessary, adjusted. The average useful lives are specified in Note 42.

Non-current receivables are discounted at a matched maturity interest rate to the respective balance sheet date for which assumptions are required.

The **impairment of trade receivables** is determined on the basis of empirical values regarding overdue payments as well as the estimated probability of incoming payments.

"Slow-moving" **inventory** items, which are classified according to product groups, are subject to specific write-downs. The system identifies materials with a storage period of more than 24 months as slow-moving inventory items.

When accounting for **construction contracts**, management of FACC AG assumes that the earnings from construction contracts cannot be reliably determined. Contract revenue is therefore only recognised to the extent that the contract costs incurred can likely be recovered from the customer. Profit is recorded upon completion of the construction contract.

Employee benefit obligations are determined on the basis of actuarial calculations made by actuaries. Actuarial valuations are based on assumptions about discount rates, future wage and salary increases and mortality rates. When determining the appropriate discount rate, management bases its calculations on long-term market interest rates. The applied mortality rate is derived from publicly available mortality tables in the respective country. Future wage and salary increases are calculated on the basis of expected future inflation rates for the respective country. All assumptions are reviewed and evaluated at each balance sheet date. Further details on the assumptions made and sensitivities are given in Note 32.

The calculation of **deferred tax assets** requires assumptions to be made regarding future taxable earnings and the timing of the realisation of deferred tax assets. However, as future business performance is uncertain and cannot be fully influenced by FACC, the valuation of deferred taxes is subject to uncertainties.

Provisions for warranties are determined according to a standardised process. These risks are calculated by the division heads at each balance sheet date and are then assessed by management. Where a risk has to be taken into account, the respective area of responsibility must make the best possible estimate of the provision to be recognised on the basis of empirical values and individual assessments. Provisions are regularly adjusted to incorporate new findings.

Pending losses are immediately recorded as expenses if the total contract costs are expected to exceed the contract revenues. In order to determine the contract costs, management must make a substantial number of estimates regarding the fulfillment of certain performance requirements as well as the development of productivity improvements and warranty expenses.

In addition, it is also necessary to assess whether individual agreements with customers are to be considered contracts. This depends, in particular, on whether delivery obligations were negotiated jointly and involve the same products. This assessment was changed in the 2017/18 financial year (see Note 3). No agreements for assessing pending losses were grouped together in the 2017/18 financial year.

With the exception of changes to the assessment of provisions for pending losses, no significant changes in estimates or discretionary decisions were made in the 2017/18 financial year.

8. Business segments

Segment reporting follows the internal management and reporting of FACC AG. The earnings before interest and taxes (EBIT) are the key performance indicator used to steer the business segments and are reported to the responsible corporate body (Management Board of FACC AG).

Due to different applications of the products, three operating segments were created:

- **Aerostructures:** development, production, distribution and repair of structural components
- **Engines & Nacelles:** development, production, distribution and repair of engine components
- **Cabin Interiors:** development, production, distribution and repair of interior furnishing

In addition to the three operating segments, the Group also comprises the central services Finance and Controlling, Human Resources, Legal, Quality Assurance, Purchasing and IT (including Engineering Services). The central services support the operating segments in fulfilling their duties within the framework of a matrix organisation. Their earnings and outlays are allocated to the three segments using a specific method.

Total segment revenues represent external revenues generated from external parties. Revenues broken down by geographical area are presented according to the location of the customer in Note 9.

In the 2017/18 financial year there was no impairment.

In the Aerostructures segment, development costs and tools were impaired by kEUR 1,334 in the 2016/17 financial year due to changes in market estimates. In the Engines & Nacelles segment, development costs and tools were impaired by kEUR 368 in the 2016/17 financial year due to changes in market estimates. In the Cabin Interiors segment, development costs and tools were impaired by kEUR 91 in the 2016/17 financial year due to changes in market estimates. The value in use of the impaired development costs and tools amounts to kEUR 0 in total.

For the financial year ending 28 February 2018, the Group generated revenues of kEUR 319,611 (previous year: kEUR 288,279) and kEUR 81,578 (previous year: kEUR 67,473) with two external customers, each of which exceeded 10% of total revenues. Sales revenues were generated from these customers in all three segments.

The non-current assets are located mainly in Austria like in the previous year.

	Aerostructures EUR'000	Engines & Nacelles EUR'000	Cabin Interiors EUR'000	Total EUR'000
Financial year 2016/17				
Revenues	330,954	141,957	232,784	705,695
Earnings before interest and taxes (EBIT)	51,219	-13,840	-12,393	24,986
Investments	16,621	7,620	10,165	34,406
Amortisation and impairment	17,432	4,138	9,228	30,798
Assets on 28 February 2017	339,733	137,255	208,384	685,372
Financial year 2017/18				
Revenues	334,447	161,923	254,298	750,668
Earnings before interest and taxes (EBIT)	38,081	16,898	8,782	63,760
Investments	9,356	12,832	12,880	35,068
Amortisation and impairment	18,230	5,243	9,422	32,895
Assets on 28 February 2018	335,110	149,136	219,312	703,558

NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

9. Revenues

Revenues from external customers are generated through the production of aircraft components, engineering services and other services in connection with the production of aircraft components. Revenues are broken down by the geographical area according to the location of the customer. Revenues according to type and geographical segmentation are broken down as follows:

	2016/17 EUR'000	2017/18 EUR'000
Production	646,092	690,953
Engineering and services	59,603	59,715
	705,695	750,668

	2016/17 EUR'000	2017/18 EUR'000
Germany	327,490	366,195
USA	178,221	180,626
Canada	66,809	80,976
Austria	1,966	2,480
Other countries	131,209	120,391
	705,695	750,668

10. Changes in inventory

	2016/17 EUR'000	2017/18 EUR'000
Unfinished products	1,085	4,348
Finished products	5,874	6,751
	6,959	11,099

11. Own work capitalised

	2016/17 EUR'000	2017/18 EUR'000
Capitalisation of research and development costs	10,851	8,639
Other	295	124
	11,146	8,763

12. Other operating income

	2016/17 EUR'000	2017/18 EUR'000
Income from the reversal of accruals	6,108	18,074
Income from the reversal of receivable impairments	1,709	621
Income from public funding and tax-free grants	4,799	845
Effects from foreign exchange rates	16,548	3,615
Other	11,861	5,712
	41,025	28,867

13. Cost of materials and other purchased services

	2016/17 EUR'000	2017/18 EUR'000
Material expenses	402,550	399,691
Expenses of commissioned services	40,477	50,904
	443,027	450,595

14. Personnel costs

Termination benefits and payments to corporate employee pension funds included payments to corporate employee pension funds of kEUR 1,763 (previous year: kEUR 1,729).

	2016/17 EUR'000	2017/18 EUR'000
Wages and salaries	133,529	139,766
Expenses for statutory, compulsory social security contributions and benefits	36,750	37,075
Expenses for termination benefits and benefits to corporate employee pension funds	2,037	1,874
Pensions	-1,874	127
Other social expenses	2,794	5,584
	173,236	184,426

The number of full-time equivalent employees on the balance sheet date was as follows:

	28.02.17 Number	28.02.18 Number
Employees	2,323	2,249
Salaried staff	1,070	1,153
	3,393	3,402
Of which in Austria	3,171	3,177
Of which abroad	222	225

15. Depreciation, amortisation and impairment

With regard to the allocation of impairments to the individual segments, reference is made to segment reporting in Note 8.

	2016/17 EUR'000	2017/18 EUR'000
Depreciation and amortisation		
Intangible assets	11,947	13,942
Property, plant and equipment	17,058	18,953
Impairment		
Intangible assets	883	0
Property, plant and equipment	910	0
	30,798	32,895

16. Other operating expenses

	2016/17 EUR'000	2017/18 EUR'000
Service, maintenance and third-party repairs expenses	9,123	10,374
Freight expenses	12,898	10,026
Material testing and certification expenses	4,720	1,723
Rental fees and leasing expenses	5,541	6,716
Travel expenses	2,780	3,835
Expenses related to consulting services	10,818	7,379
Storage expenses	6,178	6,768
Expenses related to warranty obligations	13,681	10,760
Expenses related to impairments	1,111	1,628
Various expenses	25,928	8,512
	92,777	67,721

17. Financial result

	2016/17 EUR'000	2017/18 EUR'000
Interest income from bank deposits	45	105
Interest income from trade receivables	562	0
Valuation of financial assets	8	8
Other financial income	20	22
Financial income	635	134
Interest expenses of bonds and promissory note loans	-3,556	-3,734
Interest expenses of bank loans	-1,656	-1,640
Other interest and similar expenses	-5,973	-6,091
Financial expenses	-11,184	-11,465
Valuation of derivative financial instruments	5,098	0
Financial result	-5,451	-11,331

The financial result is broken down according to the categories of IAS 39 as follows:

	Total 2016/17 EUR'000	Loans and receivables 2016/17 EUR'000	FLAC ¹⁾ 2016/17 EUR'000	Afs ²⁾ 2016/17 EUR'000	Derivates 2016/17 EUR'000
Interest income	635	627	0	8	0
Interest expenses	-11,051	-145	-6,638	0	-4,268
Net interest income from defined benefit obligations	-133				
Net interest income	-10,549	482	-6,638	8	-4,268
Market valuation of derivatives	5,098	0	0	0	5,098
Other financial result	5,098	0	0	0	5,098
Total	-5,451	482	-6,638	8	830

¹⁾ Financial liabilities at amortised cost

²⁾ Available-for-sale financial instruments

	Total 2017/18 EUR'000	Loans and receivables 2017/18 EUR'000	FLAC ¹⁾ 2017/18 EUR'000	Afs ²⁾ 2017/18 EUR'000	Derivates 2017/18 EUR'000
Interest income	134	126	0	8	0
Interest expenses	-11,345	-970	-10,375	0	0
Net interest income from defined benefit obligations	-120	0	0	0	0
Net interest income	-11,331	-844	-10,375	8	0
Market valuation of derivatives	0	0	0	0	0
Other financial result	0	0	0	0	0
Total	-11,331	-844	-10,375	8	0

¹⁾ Financial liabilities at amortised cost

²⁾ Available-for-sale financial instruments

18. Income taxes and deferred tax assets

Recorded income taxes include both taxes on income paid or owed by the individual companies as well as deferred taxes.

	2016/17 EUR'000	2017/18 EUR'000
Current taxes ongoing	790	2,930
Deferred taxes	3,506	9,771
	4,296	12,700

The reasons for the difference between the Austrian corporate tax rate of 25% valid in the 2017/18 financial year (previous year: 25%) and the recorded group taxation rate are as follows:

	2016/17 EUR'000	2017/18 EUR'000
Income before taxes	19,535	52,429
Calculated income taxes 25%	4,884	13,107
Deviating foreign tax rates	-329	-166
Tax-free income	-616	-964
Expenses that cannot be deducted for tax purposes	105	721
Prior year adjustment	107	0
Minimum corporate tax and withholding taxes	-741	565
Consolidation effects	886	-563
Reported income tax expense	4,296	12,700
Effective tax rate in%	-22.00%	-24.20%

Deferred taxes are calculated on the basis of the tax rates that are in force or announced in the individual countries according to the current legal situation. In Austria, a corporate tax rate of 25% applies. For foreign companies, deferred taxes are calculated on the basis of the corresponding country-specific tax rates. In the 2017/18 financial year, these ranged from 0% to 39%.

The H.R. 1 – Tax Cuts and Jobs Act was signed into law in the U.S. on 22 December 2017. This tax law has led to a number of changes in the accounting for tax expenses in consolidated financial statements. The present Consolidated Financial Statements have already been prepared on the basis of the announced change in the federal corporate tax rate from 35% to 21%.

The taxes recorded in the other comprehensive income are as follows:

	2016/17			2017/18		
	Gross EUR'000	Tax EUR'000	Net EUR'000	Gross EUR'000	Tax EUR'000	Net EUR'000
Fair value measurement of securities	14	-3	10	-8	2	-6
Cash flow hedges	377	-94	283	18,734	-4,671	14,063
Revaluation effects of termination benefits	-223	56	-167	364	-91	273
	168	-42	126	19,090	-4,760	14,330

Deferred taxes developed as follows:

				28.02.2017		
	01.03.2016	Change in profit and loss	Change in other com- prehensive income/loss	Net	Deferred tax assets	Deferred tax liabilities
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Intangible assets (development costs)	-27,879	-1,804	0	-29,683	0	-29,683
Property, plant and equipment	-7,922	221	0	-7,701	0	-7,701
Other non-current assets	413	39	-3	449	449	0
Trade receivables	-4,167	1,816	0	-2,351	0	-2,351
Other receivables and assets	104	-44	0	60	60	0
Investment grants	1,182	-147	0	1,035	1,035	0
Employee benefit obligations	908	-407	56	557	557	0
Provisions	4,039	525	0	4,564	4,564	0
Liabilities	10,773	-1,114	0	9,659	9,659	0
Derivates	7,095	-2,205	-94	4,795	4,795	0
Other items	-1,008	882	0	-126	0	-126
Tax loss carryforwards	33,295	-1,268	0	32,027	32,027	0
Tax assets (liabilities) before netting	16,833	-3,506	-42	13,285	53,145	-39,861
Netting of taxes					-39,861	39,861
Net tax assets (liabilities)	16,833	-3,506	-42	13,285	13,285	0

	28.02.2018					
	01.03.2017	Change in profit and loss	Change in other comprehensive income/loss	Net	Deferred tax assets	Deferred tax liabilities
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Intangible assets (development costs)	-29,683	376	0	-29,307	0	-29,307
Property, plant and equipment	-7,701	-1,501	0	-9,202	0	-9,202
Other non-current assets	449	-1	2	450	450	0
Trade receivables	-2,351	4,508	0	2,157	2,157	0
Other receivables and assets	60	24	0	84	84	0
Investment grants	1,035	-392	0	643	643	0
Employee benefit obligations	557	-453	-91	13	13	0
Provisions	4,564	-3,453	0	1,111	1,111	0
Liabilities	9,659	-777	0	8,882	8,882	0
Derivates	4,795	-2,402	-4,671	-2,278	0	-2,278
Other items	-126	126	0	0	0	0
Tax loss carryforwards	32,027	-5,825	0	26,202	26,202	0
Tax assets (liabilities) before netting	13,285	-9,771	-4,760	-1,246	39,541	-40,787
Netting of taxes					-39,541	39,541
Net tax assets (liabilities)	13,285	-9,771	-4,760	-1,246	0	-1,246

The capitalised loss carryforwards originate from FACC Operations GmbH and amounted to kEUR 93,723 as of 28 February 2018 (previous year: kEUR 116,440) and from FACC AG amounting to kEUR 11,082 (previous year: kEUR 13,611), with deferred taxes being recognised for all loss carryforwards.

As of 28 February 2018, there were temporary differences in connection with shares in subsidiaries ("outside basis differences") amounting to kEUR 63,726 (previous year: kEUR 33,207) for which no deferred tax assets were recognised in accordance with IAS 12.39. This is because FACC AG is in a position to control the development over time, and that these temporary differences will not be eliminated in the near future.

19. Earnings per share

The number of shares issued as of the balance sheet date was 45,790,000. Since no dilutive potential ordinary shares were outstanding or treasury shares were held in the past financial year, the diluted earnings per share correspond to the undiluted earnings per share.

Earnings per share of EUR 0.87 (previous year: EUR 0.33) were calculated by dividing the result by the weighted number of shares attributable to the shareholders of the parent company.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In the Consolidated Statement of Comprehensive Income, income after taxes is reconciled with comprehensive income in accordance with IAS 1. This includes, in particular, differences from currency conversion, actuarial gains and losses from the measurement of performance-related long-term employee compensation, changes in the hedging reserve and the valuation result of securities available for sale. The comprehensive income components are recorded after taxes.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

20. Intangible assets and goodwill

Intangible assets developed as follows:

	Goodwill	Software	Supply right	Research and development costs	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Historical costs					
As of 1 March 2016	18,595	19,191	29,175	172,043	239,004
Changes in foreign exchange rates	0	16	0	0	16
Additions	0	287	60	16,368	16,715
Disposals	0	-1	0	0	-1
As of 28 February 2017	18,595	19,494	29,235	188,411	255,735
Changes in foreign exchange rates	87	-48	0	0	39
Additions	0	1,509	31	10,241	11,781
Disposals	0	0	0	0	0
As of 28 February 2018	18,682	20,956	29,266	198,652	267,555
Accumulated amortisation and impairment					
As of 1 March 2016	0	16,995	15,472	60,671	93,137
Changes in foreign exchange rates	0	24	0	0	24
Amortisation	0	1,447	2,219	8,281	11,947
Impairment	0	0	0	883	883
Disposals	0	0	0	0	0
As of 28 February 2017	0	18,465	17,691	69,835	105,991
Changes in foreign exchange rates	0	-38	0	0	-38
Amortisation	0	930	1,965	11,047	13,942
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
As of 28 February 2018	0	19,358	19,656	80,882	119,896
Carrying amount on 28 February 2017	18,595	1,029	11,544	118,576	149,743
Carrying amount on 28 February 2018	18,682	1,598	9,610	117,770	147,660

Goodwill

	28.02.2017 EUR'000	28.02.2018 EUR'000
Aerostructures	10,211	10,293
Engines & Nacelles	3,054	3,054
Cabin Interiors	5,330	5,335
	18,595	18,682

FACC monitors its goodwill on the basis of three CGU groups corresponding to the individual segments.

The key assumptions when calculating the value in use are as follows:

	28.02.2017 EUR'000	28.02.2018 EUR'000
Detailed planning period (five years/six years in the previous year)		
Revenue growth (average)	5.40%	8.70%
EBIT margin (average)	7.70%	8.04%
EUR-USD exchange rate	1.15	1.20
Growth rate after detailed planning period for all CGUs	1.50%	1.50%
Discount rate for all CGUs (WACC after taxes)	7.44%	8.18%

A sensitivity analysis has shown that, depending on the development of the main valuation parameters, recognition of the following impairment losses would be required.

Balance sheet date 28 February 2017	Aero- structures EUR'000	Engines & Nacelles EUR'000	Cabin Interiors EUR'000
Increase of the discount rate by 50 basis points	0	0	0
Change of the EUR/USD exchange rate to 1.25	0	0	18,473
Reduction of the EBIT by 10%	0	0	0

Balance sheet date 28 February 2018	Aero- structures EUR'000	Engines & Nacelles EUR'000	Cabin Interiors EUR'000
Increase of the discount rate by 50 basis points	0	0	0
Change of the EUR-USD exchange rate to 1.25	0	0	3,399
Reduction of the EBIT by 10%	0	0	0

Development costs

Capitalised development projects for which there were indications of impairment as well as development projects which had not yet been amortised were tested for impairment in the 2017/18 financial year. The recoverable amount was calculated on the basis of the value in use by means of the discounted cash flow method. The cash flows resulting from the respective development projects were determined on the basis of the budget approved by the Supervisory Board for the coming financial year and the medium-term planning for the next five years (detailed planning period). The planning premises of the last planning year were updated, taking into consideration the rates of the Airline Monitor, for the years following the detailed planning period of specific development projects. The maximum term is 20 years.

The same discount rate (WACC) as was used for the impairment testing of goodwill was applied.

In the 2017/18 financial year, impairment losses on development costs amounting to kEUR 0 (previous year: kEUR 883) were recognised.

A sensitivity analysis has shown that, just as in the previous year, an increase in the discount rate of 50 basis points and a 10% reduction in cash flows would not have led to any additional impairment losses.

Development costs were subject to scheduled amortisation based on the quantity still to be delivered (shipsets) of kEUR 11,047 (previous year: kEUR 8,281) in the course of the financial year. An increase or decrease of 10% in the number of shipsets to be delivered would result in the following change to scheduled amortisation:

Change in scheduled annual amortisation	28.02.2017 EUR'000	28.02.2018 EUR'000
10% increase in the number of shipsets	-814	-992
10% decrease in the number of shipsets	845	1,243

An amount of kEUR 3,544 (previous year: kEUR 2,317) was recorded under expenses as research expenditure in the financial year.

21. Property, plant and equipment

	Properties and buildings	Technical facilities	Operating and office equipment	Facilities under construction	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Procurement costs					
As of 1 March 2016	101,527	162,957	24,598	22,482	311,564
Changes in foreign exchange rates	0	0	64	0	64
Additions	983	12,479	1,748	3,615	18,824
Disposals	0	-9	-547	0	-557
Transfers	1,809	10,378	252	-12,438	0
As of 28 February 2017	104,318	185,804	26,115	13,658	329,895
Changes in foreign exchange rates	0	0	-223	0	-223
Additions	2,572	9,946	2,148	11,996	26,662
Disposals	0	0	-385	0	-385
Transfers	42	10,870	110	-11,022	0
As of 28 February 2018	106,932	206,621	27,766	14,632	355,950
Accumulated amortisation and impairment					
As of 1 March 2016	23,335	106,773	16,222	0	146,330
Changes in foreign exchange rates	0	-8	30	0	22
Amortisation	3,032	11,788	2,238	0	17,058
Impairment	0	910	0	0	910
Disposals	0	-1	-539	0	-540
Transfers	0	0	0	0	0
As of 28 February 2017	26,367	119,461	17,952	0	163,780
Changes in foreign exchange rates	0	0	-105	0	-105
Amortisation	3,160	13,435	2,358	0	18,953
Impairment	0	0	0	0	0
Disposals	0	0	-381	0	-381
Transfers	0	0	0	0	0
As of 28 February 2018	29,527	132,895	19,824	0	182,246
Carrying amount on 28 February 2017	77,951	66,343	8,163	13,658	166,116
Carrying amount on 28 February 2018	77,405	73,725	7,942	14,632	173,704

Property and buildings include land values of properties in the amount of kEUR 3,842 (previous year: kEUR 3,831). Certain properties and buildings serve as collaterals for liabilities to financial institutions (see Note 34).

Additions to technical facilities in the 2017/18 financial year included investments amounting to kEUR 2,110 (previous year: kEUR 0) as additions from finance leases that were non-cash.

Additions to properties and buildings in the 2017/18 financial year included investments amounting to kEUR 491 (previous year: kEUR 0) as additions from finance leases that were non-cash.

In addition to operating leases, FACC also makes use of finance leases for land and buildings, which are shown below:

	28.02.2017 EUR'000	28.02.2018 EUR'000
Procurement costs	20,632	21,123
Accumulated depreciation	-1,443	-1,900
Net carrying amount	19,189	19,223

The use of property, plant and equipment not recorded in the Consolidated Statement of Financial Position gives rise to the following obligations under lease, license and rental agreements:

	28.02.2017 EUR'000	28.02.2018 EUR'000
Up to one year	5,430	5,014
After more than one year and up to five years	22,330	18,430
After more than five years	3,893	2,497
	31,653	25,940

The following obligations to purchase property, plant and equipment amounted to kEUR 11,053 (previous year: kEUR: 7,150) on the reporting date. In addition, there were internally approved acquisitions in the amount of kEUR 32,495 (previous year: kEUR 41,232) which have not yet given rise to contractual obligations.

22. Non-current receivables

	28.02.2017 EUR'000	28.02.2018 EUR'000
Receivables from the Fake President Incident	10,860	10,352
Non-current trade receivables	8,684	6,462
Advance payments and deposits	8,322	7,800
	27,866	24,614

In the reporting period 2015/2016, the Group lost kEUR 52,847 in cash flows as a result of an externally initiated case of fraud (Fake President Incident). As a result of directly initiated measures, we were able to block kEUR 10,860 to receiver accounts. This amount is recognised as a non-current receivable as the subsidiary FACC Operations GmbH sees itself as the legal owner of the money and expects to receive a refund by bank transfer on the basis of a legal opinion. The assumption is that the funds blocked in the recipient accounts will not be returned in the short run.

The receivables from the Fake President Incident were discounted as of the reporting date.

Non-current trade receivables relate to long-term repayment agreements with customers based on future shipset volumes to be delivered.

23. Non-current receivables from related companies

	28.02.2017 EUR'000	28.02.2018 EUR'000
Non-current receivables in which the parent undertaking is involved	0	4,750
	0	4,750

24. Other non-current financial assets

	28.02.2017 EUR'000	28.02.2018 EUR'000
Securities measured at fair value	421	413
Shares	43	43
	465	457

These shares refer to the 2.95% stake in Techno-Z Ried Technologiezentrum GmbH, Ried im Innkreis, and are recognised at cost as in the previous year.

25. Inventories

	28.02.2017 EUR'000	28.02.2018 EUR'000
Raw, auxiliary and operating materials	65,703	71,650
Unfinished products	35,943	40,371
Finished products	11,733	18,404
Advance payments made	0	137
	113,379	130,562
Gross inventories	117,418	136,533
Valuation allowance	4,039	5,971
Net inventories	113,379	130,562

As of 28 February 2018, the carrying amounts of inventories written down to net realisable value amounted to kEUR 59,484 (previous year: kEUR 57,329).

26. Trade receivables

	28.02.2017 EUR'000	28.02.2018 EUR'000
Gross trade receivables	109,964	96,797
Less valuation allowance	-2,405	-4,273
Net trade receivables	107,559	92,523
Of which current	98,875	86,061
Of which non-current	8,684	6,462

FACC maintains a non-recourse assignment agreement with a financial institution in connection with receivables from seven customers. The sold receivables (factoring) are derecognised in accordance with IAS 39. Trade receivables were sold to third parties in the amount of kEUR 65,431 (previous year: kEUR 86,173) as of the reporting date.

The impairment of trade receivables developed as follows:

	2016/17 EUR'000	2017/18 EUR'000
As of 1 March	3,196	2,405
Addition	1,111	5,334
Reversal/use	-1,902	-3,466
As of 28 February	2,405	4,273

The age structure of trade receivables is as follows:

	28.02.2017 EUR'000	28.02.2018 EUR'000
Trade receivables	107,559	92,523
Of which not overdue and not impaired	84,342	65,016
Of which overdue and not impaired	20,622	23,462
0 to 30 days	7,688	13,799
31 to 60 days	2,302	3,427
61 to 90 days	164	350
91 to 120 days	2,349	479
121 to 180 days	63	912
181 to 365 days	2,473	1,369
More than 365 days	5,583	3,126
Of which impaired	2,595	4,046

The carrying amount of impaired trade receivables developed as follows:

	28.02.2017 EUR'000	28.02.2018 EUR'000
Carrying amount prior to impairment	5,000	8,319
Less impairment	-2,405	-4,273
Carrying amount after impairment	2,595	4,046

The overdue and unimpaired receivables relate to a number of independent customers who have not defaulted on payments in the recent past. Nothing suggests that the debtors will not be able to honour their payment obligations on the reporting date.

Other receivables and deferred items include:

	28.02.2017 EUR'000	28.02.2018 EUR'000
Other current financial assets		
Other	775	302
	775	302
Other current non-financial assets		
Other tax receivables (particularly VAT)	15,048	21,532
Deferred items	1,454	3,054
Other	2,761	1,914
	19,263	26,500
	20,039	26,803

Other receivables do not include any significant amounts of overdue receivables. Furthermore, no notable impairment was performed on these receivables.

27. Derivative financial assets

	Remaining term			
	Carrying amount 28.02.2017 EUR'000	Less than 1 year 28.02.2017 EUR'000	1 to 2 years 28.02.2017 EUR'000	3 to 5 years 28.02.2017 EUR'000
Forward exchange transactions with positive fair value	0	0	0	0
	0	0	0	0

	Remaining term			
	Carrying amount 28.02.2018 EUR'000	Less than 1 year 28.02.2018 EUR'000	1 to 2 years 28.02.2018 EUR'000	3 to 5 years 28.02.2018 EUR'000
Forward exchange transactions with positive fair value	14,591	14,591	0	0
	14,591	14,591	0	0

28. Receivables from construction contracts

	28.02.2017 EUR'000	28.02.2018 EUR'000
Costs incurred up to the reporting date (gross)	18,788	17,212
Less advance payments received	-1,627	-7,907
Receivables from construction contracts (net)	17,161	9,304
Of which amount due from construction contracts as an asset	18,788	17,212
Of which amount due from construction contracts as a liability	-1,627	-7,907

Revenues (equal to accrued order costs) of kEUR 16,743 (previous year: kEUR 13,697) were recognised in the 2017/18 financial year.

29. Cash and cash equivalents

	28.02.2017 EUR'000	28.02.2018 EUR'000
Bank deposits	48,248	63,476
Cash balance	27	12
	48,275	63,488

30. Equity

The development of the Group's equity in the financial years 2016/17 and 2017/18 is shown in the Consolidated Statement of Changes in Equity.

As in the previous year, the share capital of FACC AG amounted to kEUR 45,790 on the reporting date and is fully paid. It is divided into 45,790,000 shares with a par value of EUR 1 each.

The capital reserve, which remains unchanged from the previous year, amounts to kEUR 221,459.

Other reserves comprise the following items, all of which are recorded in other comprehensive income, with all effects attributable to the shareholders of FACC AG.

- **Currency translation reserve:** differences from currency conversion after taxes
- **Revaluation reserve "available for sale":** value adjustments of other financial assets recognised at fair value
- **Actuarial profits/losses:** revaluation effects in accounting for defined benefit obligations toward employees in accordance with IAS 19
- **Hedging reserve:** changes in value of hedging transactions; these hedging transactions are transactions in foreign currencies (cash flow hedges).

The hedging reserve (after taxes) developed as follows:

	2016/17 EUR'000	2017/18 EUR'000
As of 1 March	-9,727	-9,466
Changes in unrealised profits (+)/ losses (-)	-9,466	4,598
Realised profits (+)/losses (-) subsequently reclassified to profit or loss – recognised in earnings before interest and taxes	9,727	9,466
As of 28 February	-9,466	4,598

The non-controlling interests pertain to CoLT Prüf und Test GmbH, St. Martin, Austria, with a quota of 9%. The balance sheet total and earnings before taxes amount to less than 1% of the group values, which is why the presentation of aggregated financial information on subsidiaries with non-controlling interests has been dispensed with.

Capital management

The objective of capital management of FACC AG is to maintain a strong capital base in order to address specific corporate risks (growth and development risks) with a balanced capital structure. For management, only book equity under IFRS is considered capital. The objective is to achieve an equity ratio of at least 40%.

	28.02.2017 EUR'000	28.02.2018 EUR'000
Equity	269,686	323,094
Balance sheet total	685,372	703,558
Equity ratio in %	39.3%	45.9%

Certain loan agreements with banks contain financial covenants with regard to the Group's equity ratio, the non-compliance of which would lead to the premature repayment of financial liabilities. All relevant capital requirements were met in the year under review (see also Note 34).

31. Investment grants

	28.02.2017 EUR'000	28.02.2018 EUR'000
Investment grants, short-term component	1,165	1,130
Investment grants, long-term component	12,381	11,405
	13,546	12,535

Investment grants are usually subject to conditions which must be met over a certain period of time. These essentially involve a minimum number of employees and the obligation to ensure that the subsidised assets remain at the project location and are not disposed of.

32. Employee benefit obligations

	28.02.2017 EUR'000	28.02.2018 EUR'000
Termination benefits	7,333	7,449
Anniversary bonuses	1,712	1,819
	9,045	9,268

Termination benefits

The net liabilities under defined benefit plans for termination benefits developed during the 2017/18 financial year as follows:

	2016/17 EUR'000	2017/18 EUR'000
As of 1 March	7,288	7,333
Service costs	350	349
Interest costs	133	120
Termination benefit payments	-308	-111
Revaluation effects in the period	223	-364
Other effects	-353	122
As of 28 February	7,333	7,449
Duration in years	14.77	13.75

The revaluation effects are composed of the following factors:

	2016/17 EUR'000	2017/18 EUR'000
Changes in expected values	-31	-190
Changes in underlying demographic assumptions	-42	15
Changes in underlying financial assumptions	296	-189
	223	-364

All statutory transitional provisions relating to retirement age have been taken into account. All expenses in connection with termination benefits, with the exception of actuarial losses, are recorded under "personnel expenses" in the Consolidated Profit and Loss Statement.

The valuation is based on the following assumptions:

	28.02.2017	28.02.2018
Discounting interest rate	1.70%	1.90%
Salary increases	2.00%	2.00%
Fluctuations of salaried staff/employees	4.16%/3.57%	3.85%/3.44%
Retirement age for women/men	60/65 years	60/65 years
Life expectancy	AVÖ 2008-P	AVÖ 2008-P

An increase or decrease in the discount rate of 0.25 percentage points would change the obligation as follows:

	Decrease by 0.25 percent- age points EUR'000	Increase by 0.25 percent- age points EUR'000
Change in obligations as of 28 February 2017	322	-307
Change in obligations as of 28 February 2018	303	-290

Anniversary bonuses

	2016/17 EUR'000	2017/18 EUR'000
As of 1 March	1,463	1,712
Service costs	224	291
Interest costs	29	26
Anniversary bonus payments	-40	-17
Revaluation effects in the period	36	-193
As of 28 February	1,712	1,819

All expenses in connection with anniversary bonuses are recorded under personnel costs in the Consolidated Profit and Loss Statement.

In the 2017/18 financial year, kEUR 1,936 (previous year: kEUR 1,862) were paid into defined contribution plans (pension fund and employee pension fund in Austria).

33. Other provisions

						Term	
	01.03.2016 EUR'000	Addition EUR'000	Use/ disposal EUR'000	Accu- mulation EUR'000	28.02.2017 EUR'000	Less than 1 year EUR'000	More than 1 year EUR'000
Provision for warranty claims	2,898	7,967	-2,736	0	8,128	8,128	0
Project-related provision	17,190	9,371	0	0	26,561	366	26,195
Provisions for legal disputes	713	762	-713	0	761	761	0
Other	9,748	4,119	-10,152	0	3,714	3,714	0
	30,549	22,219	-13,601	0	39,164	12,969	26,195

						Term	
	01.03.2017 EUR'000	Addition EUR'000	Use/ disposal EUR'000	Accu- mulation EUR'000	28.02.2018 EUR'000	Less than 1 year EUR'000	More than 1 year EUR'000
Provision for warranty claims	8,128	3,345	-7,398	0	4,075	4,075	0
Project-related provision	26,561	1,063	-18,905	101	8,819	0	8,819
Provisions for legal disputes	761	297	-277	0	781	781	0
Other	3,714	3,383	-2,704	0	4,393	4,393	0
	39,164	8,088	-29,285	101	18,068	9,249	8,819

Other provisions include provisions for personnel related matters of kEUR 2,438.

Accruals in connection with warranty claims are recognised exclusively for specific obligations.

34. Financial liabilities

	Remaining term					Nominal interest in %
	Carrying amount 28.02.2017 EUR'000	Less than 1 year 28.02.2017 EUR'000	1 to 2 years 28.02.2017 EUR'000	3 to 5 years 28.02.2017 EUR'000	More than 5 years 28.02.2017 EUR'000	
Bond FACC Operations GmbH						
Fixed interest rate (nominal capital: kEUR 90,000)	89,416	0	0	89,416	0	4.00
Promissory note loans						
Fixed interest rate (nominal capital: kEUR 17,500)	17,500	2,500	0	15,000	0	2.82 to 3.70
Variable interest rate (nominal capital: kEUR 24,500)	24,500	5,500	0	19,000	0	6M-Euribor +1.20 to 2.25
Liabilities towards credit institutions						
Fixed interest rate	52,879	7,823	14,457	16,551	14,048	0.50 to 4.83
Variable interest rate	32,168	27,027	1,027	3,081	1,033	3M-Euribor +0.80 to 1.75
Liabilities from finance leasing						
Variable interest rate	18,996	878	582	1,796	15,740	6M-Euribor +1.95
Other interest-bearing liabilities	9,833	10,567	0	-734	0	
	245,292	54,295	16,066	144,110	30,821	

	Carrying amount 28.02.2018 EUR'000	Remaining term				Nominal interest in %
		Less than 1 year 28.02.2018 EUR'000	1 to 2 years 28.02.2017 EUR'000	3 to 5 years 28.02.2017 EUR'000	More than 5 years 28.02.2018 EUR'000	
Bond FACC Operations GmbH						
Fixed interest rate (nominal capital: kEUR 90,000)	89,589	0	0	89,589	0	4.00
Promissory note loans						
Fixed interest rate (nominal capital: kEUR 15,000)	15,000	0	15,000	0	0	3.70
Variable interest rate (nominal capital: kEUR 19,000)	19,000	0	19,000	0	0	6M-Euribor +2.25
Liabilities towards credit institutions						
Fixed interest rate	46,724	14,444	9,259	9,348	13,672	0.50 to 4.83
Variable interest rate	38,195	34,081	1,027	3,087	0	3M-Euribor +0.80 to 1.75
Liabilities from finance leasing						
Fixed interest rate	2,067	260	264	816	728	1.50 to 1.55
Variable interest rate	18,925	582	590	1,821	15,932	6M-Euribor +1.95
Other interest-bearing liabilities	15,943	16,395	0	-451	0	
	245,443	65,762	45,140	104,210	30,332	

Accrued interest expenses are included in current financial liabilities.

Certain liabilities to financial institutions are secured by mortgages on company real estate, guarantees provided by AWS, state guarantees for loans within the framework of subsidy agreements with the Austrian Research Promotion Agency and chattel mortgages on machinery. Oesterreichische Kontrollbank AG secures export credits with export claims amounting to 120% of the loan amount obtained. In order to benefit from beneficial interest rates for research promotion loans, certain conditions must be met. The guarantee for certain liabilities to financial institutions in connection with land and buildings amounted to kEUR 15,966 (previous year: kEUR 15,966).

As issuer of the bond, FACC Operations GmbH has provided covenants regarding the amount of distributed dividends based on annual earnings and the equity ratio, which may not fall below a certain value due to the payment of dividends. Thus, no more than 50% of the annual earnings may be distributed to shareholders. In addition, the equity ratio must not fall below 30% as a result of dividend payments. In the event that the issuer fails to comply with these covenants, creditors are entitled to terminate the agreement.

A covenant was agreed in connection with the issue of the promissory note loan according to which the issuer, FACC Operations GmbH, must maintain an equity ratio within the Group of at least 30% or 20% after deduction of capitalised development costs. In

the event that FACC Operations GmbH fails to comply with these covenants, the creditors are entitled to terminate the agreement.

In connection with the re-financing frame of OKB (carrying amount of kEUR 33,000) FACC Operations GmbH as borrower guaranteed a group equity ratio of 35% as covenant. In the event that FACC Operations GmbH fails to comply with these covenants, the creditors are entitled to terminate the agreement.

All covenants were fulfilled as of 28 February 2018 and 28 February 2017 respectively.

The present value of the minimum lease payments is as follows:

	28.02.2017 EUR'000	28.02.2018 EUR'000
Up to one year	961	1,270
Two to five years	4,716	5,021
More than five years	18,753	19,969
	24,430	26,260
Less future financing expenses	-5,434	-5,268
Present value of liabilities from finance lease	18,996	20,993

35. Other current liabilities

	28.02.2017 EUR'000	28.02.2018 EUR'000
Other current financial liabilities		
Liabilities to employees/salaried staff	16,979	20,555
Other	318	16
	17,297	20,571
Other current non-financial liabilities		
Liabilities from social security	3,925	3,884
Liabilities to tax authorities	138	228
Deferred items	873	530
Other	5,201	5,035
	10,136	9,677
	27,433	30,248

36. Derivative financial instruments

	Carrying amount 28.02.2017 EUR'000	Remaining term		
		Less than 1 year 28.02.2017 EUR'000	1 to 2 years 28.02.2017 EUR'000	3 to 5 years 28.02.2017 EUR'000
Forward exchange transactions with negative fair value	19,179	15,634	3,544	0
	19,179	15,634	3,544	0

	Carrying amount 28.02.2018 EUR'000	Remaining term		
		Less than 1 year 28.02.2018 EUR'000	1 to 2 years 28.02.2018 EUR'000	3 to 5 years 28.02.2018 EUR'000
Forward exchange transactions with negative fair value	681	0	681	0
	681	0	681	0

The contract volume of interest rate and foreign currency derivatives is broken down by maturity as follows:

	Currency	Volume in thousands	Remaining term		
			Less than 1 year in thousands	1 to 2 years in thousands	3 to 5 years in thousands
As of 28 February 2018:					
Forward exchange transactions	USD	330,000	270,000	60,000	0
As of 28 February 2017:					
Forward exchange transactions	USD	360,000	260,000	100,000	0

Forward exchange transactions were concluded to hedge the currency risk from the sale of products which are not denominated in the Group's functional currency. Forward exchange transactions qualifying as hedges are recorded as cash flow hedges in accordance with IAS 39. Forward exchange transactions which are not recorded as cash flow hedges are recorded as free-standing derivatives.

Hedged transactions in foreign currencies are expected to occur in the course of the hedging period. Gains and losses from forward exchange transactions recognised directly in equity in the hedging-reserve are transferred to profit or loss in the period(s) in which the hedged anticipated transaction affects the Consolidated Profit and Loss Statement. This generally takes place within a maximum of 36 months after the balance sheet date.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The Consolidated Statement of Cash Flows of FACC illustrates how cash and cash equivalents have changed in the course of the reporting year through cash inflows and outflows. Cash and cash equivalents (fund of cash and cash equivalents) include cash balances, checks received and bank balances available at all times.

In the Consolidated Statement of Cash Flows changes in the presented balance sheet items cannot be derived directly from the balance sheet as non-cash effects from currency translation and other non-cash business transactions are neutralised.

	2016/17 EUR'000	2017/18 EUR'000
Effects from foreign currency exchange rates	3,621	20,346
Measurement of derivatives in earnings before interest and tax	-8,822	-14,354
Recognition of deferred tax assets/liabilities	-788	-581
Impairments on inventories	400	1,444
Remaining other non-cash income/expenses	1,082	3,145
	-4,507	10,000

The remaining other non-cash income/expenses mainly include impairments of receivables.

	Carrying amount 01.03.2017 EUR'000	Cash change	Non-cash changes			Carrying amount 28.02.2018 EUR'000
		Change EUR'000	Finance lease EUR'000	Transaction costs EUR'000	Other EUR'000	
Promissory note loans (current and non-current)	42,000	-8,000	0	0	0	34,000
Bond	89,416	0	0	173	0	89,589
Other financial liabilities (current and non-current)	113,876	5,090	1,996	0	892	121,854
	245,292	-2,910	1,996	173	892	245,443

NOTES TO DERIVATIVE FINANCIAL INSTRUMENTS

37. Determination of fair value

Financial instruments are classified at three levels reflecting their valuation certainty. FACC employs the following hierarchy levels to assign a valuation method to financial instruments measured at fair value:

Level 1: valuation based on market prices for a specific financial instrument

Level 2: valuation by means of market prices for similar instruments or valuation models based exclusively on valuation parameters observable on the market

Level 3: valuation based on models with significant valuation parameters that are not observable on the market

The following tables show the valuation techniques used in determining fair values as well as the most significant unobservable input factors used.

Type	Valuation method	Significant non-observable input factors	Connection between significant non-observable input factors and fair value measurement
Financial instruments measured at fair value			
Securities (quoted)	Current stock market price on the balance sheet date	Non-applicable	Non-applicable
Forward exchange transactions	The fair value is determined using quoted forward rates on the reporting date and net present value calculations based on yield curves with high credit ratings in corresponding currencies.	Non-applicable	Non-applicable
Financial instruments not measured at fair value			
Bonds	Current stock market price on the balance sheet date	Non-applicable	Non-applicable
Other interest-bearing liabilities	Discounting of cash flows	Risk premium for own credit risk	Non-applicable

No shifts occurred between the individual valuation levels in the financial year.

Information on the fair value of financial assets and financial liabilities which have not been measured at fair value is omitted if the carrying amount constitutes a reasonable approximation of the fair value.

38. Classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the

	Carrying amount 28.02.2017 EUR'000	Fair value			
		Total 28.02.2017 EUR'000	Level 1 28.02.2017 EUR'000	Level 2 28.02.2017 EUR'000	Level 3 28.02.2017 EUR'000
Financial assets not measured at fair value category "loans and receivables"					
Non-current trade receivables	27,866	0	0	0	0
Other non-current assets – securities (unquoted)	44	0	0	0	0
Trade receivables	98,875	0	0	0	0
Receivables from construction contracts as an asset	18,788	0	0	0	0
Receivables from related companies	28,533	0	0	0	0
Other receivables and deferred items	775	0	0	0	0
Cash and cash equivalents	48,275	0	0	0	0
	223,156	0	0	0	0
Financial assets not measured at fair value category "available for sale"					
Other non-current assets – securities (quoted)	421	421	421	0	0
	421	421	421	0	0
Financial liabilities not measured at fair value category "other financial liabilities"					
Financial liabilities	245,292	251,843	95,967	0	155,876
Trade payables	58,182	0	0	0	0
Receivables from construction contracts as a liability	1,627	0	0	0	0
Liabilities to related companies	1,813	0	0	0	0
Other financial liabilities	17,297	0	0	0	0
	324,211	251,843	95,967	0	155,876
Financial liabilities not measured at fair value category "fair value – hedging instruments"					
Derivative financial liabilities	19,179	19,179	0	19,179	0
	19,179	19,179	0	19,179	0

	Carrying amount 28.02.2018 EUR'000	Fair value			
		Total 28.02.2018 EUR'000	Level 1 28.02.2018 EUR'000	Level 2 28.02.2018 EUR'000	Level 3 28.02.2018 EUR'000
Financial assets not measured at fair value category "loans and receivables"					
Non-current trade receivables	24,614	0	0	0	0
Other non-current assets – securities (unquoted)	43	0	0	0	0
Trade receivables	86,061	0	0	0	0
Receivables from construction contracts as an asset	17,212	0	0	0	0
Receivables from related companies	13,626	0	0	0	0
Other receivables and deferred items	302	0	0	0	0
Cash and cash equivalents	63,488	0	0	0	0
	205,347	0	0	0	0
Financial assets not measured at fair value category "available for sale"					
Other non-current assets – securities (quoted)	413	413	413	0	0
	413	413	413	0	0
Financial assets not measured at fair value category "fair value – hedging instruments"					
Derivative financial assets	14,591	14,591	0	14,591	0
	14,591	14,591	0	14,591	0
Financial liabilities not measured at fair value category "other financial liabilities"					
Financial liabilities	245,443	252,208	96,354	0	155,854
Trade payables	48,875	0	0	0	0
Receivables from construction contracts as a liability	7,907	0	0	0	0
Liabilities to related companies	3,548	0	0	0	0
Other financial liabilities	20,571	0	0	0	0
	326,345	252,208	96,354	0	155,854
Financial liabilities not measured at fair value category "fair value – hedging instruments"					
Derivative financial liabilities	681	681	0	681	0
	681	681	0	681	0

39. Financial risks

In addition to financing risks, FACC's operational business is also exposed to interest rate and currency risks. The Group's overall risk management focuses on the unpredictability of developments on the financial markets and aims to minimise potentially negative effects on the Group's financial position. In order to hedge against specific risks, the Group makes use of derivative financial instruments, which are generally not used for speculative purposes.

The Group's treasury department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units.

Currency risk

While the vast majority of sales by FACC are transacted in USD, a significant part of the costs are incurred in currencies other than USD, notably in EUR.

The following table shows the composition of receivables and other assets in terms of currency.

	28.02.2017 EUR'000	28.02.2018 EUR'000
Trade receivables, current	98,875	86,061
Trade receivables, non-current	8,684	2,299
Receivables from construction contracts	18,788	17,212
Receivables from related companies, current	28,533	13,626
Receivables from related companies, non-current	0	4,750
Other receivables and assets	20,039	26,803
Non-current receivables	19,182	22,315
	194,101	173,066
USD	119,582	114,540
EUR	74,519	58,526
	194,101	173,066

Detrimental changes in foreign exchange rates, in particular in the USD-EUR exchange rate, would therefore produce substantial adverse effects on FACC's business, operating income and financial position. FACC makes use of derivative financial instruments such as currency options and forward exchange transactions to hedge against adverse changes in the USD-EUR exchange rate, which can potentially give rise to losses.

The hedging strategies employed by the Group's treasury department are designed to control and minimise the impact of exchange rate fluctuations. The Management Board approves the strategies and reports regularly to the Supervisory Board.

The risk management conducted by the Group's treasury department pursues the objective of hedging at least 80% of expected net cash flows in USD (from revenues and purchases of raw materials) for the next twelve months (on a rolling monthly basis) (hedge ratio). If market levels are favourable, hedging periods can be extended to up to 36 months.

Sensitivity analyses showing the effects of hypothetical changes in exchange rates on the Consolidated Profit and Loss Statement and equity were carried out for the currency risks of financial instruments. In accordance with IFRS 7, currency risks result from financial instruments of a monetary nature that are not denominated in the reporting company's functional currency. As a consequence, receivables, liabilities, cash and foreign currency derivatives serve as the basis for calculating the sensitivity of the Consolidated Profit and Loss Statement. The sensitivity of equity also reflects the valuation effects of the cash flow hedges for foreign currency risks recorded in other comprehensive income. Translation differences from the translation of financial statements prepared in a currency other than the group currency were not included in the calculation.

A 5% change in the EUR-USD exchange rate would produce the following effects:

Revaluation (+)/devaluation (-)	5% devaluation		5% revaluation	
	28.02.2017 EUR'000	28.02.2018 EUR'000	28.02.2017 EUR'000	28.02.2018 EUR'000
Changes to the Consolidated Profit and Loss Statement	4,134	3,748	-3,740	-3,391
Changes to other comprehensive income/loss	-12,006	-13,422	11,108	8,696
Changes to equity	-7,872	-9,674	7,368	5,305

Interest rate risk

Interest rate risk depends on the average financing term and the type of interest rate. Fixed interest rates are subject to the risk of falling interest rates, whereas variable interest rates carry the risk of rising interest rates.

An increase in interest rates of 50 basis points would have resulted in a reduction in earnings after taxes and equity of kEUR 255 (previous year: kEUR 270). A reduction in interest rates by 50 basis points would have resulted in an increase in earnings after taxes and equity of a similar magnitude.

The calculation method is based on variable interest-bearing assets and liabilities.

Liquidity risk

A key objective of FACC's risk management is to maintain constant financial solvency to meet current and future obligations. The key control parameters for this purpose are the maximisation of free cash flow through cost reductions, active working capital management and the reduction of capital expenditure.

Liquidity risks arise in particular when proceeds from revenues fall short of expectations due to a decline in demand, and when measures to reduce working capital and payment-relevant fixed costs are implemented insufficiently or with a delay.

In order to secure short- and medium-term liquidity, a reserve in the form of bank deposits and unused credit lines with banks is maintained. If necessary, excess liquid funds are invested in non-speculative, highly liquid financial instruments, mainly money market certificates, daily allowances, securities and other money market instruments, which generally mature in less than three months.

On the balance sheet date, 28 February 2018, FACC had unused credit lines amounting to kEUR 64,000 (previous year: kEUR 61,000) at its disposal.

The contractually agreed (undiscounted) cash flows (interest and principal payments) as well as the remaining terms of the financial liabilities are composed as follows:

	Carrying amount 28.02.2017 EUR'000	Total 28.02.2017 EUR'000	Payment obligations		
			Less than 1 year 28.02.2017 EUR'000	2 to 5 years 28.02.2017 EUR'000	More than 5 years 28.02.2017 EUR'000
Financial liabilities not measured at fair value category "other financial liabilities"					
Bond FACC Operations GmbH	89,416	104,400	3,600	100,800	0
Promissory note loans	42,000	44,736	9,050	35,686	0
Liabilities towards credit institutions	85,047	97,931	36,367	40,027	21,537
Liabilities from finance leasing	18,996	22,574	961	3,784	17,829
Other interest-bearing liabilities	9,833	9,832	10,567	-735	
Financial liabilities	245,292	279,473	60,545	179,562	39,366
Trade payables	58,182	58,182	58,182	0	0
Receivables from construction contracts as liability	1,627	1,627	1,627	0	0
Liabilities to related companies	1,813	1,813	1,813	0	0
Other financial liabilities	17,297	17,297	17,297	0	0
	324,211	358,392	139,464	179,562	39,366
Financial liabilities measured at fair value category "fair value – hedging instruments"					
Derivative financial liabilities	19,179	19,179	15,635	3,544	0
Carrying amounts/contractual cash flows	343,390	377,571	155,098	183,106	39,366

	Carrying amount 28.02.2018 EUR'000	Total 28.02.2018 EUR'000	Payment obligations		
			Less than 1 year 28.02.2018 EUR'000	2 to 5 years 28.02.2018 EUR'000	More than 5 years 28.02.2018 EUR'000
Financial liabilities not measured at fair value category "other financial liabilities"					
Bond FACC Operations GmbH	89,589	100,800	3,600	97,200	0
Promissory note loans	34,000	35,686	939	34,747	0
Liabilities towards credit institutions	84,919	87,905	45,778	24,987	17,140
Liabilities from finance leasing	20,992	24,342	1,270	5,021	18,051
Other interest-bearing liabilities	15,943	15,960	16,411	-451	0
Financial liabilities	245,443	264,693	67,998	161,504	35,191
Trade payables	48,875	48,875	48,875	0	0
Receivables from construction contracts as liability	7,907	7,907	7,907	0	0
Liabilities to related companies	3,548	3,548	3,548	0	0
Other financial liabilities	20,571	20,571	20,571	0	0
	326,344	345,594	148,899	161,504	35,191
Financial liabilities measured at fair value category "fair value – hedging instruments"					
Derivative financial liabilities	681	681	0	681	0
Carrying amounts/contractual cash flows	327,025	346,275	148,899	162,185	35,191

The interest payments on variable rate loans in the table above reflect the market conditions for forward interest rates at the end of the financial year. These may change as market interest rates change. Future cash flows from derivative instruments may differ from the amounts shown in the table above as interest rates and

exchange rates or the relevant conditions are subject to change. Target figures for future new liabilities are not included in the presentation. Financial liabilities repayable at any time are always assigned to the earliest maturity.

Credit risks

The Group is active in the aircraft industry and has two main customers. It is therefore exposed to a concentrated credit risk due to the limited number of aircraft manufacturers.

The Group is exposed to credit risks with respect to non-performance by contractual partners and has therefore introduced guidelines to limit these risks. Products and services are exclusively sold to customers with appropriate credit ratings by taking the financial situation, past experiences and other factors into account. New customers' default risks are evaluated by means of credit assessments, and the creditworthiness of existing customers is also reg-

ularly monitored. Customer receivables above a specified amount are insured against default. Credit risks can also arise from cash and cash equivalents, derivative financial instruments and deposits with banks and other financial institutions. Such transactions are only carried out with banks and financial institutions with high credit ratings.

The maximum credit risk corresponds to the carrying amount of each financial asset in the balance sheet.

The age structure of not written-down trade receivables is shown in Note 26.

OTHER INFORMATION

40. Board member remuneration

The remuneration of the members of the Management Board of FACC AG and the Supervisory Board of FACC AG, who perform the same duties for FACC Operations GmbH, as of 28 February 2018 was as follows:

Name	Salary 2016/17 EUR'000	Termination benefit 2016/17 EUR'000	Employer contribution to pension fund 2016/17 EUR'000	Total 2016/17 EUR'000
Robert Machtlinger	294	-4	8	298
Aleš Stárek (since 1 October 2016)	107	15	0	122
Yongsheng Wang (since 25 February 2016)	147	0	0	147
Walter Stephan (until 24 May 2016)	103	0	0	103
	651	11	8	670

Name	Salary 2017/18 EUR'000	Termination benefit 2017/18 EUR'000	Employer contribution to pension fund 2017/18 EUR'000	Total 2017/18 EUR'000
Robert Machtlinger	387	39	61	487
Andreas Ockel (since 2 November 2017)	116	20	33	169
Aleš Stárek	262	36	0	297
Yongsheng Wang	174	31	0	205
	938	126	94	1,158

In the past financial year, members of the Supervisory Board received a total remuneration of kEUR 161 (previous year: kEUR 177) for their activities.

There were no advance payments or loans to members of the Supervisory Board of FACC AG on the balance sheet date.

41. Transactions with related companies and persons

Transactions with related companies and persons outside the consolidated companies of FACC AG were concluded in the period from 1 March 2017 to 28 February 2018 on arm's length terms.

	Receivables 28.02.2017 EUR'000	Liabilities 28.02.2017 EUR'000	Sales revenues 2016/17 EUR'000	Expenses 2016/17 EUR'000
Companies with significant influence on the Group:	0	0	0	0
Joint venture in which the parent undertaking is involved	28,533	1,813	16,663	195
	28,533	1,813	16,663	195

	Receivables 28.02.2018 EUR'000	Liabilities 28.02.2018 EUR'000	Sales revenues 2017/18 EUR'000	Expenses 2017/18 EUR'000
Companies with significant influence on the Group:	24	0	1,050	0
Joint venture in which the parent undertaking is involved	18,352	3,548	7,975	19,565
	18,376	3,548	9,025	19,565

ACCOUNTING AND VALUATION POLICIES

42. Accounting and valuation policies

Intangible assets (IAS 36, IAS 38, IFRS 3, IAS 23)

Intangible assets with indefinite useful lives (IAS 38, IAS 36)

Intangible assets with indefinite useful lives are measured at amortised cost.

Software	Amortisation over a period of 3 to 10 years (linear)
Delivery rights	Amortisation on the basis of delivered shipsets or shipsets still to be delivered

Delivery rights are considerations paid for acquiring the right to supply certain aircraft components to the customer.

An impairment test is conducted if an indicator of impairment is present. An impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its attributed fair value less costs to sell and its value in use.

If the reasons for impairment no longer apply, the impairment losses are to be reversed up to the amortised cost.

Intangible assets with indefinite useful lives and intangible assets under development (IAS 38, IAS 36)

Measurement is conducted at acquisition or production costs.

These assets are not subject to scheduled amortisation. Impairment tests are performed on an annual basis and if there are signs of impairment. An impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its attributed fair value less costs to sell and its value in use.

If the reasons for impairment no longer apply, the impairment losses are reversed up to the amortised cost of the asset.

Research and development expenses (IAS 38, IAS 36, IAS 23)

Research and development expenses are immediately recognised with effect to profit or loss.

The Group capitalises development costs on the basis of project-related costs if the criteria set out in IAS 38.57 are met. If the asset is a qualifying asset, borrowing costs in connection with production are capitalised in accordance with IAS 23.

Costs incurred in the development phase are recorded under construction in progress. As long as a development project is still ongoing, the accumulated capitalised amounts are subject to an annual impairment test, provided that there are no additional indications that an impairment may have occurred at other points in time.

Amortisation begins at the time the series is ready for production and is calculated on the basis of the expected shipsets to be delivered. The future delivery volume is determined on the basis of the Airline Monitor used in the aviation industry (market forecast prepared by third parties) and current customer forecasts. The future delivery quantity is reassessed on each balance sheet date, with a

maximum planning horizon of 20 years, depending on the status of the project (new project or ongoing project with a remaining term).

Impairment tests are performed whenever there are signs of impairment. An impairment loss is recognised in the amount by which the carrying amount of the development project (including its directly attributable assets on the valuation date) exceeds its recoverable amount. The recoverable amount of the asset is the higher of its attributed fair value less costs to sell and its value in use.

Capitalised development costs of completed projects are recorded at production costs less accumulated amortisation.

Goodwill (IFRS 3, IAS 36)

The initial recognition of goodwill results from the initial consolidation of subsidiaries. Goodwill is reported as the value resulting from the surplus of the procurement costs of the acquisition above the Group's share of identifiable net assets evaluated at the attributed fair value.

Goodwill is not subject to scheduled amortisation. Impairment tests are performed on an annual basis and if there are signs of impairment.

For the purposes of impairment test, the goodwill acquired in the framework of a corporate merger shall be allocated to the cash generating units (CGUs) or groups of CGUs expected to benefit from the synergies of the merger. Each CGU or group of CGUs to which the goodwill is allocated constitutes the lowest level within the company at which the goodwill is monitored for internal management purposes. The goodwill is monitored internally on the segment level.

The impairment loss of a cash-generating unit is calculated by comparing the previously amortised carrying amount (including allocated goodwill) with the higher of its attributed fair value less costs of disposal and value in use. If the amount thus determined is less than the amortised carrying amount, an impairment loss is recognised on goodwill in the amount of this difference. Any remaining difference must be allocated to the remaining assets of the cash-generating unit in proportion to their carrying amount.

For the purposes of the impairment test using the value in use, which represents the present value of estimated future cash flows before taxes. This value is calculated on the basis of predicted cash flows derived from the multi-year plan approved by management. Cash flows arising after the detailed planning period are extrapolated by using growth rates. The growth rate applied does not exceed the long-term average growth rate of the division in which the CGU operates.

Cash flows are discounted with the weighted average cost of capital (WACC) before taxes, adjusted to the specific risks, which was largely determined on the basis of externally available capital market data.

Property, plant and equipment (IAS 16, IAS 36, IAS 23)

Property, plant and equipment are measured at amortised cost of procurement or manufacturing.

The manufacturing costs of property, plant and equipment include individual costs and reasonable parts of the overhead costs as well as borrowing costs in the case of qualified assets.

Linear amortisation over the useful life:

Buildings	10 to 50 years
Investments in third-party buildings	33 to 50 years
Technical plants and machinery	3 to 33 years
Office equipment	5 to 14 years
Vehicles	5 to 8 years

Impairment tests are performed whenever there are signs of impairment. An impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the higher of its attributed fair value less costs to sell and its value in use.

If the reasons for impairment no longer apply, the impairment losses are reversed up to the amortised cost of the asset.

Profits and losses from disposals of property, plant and equipment shall be determined as the difference between the disposal proceeds and the carrying amounts of property, plant and equipment and are recorded in the Consolidated Profit and Loss Statement under the items "other operating income" and "other operating expenses".

Leasing (IAS 17)

The allocation of a leased asset to the lessor or lessee is based on the criterion of assignability of all material risks and rewards associated with the ownership of the leased asset.

Finance lease: The leased asset is capitalised at the lower of its attributed fair value and the present value of the minimum lease payments at the time of acquisition. A lease liability of the same amount is recorded as a liability under financial liabilities.

The amortisation is recorded linearly over its useful life or, if shorter, over the term of the lease agreement.

Operating lease: Rental payments are spread over the lease term in equal instalments and are recorded as expenses in the operating result.

Inventories (IAS 2)

Inventories are measured at the lower value of procurement cost or manufacturing cost and net realisable value. Inventories are valued using the moving average price method. When determining the manufacturing costs, the directly attributable costs and reasonable portions of overhead costs, including amortisation, are included on the assumption of normal capacity utilisation.

The net realisable value results from the expected sales revenues of the items less the outstanding production and distribution costs determined on the basis of empirical values. Price decreases in the replacement costs are generally taken into account when calculating the net sales price.

Inventories are written down in the case of reduced net selling prices or long storage periods. So-called slow-moving inventory items, which are classified according to product groups, are subject to specific write-downs. The system identifies materials with a storage period of more than 24 months as slow-moving items.

Construction contracts (IAS 11, IAS 18)

In the case of construction contracts (customer-specific production), contract revenues and contract costs must be recognised according to the stage of completion on the balance sheet date, provided that the outcome of the construction contract can be reliably estimated. The stage of completion is calculated as the ratio of the contract costs incurred up to the balance sheet date to the estimated total contract costs.

If the result of a construction contract cannot be reliably determined, contract revenue shall only be recognised in the amount of the incurred contract costs that are likely to be recoverable ("zero profit" method). The profit is realised upon completion of the production order.

FACC recognises contract revenue using the "zero profit" method as the outcomes of construction contracts cannot be reliably determined on a regular basis due to the specific specifications of the contracts.

Pending losses are immediately recognised as expenses whenever it can be assumed that the total contract costs will exceed the contract revenue.

Government grants (IAS 20)

Government grants are recognised at fair value if there is reasonable assurance that the conditions attached to the grant will be met and the grant will be received.

Government grants for investments in property, plant and equipment are recorded under the item "investment grants" under non-current or current liabilities.

Investment grants are dissolved to profit or loss on a linear basis over the expected useful life of the assets concerned.

Employee benefit obligations (IAS 19)

Defined benefit plans

Defined benefit plans relate to Austrian termination benefit obligations towards employees whose employment was established on or before 31 December 2002.

This provision is calculated using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement and calculates the present value of future payments over the employees' estimated working lives. The calculation is performed by an actuary by means of actuarial reports for the respective balance sheet date.

Revaluation effects based on experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in equity for the period in which they arise.

The expected settlement amount is recognised for termination benefit obligations towards members of the Management Board of FACC AG as agreed in individual contracts.

Defined contribution plans

Defined contribution plans are in place in Austria for employees whose employment was established after 31 December 2002 due to statutory obligations and for individual contractual pension agreements.

The Group's sole obligation is to pay the defined contributions. These are recognised as expenses in the period for which they are paid.

Other non-current employee benefit obligations

Under collective bargaining agreements, the Group is obliged to pay employees an anniversary bonus of one month's salary or one month's wages upon reaching 25 years of service.

This provision is determined by an actuary using actuarial reports in accordance with the projected unit credit method for the respective balance sheet date.

Revaluation effects based on experience adjustments and changes in actuarial assumptions are recognised to profit or loss in the period in which they arise.

Other provisions (IAS 37)

Other provisions are recognised at the expected settlement amount. Non-current provisions are discounted provided the discounting effect is substantial and the discounting period can be reliably estimated.

Income taxes (IAS 12)

Deferred tax receivables and liabilities shall be balanced if they are pertaining to the same tax authority and if there is an enforceable legal claim to offsetting.

Income tax expense (income tax credits) include actual taxes and deferred taxes.

Deferred taxes are recognised for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS-based financial statements (liabilities method). Deferred taxes are valued based on the tax rates applicable when the temporary differences have been reversed after the balance sheet date. Deferred tax receivables are only recognised to the extent to which it is probable that the corresponding tax benefits will be realised.

Deferred tax receivables for loss carryforwards are only recognised to the extent to which it is probable that they will be realised within a reasonable period of time.

Changes in taxes generally lead to tax expenditures or tax credits. Taxes on items recorded in other comprehensive income are recorded in other comprehensive income. Taxes on items recorded directly in equity are also recorded directly in equity.

Financial instruments (IAS 32, IAS 39, IFRS 7, IFRS 13)

Financial assets are measured at fair value on initial recognition. In the case of financial investments that are not measured at fair value to profit or loss, transaction costs directly attributable to the acquisition of the assets are also taken into account.

The attributed fair value is determined on the basis of market information available on the balance sheet date. Due to varying influencing factors, the values listed here may differ from the values realised later on.

The attributed fair value of financial assets and liabilities reflects the risk of non-performance by the other party. When determining the attributed fair value of a financial asset, the credit risks of banks reflected by their ratings is taken into account; when determining the attributed fair value of a financial liability, the company's own credit risk as given by its own credit ratings is taken into account.

Market prices are available for all derivative financial instruments and securities; the attributed fair value of all other financial instruments is determined on the basis of discounted expected cash flows.

Purchases or sales of financial assets are recognised on the trading date.

Impairments are recorded to profit or loss for all financial instruments. If the reasons for impairment no longer apply, the reversal of the impairment loss is recorded to profit or loss, with the exception of equity instruments in the category "available for sale", which are recognised in other comprehensive income.

Other non-current financial assets (securities)

"Available for sale" category: The subsequent measurement is recorded at fair value (in other comprehensive income). On disposal, the unrealised gain or loss previously recognised directly in equity is recognised in other financial result.

Receivables and other assets

"Loans and receivables" category: Subsequent measurement is recorded at amortised cost less any impairment on impairment accounts. Impairments of trade receivables are recognised due to overdue amounts on the basis of experience values. In addition, customers are assessed on an individual basis, taking into account previous experiences, their creditworthiness and, if available, any guarantees. Uncollectible receivables are derecognised. Long-term receivables are also discounted using the effective interest method.

Cash

Cash and cash equivalents are measured at fair value on the balance sheet date.

Liabilities

Subsequent measurement is recorded at amortised cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments which do not meet the criteria of IAS 39 for hedge accounting are classified as "held for trading purposes" in accordance with IAS 39 and recognised at fair value to profit or loss.

Changes in the attributed fair value are recorded in the Consolidated Profit and Loss Statement under the items "financial income" or "financing expenses" or under "other operating income" or "other operating expenses" (provided these derivatives apply to foreign currency receivables and liabilities).

Interest earnings and interest costs from interest rate derivative transactions are recorded in the financial result in the Consolidated Profit and Loss Statement.

Cash flow hedges

The Group concludes forward exchange transactions which serve to hedge the foreign currency risk in connection with certain planned sales denominated in foreign currencies.

The special provisions of IAS 39 on hedge accounting are applied to offset the effects of the hedged transaction and the hedging instrument in the income statement on an accrual basis. The market values resulting on the balance sheet date are recognised directly in other comprehensive income, taking deferred taxes into account, and reported under "reserves for cash flow hedges". The reserve for cash flow hedges is dissolved to profit or loss in the period in which the underlying hedged transaction affects net income.

Recognition of revenue and expenses (IAS 11, IAS 18)

Revenues from deliveries are recognised when all significant risks and rewards of ownership have been transferred to the buyer. Revenues arising from the rendering of services are recognised over the period in which the services are rendered. As regards the recognition of sales revenues from construction contracts, reference is made to the section "construction contracts (IAS 11, IAS 18)" above.

Operating expenses are recognised at the time the service is used or once they have been incurred. Interest is recognised using the effective interest method.

Foreign currency valuation (IAS 21)

Receivables, cash and cash equivalents and liabilities are translated at the spot conversion rate. Gains and losses are recorded to profit or loss.

Consolidated statement of cash flows (IAS 7)

The indirect method was used to present the Consolidated Statement of Cash Flows for the consolidated cash flow from operating activities. Cash and cash equivalents correspond to cash on hand and liquid funds.

43. Effects of new and amended standards (revised)

The following amended standards are mandatorily effective for the first time in the 2017/18 financial year:

- Amendments to IAS 7 (Disclosure Initiative)

The amendment to IAS 7 (Statement of Cash Flows) requires additional disclosures on incoming and outgoing payments of financial liabilities which are shown in the cash flow from financing activities. With regard to this information, reference is made to section "Note to the Consolidated Statement of Cash Flows" in the Notes.

- Amendments to IAS 12 (Recognition of Deferred Tax Receivables for Unrealised Losses)

The amendments to IAS 12 clarify the accounting treatment of deferred tax receivables in connection with unrealised losses on acquired debt instruments. Impairments to the lower market value of debt instruments measured at fair value, which result from a change in the market interest rate level, lead to deductible temporary differences. This amendment has no effect on the Consolidated Financial Statements.

The following standards and interpretations, which have already been published, are to be applied in subsequent financial years:

Standard / Interpretation	Published by IASB	Mandatory application acc. to IASB	Adoption by the EU as of 26.03.2018	Effects on the Consolidated Financial Statements
Miscellaneous	Annual Improvements to IFRS Standards 2015–2017 Cycle	12.12.2017	Yes	No
IFRS 15	Revenue from Contracts with Customers	28.05.2014	Yes	See below
IFRS 15 (amended)	Revenue from Contracts with Customers – amended	12.04.2016	Yes	See below
IFRS 4 (amended)	Application of IFRS 9 Financial Instruments (together with IFRS 4 Insurance Contracts)	12.09.2016	Yes	No
IFRS 9	Financial Instruments	24.07.2014	Yes	See below
IFRS 2 (amended)	Classification and Measurement of Share-Based Payment Transactions	20.06.2016	Yes	No
IAS 40 (amended)	Investment Property	08.12.2016	Yes	No
IFRIC 22	Foreign Currency Transactions and Advance Consideration	08.12.2016	No	See below
IFRS 16	Leasing	13.01.2016	Yes	See below
IFRS 9 (amended)	Prepayment Features with Negative Compensation	12.10.2017	No	No
IAS 28	Sale or Contribution of Assets between an Investor and an Associate or Joint Venture	12.10.2017	No	No
IAS 28	Long-term Investments in Associates and Joint Ventures	12.10.2017	No	No
IAS 19	Plan Amendment, Reduction or Settlement of Pension Obligations	07.02.2018	No	No
IFRIC 23	Uncertainty over Income Tax Treatments	07.06.2017	No	No
Miscellaneous	Annual Improvements to IFRS Standards 2015–2017 Cycle	12.12.2017	No	No
IFRS 17	Insurance Contracts	18.05.2017	No	No
IFRS 14	Regulatory Deferral Accounts	30.06.2014	Unspecified ¹⁾	No

¹⁾ Currently, no adoption of IFRS 14 in EU law is planned.

IFRS 9 Financial Instruments specifies the requirements for the recognition and measurement of financial assets, financial liabilities and a number of contracts for the purchase or sale of non-financial items. This standard supersedes IAS 39 Financial Instruments.

Classification – financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are held and the characteristics of their cash flows. The standard divides financial assets into three main categories: those measured at amortised cost, those measured at fair value through profit or loss (FVTPL) and those measured at fair value through other comprehensive income (FVOCI). The standard no longer includes the current IAS 39 categories "held to maturity", "loans and receivables" and "available for sale". Derivative financial instruments embedded in financial assets are no longer recognised separately in accordance with IFRS 9 but are assessed as a whole with regard to their allocation to a measurement category fair value through profit or loss.

Impairment – financial assets and contract assets

IFRS 9 replaces the incurred losses model of IAS 39 with a future-oriented model of expected credit losses. This requires significant judgment as to the extent to which expected loan defaults are affected by changes in economic factors. This estimate is determined on the basis of weighted probabilities.

The new impairment model is to be applied to financial assets measured at amortised cost or FVOCI and to contract assets.

Under IFRS 9, expected credit losses are measured at an amount equal to:

- **Twelve-month expected credit losses:** These are expected credit losses which result from those default events on the financial instrument that are possible within twelve months after the reporting date.
- **Full lifetime expected credit losses:** These are expected credit losses which result from all possible default events over the life of the financial instrument.

Credit losses are to be measured according to the concept of full lifetime expected credit loss if the credit risk of a financial asset has increased significantly on the balance sheet date since initial recognition; in all other cases, credit losses shall be measured according to the twelve-month expected credit loss concept. Exceptions are made for trade receivables, contract assets arising under IFRS 15 and lease receivables. For trade receivables and contract assets under IFRS 15 without a significant financing component, all expected losses must be taken into account upon recognition; for trade receivables and contract assets under IFRS 15 with a significant financing component as well as lease receivables, expected losses may be taken into account upon recognition.

The Group has access to capital market data for the majority of its customers, which provide external parameters for the maturity-dependent default risk. In order to determine the expected loss,

a term-specific probability for each customer is applied to receivables presenting a high risk of default.

If no external parameters are available for a particular customer, industry- or country-specific credit default swaps (CDS), spreads or bond yields (on an individual security or index basis) are used to determine the default probability.

The Group assumes that its cash and cash equivalents are subject to a low default risk based on the external ratings of banks and financial institutions. Due to the high creditworthiness and short-term maturity, no additional impairment is made for expected credit losses.

Recognition of hedging transactions

Under IFRS 9, the Group is required to ensure that its hedge accounting is consistent with the objectives and strategy of Group risk management and that a more qualitative and forward-looking approach is employed in assessing the effectiveness of hedging transactions. IFRS 9 also introduces new requirements regarding the reweighting of hedging relationships and prohibits the voluntary termination of hedge accounting.

Transition

The Group will apply IFRS 9 Financial Instruments for the first time in the 2018/2019 financial year. Changes in accounting methods due to the application of IFRS 9 are generally applied retrospectively. The Group shall make use of the relief from restating comparative periods with respect to recognition and measurement (including impairment) at the date of initial application. At the beginning of the first reporting period (1 March 2018), differences between previous carrying amounts and the carrying amounts at the beginning of the first reporting period would then have to be recognised directly in equity due to the application of IFRS 9. Furthermore, the new accounting regulations for hedging transactions must be applied prospectively. The determination of the business model in which a financial asset is held and the exercise of the option to recognise equity instruments that are not held for trading purposes at fair value through other comprehensive income (FVOCI) must be made on the basis of the facts and circumstances existing at the time of the initial application.

Expected effects

Apart from the new general classification of financial assets, the transition as of 1 March 2018 is not expected to have a significant impact on equity for the items reported as of 28 February 2018 with regard to their allocation to balance sheet items.

With regard to the amended impairment model, FACC is of the opinion that the impairment of financial assets with a significant financing component will increase in the future when applying the exception for trade receivables and contract assets in accordance with IFRS 15.

The Group estimates that the application of the impairment provisions of IFRS 9 as of 1 March 2018 will result in an increase in

recognised impairments of approximately 0.1% in relation to total receivables.

FACC is of the opinion that derivative financial instruments which currently meet the requirements for hedge accounting in accordance with IAS 39 will also meet the requirements of IFRS 9.

IFRS 15: Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, to what extent and at which point in time sales revenues are to be recognised. It replaces existing guidelines on revenue recognition (such as IAS 18 Revenue and IAS 11 Construction Contracts). Under IFRS 15, the amount received as consideration for the transfer of goods or services to customers is to be recognised as revenue from customer contracts. Revenue is recognised as control over goods or services is passed to the customer, either over a period of time or at a specific point in time. A five-step model is used to determine when and in which amount revenues are to be recorded.

The Group provides its customers with stage-specific services over the product life cycle of its products. Development services are usually rendered at the beginning of the contract term, which serve as a basis for the technical specifications and the manufacturing of the products. In a later stage, tools are developed and manufactured in preparation for serial production. This is followed by the serial production and the supply of spare parts throughout the entire programme period.

As part of the project implementing the requirements of IFRS 15 and the resulting consequential changes within the FACC Group, an analysis with particular focus on the existence of contracts with customers, the modeling of various services over the product life cycle and the transfer of control to customers was carried out.

It has been established that the following issues relating development services and tool development will lead to changes in accounting:

Splitting the contract into individual contractual obligations

One of the main changes under IFRS 15 concerns contracts which include several distinct contractual obligations such as development services, tool development and subsequent serials production. In the past, the overall revenue from these contracts was recognised over the entire production process. However, in accordance with the rulings of IFRS 15, individual performance obligations within a contract must be recognised separately, and the date or period of recognition must be specified separately for each obligation. If development services and the development of customised tools represent separate contractual obligations and control has already been passed, these shall be recorded as contract assets in the balance sheet.

If development services or tool developments are not paid immediately or in full but are charged to the customer as price premiums on series components, actual sales revenues may depend on whether the planned quantity of series products will be achieved. This represents a variable remuneration, which is based on a prudent estimate and is reassessed on a regular basis.

Provided that a significant financing component is determined in the case of long-term amortisation via series deliveries, revenue is only recognised in the amount of the present value of the agreed payments. As compounding effects are recognised as income in the financial result, the payments received are not fully allocated to sales revenues, as was previously the case.

In the absence of an enforceable contractual claim to remuneration for development services and tool development in accordance with IFRS 15, the related expenses are capitalised. The corresponding services constitute a single unit with the serial production. In this case, the cost of development on the price of the tools are added to the price of the series components and are not recognised as sales revenue until the serial parts have been delivered.

Transfer of control and revenue recognition

Sales revenues from the customised development of aircraft components and the production of tools are currently realised on an ongoing basis. IFRS 15 defines different criteria regarding the transfer of control for the recognition of sales revenues over a certain period of time. In addition to a lack of alternative utilisation, especially the legal claim to the payment of services already provided is required (costs plus profit share). This criterion means that individual contracts which were previously recognised over time are now to be recognised as revenue at a point in time in accordance with IFRS 15. Services provided at a point in time are recognised in the balance sheet in the amount of the associated costs until control has passed.

Payments to customers

IFRS 15 also affects the presentation within the profit and loss statement. Payments to customers in connection with development services of the programme are currently capitalised as intangible assets and amortised over their expected useful lives. In accordance with IFRS 15, these intangible assets will in future be reported as other non-current assets and recognised as a reduction in revenue in accordance with the expected useful life of the programme.

Serial production

In accordance with IAS 18, serial parts are currently recognised as revenue at a point in time if the associated risks and rewards of ownership have been transferred in line with the agreed delivery conditions. Under IFRS 15, revenue is recognised either over time or at a point in time as soon as control of the goods has passed to the customer. According to IFRS 15, the timing of the transfer of control generally remains unchanged from the previous procedure.

Transition

IFRS 15 Revenue from Contracts with Customers is mandatorily effective for financial years beginning on or after 1 January 2018. The FACC Group intends to apply the modified retrospective method for the transition to IFRS 15, whereby the cumulative adjustment amounts will be recognised as of 1 March 2018. The comparative period will not be adjusted. IFRS 15.C5 (c) will be used to simplify the transition to IFRS 15.

Expected effects

Under the current assessment, application of this standard will result in a reduction of kEUR 37,000 of the Group's equity as of 1 March 2018.

This effect consists of the transition from revenue recognition at a point in time to revenue recognition over time of kEUR 19,000, consideration of the financing component of kEUR 7,000 and other effects (resulting from currency translation and early revenue recognition in particular) amounting to kEUR 11,000.

The amendments to IFRS 15 will have no effect on the overall margin or cash flows over the lifetime of a contract or programme.

In addition, different descriptions will be applied to individual balance sheet items and further disclosures in the Notes.

IFRS 16 Leases

IFRS 16 replaces the existing rules on leases, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement Contains a Lease, SIC 15 Operating Leases and SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

The standard is mandatorily effective for financial years beginning on or after 1 January 2019. Early application is permitted if the entity applies IFRS 15 before or on the date of the initial application of IFRS 16.

IFRS 16 provides for a uniform accounting model according to which leases must be recognised in the lessee's balance sheet. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are exceptions for short-term leases and leases of low-value assets.

In addition, the nature of the expenses associated with these leases will now change as IFRS 16 replaces the linear expenses for operating leases with amortisation charges for usage rights (right-of-use assets) and interest costs for liabilities arising from the lease.

The Group has concluded an initial assessment of the possible effects on its Consolidated Financial Statements; a detailed assessment is still pending. The actual effects of the application of IFRS 16 on the Consolidated Financial Statements at the time of its initial application will depend on future economic conditions such as the interest rate and the composition of the leasing portfolio at the time of initial application, the Group's assessment of the exercise of extension options and the extent to which the Group makes use of exceptions and exemptions from recognition.

Planned transition and expected effects

The FACC Group currently intends to apply IFRS 16 for the first time as of 1 March 2019 using the modified retrospective method. For this reason, the cumulative effect of the application of IFRS 16

will be recognised as an adjustment to the opening balance sheet values in equity as of 1 March 2019, without adjusting the comparative disclosures. Furthermore, this method offers practical simplifications, the use of which is still being examined.

Rental agreements from the use of property, plant and equipment not recorded in the balance sheet were identified as the most significant effect.

The Group expects the adoption of the standard to result in an increase in the balance sheet total (based on the Consolidated Statement of Financial Position on 28 February 2018) ranging between 4% and 5%.

Effects on the ability to meet financial ratios agreed with lenders are not expected to occur.

IFRIC 22: Foreign Currency Transactions and Advance Consideration

IFRIC 22 clarifies to which date the exchange rate of transactions in foreign currencies including the receipt or payment of advance consideration has to be determined. The exchange rate of the underlying asset, income or expense is calculated for the date of initial recognition of the asset or liability arising from the payment or receipt of advance consideration. In the event of multiple payments or receipts of advance consideration, a date of transaction is determined for each payment and payment receipt.

44. Fees of the Group auditor

The expenses attributable to the 2017/18 financial year for the auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. of the Consolidated Financial Statements are as follows:

	2016/17 EUR'000	2017/18 EUR'000
Group and annual audit	185	183
Tax consulting services	0	0
Other consulting services	0	7
	185	190

45. Events after the balance sheet date

After the balance sheet date 28 February 2018, there were no events requiring disclosure.

46. Proposed appropriation of net income

In the 2017/18 financial year the retained earnings of FACC Group amounted to kEUR 55,644. The Executive Board and the Supervisory Board will propose a dividend of EUR 0.11 per share to the Annual General Meeting.

47. Approval for publication

These Consolidated Financial Statements are expected to be approved by the Management Board on 15 May 2018 (Consolidated Financial Statements on 28 February 2017; 11 June 2017) for review by the Supervisory Board, presentation to the Annual General Meeting and subsequent publication. The Supervisory Board may arrange for amendments to the Consolidated Financial Statements as part of its duties as assessor.

48. Management and Supervisory Boards

Members of the Management Board in the reporting period

Robert Machtlinger, CEO
 Andreas Ockel, COO (since 2 November 2017)
 Aleš Stárek, CFO
 Yongsheng Wang

Members of the Supervisory Board in the reporting period

Ruguang Geng (Chairman)
 Shengqiang He (Deputy Chairman)
 Jun Tang (Deputy Chairman; until 18 July 2017)
 Yanzheng Lei
 Weixi Gong
 George Maffeo
 Junqi Sheng (since 18 July 2017)
 Hao Liu (since 18 July 2017)
 Li Li (since 1 November 2017)
 Xuejun Wang (until 18 July 2017)
 Chunsheng Yang (until 13 June 2017)
 Peter Krohe (employee representative)
 Ulrike Reiter (employee representative)
 Barbara Huber (employee representative)
 Karin Klee (employee representative; since 8 February 2018)
 Birol Mutlu (employee representative; until 8 February 2018)

Ried im Innkreis, 2 May 2018

Statement of all Legal Representatives

According to section 82 paragraph 4 number 3 Börsegesetz (Austrian Stock Exchange Act)

To the best of our knowledge, we confirm that the Consolidated Financial Statements prepared in accordance with the relevant accounting standards give a true and fair view of the net assets, financial position and results of operations of the Group. Likewise, to the best of our knowledge, we confirm that the Group Management Report presents the course of business, the results of operations and the position of the Group in such a way as to give the best possible picture of the Group's net assets, financial position and results of operations, and that the Group Management Report describes the main risks and uncertainties to which the Group is exposed.

We certify to the best of our knowledge that the annual financial statements of the parent company prepared in accordance with the relevant accounting standards give a true and fair view of the net assets, financial position and results of operations of the company. Likewise, to the best of our knowledge, we confirm that the Management Report presents the course of business, the results of operations and the position of the company in such a way as to give

a true and fair view of the net assets, financial position and results of operations and that the Management Report describes the significant risks and uncertainties to which the company is exposed.

Ried im Innkreis, 2 May 2018

The Management Board

Robert Machtlinger m.p.
Chairman of the Management Board

Aleš Stárek m.p.
Member of the Management Board

Andreas Ockel m.p.
Member of the Management Board

Yongsheng Wang m.p.
Member of the Management Board

Auditor's Report¹⁾

Report on the Consolidated Financial Statements

AUDIT OPINION

We have audited the Consolidated Financial Statements of

FACC AG, Ried im Innkreis,

and of its subsidiaries (the Group) comprising the Consolidated Statement of Financial Position as of 28 February 2018, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the financial year then ended and the Notes to the Consolidated Financial Statements.

Based on our audit the accompanying Consolidated Financial Statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 28 February 2018 and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by the EU, and the additional requirements under section 245a of the Austrian Company Code (UGB).

¹⁾ This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the Consolidated Financial Statements together with our auditor's opinion is only allowed if the Consolidated Financial Statements and the Management Report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete Consolidated Financial Statements with the Management Report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

BASIS FOR OPINION

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian Generally Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the financial year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered the following matters as key audit matters for our audit:

1. Restated errors in accordance to IAS 8
2. Recoverability of goodwill and development cost
3. Revenue recognition

1. Restated errors in accordance to IAS 8

Description

In connection with the enforcement audit in accordance with accounting control law (Rechnungslegungs-Kontrollgesetz), which was finalised in the 2017/18 financial year, management evaluated specific matters and made a restatement in accordance to IAS 8 for other provisions and deferred taxes, which resulted in adjustments to the Group Comprehensive Income Statement and the Group equity development.

The impact of these restatements on the result after taxes in the 2016/17 financial year was EUR –1.4 million and on the equity as of 28 February 2017 was EUR –14.3 million.

The main risk is the calculation of the amounts to be restated, the correct recognition and presentation of the error corrections in the Group Financial Statement as of 28 February 2018 and the completeness of the Notes for the restatements.

The disclosures for the restated errors are included in the Notes in Note 3.

How our audit addressed the matter

To address the risk we challenged critically the underlying assessments and management estimates and have performed amongst others the following audit procedures:

- Audit of the underlying audit matters that resulted in the error corrections and whether the error corrections are in compliance with IFRS as endorsed within the EU
- Discussion of the restated amounts with management
- Audit of the calculations of the errors
- Evaluation of impacts of the error corrections on other balance sheet items (especially deferred taxes)
- Detailed audit of all corrections made in the Group Financial Statements and audit of completeness of Notes disclosures in accordance to IAS 8

2. Recoverability of goodwill and development cost

FACC AG recognises in the Group Financial Statements goodwill amounting to EUR 18.6 million (previous year: EUR 18.6 million) and capitalised development cost amounting to EUR 117.7 million (previous year: EUR 118.6 million).

In the course of the annual impairment test for goodwill and the development cost not yet in use and the development cost with a trigger for an impairment management has to make significant accounting estimates of value in use, which is derived by a discounted cash flow model. The recoverable amount is highly dependent on the discount rate (WACC) and the expected and planned cash flows in the midterm planning and for the amount used in the terminal value for goodwill. For development cost of programmes with an amortisation period longer than the midterm planning, planning assumptions have to be set depending on the rates of the airline monitor. The expected amortisation period is estimated based on the specific programme.

The main risk is estimation of future cash flows which are the basis for the determination of the impairment of goodwill and capitalised development cost not yet amortised respectively capitalised development cost with a trigger for extraordinary depreciations and the derivation of an adequate discount rate. The estimation of cash flows includes assumptions about future market and economy developments and they are also impacted by internal learning curves for the specific programmes.

The disclosures for goodwill and development cost are included in the Notes in Note 20 and Note 41.

How our audit addressed the matter

To address the risk we have critically challenged the assumptions and estimates of management and among others performed the following audit procedures:

- Audit of CGUs ("Cash Generating Units") definitions and analysis of separation of cash inflows
- Audit of the model used and audit of the correctness of the calculations and evaluation of the discount rate with the involvement of our internal valuation specialists
- Evaluation of detailed plans and budgets and analysis of the main drivers (revenue, expenses, capex, change in working capital)
- Audit of the rates derived from airline monitor
- Evaluation of the planned terms of the programmes and the derived useful life for the development projects
- Audit of the accordance of the planned revenues and profits of the investments for the CGUs ("Cash Generating Units") with the plans approved by the Supervisory Board
- Audit of completeness of disclosures
- Evaluation of sensitivity analysis by calculation of downside valuation scenarios
- Evaluation whether the criteria for revenue recognition in accordance to IAS 18 and IAS 11 for significant contracts were fulfilled
- Analysis of the underlying contracts for significant construction contracts
- Audit of the total recognised cost in significant construction contracts
- Audit of the estimation of contract revenue for significant construction contracts
- Audit of open item list as of 28 February 2018 and identification of trade receivables overdue more than 90 days and audit of recoverability
- Evaluation of external legal opinion in respect of disputed matters in contracts
- Discussion of significant overdue trade receivables with management and division management
- Evaluation of all agreements reached until issuance of the financial statements in the course of disputed receivables
- Audit of completeness of Notes disclosures

3. Revenue recognition and recoverability of trade account receivables and receivables from construction contracts

FACC AG recognises the revenue from the sale of goods and from engineering and other services. The revenue from services and engineering are realised over a time period and are disclosed as receivables from construction contracts in accordance to IAS 11.

For the revenue recognition from the sale of goods the main risk is, that management has to assess, how probable it is that the economic benefit will flow to the company and if there are uncertainties concerning the time of revenue recognition.

For construction contracts significant estimations for the expected contract revenue and contract cost have to be made, which are due to uncertainties and may be dependent on the outcome of future events. In a further step revenue recognition has to be evaluated, in how far changes in the estimation of recoverability have occurred and accounts receivables need to be impaired.

The disclosures for construction contracts and revenue recognition are in Note 42, for trade accounts receivables in Note 32 and for construction contracts in Note 28.

How our audit addressed the matter

To address the risk we have critically challenged the assumptions and estimates of management and among others performed the following audit procedures:

RESPONSIBILITIES OF MANAGEMENT AND OF THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the Consolidated Financial Statements in accordance with IFRS as adopted by the EU, and the additional requirements under section 245a of the Austrian Company Code (UGB) for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also

- identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the Management Report for the Group is to be audited as to whether it is consistent with the Consolidated Financial Statements and as to whether the Management Report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Management Report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Management Report for the Group.

Opinion

In our opinion, the Management Report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with section 243a of the Austrian Company Code (UGB), and is consistent with the Consolidated Financial Statements.

Statement

Based on the findings during the audit of the Consolidated Financial Statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Management Report for the Group came to our attention.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated Financial Statements, the Management Report for the Group and the auditor's report thereon. The annual report is estimated to be provided to us after the date of the auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether – based on

our knowledge obtained in the audit – the other information is materially inconsistent with the Consolidated Financial Statements or otherwise appears to be materially misstated.

Additional information in accordance with article 10 of the EU regulation

We were elected as auditor by the Ordinary General Meeting on 18 July 2017. We were appointed by the Supervisory Board on 3 October 2017. We are auditors without cease since financial year 2016/17.

We confirm that the audit opinion in the section "Report on the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 paragraph 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

RESPONSIBLE AUSTRIAN CERTIFIED PUBLIC ACCOUNTANT

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Mag. Johanna Hobelsberger-Gruber, Certified Public Accountant.

Linz, 2 May 2018

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Johanna Hobelsberger-Gruber m.p.
Certified Public Accountant

ppa DI (FH) Hans Eduard Seidel m.p.
Certified Public Accountant

CORPORATE GOVERNANCE REPORT

The Austrian Code of Corporate Governance (ÖCGK) provides Austrian stock corporations with a framework for corporate management and control. It contains both internationally recognised standards for good corporate management and the relevant provisions of Austrian corporation law. The Code is designed to ensure the responsible management and control of companies and groups with a view to creating sustainable and long-term value.

Ensuring a high level of transparency for all stakeholders and securing long-term and sustainable growth in shareholder value are key elements of active corporate governance policies. These include efficient cooperation between executive bodies, safeguarding shareholders' interests and open corporate communication.

DECLARATION OF COMMITMENT

FACC AG observes the Austrian Code of Corporate Governance and undertook to comply with its provisions for the first time in 2014, following its initial listing on the prime market of the Vienna Stock Exchange. The Code, as amended, is available online at www.corporate-governance.at.

The commitment to comply with the Code's provisions was evaluated by an external auditor for the first time in the 2016/17 financial year. The evaluation results show that corporate governance at FACC is alive and well and can be accessed by all interested parties on the company website www.facc.com. A re-evaluation is scheduled for the 2018/19 financial year.

FACC AG is obliged to prepare a Corporate Governance Report in accordance with Rule L-60 ÖCGK. The reports prepared so far are also available to the public on the website of FACC AG www.facc.com (Rule C-61 ÖCGK).

The assessment of the functionality of the risk management system by the auditor was assigned in the 2017/18 financial year (Rule C-83 ÖCGK).

EXECUTIVE BODIES OF FACC AG

Management Board

Organisation and operation of the Management Board

The Management Board of FACC AG consists of a minimum of two and a maximum of four persons in accordance with its Articles of Association. The members of the Management Board are appointed by the Supervisory Board.

The Management Board conducts the business of FACC AG in conformance with legal provisions and the company's Articles of Association and Rules of Procedure. Business is distributed among the Board members in accordance with the Rules of Procedure, which also govern collaboration within the Board. Furthermore, the Management Board has undertaken to fully comply with the rules of the Austrian Code of Corporate Governance.



Robert MACHTLINGER (1967)
Chairman of the Management Board
First appointed: 2014
End of current term of office: 6/2020
Areas of responsibility: Strategy, Customer Relations, Business Development, Marketing, Programme Management, Quality, Corporate Communications, Innovation and Research
Supervisory Board mandates in other companies: none



Andreas OCKEL (1966)
Member of the Management Board
First appointed: 2017
End of current term of office: 10/2020
Areas of responsibility: Production, Development, Purchasing, Human Resources, Real Estate, Worldwide Subsidiaries
Supervisory Board mandates in other companies: none



Aleš STÁREK (1970)
Member of the Management Board
First appointed: 2016
End of current term of office: 10/2019
Areas of responsibility: Financial Accounting, Controlling, Taxes, Treasury, IT, Risk Management, Legal, Investor Relations
Supervisory Board mandates in other companies: none



Yongsheng WANG (1963)
Member of the Management Board
First appointed: 2016
End of current term of office: 9/2019
Areas of responsibility: Internal Audit, China Business Relations
Supervisory Board mandates in other companies: none

Supervisory Board

The Supervisory Board's actions are bound by the laws and regulations applicable to companies listed in Austria such as the Austrian Stock Corporation Act and the Austrian Stock Exchange Act. Furthermore, the Supervisory Board has committed itself to the rules of the Austrian Code of Corporate Governance. As regards the company's internal regulations, the Articles of Association and the Rules of Procedure are of prime importance. The Supervisory Board consists of at least three and at most ten members elected by the Annual General Meeting in accordance with the Articles of Association of FACC AG.

According to section 11.2 of the Articles of Association of FACC AG, FACC International Company Limited is entitled to delegate Supervisory Board members. It may delegate up to one third of all members provided that it holds a stake of at least 25 percent in the current share capital.

When electing members of the Supervisory Board, the Annual General Meeting must pay due attention to the requirements with respect to professional and personal qualifications as well as the balanced composition of expert know-how. Due regard must also be paid to diversity in terms of gender, age distribution and internationality. Newly elected Supervisory Board members must be reasonably informed of the organisation and activities of the company as well as of the tasks and responsibilities of Supervisory Board members. The members of the Supervisory Board are required to conduct an annual self-evaluation to assess their own performance.

Ruguang GENG (1957)

Chairman since 2009

First appointed: 2014

End of current term of office: Annual General Meeting deciding on the 2017/18 financial year

Supervisory Board mandates in other companies: none

Shengqiang HE (1966)

Deputy Chairman

First appointed: 2016

Supervisory Board mandates in other companies: none

In June 2016, FACC International Company Limited made use of its statutory right to delegate up to one third of all members,

provided that it holds a stake of at least 25 percent in the current share capital, according to section 11.2 of the Articles of Association of FACC AG and appointed Shengqiang He a member of the Supervisory Board of FACC AG.

Li LI (1976)

Member of the Supervisory Board

First appointed: 2017

Supervisory Board mandates in other companies: none

In November 2017, FACC International Company Limited made use of its statutory right to delegate up to one third of all members, provided that it holds a stake of at least 25 percent in the current share capital, according to section 11.2 of the Articles of Association of FACC AG and appointed Li Li a member of the Supervisory Board of FACC AG.

Yanzheng LEI (1965)

First appointed: 2014

End of current term of office: Annual General Meeting deciding on the 2017/18 financial year

Supervisory Board mandates in other companies: none

Weixi GONG (1962)

First appointed: 2014

End of current term of office: Annual General Meeting deciding on the 2017/18 financial year

Supervisory Board mandates in other companies: none

George MAFFEO (1954)

First appointed: 2016

End of current term of office: Annual General Meeting deciding on the 2017/18 financial year

Supervisory Board mandates in other companies: none

Junqi SHENG (1972)

First appointed: 2017

End of current term of office: Annual General Meeting deciding on the 2017/18 financial year

Supervisory Board mandates in other companies: none

Hao LIU (1975)

First appointed: 2017

End of current term of office: Annual General Meeting deciding on the 2017/18 financial year

Supervisory Board mandates in other companies: none

Members of the Supervisory Board delegated by the Works Council

Peter KROHE (1959)

First appointed: 2014

Ulrike REITER (1960)

First appointed: 2014

Barbara HUBER (1965)

First appointed: 2014

Karin KLEE (1981)

First appointed: 2018

Members of the Supervisory Board who retired in the 2017/18 financial year

Chunsheng Yang, Jun Tang, Xuejun Wang and Birol Mutlu, who was delegated by the Works Council, retired from the Supervisory Board in the 2017/18 financial year.

Independence of the Supervisory Board members

The Supervisory Board has adopted the guidelines for independence set out in Annex 1 of the Austrian Code of Corporate Governance. Accordingly, all members of the Supervisory Board have declared to be independent of the company and its Management Board (Rule C-53 ÖCGK).

The Supervisory Board members George Maffeo and Weixi Gong do not represent the interests of shareholders with a stake of more than 10 percent (Rule C-54 ÖCGK).

Supervisory Board committees

As required by the Austrian Stock Corporation Act, the Supervisory Board of FACC AG has set up an Audit Committee to perform the planned supervisory and control functions. In addition to examining the accounting process as well as the audit and group audit, the effectiveness of the internal control and risk management system is also monitored.

Furthermore, the Audit Committee is responsible for reviewing the Corporate Governance Report, which is presented at the Annual General Meeting. The Audit Committee held three meetings during the 2017/18 financial year. A total of four Supervisory Board meetings were held during the reporting period.

Further meetings were not required. No member of the Supervisory Board was absent from more than half of the meetings held.

Aside from the mandatory Audit Committee, a Strategy Committee and a Personnel and Compensation Committee (Nominating Committee) have been established.

The functional responsibilities of the Supervisory Board members in the respective committees are shown below.

Supervisory Board committees

Audit Committee

Members

- Hao LIU (Chairman)
- Li LI
- Yanzheng LEI
- George MAFFEO
- Barbara HUBER

Personnel and Compensation Committee (Nominating Committee)

Members

- Ruguang GENG (Chairman)
- Shengqiang HE
- Yanzheng LEI
- Weixi GONG
- Hao LIU
- Junqi SHENG

Strategy Committee

Members

- Shengqiang HE (Chairman)
- Ruguang GENG
- Yanzheng LEI
- Weixi GONG
- George MAFFEO
- Junqi SHENG
- Ulrike REITER

Transactions of the Supervisory Board requiring approval

In the 2017/18 financial year, no transactions requiring approval pursuant to Rule L-48 ÖCGK were concluded by members of the Supervisory Board.

Cooperation of the Management Board and Supervisory Board

The Management Board reports to the Supervisory Board on fundamental issues relating to the future business policy of the company and the entire Group as well as the future development of the

net assets position, financial position and profit situation. The Management Board also regularly reports to the Supervisory Board on the course of business and the situation of the company and the Group as a whole in comparison to forecasts, taking into account future developments.

REMUNERATION REPORT

Remuneration of Management Board members

When deciding on the total remuneration of the Management Board members, the Supervisory Board must ensure that the remuneration is commensurate with the tasks and performance of the individual Management Board members, the company situation and customary remuneration, and that long-term incentives for sustainable corporate development are taken into account. The remuneration includes fixed and variable components.

The development of the operating result (EBIT) is the most important calculation parameter for variable remuneration in addition to the performance-related achievement of targets agreed individually with the Management Board member.

An upper limit has not been set for the variable remuneration.

In the 2017/18 financial year, variable remuneration accounted for 0 percent of the total remuneration of all members of the Management Board.

A stock options programme has not been set up for members of the Management Board nor for executives.

The total remuneration of the Management Board members amounted to kEUR 1,158 in the 2017/18 financial year (previous year: kEUR 734).

Remuneration of active members of the Management Board of FACC AG in the 2017/18 financial year:

EUR'000	
Robert Machtlinger	487
Andreas Ockel	169
Aleš Stárek	297
Yongsheng Wang	205

A D&O insurance is in place, the costs of which are borne by the company.

Members of the Management Board are enrolled in a defined-contribution pension plan, expenses for which totaled kEUR 94 in the 2017/18 financial year (previous year: kEUR 8).

In the event of premature termination of management contracts by the Supervisory Board, claims exist with regard to base salaries. In the case of regular termination, claims to termination benefits depending on the length of service arise in accordance with the statutory provisions.

Remuneration of Supervisory Board members

The remuneration of the Supervisory Board members for the 2016/17 financial year, resolved at the Annual General Meeting on 18 July 2017, amounted to EUR 177,850 and is broken down as follows:

EUR	
Chairman of the Supervisory Board	35,000
Deputy Chairmen of the Supervisory Board	10,700
Committee chairmen	8,800
Members of the Supervisory Board	123,350

DIVERSITY

When electing members of the Supervisory Board, the Annual General Meeting must pay due attention to the requirements with respect to professional and personal qualifications as well as the balanced composition of expert know-how. Due regard must also be paid to diversity in terms of gender, age distribution and internationality. Newly elected Supervisory Board members must be reasonably informed of the organisation and activities of the company as well as of the tasks and responsibilities of Supervisory Board members. Women have been represented on the Supervisory Board of FACC AG since the company was first listed on the Vienna Stock Exchange. At the end of the 2017/18 financial year, the proportion of female members of the Supervisory Board was 30 percent (4 out of 12).

Promoting women on the Management Board, Supervisory Board and in executive positions

Two women are currently represented on the Supervisory Board, Management Board and in other top management positions at FACC. At lower echelons, the proportion of female managers is low. FACC therefore continues to be present at job fairs and specifically addresses female high potentials. Increased efforts are being made to recruit women for new management positions and replacements. However, the fact that the vast majority of management positions at FACC require a professional technical background proves to be an obstacle.

FACC AG is committed to equal opportunities in the workplace and resolutely opposes any form of discrimination against female employees.

Role of shareholders

Each share grants shareholders one vote at the Annual General Meeting of FACC AG. Unless mandatory provisions of the Austrian Stock Corporation Act provide otherwise, resolutions of the Annual General Meeting shall be adopted by simple majority and, in cases where a capital majority is required, by a simple majority of the share capital represented when the resolution is adopted. There are no shares with special control rights.

Directors' dealings

FACC AG did not report any transactions by persons subject to reporting requirements in the 2017/18 financial year.

Changes after the balance sheet date

No changes in circumstances subject to mandatory reporting occurred between the balance sheet date and the editorial deadline of this report.

Auditor

Ernst & Young Wirtschaftsprüfungs GmbH, Linz, was proposed by the Supervisory Board as auditor and group auditor of FACC AG for the 2017/18 financial year. The motion was adopted by the Annual General Meeting on 18 July 2017 with the required majority.

Expenses for auditing services in the 2017/18 financial year amounted to kEUR 183 (previous year: kEUR 185). The breakdown into individual services is shown in the Notes to the Consolidated Financial Statements.

**JAHRESABSCHLUSS
UND LAGEBERICHT**

ZUM 28. FEBRUAR 2018

DER

FACC AG, RIED IM INNKREIS

Aktiva	28.02.2018	28.02.2018 EUR	28.02.2017 TEUR
A. Anlagevermögen			
I. Sachanlagen			
1. Betriebs- und Geschäftsausstattung		0,00	0
II. Finanzanlagen			
1. Anteile an verbundenen Unternehmen	267.822.715,00		267.823
2. Wertpapiere (Wertrechte) des Anlagevermögens	1.832.978,54		1.779
		269.655.693,54	269.602
		269.655.693,54	269.602
B. Umlaufvermögen			
I. Forderungen und sonstige Vermögensgegenstände			
1. Forderungen aus Lieferungen und Leistungen	0,00		1
2. Forderungen gegenüber verbundenen Unternehmen	30.257.853,01		3.550
<i>davon aus Lieferungen und Leistungen</i>	<i>6.244.871,88</i>		<i>1.387</i>
<i>davon sonstige</i>	<i>24.012.981,13</i>		<i>2.163</i>
3. sonstige Forderungen und Vermögensgegenstände	11.764.938,59		6.415
		42.022.791,60	9.966
II. Guthaben bei Kreditinstituten		497.401,59	3.465
		42.520.193,19	13.431
C. Rechnungsabgrenzungsposten		240.236,19	472
D. Aktive latente Steuern		26.277.942,24	32.069
Summe Aktiva		338.694.065,16	315.574

Passiva	28.02.2018	28.02.2018 EUR	28.02.2017 TEUR
A. Eigenkapital			
I. eingefordertes, übernommenes und eingezahltes Grundkapital		45.790.000,00	45.790
übernommenes Grundkapital		45.790.000,00	45.790
einbezahltes Grundkapital		45.790.000,00	45.790
übernommenes Grundkapital		45.790.000,00	45.790
II. Kapitalrücklagen			
1. gebundene	134.215.000,00		134.215
2. nicht gebundene	95.041.250,00		95.041
		229.256.250,00	229.256
III. Bilanzgewinn (Bilanzverlust)		21.174.331,17	-2.561
davon Verlustvortrag		-2.560.523,29	-6.611
		296.220.581,17	272.486
B. Rückstellungen			
1. Rückstellungen für Abfertigungen	379.060,60		237
2. Rückstellungen für Pensionen	1.832.978,54		1.779
3. Steuerrückstellungen	25.936.896,49		29.509
4. sonstige Rückstellungen	1.740.183,04		637
		29.889.118,67	32.163
C. Verbindlichkeiten			
1. Verbindlichkeiten aus Lieferungen und Leistungen	410.847,84		558
davon mit einer Restlaufzeit von bis zu einem Jahr	410.847,84		558
2. Verbindlichkeiten gegenüber verbundenen Unternehmen	11.928.144,61		10.275
davon aus Lieferungen und Leistungen	0,00		155
davon sonstige	11.928.144,61		10.121
davon mit einer Restlaufzeit von bis zu einem Jahr	11.928.144,61		10.275
3. sonstige Verbindlichkeiten	245.372,87		93
davon aus Steuern	7.858,31		3
davon im Rahmen der sozialen Sicherheit	67.769,26		31
davon mit einer Restlaufzeit von bis zu einem Jahr	245.372,87		93
		12.584.365,32	10.926
davon mit einer Restlaufzeit von bis zu einem Jahr		12.584.365,32	10.926
Summe Passiva		338.694.065,16	315.574

	2017/2018 EUR	2016/2017 TEUR
1. Umsatzerlöse	9.027.636,04	3.966
2. sonstige betriebliche Erträge		
a) Erträge aus der Auflösung von Rückstellungen	13.075,00	191
b) übrige	4.689.645,69	57
	4.702.720,69	248
3. Personalaufwand		
a) Gehälter	-3.900.418,41	-1.109
b) soziale Aufwendungen	-850.430,54	1.891
<i>davon Aufwendungen für Altersversorgung</i>	<i>-109.788,14</i>	<i>1.989</i>
aa) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-149.148,00	199
bb) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-573.532,59	-290
	-4.750.848,95	782
4. Abschreibungen		
a) auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-2.486,53	0
5. sonstige betriebliche Aufwendungen		
a) übrige	-4.864.065,03	-4.675
6. Zwischensumme aus Z 1 bis 5 (Betriebserfolg)	4.112.956,22	320
7. Erträge aus Beteiligungen	19.946.543,75	0
<i>davon aus verbundenen Unternehmen</i>	<i>19.946.543,75</i>	<i>0</i>
8. sonstige Zinsen und ähnliche Erträge	0,00	1
<i>davon aus verbundenen Unternehmen</i>	<i>0,00</i>	<i>1</i>
9. Zinsen und ähnliche Aufwendungen	-1.660,96	-16
10. Zwischensumme aus Z 7 bis 9 (Finanzerfolg)	19.944.882,79	-15
11. Ergebnis vor Steuern (Zwischensumme aus Z 6 und 9)	24.057.839,01	305
12. Steuern vom Einkommen	-112.118,28	2.959
<i>davon latente Steuern</i>	<i>-112.118,28</i>	<i>2.959</i>
Körperschaftsteuer aus Gruppenbesteuerung	-210.866,27	786
<i>davon weiterbelastet an Gruppenmitglied</i>	<i>1.903.332,19</i>	<i>1.294</i>
	-322.984,55	3.745
13. Ergebnis nach Steuern	23.734.854,46	4.050
14. Jahresüberschuss	23.734.854,46	4.050
15. Verlustvortrag aus dem Vorjahr	-2.560.523,29	-6.611
16. Bilanzgewinn (Bilanzverlust)	21.174.331,17	-2.561

ANHANG ZUM JAHRESABSCHLUSS

zum 28. Februar 2018

Allgemeine Grundsätze

Unternehmensgröße Die FACC AG ist eine große Kapitalgesellschaft im Sinne des § 221 UGB.

Prinzipien Der Jahresabschluss wurde nach den Rechnungslegungsbestimmungen des Unternehmensgesetzbuches (UGB) in der im Erstellungszeitraum geltenden Fassung und unter Berücksichtigung der Grundsätze ordnungsmäßiger Buchführung erstellt. Er vermittelt ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens.

Bei der Erstellung des Jahresabschlusses wurden die Grundsätze der Vollständigkeit und Willkürfreiheit beachtet. Die Bewertung der einzelnen Vermögensgegenstände und Schulden folgte dem Grundsatz der Einzelbewertung und unterstellte die Fortführung des Unternehmens. Dem Vorsichtsprinzip und dem imparitätischen Realisationsprinzip wurde Rechnung getragen.

Gliederungen Die Gliederung der Bilanz und der Gewinn- und Verlustrechnung folgt den gesetzlichen Bestimmungen, insbesondere den §§ 224 und 231 UGB. Die Gewinn- und Verlustrechnung wurde nach dem Gesamtkostenverfahren erstellt.

Konzernverhältnisse

Mutterunternehmen

Die FACC AG mit Sitz Ried im Innkreis stellt einen Konzernabschluss als Mutterunternehmen der FACC Operations GmbH auf, der am Firmenbuch Ried im Innkreis veröffentlicht wird. Die FACC Operations GmbH erstellt einen Teilkonzernabschluss, der unter der Firmenbuchnummer 114257a veröffentlicht wird.

Der Konsolidierungskreis der FACC AG zum 28. Februar 2018 wurde im Vergleich zum Konsolidierungskreis des Konzernabschlusses zum 28. Februar 2017 nicht verändert.

Die FACC AG befindet sich wiederum im Konsolidierungskreis der FACC International Company Ltd. mit Sitz in Hongkong (Units 1603-4, 16th Floor, Causeway Bay Plaza I, No. 489 Hennessy Road, Hong Kong), Registernummer 1394811.

Geschäftliche Beziehungen

Der FACC AG obliegt die Holdingfunktion. Als Muttergesellschaft der FACC Operations GmbH übernimmt sie Managementtätigkeiten und Financial Services für den Konzern.

Bilanzierungs- und Bewertungsmethoden

Stetigkeit	Die bisher angewandten Bilanzierungs- und Bewertungsmethoden wurden auch bei der Erstellung des vorliegenden Jahresabschlusses beibehalten.
Anlagevermögen	<p>Erworbene immaterielle Vermögensgegenstände und Vermögensgegenstände des Sachanlagevermögens werden zu Anschaffungskosten aktiviert und planmäßig abgeschrieben. In Anlehnung an die steuerrechtlichen Bestimmungen wird für Zugänge im ersten Halbjahr eine volle Jahresabschreibung, für Zugänge im zweiten Halbjahr eine halbe Jahresabschreibung vorgenommen.</p> <p>Geringwertige Vermögensgegenstände mit einem Betrag von bis zu EUR 400,00 werden im Jahr der Anschaffung voll abgeschrieben und im Anlagenspiegel im Anschaffungsjahr als Zu- und Abgang ausgewiesen.</p> <p>Die Finanzanlagen werden zu Anschaffungskosten oder, falls ihnen ein niedrigerer Wert beizumessen ist, mit diesem angesetzt.</p>
Forderungen und sonstige Vermögensgegenstände	Forderungen und sonstige Vermögensgegenstände werden mit dem Nennwert angesetzt.
Latente Steuern	Latente Steuern werden gemäß § 198 Abs. 9 und 10 UGB nach dem bilanzorientierten Konzept und ohne Abzinsung auf Basis des aktuellen Körperschaftsteuersatzes von 25 % gebildet. Dabei werden, falls vorhanden, latente Steuern auf steuerliche Verlustvorträge in dem Ausmaß berücksichtigt, in dem ausreichende passive latente Steuern vorhanden sind oder soweit überzeugende substantielle Hinweise vorliegen, dass ein ausreichendes zu versteuerndes Ergebnis in der Zukunft zur Verfügung stehen wird.
Rückstellungen	<p>Rückstellungen für Abfertigungen</p> <p>Die Abfertigungsrückstellung wird für gesetzliche und vertragliche Ansprüche gebildet. Die Berechnung erfolgt nach IAS 19 auf Basis eines Rechnungszinssatzes von 2,4 % (Vorjahr 2,2 %) und einer Gehaltssteigerung von 2,0 % (Vorjahr 2,0 %) pro Jahr. Dabei wird mit einem Pensionsantrittsalter von 65 Jahren für Männer bzw. 60 Jahren für Frauen gerechnet. Bei der Rückstellungsberechnung wird kein Fluktuationsabschlag berücksichtigt. Versicherungsmathematische Gewinne und Verluste werden erfolgswirksam erfasst. Der Rechnungszinssatz für Abfertigungsrückstellungen wird aus dem Stichtagszinssatz basierend auf Marktzinssätzen von Unternehmen hoher Bonität abgeleitet.</p>

Rückstellungen für Pensionen

Per 30.11.2016 erfolgte unter Beiziehung eines externen Rechtsgutachters eine Neueinschätzung der für eine schriftliche, rechtsverbindliche und unwiderrufliche Einzelzusage gebildeten Pensionsrückstellung. Gemäß der Neueinschätzung wird die Pensionsrückstellung entsprechend des Rückkaufswerts der Pensionsrückdeckversicherung bewertet, da sämtliche Pensionsansprüche von dieser Versicherung gedeckt sind. Der Differenzbetrag wurde per 30.11.2016 aufgelöst.

Sonstige Rückstellungen

In den sonstigen Rückstellungen werden unter Beachtung des Vorsichtsprinzips alle im Zeitpunkt der Bilanzerstellung erkennbaren Risiken und der Höhe oder dem Grunde nach ungewisse Verbindlichkeiten mit jenen Beträgen berücksichtigt, die nach vernünftiger unternehmerischer Beurteilung erforderlich scheinen.

Sozialversicherungsbeiträge des Arbeitgebers und gesetzliche Lohnnebenkosten werden bei der Bewertung der Urlaubsrückstellung und der Rückstellung für Zeitguthaben berücksichtigt.

Die Rückstellung für Erfolgsbeteiligung berücksichtigt die voraussichtlich zur Auszahlung kommenden Vergütungen für das abgelaufene Geschäftsjahr. Die Berechnung beinhaltet die anteiligen Lohnnebenkosten.

Die Berechnung der Jubiläumsgeldrückstellung erfolgt nach IAS 19. Es werden ein Rechnungszinssatz von 1,9 % (Vorjahr 1,7 %) und eine Gehaltssteigerung von 2,0 % (Vorjahr 2,0 %) pro Jahr unterstellt. Dabei wird mit einem Pensionsantrittsalter von 65 Jahren für Männer bzw. 60 Jahren für Frauen gerechnet. Bei der Berechnung der Jubiläumsgeldrückstellungen wurden Sozialversicherungsbeiträge berücksichtigt und ein Fluktuationsabschlag von 15,27 % (Vorjahr 30,60 %) zugrunde gelegt. Versicherungsmathematische Gewinne und Verluste werden sofort erfolgswirksam erfasst. Der Rechnungszinssatz für Jubiläumsgeldrückstellungen wird aus dem Stichtagszinssatz basierend auf Marktzinssätzen von Unternehmen hoher Bonität abgeleitet.

Verbindlichkeiten

Verbindlichkeiten werden mit ihrem Erfüllungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht angesetzt.

Datumsangaben im Anhang

Die in den Erläuterungen zur Bilanz verwendete Zeitangabe bezieht sich auf den Bilanzstichtag, die in den Erläuterungen zur Gewinn- und Verlustrechnung verwendete Zeitangabe umfasst den Zeitraum des Geschäftsjahres.

Währung und Rundung

Sämtliche Betragsangaben erfolgen in Euro. Beträge des aktuellen Jahres werden mit zwei Nachkommastellen (Euro-Cent) dargestellt. Die Vorjahreswerte werden in 1.000 EUR angegeben.

Erläuterungen zu Posten der Bilanz

A. Anlagevermögen 269.655.693,54

Die Entwicklung des Anlagevermögens kann dem Anlagenspiegel entnommen werden, der alle nach § 226 Abs. 1 UGB geforderten Angaben enthält und als Anlage diesem Bericht beiliegt.

II. Finanzanlagen 269.655.693,54

1. Anteile an verbundenen Unternehmen 267.822.715,00

Beteiligungsspiegel zum 28.02.2018

		Anteil am Stammkapital	Eigenkapital zum Bilanzstichtag	Jahresüberschuss
FACC Operations GmbH	Ried im Innkreis	100,0	204.301.123,99	19.874.409,80

Beteiligungsspiegel zum 28.02.2017

		Anteil am Stammkapital	Eigenkapital zum Bilanzstichtag	Jahresüberschuss
FACC Operations GmbH	Ried im Innkreis	100,0	184.426.714,19	11.785.362,59

2. Wertpapiere (Wertrechte) des Anlagevermögens 1.832.978,54

Bei den Wertrechten handelt es sich um die Rückkaufswerte der Pensionsrückdeckungsversicherung für die im Geschäftsjahr 2017/18 bestehenden Pensionsverpflichtungen des Konzerns. Diese werden zu dem von der Versicherung bestätigten Deckungskapital am Bilanzstichtag bewertet.

Der Wert entspricht in etwa den erwarteten Mittelzuflüssen bei Auflösung der Versicherungspolizze zum Bilanzstichtag.

Diese Ansprüche wurden an den Berechtigten der Pensionszusage verpfändet.

B. Umlaufvermögen **42.520.193,19**

I. Forderungen und sonstige Vermögensgegenstände **42.022.791,60**

Analog zum Vorjahr weisen die Forderungen und sonstigen Vermögensgegenstände zum Bilanzstichtag durchwegs eine Restlaufzeit von unter einem Jahr auf. Es bestehen keine Forderungen mit einer Restlaufzeit zwischen einem und fünf Jahren bzw. größer als fünf Jahren.

2. Forderungen gegenüber verbundenen Unternehmen **30.257.853,01**

Zum Bilanzstichtag bestanden folgende Forderungen gegenüber verbundenen Unternehmen:

	28.02.2018	28.02.2017
FACC Operations GmbH, Ried im Innkreis		
- Forderung aus Gewinnausschüttung	19.946.543,75	0,0
- Forderung aus laufender Verrechnung	6.225.460,07	1.386,9
- Forderung aus Steuerumlage	4.066.437,38	2.163,1
Aerospace Innovation Investment GmbH, Ried im Innkreis		
- Forderung aus laufender Verrechnung	19.411,81	0,0
	30.257.853,01	3.550,0

Die Forderung aus Gewinnausschüttung basiert auf einer phasengleichen Gewinnausschüttung der FACC Operations GmbH an die FACC AG, die zum 27. und 28. Februar beschlossen wurde.

3. sonstige Forderungen und Vermögensgegenstände**11.764.938,59**

Unter den sonstigen Forderungen und Vermögensgegenständen wurden folgende Einzelwerte zusammengefasst:

	28.02.2018	28.02.2017
Finanzamt Linz	11.706.182,15	6.362,1
Geleistete Anzahlungen	53.600,00	52,0
Geleistete Kautionen	3.670,80	0,0
Ausländische Vorsteuer	1.485,64	0,5
	11.764.938,59	6.414,7

Im Posten „Sonstige Forderungen und Vermögensgegenstände“ sind analog zum Vorjahr keine Erträge enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

II. Guthaben bei Kreditinstituten**497.401,59**

Bankguthaben bestanden zum Bilanzstichtag bei folgenden Kreditinstituten:

	28.02.2018	28.02.2017
Erste Bank	493.493,63	3.442,8
Bank Austria	3.907,96	22,2
	497.401,59	3.465,0

C. Rechnungsabgrenzungsposten**240.236,19**

Zum Zwecke der Periodenabgrenzung waren zum Bilanzstichtag 28.02.2018 folgende Rechnungsabgrenzungsposten in die Bilanz einzustellen:

	28.02.2018	28.02.2017
Versicherungen	154.113,06	383,5
Gebühren, Mitgliedsbeiträge	75.163,31	85,4
Weiterbildung Mitarbeiter	5.804,20	0,0
Beratungsaufwand	2.090,95	0,0
Werbeaufwand	2.045,00	3,1
Mietaufwand	1.019,67	0,0
	240.236,19	472,0

D. Aktive latente Steuern**26.277.942,24**

Die aktiven latenten Steuern zum Bilanzstichtag wurden für temporäre Differenzen zwischen dem steuerlichen und unternehmensrechtlichen Wertansatz für folgende Posten gebildet:

	28.02.2018	28.02.2017
Personalbezogene Rückstellungen	306.504,00	169.304,00
Steuerliche Verlustvorträge	104.805.264,96	128.108.504,88
	105.111.768,96	128.277.808,88
Daraus resultierende aktive latente Steuern	26.277.942,24	32.069.452,22

Die aktiven latenten Steuern entwickelten sich wie folgt:

	EUR
Stand am 01.03.2017	32.069.452,22
Erfolgswirksame Veränderung	-5.791.509,98
Erfolgsneutrale Veränderung aus Umgründungen	0,00
Stand am 28.02.2018	26.277.942,24

Der Ansatz von aktiven latenten Steuern auf steuerliche Verlustvorträge ist gerechtfertigt, da ausreichend positive Ergebnisse in den nächsten Geschäftsjahren zu erwarten sind.

A. Eigenkapital

296.220.581,17

Das Eigenkapital der AG setzt sich zusammen aus:

	28.02.2018	28.02.2017
Eingefordertes, übernommenes und eingezahltes Grundkapital	45.790.000,00	45.790,0
Kapitalrücklagen	229.256.250,00	229.256,3
Bilanzgewinn (Bilanzverlust)	21.174.331,17	-2.560,5
	296.220.581,17	272.485,8

I. eingefordertes, übernommenes und eingezahltes Grundkapital

45.790.000,00

Das Grundkapital der an der Börse notierenden Gesellschaft beträgt EUR 45.790.000,00 und ist voll eingezahlt. Es ist in 45.790.000 Stückaktien zu je EUR 1,00 eingeteilt.

Genehmigtes Kapital

In der außerordentlichen Hauptversammlung vom 23. Juni 2014 wurde ein genehmigtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten Kapitals im Firmenbuch das Grundkapital um bis zu einer Nominale von EUR 19.895.000,00 durch Ausgabe von bis zu 19.895.000 neuen Aktien gegen Bar- oder Sacheinlage zu erhöhen. Die Ausgabe der neuen Aktien kann auch unter Ausschluss des Bezugsrechts der Aktionäre erfolgen.

In der außerordentlichen Hauptversammlung vom 23. Juni 2014 wurde ein genehmigtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten Kapitals im Firmenbuch das Grundkapital um bis zu einer Nominale von EUR 3.000.000,00 durch Ausgabe von bis zu 3.000.000 neuen Aktien zur Einräumung von Aktienoptionen an Arbeitnehmer, leitende Angestellte und Mitglieder des Vorstands oder eines mit ihr verbundenen Unternehmens zu erhöhen. Die Ausgabe der neuen Aktien kann auch unter Ausschluss des Bezugsrechts der Aktionäre erfolgen.

Bedingtes Kapital

In der außerordentlichen Hauptversammlung vom 23. Juni 2014 wurde das Grundkapital um bis zu EUR 15.000.000,00 durch Ausgabe von bis zu 15.000.000 neuen auf Inhaber lautenden Stückaktien bedingt erhöht (bedingtes Kapital). Dieses bedingte Kapital dient der Gewährung von Bezugs- oder Umtauschrechten an Gläubiger von Wandelschuldverschreibungen und der Vorbereitung des Zusammenschlusses mehrerer Unternehmen. Der Ausgabebetrag und das Umtauschverhältnis sind nach Maßgabe der Bestimmungen der Wandelschuldverschreibungen zu ermitteln. Der Ausgabebetrag der Aktien darf nicht unter dem anteiligen Betrag des Grundkapitals liegen.

II. Kapitalrücklagen **229.256.250,00**

	28.02.2018	28.02.2017
Gebundene Kapitalrücklage	134.215.000,00	134.215,0
Nicht gebundene Kapitalrücklage	95.041.250,00	95.041,3
	229.256.250,00	229.256,3

III. Bilanzgewinn (Bilanzverlust) **21.174.331,17**

	28.02.2018	28.02.2017
Verlustvortrag per 28.02.	-2.560.523,29	-6.610,7
Jahresgewinn	23.734.854,46	4.050,2
	21.174.331,17	-2.560,5

B. Rückstellungen **29.889.118,67**

1. Rückstellungen für Abfertigungen **379.060,60**

	Stand 01.03.2017	Übertragung	Zuweisung	Stand 28.02.2018
Abfertigungsrückstellung	236.561,00	19.399,00	123.100,60	379.060,60

Im vorliegenden Geschäftsjahr wurde weiteres Verwaltungspersonal von der FACC Operations GmbH in die FACC AG übernommen. In diesem Zusammenhang wurden Abfertigungsansprüche in Höhe von EUR 19.399,00 übertragen.

Im Geschäftsjahr 2017/18 wurden versicherungsmathematische Gewinne in Höhe von EUR 3.731,00 (Vorjahr TEUR 0) erfolgswirksam in der Gewinn- und Verlustrechnung erfasst.

2. Rückstellungen für Pensionen **1.832.978,54**

	Stand 01.03.2017	Zuweisung	Stand 28.02.2018
Rückstellungen für Pensionen	1.779.372,17	53.606,37	1.832.978,54

Die Pensionsrückstellung orientiert sich an der Höhe des von der Versicherung bestätigten Deckungskapitals, da die Pensionsansprüche vollständig von der Versicherung abgedeckt sind.

3. Steuerrückstellungen

25.936.896,49

Als Gruppenträger schuldet die FACC AG die Körperschaftsteuer für die Unternehmensgruppe.

Für erwartete Steuerverpflichtungen wurden folgende Rückstellungen gebildet:

	Stand 01.03.2017	Verwendung	Zuweisung	Stand 28.02.2018
Rückstellung für KöSt 2015	750,00	-750,00	0,00	0,00
Rückstellung für KöSt 2016	1.250,00	-1.250,00	0,00	0,00
Rückstellung für KöSt 2017	397.336,03	0,00	0,00	397.336,03
Rückstellung für KöSt 2018	0,00	0,00	2.108.848,46	2.108.848,46
Rückstellung für künftige Steuerbelastungen aus Gruppe	29.110.103,70	-5.679.391,70	0,00	23.430.712,00
	29.509.439,73	-5.681.391,70	2.108.848,46	25.936.896,49

Aufgrund erwarteter künftiger Belastungen aus Steuerumlagevereinbarungen im Rahmen der Unternehmensgruppe war eine Rückstellung für diese künftigen Verpflichtungen des Gruppenträgers zu bilden.

4. sonstige Rückstellungen

1.740.183,04

Die Rückstellungen für sonstige Verpflichtungen setzen sich wie folgt zusammen:

	Stand 01.03.2017	Übertragung	Verwendung	Auflösung	Zuweisung	Stand 28.02.2018
Unternehmensberatung	225.160,00		-225.160,00		0,00	0,00
Erfolgsbeteiligung	0,00		0,00		1.094.782,73	1.094.782,73
Nicht konsumierte Urlaube	206.470,93		-206.470,93		306.790,33	306.790,33
Steuerberatung	44.400,00		-44.400,00		23.300,00	23.300,00
Aliquote Sonderzahlungen	42.521,30	9.494,18	-42.521,30		82.599,62	92.093,80
Abschlussprüfung	42.000,00		-42.000,00		20.400,00	20.400,00
Rechtsberatung	14.302,87		-14.302,87		3.300,00	3.300,00
Pensionsvorsorge	0,00		0,00		83.334,00	83.334,00
Gleitzzeit	6.051,10		-6.051,10		13.392,50	13.392,50
Jubiläumswendungen	8.634,00	1.988,00	0,00		2.834,00	13.456,00
Aufsichtsratsvergütungen	43.075,00			-13.075,00	0,00	30.000,00
Sonstige	4.699,65		-4.699,65		59.333,68	59.333,68
	637.314,85	11.482,18	-585.605,85	-13.075,00	1.690.066,86	1.740.183,04

Für Verwaltungspersonal, das im vorliegenden Geschäftsjahr von der FACC Operations GmbH in die FACC AG übernommen wurde, wurden eine Sonderzahlungsrückstellung in Höhe von EUR 9.494,18 und eine Jubiläumsgeldrückstellung in Höhe von EUR 1.988,00 übertragen.

C. Verbindlichkeiten

12.584.365,32

Die Verbindlichkeiten weisen wie im Vorjahr zum Bilanzstichtag durchwegs Restlaufzeiten von unter einem Jahr auf. Es bestehen keine Verbindlichkeiten mit einer Restlaufzeit zwischen einem und fünf Jahren bzw. größer als fünf Jahren.

Dingliche Sicherheiten

Es bestehen keine dinglichen Sicherheiten.

2. Verbindlichkeiten gegenüber verbundenen Unternehmen

11.928.144,61

Die Verbindlichkeit gegenüber verbundenen Unternehmen besteht ausschließlich aus Umsatzsteuerguthaben des Organmitglieds FACC Operations GmbH, das aufgrund der umsatzsteuerlichen Organschaft über die FACC AG verrechnet wird (Vorjahr TEUR 10.121). Gegenüber der Schwestergesellschaft Aerospace Innovation Investment GmbH bestehen im vorliegenden Geschäftsjahr keinerlei Verbindlichkeiten (Vorjahr TEUR 155).

3. sonstige Verbindlichkeiten

245.372,87

Der Bilanzansatz "Sonstige Verbindlichkeiten" setzt sich aus folgenden Einzelwerten zusammen:

	28.02.2018	28.02.2017
Aus Steuern	7.858,31	3,3
Im Rahmen der sozialen Sicherheit	67.769,26	31,2
Verbindlichkeiten gegenüber Personal		
- aus Bezugsverrechnung	146.394,47	54,4
Verbindlichkeiten gegenüber Aufsichtsratsmitgliedern	18.600,00	0,0
Sonstige	4.750,83	3,7
	245.372,87	92,5
davon aus Steuern		
	28.02.2018	28.02.2017
Kommunalsteuer	7.858,31	3,3
davon im Rahmen der sozialen Sicherheit		
	28.02.2018	28.02.2017
Verbindlichkeiten Sozialversicherungsbeiträge	67.769,26	31,2

In dieser Bilanzposition sind Aufwendungen in Höhe von EUR 245.372,87 (Vorjahr TEUR 93) enthalten, die erst im Folgejahr zahlungswirksam werden.

Erläuterungen zu Posten der Gewinn- und Verlustrechnung

1. Umsatzerlöse 9.027.636,04

Erlöse aus Warenlieferungen und Leistungen

	2017/2018	2016/2017
Erlöse Inland		
- Erlöse aus Managementtätigkeit	9.022.736,04	3.960,0
- Mieterlöse	4.900,00	5,9
	9.027.636,04	3.965,9

Der FACC AG obliegt die Holdingfunktion. Als Muttergesellschaft der FACC Operations GmbH übernimmt sie als solche die Managementtätigkeiten, Finanzierungsagenden und Financial Services für den Konzern und stellt die dafür anfallenden Kosten der FACC Operations GmbH in Rechnung.

2. sonstige betriebliche Erträge 4.702.720,69

Erträge aus der Auflösung von Rückstellungen

	2017/2018	2016/2017
Auflösung von Abfertigungsrückstellungen	0,00	145,1
Auflösung von sonstigen Rückstellungen	13.075,00	45,5
	13.075,00	190,6

übrige

	2017/2018	2016/2017
Erlöse aus Kostenersätzen	4.678.582,69	48,5
Gutschrift Gebühren Vorjahre	11.063,00	0,0
Erträge aus verrechneten Gebühren	0,00	8,5
	4.689.645,69	57,0

3. Personalaufwand

4.750.848,95

Aufwendungen für Altersversorgung

	2017/2018	2016/2017
Zuweisung/Auflösung Pensionsrückstellung	53.606,37	-1.863,2
Anpassung der Pensionsrückdeckungsversicherung	-53.606,37	-144,3
Beiträge vertragliche Pensionsvorsorge Angestellte	109.788,14	18,1
	109.788,14	-1.989,4

Im Vorjahr war die Pensionsrückstellung in der das Deckungskapital übersteigenden Höhe (EUR 2.007.468,33) aufzulösen, da die Versicherung alle Pensionsansprüche gänzlich deckt.

Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-vorsorgekassen

	2017/2018	2016/2017
Abfertigungsaufwand	0,00	115,2
Auflösung/Zuweisung Abfertigungsrückstellung	123.100,60	-328,3
Beiträge Mitarbeitervorsorgekasse	26.047,40	14,4
	149.148,00	-198,7

In der Summe der Gehälter ist ein Aufwand in Höhe von EUR 2.834,00 (Vorjahr: Ertrag von EUR 3.787,00) aus der Veränderung der Jubiläumsgeldrückstellungen enthalten.

5. sonstige betriebliche Aufwendungen

Die ausgewiesenen übrigen sonstigen betrieblichen Aufwendungen enthalten insbesondere Rechts- und Beratungsaufwendungen, Reise- und Fahrt-aufwendungen, Aufwendungen für Werbung sowie Aufwendungen für Versicherungen.

7. Erträge aus Beteiligungen

Die Erträge aus Beteiligungen resultieren zur Gänze aus einer phasengleichen Gewinnausschüttung der FACC Operations GmbH an die FACC AG.

12. Steuern vom Einkommen**322.984,55**

	<u>2017/2018</u>	<u>2016/2017</u>
Körperschaftsteuer laufende Periode	2.114.098,46	401,3
Steuerumlage	-1.903.332,19	-1.224,7
Körperschaftsteuer Vorperioden	100,00	106,9
Steuerumlage Vorperioden	0,00	-69,5
Latenter Steueraufwand	112.118,28	0,0
Ertrag aus der Aktivierung latenter Steuern	0,00	-2.959,3
	<u>322.984,55</u>	<u>-3.745,3</u>

Sonstige Pflichtangaben

Sonstige finanzielle Verpflichtungen

Der Gesamtbetrag der finanziellen Verpflichtungen aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen für die folgenden fünf Jahre beläuft sich auf EUR 276.215,74 (Vorjahr TEUR 111). Davon entfallen EUR 90.265,08 (Vorjahr TEUR 60) auf das nächste Jahr.

Ergebnisverwendung

Es wird vorgeschlagen, aus dem Bilanzgewinn in Höhe von EUR 21.174.331,17 eine Dividende von EUR 5.036.900,00 auszuschütten und den Restbetrag auf neue Rechnung vorzutragen.

Außerbilanzielle Geschäfte

Es bestehen keine außerbilanziellen Geschäfte gemäß § 238 Abs. 1 Z 10 UGB, aus denen wesentliche Risiken oder Vorteile für die Gesellschaft entstehen.

Ereignisse nach dem Bilanzstichtag

Bis zum Bilanzerstellungszeitpunkt fielen keine wesentlichen berichtspflichtigen Ereignisse an, die einen Einfluss auf die Vermögens-, Ertrags- und Finanzlage haben.

Gruppenbesteuerung

Mit 13./15. Februar 2012 haben die Aerospace Innovation Investment GmbH (nunmehr FACC AG) als Gruppenträgerin und die - inzwischen verschmolzene - Aero Vision Holding GmbH sowie die FACC AG (nunmehr FACC Operations GmbH) als Gruppenmitglieder mit erstmaliger Wirksamkeit für das Wirtschaftsjahr 2012 eine Gruppen- und Steuerumlagevereinbarung gemäß den Bestimmungen des § 9 KStG abgeschlossen. Die Gruppen- und Steuerumlagevereinbarung wurde dem zuständigen Finanzamt mit Gruppenantrag vom 27.02.2012 angezeigt. Zum 28.02.2017 wurde diese Vereinbarung durch einen neuen Gruppenvertrag geändert und ersetzt:

Die Steuerumlagevereinbarung besteht grundsätzlich in der Belastungsmethode, wonach für dem Gruppenträger vom Gruppenmitglied zugerechnete positive Einkommen eine positive Steuerumlage iHv 25 % zu leisten ist. Das positive Einkommen des Gruppenmitgliedes ist mit evident gehaltenen negativen Einkommen (Verlustvortrag) des Gruppenmitgliedes auszugleichen, wobei ein eingeschränkter Verlustabzug des Gruppenträgers zu berücksichtigen ist. Erzielt das Gruppenmitglied ein negatives Einkommen ist eine negative Steuerumlage iHv 25 % zu leisten insoweit das negative Einkommen in einem zusammengefassten positiven Ergebnis des Gruppenträgers Deckung findet. Eine Vereinbarung über den Schlussausgleich von in der Gruppe noch nicht verrechnete Verlustvorträge des Gruppenmitgliedes wurde getroffen.

Umsatzsteuerliche Organschaft

Die FACC Operations GmbH und die FACC AG begründen seit Juni 2014 eine umsatzsteuerliche Organschaft im Sinne des § 2 Abs. 2 Z 2 UStG, wobei die FACC AG (vormals Aerospace Innovation Investment GmbH) als Gruppenträger die Umsatzsteuervoranmeldungen für die umsatzsteuerliche Organschaft abgibt.

Nahestehende Unternehmen und Personen

Es bestehen keine Geschäftsbeziehungen mit nahestehenden Unternehmen oder Personen, die zu marktüblichen Bedingungen abgeschlossen worden sind.

Aufwendungen für den Abschlussprüfer

Das Honorar für den Abschlussprüfer ist im Konzernabschluss dargestellt.

Angaben zu Arbeitnehmern und Organen**Arbeitnehmer**

Der durchschnittliche Beschäftigungsstand der FACC AG betrug im Geschäftsjahr 31 Angestellte (Vorjahr 15).

Zum Bilanzstichtag waren 40 Angestellte beschäftigt gegenüber 20 Angestellten zum Bilanzstichtag im Vorjahr.

Vorstand

Der Vorstand der Gesellschaft besteht aus:

- Robert Machtlinger (geb. 25.07.1967)
- Ales Starek (geb. 21.11.1970)
- Yongsheng Wang (geb. 20.05.1963)
- seit 01.11.2017: Andreas Ockel (geb. 12.05.1966)

Die Vorstandsmitglieder vertreten jeweils gemeinsam mit einem weiteren Vorstandsmitglied oder Prokuristen.

Die Bezüge der Mitglieder des Vorstands im Zeitraum 1. März 2017 bis 28. Februar 2018 stellen sich wie folgt dar:

Name	Gehalt TEUR	Abfertigungen* TEUR	Arbeitgeber- beitrag zur Pensions- vorsorge TEUR	Summe TEUR
Robert Machtlinger	387	39	61	487
Ales Starek	262	36	-	297
Yongsheng Wang	174	31	-	205
Andreas Ockel	116	20	33	169
	938	126	94	1.158

*) bedingt durch eine Anpassung der Abfertigungsrückstellung

Leistungen des Managements, welche für die FACC Operations GmbH erbracht wurden, wurden im GJ 2017/18 in Höhe von EUR 9.022.736,04 (Vorjahr TEUR 3.960) von der FACC AG an die FACC Operations GmbH weiterverrechnet.

Aufsichtsrat

Der Aufsichtsrat setzt sich wie folgt zusammen:

- Herr Ruguang Geng (Vorsitzender)
- Herr Shengqiang He (Stellvertreter des Vorsitzenden)
- Herr Jun Tang (Stellvertreter des Vorsitzenden), bis 18.07.2017
- Herr Yanzheng Lei
- Herr Weixi Gong
- Herr George Maffeo
- Herr Junqi Sheng, seit 18.07.2017
- Herr Hao Liu, seit 18.07.2017
- Frau Li Li, seit 01.11.2017
- Herr Xuejun Wang, bis 10.10.2017
- Herr Chunsheng Yang, bis 18.10.2017

- Herr Peter Krohe (Arbeitnehmersvertreter)
- Frau Ulrike Reiter (Arbeitnehmersvertreterin)
- Frau Barbara Huber (Arbeitnehmersvertreterin)
- Frau Karin Klee (Arbeitnehmersvertreterin), seit 08.02.2018
- Herr Birol Mutlu (Arbeitnehmersvertreter), bis 08.02.2018

An die Aufsichtsratsmitglieder wurden Vergütungen in Höhe von EUR 160.850,00 (Vorjahr TEUR 178) bezahlt.

Ried im Innkreis, am 2. Mai 2018



Robert Machtlinger



Ales Starek



Yongsheng Wang



Andreas Ockel

	Stand 01.03.2017	Anschaffungs-/Herstellungskosten		Stand 28.02.2018	Stand 01.03.2017	kumulierte Abschreibungen		Stand 28.02.2018	Buchwerte	
		Zugänge	Abgänge			Umbuchungen	Abgänge		Zuschreibungen	Abgänge
A. Anlagevermögen										
I. Sachanlagen										
1. Betriebs- und Geschäftsausstattung	0	2.487	2.487	0	0	2.487	0	2.487	0	0
II. Finanzanlagen										
1. Anteile an verbundenen Unternehmen	267.822.715	0	0	267.822.715	0	0	0	267.822.715	267.822.715	267.822.715
2. Wertpapiere (Wertrechte) des Anlagevermögens	1.779.372	53.606	0	1.832.979	0	0	0	1.779.372	1.832.979	1.832.979
	269.602.087	53.606	0	269.655.694	0	0	0	269.602.087	269.655.694	269.655.694
SUMME ANLAGENSPIEGEL	269.602.087	56.093	2.487	269.655.694	0	2.487	0	269.602.087	269.655.694	269.655.694

LAGEBERICHT DER FACC AG FÜR DAS GESCHÄFTSJAHR 2017/18

- Die Weltwirtschaft verzeichnete mit einem Wachstum von 3,7 % den höchsten Aufschwung des Jahrzehnts.
- Das starke Passagieraufkommen und der anhaltend niedrige Ölpreis wirkten sich positiv auf die Luftfahrtindustrie aus.
- Die Fluggesellschaften erzielten 2017 die dritthöchsten Einnahmen der Geschichte. Airbus und Boeing lieferten 1.481 Flugzeuge aus.
- Der Auftragsbestand für Flugzeuge mit mehr als 100 Sitzen blieb mit 13.800 Bestellungen auf hohem Niveau.

1. WIRTSCHAFTLICHE RAHMENBEDINGUNGEN

Die Weltwirtschaft war im Jahr 2017 von einer breiten konjunkturellen Erholung geprägt. Nach den Schätzungen des Internationalen Währungsfonds (IWF) legte die globale Wirtschaftsleistung um 3,7 % zu – nach einem Anstieg von 3,2 % im Jahr 2016. In den Industriestaaten erhöhte sich das Wachstum nach einer Abschwächung im vorangegangenen Jahr auf 2,3 % (Vorjahr: 1,7 %). In den Schwellen- und Entwicklungsländern blieb die Wirtschaftsdynamik mit einem Plus von 4,7 % (Vorjahr: 4,4 %) weiterhin hoch. Die beiden größten Volkswirtschaften der Welt USA und China verzeichneten laut IWF 2017 jeweils eine Steigerung des Wirtschaftswachstums.

Die Vereinigten Staaten befinden sich in einem robusten Aufschwung. Die US-Konjunktur wuchs 2017 um 2,2 % (Vorjahr: 1,5 %). Der größte Wachstumsschub kam von den Verbrauchern. Auch die Unternehmen lieferten mit steigenden Anlageinvestitionen einen kräftigen Beitrag.

Der größte Beitrag zum globalen Wachstum erfolgte aus China, dessen Wirtschaft unvermindert stark wuchs. Die Konjunkturdaten zeigen ein Plus von 6,8 % (Vorjahr: 6,7 %). Der Wandel der chinesischen Volkswirtschaft hin zu einer stärker konsumorientierten Ökonomie hält an.

In der Eurozone zeigte sich die Wirtschaft 2017 stark: Nach fünf Jahren moderater Erholung hat sich das Wachstum in Europa mit einem Plus von 2,5 % beschleunigt; im Vorjahr waren es 1,8 % gewesen. Am meisten trugen die Konsumausgaben zu diesem Wachstum bei. Die

Investitionsdynamik war unvermindert hoch und die Exporte zogen an. Außerdem erfasst der Aufschwung im Euroraum immer mehr Mitgliedsstaaten der Europäischen Union.

Trotz der allgemein verbesserten Wirtschaftslage bleiben Risiken wie der zunehmende Protektionismus im Welthandel laut IWF-Prognose weiter bestehen. Offen ist auch die Frage, ob es ein Abkommen über die Fortsetzung des Freihandels zwischen Großbritannien und der EU geben wird. Der Austritt der Briten aus der Europäischen Union betrifft dabei insbesondere das Finanzzentrum London und die Unsicherheit für die britische Wirtschaft ist groß. Unverändert hoch werden laut der Prognose außerdem die Risiken geopolitischer Konflikte gesehen.

2. BRANCHENWIRTSCHAFTLICHE RAHMENBEDINGUNGEN

Die Fluggesellschaften durchliefen eine weiterhin sehr positive Ergebnisentwicklung. Dies ist unter anderem auf die starke Nachfrage, erfolgreiche Effizienzsteigerungen und Konsolidierungen zurückzuführen. Auch der anhaltend niedrige Ölpreis, ein wichtiger Faktor bei den Betriebskosten der Airlines, wirkte positiv.

Für das globale Passagieraufkommen meldet die International Air Transport Association (IATA) 2017 einen überdurchschnittlichen Anstieg um 7,5 %. Die Nachfrage stieg regional unterschiedlich: in Nordamerika um 4,0 %, in Europa um 8,0 % und in Asien um 10,0 %. Steigende Passagierzahlen veranlassten die Airlines dazu, ihre Flotten zu vergrößern. Die weltweite Flotte wuchs 2017 um 5,2 %. Die IATA errechnete für 2017 einen branchenweiten Gewinn in Höhe von 34,5 Mrd. USD. Damit war 2017 das dritte Jahr in Folge, in dem die Airlines die Gewinnmarke von 30 Mrd. USD überschritten.

Airbus und Boeing lieferten 2017 1.481 Flugzeuge aus. Im gleichen Zeitraum wurden von den Airlines bei Airbus und Boeing 2.021 Flugzeuge bestellt. Der Auftragsbestand für Flugzeuge mit mehr als 100 Sitzen stieg leicht an, auf rund 13.800 Flugzeuge. Bei gleichbleibenden Produktionsraten deckt der Auftragsbestand rechnerisch einen Produktionszeitraum von neun Jahren ab.

3. ALLGEMEINE ANGABEN

Der FACC-Konzern mit Sitz in Ried im Innkreis ist ein österreichischer Konzern, der sich mit der Entwicklung, Produktion und Wartung von Luftfahrtbauteilen befasst.

Seine Produktpalette umfasst „Strukturbauteile“ (Verkleidungsteile an Rumpf und Leitwerk, Triebwerksverkleidungsteile und Composite-Teile für Triebwerke, Flügelteile und Flügelspitzen) sowie Komponenten für die Innenausstattung von Flugzeugen (Gepäckablagefächer, Innenraumverkleidungen, Service-Einheiten etc.).

Aufgrund der unterschiedlichen Anwendungen, denen die Produkte dienen, wurden drei operative Segmente gebildet. Das Segment „Aerostructures“ ist für die Entwicklung, die Fertigung, den Vertrieb und die Reparatur von Strukturbauteilen verantwortlich, das Segment „Cabin Interiors“ für die Entwicklung, die Fertigung, den Vertrieb und die Reparatur von Innenausstattungen und das Segment „Engines & Nacelles“ für die Entwicklung, die Fertigung, den Vertrieb und die Reparatur von Triebwerksbauteilen. Nach Abschluss der Kundenverträge und der Auftragsabwicklung werden die einzelnen Aufträge in den fünf Werken des Konzerns gefertigt. Neben den drei operativen Segmenten umfasst das Gesamtunternehmen noch die zentralen Dienste Finanzen und Controlling, Personal, Legal, Qualitätssicherung sowie Einkauf und EDV (einschließlich Engineering-Services). Die zentralen Dienste unterstützen die operativen Segmente im Rahmen einer Matrixorganisation bei der Erfüllung ihrer Aufgaben.

4. ENTWICKLUNG DES FACC-KONZERNS

	2017/18	2016/17	2015/16
		Mio. EUR	Mio. EUR
Umsatz	750,7	705,7	580,2
Einmaleffekte	5,7	0,0	0,0
davon Produktumsatz	691,0	646,1	518,6
davon Entwicklungsumsatz	59,7	59,6	61,6
EBIT nach Einmaleffekten	63,8	24,9	-58,8
Einmaleffekte	15,5	0,0	-41,9
EBIT	48,3	24,9	-16,9
EBIT-Marge (bereinigt)	6,5 %	3,8 %	-10,1 %
Ergebnis nach Steuern	39,7	15,2	-52,3
Ergebnis je Aktie	0,87	0,33	-1,14

Im Geschäftsjahr 2017/18 erzielte der FACC-Konzern einen Umsatz in Höhe von 750,7 Mio. EUR und verzeichnete damit einen Anstieg von 45,0 Mio. EUR oder 6,4 % gegenüber dem Vorjahr.

Die Umsatzerlöse aus Produktlieferungen konnten um 6,9 % auf 691,0 Mio. EUR gesteigert werden. Wesentliche Treiber im Bereich der Produktumsätze bildeten im Geschäftsjahr 2017/18 die Programme für die Airbus-A320-Familie, den Airbus A350 XWB, die Boeing 787 sowie für Bombardier und Embraer Business Jets. Alle weiteren Programme, darunter auch sämtliche Komponenten für die Ausstattungen von Triebwerken der Hersteller Rolls-Royce und Pratt & Whitney, haben sich entsprechend den Planungen des FACC-Managements entwickelt und zum Wachstum des Konzerns beigetragen.

Wachstumseffekte wurden durch die voranschreitenden Ratenhochläufe bei den wesentlichen neuen Flugzeugprogrammen B787 und A350 sowie den steigenden Bedarfen der A320-Flugzeugfamilie erzielt. Hervorzuheben ist, dass das seit 2001 exklusiv von FACC gefertigte B737-Winglet-Programm nach 18-jähriger Serienfertigung an Bedeutung abnimmt. Der Umsatz aus diesem Projekt hat sich zwischen dem Geschäftsjahr 2016/17 von ca. 50 Mio. EUR auf 40 Mio. EUR im Geschäftsjahr 2017/18 verringert. Abrufe aus diesem Projekt werden sich in den kommenden zwei Jahren stufenweise reduzieren und ab dem Jahr 2020 vollständig

entfallen. Aufträge der letzten Jahre sowie neue Winglet-Programme überkompensieren den Wegfall der Umsatzrückgänge, jedoch mit einer vorübergehenden Verlangsamung des Wachstums in der Struktursparte bis zum Jahr 2019/20.

Die Umsatzerlöse aus der Verrechnung von Entwicklungsleistungen blieben konstant bei 59,7 Mio. EUR (Vorjahr: 59,6 Mio. EUR).

Der Materialaufwand erhöhte sich im Geschäftsjahr 2017/18 um 7,6 Mio. EUR von 443,0 Mio. EUR auf 450,6 Mio. EUR. Der Anstieg steht im Zusammenhang mit einer gestiegenen Betriebsleistung.

Die Materialquote (Materialaufwand/Umsatzerlöse) reduzierte sich aufgrund der weiteren Maßnahmen im Bereich der Effizienzsteigerung im Fertigungsumfeld sowie Anpassungen im Supply Chain Management (Neuausschreibung und Neuvergabe von Lieferantenverträgen) gegenüber dem Vorjahr um 3 Prozentpunkte auf 60,0 % (Vorjahr: 63,0 %).

Der Personalaufwand des Konzerns erhöhte sich 2017/18 um 11,2 Mio. EUR von 173,2 Mio. EUR auf 184,4 Mio. EUR. Die Personalquote (Personalaufwand/Umsatzerlöse) stieg gegenüber dem Vorjahr um 0,1 Prozentpunkte auf 24,6 %. Dabei wurde die Personalquote im Fertigungsbereich erheblich gesenkt. Personalaufbau erfolge zum Teil im Angestelltenbereich, um den Anforderungen der Entwicklungsprojekte gerecht zu werden und zukünftiges Wachstum zu sichern

Das Ergebnis vor Zinsen und Steuern (EBIT) betrug im abgelaufenen Geschäftsjahr 63,8 Mio. EUR (Vorjahr: 24,9 Mio. EUR).

Die Einmaleffekte von 15,5 Mio. EUR ergaben sich im Wesentlichen aus den Abschlüssen von Kundenverhandlungen. Die relevanten Forderungen wurden in den Vorperioden im Zuge der IAS-8-Restatements wertberichtigt bzw. Rückstellungen gebildet.

4.1. Finanzlage

Zentrales Ziel des Finanzmanagements von FACC ist es, jederzeit die ausreichende Liquidität des Konzerns sicherzustellen, finanzielle Risiken zu vermeiden und die finanzielle Flexibilität zu sichern. Zur Sicherung der Liquidität und zur Verringerung von Risiken nutzt FACC verschiedene interne und externe Finanzierungsquellen mit unterschiedlichen Fristigkeiten. Die längerfristige Liquiditätsprognose erfolgt auf Basis der operativen Planung des Konzerns. Der Mittelzufluss aus der operativen Geschäftstätigkeit der Geschäftssegmente stellt die Hauptliquiditätsquelle des Konzerns dar. Dadurch werden der externe Finanzierungsbedarf und die Zinsaufwendungen reduziert. Zur Sicherung der Liquidität nutzt FACC zudem verschiedene Finanzierungsinstrumente wie Anleihen, Schuldscheindarlehen, Kreditvereinbarungen sowie Leasingmodelle.

Finanzierungsinstrumente

In den Treasury-Grundsätzen von FACC sind die Bankpolitik, die Genehmigung von Bankbeziehungen, Finanzierungsvereinbarungen, das Liquiditäts- und Finanzanlagenmanagement sowie das Management von Währungs- und Zinsrisiken geregelt. Gemäß den Grundsätzen des Konzerns werden die Kreditlinien durch die Treasury-Abteilung konzernweit verwaltet.

Zum Finanzierungspotenzial aus dem genehmigten und bedingten Kapital sowie zu den Finanzierungsquellen wird auf die Erläuterungen im Konzernanhang unter Note 30 verwiesen. Damit hat FACC die wesentlichen Voraussetzungen für eine nachhaltige und stabile Finanzierung geschaffen.

4.1.1. Liquiditätsanalyse

Eine der zentralen Steuerungsgrößen von FACC ist die Kennzahl Free Cashflow. Den Free Cashflow ermittelt FACC aus der Kombination der Cashflows aus betrieblicher Tätigkeit und aus Investitionstätigkeit.

	2017/18	2016/17	2015/16
	Mio. EUR	Mio. EUR	Mio. EUR
Cashflow aus laufender Geschäftstätigkeit	63,1	20,0	-9,3
Cashflow aus Investitionstätigkeit	-35,1	-34,4	-50,9
Free Cashflow	26,0	-14,4	-60,2
Cashflow aus Finanzierungstätigkeit	-12,9	6,0	3,9
Zahlungswirksame Veränderung des Finanzmittelbestands	15,0	-8,4	-56,3
Bewertungseffekte aus Fremdwährungsunterschieden	0,2	0,5	1,5
Finanzmittelbestand am Beginn der Periode	48,3	56,2	111,0
Finanzmittelbestand am Ende der Periode	63,5	48,3	56,2

Cashflow aus laufender Geschäftstätigkeit

Der Cashflow aus laufender Geschäftstätigkeit lag im Berichtsjahr 2017/18 mit 63,1 Mio. EUR um 43,1 Mio. EUR über dem Vorjahreswert von 20,0 Mio. EUR. Treiber dieser positiven Entwicklung im Berichtsjahr waren neben einer positiven Umsatz- und Ergebnisentwicklung des Konzerns vor allem die Verbesserung des Working Capitals von 43,1 Mio. EUR.

Cashflow aus Investitionstätigkeit

Der Cashflow aus Investitionstätigkeit beliefen sich im Geschäftsjahr 2017/18 auf -35,1 Mio. EUR gegenüber -34,4 Mio. EUR im Vorjahreszeitraum.

Haupttreiber bei den Projektinvestitionen waren die Entwicklungs- und Werkzeugkosten für die Flugzeugtypen Airbus A350-1000 sowie A330neo, Bombardier C-Series und Embraer-E2-Jets sowie Investitionen in verschiedene Werkzeugduplikationen zur Absicherung zukünftiger Fertigungsraten.

Die Sachanlageinvestitionen stehen im Wesentlichen im Zusammenhang mit dem Ausbau der Produktionskapazitäten an den österreichischen Standorten Werk 2 in St. Martin und Werk 4 in Reichersberg, für die neu anlaufenden Programme sowie zur Unterstützung von steigenden Abrufen im Rahmen bestehender Projekte. Während des Geschäftsjahres wurden insbesondere Neuinvestitionen in Anlagen zur Kapazitätserweiterung getätigt sowie Investitionen in zusätzliche Automatisierungsmaßnahmen, in die Optimierung bestehender

Produktionsanlagen und in die Infrastruktur. Darüber hinaus wurden laufende Erhaltungsinvestitionen getätigt.

Cashflow aus Finanzierungstätigkeit

Im Geschäftsjahr 2017/18 lag der Cashflow aus Finanzierungstätigkeit bei –12,9 Mio. EUR (Vorjahr: 6,0 Mio. EUR). Im Geschäftsjahr 2016/17 lag der Mittelzufluss aus Finanzierungstätigkeit bei 11,9 Mio. EUR (Vorjahr: 24,6 Mio. EUR).

Im Wesentlichen standen den Einzahlungen Mittelabflüsse aus der Rückzahlung von Finanzkrediten in Höhe von 6,8 Mio. EUR, aus der Tilgung einer Tranche des Schuldscheindarlehens von 8,0 Mio. EUR sowie aus der Auszahlung aus Zinsen von Finanzkrediten und Anleihen in Höhe von 10,1 Mio. EUR gegenüber.

4.1.2. Nettofinanzverbindlichkeiten

	2017/18 Mio. EUR	2016/17 Mio. EUR	2015/16 Mio. EUR
Schuldscheindarlehen	34,0	42,0	42,0
davon Schuldscheindarlehen 2012 bis 2017		8,0	8,0
davon Schuldscheindarlehen 2012 bis 2019	34,0	34,0	34,0
Anleihen 2013–20 (ISIN AT0000A10J83)	89,6	89,4	89,2
Sonstige Finanzverbindlichkeiten	121,68	71,9	96,854,9
Bruttofinanzverbindlichkeiten	245,24	245,3	228,01
		Abzüglich	
Liquide Mittel	63,5	48,3	56,2
Finanzvermögen	63,5	48,3	56,2
Nettofinanzverbindlichkeiten	181,9	197,0	171,98

Die Nettoverschuldung belief sich zum 28. Februar 2018 auf 181,9 Mio. EUR (Vorjahr: 197,0 Mio. EUR). Die liquiden Mittel des FACC-Konzerns betragen zum Bilanzstichtag 63,5 Mio. EUR (Vorjahr: 48,3 Mio. EUR).

4.2. Vermögenslage

Die Bilanzsumme erhöhte sich im Vergleich zum Vorjahr um 18,2 Mio. EUR auf 703,6 Mio. EUR.

	28.02.2018 Mio. EUR	28.02.2017 Mio. EUR	29.02.2016 Mio. EUR
Langfristiges Vermögen	351,2	357,5	357,9
Kurzfristiges Vermögen	352,4	327,9	311,3
Aktiva	703,6	685,4	669,2
Eigenkapital	323,1	269,7	267,1
Langfristige Verbindlichkeiten	211,1	242,2	250,7
Kurzfristige Verbindlichkeiten	169,4	173,5	164,2
Schulden	380,5	415,7	414,9
Eigenkapital und Schulden	703,6	685,4	669,2

4.2.1. Aktiva

Das langfristige Vermögen des FACC-Konzerns reduzierte sich gegenüber dem Bilanzstichtag am 28. Februar 2017 um 6,3 Mio. EUR auf 351,2 Mio. EUR.

Das kurzfristige Vermögen stieg im Vergleichszeitraum um 24,5 Mio. EUR. Aufgrund des Anstiegs der Produktumsätze erhöhten sich auch die Vorräte. Der Bestand an liquiden Mitteln erhöhte sich zum Bilanzstichtag am 28. Februar 2018 um 15,2 Mio. EUR auf 63,5 Mio. EUR.

4.2.2. Eigenkapital

Das Eigenkapital des FACC-Konzerns erreichte per Ende des Berichtsjahres einen Wert von 323,1 Mio. EUR. Dies entspricht einer Eigenkapitalquote am 28. Februar 2018 von 45,9 % (Vorjahr: 39,4 %).

4.2.3. Schulden

Innerhalb der langfristigen Schulden reduzierten sich die sonstigen Finanzverbindlichkeiten um 11,5 Mio. EUR auf 56,1 Mio. EUR.

Innerhalb der kurzfristigen Schulden reduzierten sich die Verbindlichkeiten aus Lieferungen und Leistungen um 9,3 Mio. EUR auf 48,9 Mio. EUR. Die sonstigen Finanzverbindlichkeiten

erhöhten sich um 19,5 Mio. EUR auf 65,8 Mio. EUR. Die unter den kurzfristigen Verbindlichkeiten ausgewiesene zweite Tranche des Schuldscheindarlehens in Höhe von 8,0 Mio. EUR wurde im Juni 2017 getilgt.

5. ENTWICKLUNG DER SEGMENTE

Die Segmentberichterstattung folgt der internen Steuerung und Berichterstattung des FACC-Konzerns. Die zentrale Erfolgsgröße, anhand derer die Steuerung der Geschäftssegmente erfolgt und die an die verantwortliche Unternehmensinstanz (Vorstand der FACC AG) berichtet wird, ist das Betriebsergebnis (EBIT). Aufgrund der unterschiedlichen Anwendungen, denen die Produkte dienen, wurden drei operative Segmente gebildet:

- Aerostructures: Entwicklung, Fertigung, Vertrieb und Reparatur von Strukturbauteilen
- Engines & Nacelles: Entwicklung, Fertigung, Vertrieb und Reparatur von Triebwerksbauteilen
- Cabin Interiors: Entwicklung, Fertigung, Vertrieb und Reparatur von Innenausstattungen
- Im Geschäftsjahr 2017/18 konnten zur nachhaltigen Umsetzung der FACC-Strategie wesentliche Neuaufträge in allen Segmenten des Konzerns unterzeichnet werden. Aufträge im Gegenwert von ca. 750 Mio. EUR wurden unterschrieben und mit der Umsetzung dieser im Zuge des Geschäftsjahres 2017/18 begonnen. Umsätze aus diesen Aufträgen werden ab dem Geschäftsjahr 2019/20 zum weiteren Wachstum der FACC-Divisionen beitragen.

5.1. Segment Aerostructures

Der Umsatz im Segment Aerostructures betrug im Geschäftsjahr 2017/18 337,1 Mio. EUR (Vorjahr: 331,0 Mio. EUR.). Die Umsätze aus Produktlieferungen erhöhten sich um 1,2 Mio. EUR oder 0,4 % auf 305,1 Mio. EUR. Die Umsätze aus Entwicklungstätigkeiten erhöhten sich im Berichtszeitraum um 18,3 % von zuvor 27,1 Mio. EUR auf 32,0 Mio. EUR.

Im Segment Aerostructures betrug das Ergebnis vor Zinsen und Steuern (EBIT) im Geschäftsjahr 2017/18 38,1 Mio. EUR (Vorjahr: 51,2 Mio. EUR).

Die stabile Entwicklung des Segments wurde einerseits von der steigenden Nachfrage nach Komponenten für den Airbus A350 und die weiteren Ratenhochläufe von Airbus-A320- und Airbus-A321-Produkten sowie der Bombardier C Series positiv beeinflusst. Andererseits führte der Launch der Boeing 737 MAX zu einem Rückgang der Umsätze mit Winglets der Boeing 737NG (siehe hierzu auch Anmerkungen in Kapitel 4).

5.2. Segment Engines & Nacelles

Der Umsatz des Segments Engines & Nacelles erreichte im Geschäftsjahr 2017/18 160,7 Mio. EUR (Vorjahr: 142,0 Mio. EUR.). Das entspricht einer Steigerung von 14,1 %.

Die Umsätze aus Produktlieferungen stiegen signifikant um 12,7 % von 133,8 Mio. EUR auf 150,7 Mio. EUR. Die Umsätze aus Entwicklungstätigkeiten erhöhten sich um 1,8 Mio. EUR von 8,2 Mio. EUR auf 10,0 Mio. EUR.

Im Segment Engines & Nacelles betrug das Ergebnis vor Zinsen und Steuern (EBIT) im Geschäftsjahr 2017/18 16,9 Mio. EUR (Vorjahr: –13,8 Mio. EUR).

Die umgesetzten Effizienzsteigerungen, Lernkurveneffekte, Automatisierungsmaßnahmen und Volumeneffekte in der Division führten zu der laufenden Ergebnisverbesserung in Relation zum Umsatz.

Auf die Entwicklung des Bereichs Nacelles wirkte sich das Hochlaufen der Serienproduktion für das Projekt A350 Translating Sleeve (TRSL) positiv aus. Darüber hinaus profitierte dieser Bereich von konstant steigender Nachfrage nach Komponenten für die Flugzeugtriebwerke der Airbus-A320neo-Flugzeugfamilie sowie dem geplanten Serienhochlauf der A330 Neo Fan Cowl Doors.

Der Bereich Engine Composites entwickelte sich erneut positiv. Auch hier haben die Projekte Airbus A350 Trent XWB sowie PW800 Bypass Ducts maßgeblich zur planmäßigen Geschäftsentwicklung beigetragen.

5.3. Segment Cabin Interiors

Der Umsatz im Segment Cabin Interiors belief sich im Geschäftsjahr 2017/18 auf 252,8 Mio. EUR (Vorjahr: 232,8 Mio. EUR). Damit erzielte dieses Segment erneut eine deutliche Steigerung gegenüber dem Vorjahr. Insgesamt betrug der Produktumsatz 2017/18 235,1 Mio. EUR (2016/17: 208,5 Mio. EUR). Das erzielte Wachstum um 12,8 % beruhte auf der kontinuierlichen Steigerung bei den neuen Programmen für den Airbus A350. Die Umsätze aus Entwicklungstätigkeiten reduzierten sich um 6,6 Mio. EUR von 24,3 Mio. EUR auf 17,7 Mio. EUR.

Das Ergebnis des Segments Cabin Interiors vor Zinsen und Steuern (EBIT) betrug im Geschäftsjahr 2017/18 8,8 Mio. EUR (Vorjahr: –12,4 Mio. EUR).

Die Ertragslage des Segments wurde durch die konsequente Weiterführung der im Geschäftsjahr 2016/17 eingeleiteten Maßnahmen positiv beeinflusst, sodass bereits im zweiten Halbjahr ein positives operatives EBIT erwirtschaftet werden konnte.

6. ENTWICKLUNG DER FACC AG

Der FACC AG obliegt die Holdingfunktion. Als Muttergesellschaft der FACC Operations GmbH übernimmt sie Managementtätigkeiten und Financial Services für den Konzern. Zahlenangaben für den Einzelabschluss der FACC AG erfolgen nach UGB, jene für den FACC AG Konzern nach IFRS.

Die Umsatzerlöse von 9,0 Mio. EUR im Geschäftsjahr 2017/18 (Geschäftsjahr 2016/17: 4,0 Mio. EUR) resultieren aus Verrechnungen aus Managementleistungen gegenüber der FACC Operations GmbH. Der deutliche Anstieg beruht auf dem gegenüber dem Vorjahr höheren Personalstand von 40 Personen zum Bilanzstichtag 28 Februar 2018 (28 Februar 2017: 20 Personen) und einer entsprechenden Anpassung der Verrechnung. Der Finanzerfolg der FACC AG weist einen Beteiligungsertrag aus verbundenen Unternehmen von 19,9 Mio. EUR aus. Die FACC AG erzielte im Geschäftsjahr 2017/18 einen Jahresüberschuss von 23,7 Mio. EUR (Geschäftsjahr 2016/17: 4,0 Mio. EUR).

Die Bilanzsumme erhöhte sich entsprechend dem Bilanzgewinn um 23,1 Mio. EUR auf 338,7 Mio. EUR. Das Eigenkapital beläuft sich auf 296,2 Mio. EUR gegenüber 272,5 Mio. EUR in

der Vorjahresperiode. Die Eigenkapitalquote der FACC AG zum Bilanzstichtag 28. Februar 2018 beträgt 87 % (Geschäftsjahr 2016/17: 86 %)

7. RISIKOBERICHT

Der FACC-Konzern ist im Rahmen seiner Geschäftstätigkeit einer Vielzahl von Risiken ausgesetzt, die untrennbar mit dem unternehmerischen Handeln verbunden sind. FACC setzt auf frühzeitige Identifikation und aktive Steuerung von Risiken des Unternehmensumfelds. Die Umsetzung der Risikostrategie und die Abwicklung von Sicherungsmaßnahmen erfolgen zentral für den gesamten Konzern.

Die unmittelbare Verantwortung für das Risikomanagement liegt bei dem jeweiligen Risk Owner. Der Director Risk Management berichtet direkt dem Vorstand, bei dem die Gesamtverantwortung für das Risikomanagement liegt. Im Rahmen des Risikomanagementprozesses werden sowohl die eingetretenen als auch mögliche zukünftige Risiken kontinuierlich durch die operativen Einheiten überwacht, bewertet und zweimal jährlich im Zuge der Management Reviews an den Vorstand berichtet. Außergewöhnliche Ereignisse werden umgehend dem zuständigen Risk Owner bzw. dem Director Risk Management mitgeteilt. Dieser entscheidet, ob eine sofortige Meldung an den Vorstand erforderlich ist. Der Vorstand wiederum informiert den Aufsichtsrat in seinen Sitzungen.

Dadurch ist sichergestellt, dass wesentliche Risiken frühzeitig erkannt und Maßnahmen zur Gegensteuerung bzw. Eingrenzung der Risiken getroffen werden können. Nach Einschätzung des Vorstands sind die heute erkennbaren möglichen Risiken überschau- und beherrschbar und stellen damit keine existenzielle Gefahr für das Unternehmen dar.

Folgende wesentliche Risikofelder können identifiziert werden:

7.1. Managementrisiken

Ausgehend von Marktbeobachtungen und -analysen wird ein Businessplan mit einer Planungsperiode von fünf Jahren erstellt. Dieser definiert die grundsätzliche Strategie des Unternehmens und wird vom Aufsichtsrat geprüft. Aus diesem jährlich aktualisierten Plan leiten sich die konkreten Ziele für das jeweilige Geschäftsjahr ab.

Kurzfristige Veränderungen des Marktes stellen hier das größte Risiko dar, ebenso ist der Erfolg in der Umsetzung durch äußere Faktoren, die oftmals kaum beeinflusst werden können, immer wieder gefährdet.

Das Management von FACC ist dafür verantwortlich, die konsequente Umsetzung zu verfolgen bzw. auf kurzfristige Veränderungen rasch und im Sinne der festgelegten Strategie zu reagieren. Dabei ist sicherzustellen, dass die strategische Ausrichtung ebenso weiter beachtet wird, wie die geplanten Umsatz- und Ergebnisziele.

7.2. Absatzrisiken

Der FACC-Konzern ist in einem sehr wettbewerbsintensiven Geschäftsfeld tätig und sieht sich einer eingeschränkten Kundenzahl (Flugzeughersteller) gegenüber. Die Geschäftstätigkeit von FACC ist konjunkturabhängig und sensibel gegenüber der Ertragssituation kommerzieller Fluggesellschaften bzw. deren Bestellungen von Flugzeugen bei den Herstellern. Die Geschäftslage kommerzieller Fluggesellschaften wird wiederum von der weltwirtschaftlichen Lage und geopolitischen Rahmenbedingungen beeinflusst.

Das branchenspezifische Risiko des Konzerns liegt in der Änderung von Flugzeugauslieferplänen der Hersteller gegenüber den Endabnehmern. Das Risiko aus der Änderung von zukünftigen Flugzeugauslieferungen hat Einfluss auf die zukünftigen Umsätze des Konzerns, da sich die Zuliefermengen der vom Konzern hergestellten Bauteile entsprechend ändern. Das Risiko kann in Form einer Reduktion von Flugzeugauslieferungen eintreten, aber auch in deren zeitlicher Verschiebung in die Zukunft. Dies hat zur Folge, dass Entwicklungskosten nicht im kalkulierten Zeitraum verdient werden können.

Diesem Risiko begegnet FACC mit einer Diversifikation innerhalb der Branche – einerseits, indem der Konzern mit den beiden marktbeherrschenden Anbietern von Verkehrsflugzeugen Lieferverträge unterhält, und andererseits, indem er neben den Großraum-Passagierflugzeugen auch in der Sparte Business Jets Lieferverträge eingeht. Zusätzlich ist FACC geografisch diversifiziert, da sie Lieferverträge mit dem amerikanischen/europäischen Markt sowie mit dem asiatischen Raum hält. Außerdem tritt FACC als Entwicklungspartner im Bereich der Verbesserung an bestehenden Flugzeugtypen auf, was Lieferverträge für die Umrüstung von bestehenden Flugzeugtypen zur Folge hat.

7.3. Einkaufs- und Lieferantenrisiko

Der Bereich Einkauf von FACC führt regelmäßig Risk Assessments der Zulieferer durch, um Gefährdungspotenziale und Risiken frühzeitig zu erkennen und damit die Prioritäten für die Planung und Durchführung von Audits festlegen zu können bzw. um den Entscheidungsprozess bei der Vergabe von neuen Aufträgen zu unterstützen. Bei der Auswahl neuer Lieferanten wird die Abteilung Procurement Quality Assurance (PQA) eingebunden. Sie stellt sicher, dass die erforderlichen Qualifikationen und Zulassungen vorhanden sind und keine erkennbaren Risiken bestehen. Zu Beginn neuer Projekte wird durch verpflichtende Erstmusterprüfung bei den Lieferanten das Produktrisiko reduziert. Die kontinuierliche qualitätsgerechte und termingetreue Belieferung mit Materialien sowie Halb- und Fertigerzeugnissen wird regelmäßig über SAP bewertet. Diese Bewertung ist ebenfalls Bestandteil des Risk Assessments. Abweichungen – sowohl der Bauteilqualität als auch der Lieferperformance – werden systematisch erfasst, analysiert, bewertet und mit definierten Zielen verglichen. Auffälligkeiten werden im Zuge der Management Reviews an den Vorstand berichtet.

7.4. Betriebsunterbrechungsrisiko

Die Fertigungsstätten und -anlagen des Unternehmens werden kontinuierlich instandgehalten und gewartet, sodass das Risiko von Betriebsstörungen oder längeren Produktionsausfällen gering bleibt. Das Betriebsunterbrechungsrisiko ist außerdem durch eine Betriebsunterbrechungsversicherung mit einer Haftungszeit von 24 Monaten versichert.

7.5. Projektmanagement

Das Projektmanagement von FACC ist dafür verantwortlich, die vom Management festgelegten Ziele in Form von Projekten umzusetzen. Projekte werden dabei darin unterschieden, ob FACC Entwicklungsverantwortung trägt oder nicht. Jeder Vertrag wird auf seine Umsetzbarkeit geprüft, die mit dem Projekt verbundenen Risiken werden identifiziert, beurteilt und während der Abarbeitung genauestens beobachtet und analysiert, um – falls erforderlich – notwendige Maßnahmen einleiten und umsetzen zu können. Die bedeutsamsten Risiken bilden dabei die Verfügbarkeit von Ressourcen aller Art (Manpower, Equipment, Materialien etc.) sowie äußere Faktoren, die entweder über die Schnittstellen im Unternehmen oder von außen an das Projektteam herangetragen werden können.

7.6. Produkthaftungs- und Qualitätsrisiko

Die vom Unternehmen konstruierten und hergestellten Produkte sind für den Einbau in Luftfahrzeuge oder in Triebwerke bestimmt. Fehler oder Funktionsmängel der hergestellten Produkte können mittelbar oder unmittelbar Eigentum, Gesundheit oder Leben Dritter beeinträchtigen. Die dauerhafte Sicherheit hat damit höchste Priorität. FACC ist nicht in der Lage, ihre Haftung gegenüber Kunden, Konsumenten oder Dritten in Absatzverträgen zu reduzieren oder auszuschließen. Jedes Produkt, das im Unternehmen entwickelt und/oder hergestellt wird und das Unternehmen verlassen soll, durchläuft daher qualifizierte Kontrollen hinsichtlich seiner Funktion und Qualität.

Bei Projekten, in denen FACC Entwicklungsverantwortung trägt, besteht aufgrund der Möglichkeit von Konstruktionsfehlern ein höheres Risiko, das jedoch durch systematisches Handeln minimiert wird. Regelmäßige Kontrollschritte in allen Stadien der Entwicklung reduzieren hier Risiken frühzeitig. FACC betreibt zudem ein Archivierungssystem für vertraglich festgelegte und auch individuell darüber hinaus gehende Qualitätsaufzeichnungen (Quality Records). Damit wird nachgewiesen, dass Leistungen und Produkte entsprechend den definierten und vom Kunden bzw. von der/den Luftfahrtbehörde/n freigegebenen Vorgaben ausgeführt wurden.

Obwohl das Produkthaftungsrisiko angemessen versichert ist, kann es im Fall von Qualitätsproblemen zu negativen Auswirkungen auf die Vermögens-, Finanz- und Ertragslage des Unternehmens kommen.

7.7. Finanzielle Risiken

Aus dem operativen Geschäft ergeben sich für FACC neben dem Finanzierungsrisiko auch Zins- und Währungsrisiken. Das übergreifende Risikomanagement des Konzerns ist auf die Unvorhersehbarkeit der Entwicklungen in den Finanzmärkten fokussiert und zielt darauf ab, die potenziell negativen Auswirkungen auf die Finanzlage des Konzerns zu minimieren. Der Konzern nutzt derivative Finanzinstrumente, um sich gegen bestimmte Risiken abzusichern. FACC verwendet derivative Finanzinstrumente grundsätzlich nicht für Spekulationszwecke. Die Treasury-Abteilung des Konzerns identifiziert, bewertet und sichert finanzielle Risiken in enger Zusammenarbeit mit den operativen Einheiten des Konzerns.

7.7.1. Währungsrisiko

Während fast alle Verkäufe des FACC-Konzerns in USD abgewickelt werden, fällt ein wesentlicher Teil der Kosten in anderen Währungen als USD, insbesondere in EUR, an. FACC setzt zur Absicherung gegen nachteilige Veränderungen im USD-EUR-Wechselkurs derivative Finanzinstrumente (Devisentermingeschäfte) ein, aus denen auch Verluste erwachsen können.

Die Sicherungsstrategien der Treasury-Abteilung des Konzerns sind darauf ausgerichtet, den Einfluss von Wechselkursschwankungen zu steuern und zu minimieren. Der Vorstand genehmigt die Strategien und berichtet regelmäßig dem Aufsichtsrat darüber.

Das Risikomanagement der Treasury-Abteilung des Konzerns verfolgt das Ziel, erwartete Netto-Cashflows in USD (aus Umsatzerlösen und Einkäufen von Rohmaterialien) für die jeweils nächsten zwölf Monate (auf rollierender Monatsbasis) zumindest zu 80 % zu besichern (Hedge Ratio). Bei attraktiven Marktniveaus können die Sicherungszeiträume auf bis zu 36 Monate ausgedehnt werden. Für die Währungsrisiken von Finanzinstrumenten wurden Sensitivitätsanalysen, welche die Auswirkungen von hypothetischen Änderungen der Wechselkurse auf die Konzern-Gewinn- und Verlustrechnung sowie das Eigenkapital zeigen, durchgeführt. Währungsrisiken resultieren gemäß IFRS 7 aus Finanzinstrumenten, die monetärer Art sind und nicht in der funktionalen Währung des berichtenden Unternehmens denominated sind. Folglich dienen Forderungen, Verbindlichkeiten, Zahlungsmittel sowie Fremdwährungsderivate als Basis für die Berechnung der Sensitivität der Konzern-Gewinn- und Verlustrechnung. Die Sensitivität des Eigenkapitals bildet zusätzlich Bewertungseffekte der im sonstigen Ergebnis erfassten Cashflow Hedges für Fremdwährungsrisiken ab. Translationsdifferenzen aus der Umrechnung von Abschlüssen, die in einer anderen Währung als der Konzernwährung erstellt wurden, wurden in der Berechnung nicht berücksichtigt.

7.7.2. Zinsrisiko

Das Zinsrisiko ergibt sich aus der durchschnittlichen Laufzeit der Finanzierungen sowie der Art der Verzinsung. Das Risiko liegt dabei bei fixer Verzinsung in sinkenden Zinssätzen und bei variabler Verzinsung in steigenden Zinssätzen.

Eine Erhöhung des Zinsniveaus um 50 Basispunkte hätte eine Verringerung des Ergebnisses nach Steuern sowie des Eigenkapitals von 255 TEUR (Vorjahr: 270 TEUR) zur Folge. Eine Senkung des Zinsniveaus um 50 Basispunkte hätte eine betragsmäßig gleiche Erhöhung des Ergebnisses nach Steuern sowie des Eigenkapitals ergeben. Die Berechnung erfolgte auf Basis der variablen verzinslichen Vermögenswerte und Verbindlichkeiten.

8. FORSCHUNG, ENTWICKLUNG UND INNOVATION

FACC investiert laufend in Forschung und Entwicklung, um die Geschäftsbeziehungen zu ihren Kunden zu stärken und neue Geschäftsfelder zu erschließen. Der Fokus liegt dabei auf proprietärer Eigenentwicklung, um das generierte Wissen für alle derzeitigen und zukünftigen Kunden des Unternehmens einsetzen zu können, jedoch werden auch Kooperationen mit Kunden zur Optimierung von Produkten eingegangen.

Im Geschäftsjahr 2017/18 wendete FACC 3,5 Mio. EUR bzw. 0,5 % ihres Umsatzes für Grundlagenforschung und Vorentwicklung auf. Darüber hinaus wurden in Verbindung mit Kunden zusätzliche Auftragsentwicklungen durchgeführt – Aufwendung aus diesen Projekten konnten an die Entwicklungspartner weiterverrechnet werden.

Die konsequente Ausrichtung auf Technologieentwicklung bildet einen Grundstein für den kommerziellen Markterfolg von FACC. Steigendem Wettbewerb, insbesondere durch Mitbewerber in Niedriglohnländern, lässt sich nur durch optimierte Prozesse und innovative Produkte begegnen.

Aus Sicht des Unternehmens bilden aktive Forschung und Innovation eine Grundvoraussetzung, um die führende Position von FACC als Entwicklungspartner und Systemlieferant ihrer Kunden beizubehalten. Da FACC oft mit geschützten Kundenpatenten und -prozessen arbeitet, helfen Eigenentwicklungen, bestehende Aufträge zu sichern und neue Geschäftsfelder zu erschließen. In einem starken Netzwerk aus Kunden, Zulieferern und wissenschaftlichen Partnern entwickelt FACC neue Technologien für die Anwendung in zukünftigen Serienaufträgen.

FACC arbeitet laufend an neuen Produktlösungen und Fertigungstechnologien. Aktuell legt das Unternehmen seine Forschungsschwerpunkte auf vier wesentliche Projekte, die vor allem die Effizienz von Bauteilen und deren Produktion optimieren sollen.

Out of Autoclave

Neue Fertigungstechnologien sollen die Aushärtung von Faserverbundbauteilen ohne Autoklaven möglich machen, etwa in einem Umluftofen oder in einer Presse. Derartige Alternativen kommen mit weniger Energie aus und können zudem dazu beitragen, den Automatisierungsgrad zu erhöhen.

Neue Materialien

Der Einsatz neuer Materialien wie thermoplastische oder schnell aushärtende Matrixsysteme ermöglicht eine Reduktion der Zykluszeiten bei der Bauteilfertigung. Dies ist notwendig, um in Zukunft die geforderte Produktionsrate an Leichtbaukomponenten erfüllen zu können. Des Weiteren können durch die richtige Wahl des Matrixsystems der Ausschuss signifikant reduziert und damit die Produktionskosten deutlich gesenkt werden. Durch Anwendung biologischer Matrixsysteme auf Basis von Zuckerrohrabfällen setzt FACC auf nachhaltiges Produktdesign, das im Segment Cabin Interiors Anwendung findet.

Integral- und Differentialbauweise

Eine optimale Mischung aus Integral- und Differenzialbauweise führt zu robusten Produktionsprozessen und in weiterer Folge zu einer Reduktion der Fertigungskosten. Entscheidend ist dabei die Betrachtung der kompletten Prozesskette, angefangen bei der Bauteil- und Werkzeugkonstruktion über die Bauteilfertigung bis hin zur Assemblierung. Bei der Differentialbauweise setzt man auf mehrere einfach gehaltene Faserverbundbauteile, die mittels intelligenter Fügeverfahren zu einer Baugruppe verbunden werden. Ihr Vorteil liegt in der hohen Prozessstabilität bei der Fertigung der Faserverbundkomponenten, allerdings erhöht sich dabei der Assemblierungsaufwand in der Endmontage. Nach einem gegenteiligen Prinzip funktioniert die Integralbauweise. Hierbei werden Versteifungsprofile, wie zum Beispiel Hutprofile, nicht separat ausgehärtet und assembliert wie bei der Differentialbauweise, sondern schon im Reinraum zu einer komplexen Baugruppe zusammengeführt und in einem einzigen Schritt ausgehärtet. Aufgrund des reduzierten Assemblierungsaufwands und des Entfalls von Verbindungselementen wie Schrauben oder Nieten bringt die Integralbauweise eine deutliche Kosten- und Gewichtsreduktion mit sich.

Intelligente Produktionssysteme

Intelligente Produktionssysteme und innovative Prüftechniken sollen die Fertigung robuster, schneller und kostengünstiger machen. Beispiele dafür sind der Einsatz intelligenter Detektionsmethoden zur Fremdkörpererkennung in Faserverbundlaminaten schon während des Herstellungsprozesses bzw. die Erhöhung des Digitalisierungsgrads in der Produktion. FACC setzt damit einen wichtigen Schritt in Richtung Industrie 4.0.

Patente und Preise

Um ihre Technologieführerschaft im Composite-Bereich weiter ausbauen zu können, strebt FACC weitgehende Unabhängigkeit in ihrem Prozessportfolio an. Darüber hinaus wird das Bauteilportfolio des Unternehmens sukzessive erweitert, um neue Absatzmöglichkeiten zu erschließen. Beide Wachstumsfelder werden durch eine erweiterte Patentstrategie flankiert, die auf den größtmöglichen Schutz des intellektuellen Eigentums abzielt.

9. MITARBEITER

Zum Stichtag am 28. Februar 2018 betrug der Mitarbeiterstand des FACC-Konzerns 3.402 Vollzeitäquivalente (FTE) (Vorjahr: 3.393 FTE).

In Österreich waren zum 28. Februar 2018 3.177 FTE beschäftigt. Dies entspricht rund 90 % der gesamten Belegschaft des Konzerns.

	Arbeiter	Angestellte	Gesamt
Central Services	131	320	451
Aerostructures	842	245	1 087
Engines & Nacelles	478	125	603
Cabin Interiors	724	234	958
Tochtergesellschaften	74	189	263
FACC AG	–	40	40
Summe	2.249	1.153	3.402

Die Internationalität von FACC spiegelt sich auch in der Mitarbeiterstruktur wider. An den österreichischen Standorten sind Mitarbeiter aus 38 Nationen aller Kontinente beschäftigt. 56

% der Belegschaft haben die österreichische Staatsbürgerschaft, 22 % kommen aus Deutschland.

G'sund und zufrieden: FACC als Vorreiter bei betrieblicher Gesundheitsförderung

Dass FACC an der Motivation, Zufriedenheit und Gesundheit ihrer Mitarbeiter gelegen ist, zeigt sich an einer Fülle von Maßnahmen und Initiativen. Für ihr Projekt „G'sund & zufrieden“ wurde FACC 2017 von der Oberösterreichischen Gebietskrankenkasse das Gütesiegel Betriebliche Gesundheitsförderung (BGF) verliehen. Das BGF-Gütesiegel gilt in Österreich als sichtbares Zeichen und als anerkannter Standard qualitätvoller betrieblicher Gesundheitsförderung. Unabhängige Experten prüfen dafür in einem objektiven und transparenten Verfahren, ob die hoch angesetzten Qualitätskriterien des Europäischen Netzwerks für BGF erfüllt sind.

Weiterbildung und Qualifizierung der Belegschaft bildeten 2017/18 wie schon in den Jahren zuvor ein Schwerpunktthema im Personalmanagement. Im Rahmen der FACC Academy, in der alle Weiterbildungsmaßnahmen des Konzerns gebündelt sind, wurden daher umfangreiche Entwicklungsprogramme umgesetzt.

Konstante Investitionen in das Humankapital sind ein wesentlicher Faktor für den Unternehmenserfolg von FACC. Nach dem Motto „Lebenslanges Lernen“ bietet sie ihren Mitarbeitern zu diesem Zweck umfassende berufsbegleitende Aus- und Weiterbildungsmöglichkeiten. Drehscheibe dafür ist die FACC Academy, die allein im Jahr 2017 495 interne Trainings organisierte, an denen insgesamt 6.550 Mitarbeiter teilnahmen. Darüber hinaus fanden 145 externe Trainings statt, in denen 930 Mitarbeiter geschult wurden.

E-Learnings für mehr Flexibilität

Um mit den zeitlichen Ressourcen ihrer Mitarbeiter verantwortungsvoll umzugehen, bietet FACC ausgewählte Schulungen wie die Lehrgänge „Export Control Advanced“ und „Systemmanagement“ bereits via E-Learning an. E-Learning-Inhalte werden mittlerweile auch durch interne Entwickler erstellt und das Spektrum damit gezielt auf das Unternehmen zugeschnitten. Seit Frühjahr 2018 steht auch das Modul „SAP Materialfluss“ online bereit, der Kurs „Foreign Object Damage (FOD)“ soll im September 2018 folgen. Die Lerneinheiten können direkt am Arbeitsplatz über das SAP-System von FACC absolviert werden.

Global Family

Als internationales Unternehmen mit Mitarbeitern aus 38 Ländern legt FACC besonderen Wert auf Interkulturalität. Um die gute Zusammenarbeit ihrer Mitarbeiter zu gewährleisten, absolviert ein großer Teil von ihnen Sprachtrainings sowie Trainings rund um das Thema Interkulturalität.

Hohen Stellenwert genießt bei FACC die Lehrlingsausbildung. So waren im Geschäftsjahr 2017/18 in Summe 41 Lehrlinge in sechs verschiedenen Berufsbildern bei FACC in Ausbildung. Als sichtbares Zeichen für die Qualität seiner Lehrlingsausbildung hat das Unternehmen vom Bundesministerium für Wissenschaft, Forschung und Wirtschaft das Gütesiegel „Staatlich ausgezeichnete Ausbildungsbetrieb“ erhalten.

Interne Nachwuchsvorsorge

Jungen engagierten Aspiranten bietet FACC hoch spezialisierte Ausbildungen in Kunststoff- und Zerspanungstechnik, Konstruktion oder Informationstechnik und seit 2017 auch in Prozesstechnik. Schon während ihrer Ausbildungszeit stehen den Lehrlingen im Unternehmen die neuesten Technologien und Anlagen zur Verfügung. Damit erhalten sie bei FACC die Möglichkeit, sich mit Innovationsgeist und Engagement zu Experten der Zukunft zu entwickeln.

10. NACHHALTIGKEITSMANAGEMENT

Das Nachhaltigkeitsmanagement des FACC-Konzerns ist in der Unternehmensstrategie verankert und berichtet an den Vorstand. Ziel des Nachhaltigkeitsmanagements ist es, in allen Geschäftsprozessen die Auswirkungen auf Umwelt und Gesellschaft zu berücksichtigen und die ökonomischen mit den ökologisch-sozialen Vorstellungen des Unternehmens in Einklang zu bringen. Dabei arbeiten Nachhaltigkeitsmanagement und operative Einheiten eng zusammen.

Der erste Nachhaltigkeitsbericht des FACC-Konzerns über das Geschäftsjahr 2017 wird im Mai 2018 präsentiert und kann über die Konzernwebsite abgerufen werden. Der Nachhaltigkeitsbericht wurde nach den „GRI Standards“ (Global Reporting Initiative Standards) und nach den Anforderungen des österreichischen „NaDiVeG“ (Nachhaltigkeits-

und Diversitätsverbesserungsgesetz) erstellt und erscheint gemäß § 267a UGB als gesonderter nichtfinanzieller Bericht.

11. BERICHT ÜBER DIE ZWEIGNIEDERLASSUNGEN

Die FACC AG betreibt keine Zweigniederlassungen.

12. ANGABEN GEMÄSS § 243A UGB

12.1. Berichterstattung über wesentliche Merkmale des internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess

Gemäß § 243a Abs. 2 UGB ist FACC verpflichtet, die wesentlichen Merkmale des internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess zu beschreiben. Der Vorstand von FACC hat gemäß § 82 AktG dafür zu sorgen, dass ein Rechnungswesen und ein internes Kontrollsystem geführt werden, die den Anforderungen des Unternehmens entsprechen. Somit liegt es in der Verantwortung des Vorstands, ein angemessenes internes Kontroll- und Risikomanagementsystem im Hinblick auf den Rechnungslegungsprozess einzurichten.

Die wesentlichen Merkmale des Risikomanagements und des internen Kontrollsystems sind im Risikomanagementhandbuch von FACC festgehalten. Dabei wurden unter anderem wesentliche Finanz- und Controlling-Prozesse sowie deren entsprechende Risiken beschrieben und identifiziert.

Das rechnungslegungsbezogene interne Kontrollsystem ist so konzipiert, dass eine zeitnahe, einheitliche und korrekte Erfassung aller Geschäftsprozesse und Transaktionen gewährleistet ist und somit jederzeit fundierte Aussagen über die aktuelle Geschäftslage des Unternehmens getroffen werden können.

Zu den Maßnahmen und Regeln zählen unter anderem Funktionstrennung, Vier-Augen-Prinzip, Unterschriftenordnung, ausschließlich kollektive und auf wenige Personen eingeschränkte Zeichnungsermächtigungen für Zahlungen sowie systemunterstützte Prüfungen durch die verwendete EDV-Software SAP.

Bei FACC wird seit mehr als zehn Jahren in fast allen Unternehmensbereichen diese Software eingesetzt. Die Ordnungsmäßigkeiten der SAP-Systeme wurden in allen betroffenen Geschäftsprozessen umgesetzt.

Im Rahmen des monatlichen Reportings an den Vorstand und die zweite Berichtsebene werden insbesondere Soll-Ist-Vergleiche berichtet. Der Aufsichtsrat der FACC AG wird in seinen vierteljährlich stattfindenden Sitzungen über die aktuelle Geschäftsentwicklung und die Prognose für den weiteren Geschäftsverlauf des Konzerns unterrichtet. In den Sitzungen des Prüfungsausschusses wurden unter anderem auch Themen wie das interne Kontrollsystem und das Risikomanagement sowie Maßnahmen zur Minderung der internen Kontrollrisiken behandelt.

Im Rahmen des Budgetierungsprozesses werden Budgetkosten je Kostenstelle geplant. Jeder Kostenstellenverantwortliche ist für die Einhaltung der budgetierten Kosten sowie die geplanten Investitionen verantwortlich. Alle Investitionsvorhaben sind vom Vorstand freizugeben. Über das Budget hinausgehende Investitionen unterliegen der Genehmigung des Aufsichtsrats.

12.2. Angaben zu Kapital-, Anteils-, Stimm- und Kontrollrechten und damit verbundenen Verpflichtungen

Das Grundkapital des FACC-Konzerns belief sich zum 28. Februar 2018 auf 45.790.000 EUR und ist in 45.790.000 auf den Inhaber lautende nennwertlose Stückaktien unterteilt. Sämtliche Aktien sind zum Handel im Segment Prime Market der Wiener Börse zugelassen. Jede Aktie entspricht einer Stimme in der Hauptversammlung.

Zum 28. Februar 2018 war die FACC International Company Ltd., Hongkong, direkt bzw. indirekt mit 55,5 % an FACC beteiligt. Zum Bilanzstichtag 28. Februar 2018 waren keine weiteren Aktionäre bekannt, die eine Beteiligung am Grundkapital von mehr als 10 % hielten.

Der im Streubesitz befindliche Anteil der FACC-Aktien betrug am 28. Februar 2018 44,5 %.

Es existieren keine Aktien mit besonderen Kontrollrechten.

Bei FACC besteht kein Mitarbeiterbeteiligungsprogramm, in dessen Rahmen Mitarbeiter das Stimmrecht für ihre Anteile am Unternehmen nicht unmittelbar ausüben.

12.3.

Genehmigtes Kapital

In der außerordentlichen Hauptversammlung vom 23. Juni 2014 wurde ein genehmigtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten Kapitals im Firmenbuch das Grundkapital um bis zu Nominale 19.895.000 EUR durch Ausgabe von bis zu 19.895.000 neuer Aktien gegen Bar- oder Sacheinlage zu erhöhen. Die Ausgabe der neuen Aktien kann auch unter Ausschluss des Bezugsrechts der Aktionäre erfolgen.

In der außerordentlichen Hauptversammlung vom 23. Juni 2014 wurde ein genehmigtes Kapital beschlossen. Der Vorstand ist demnach berechtigt, mit Zustimmung des Aufsichtsrats innerhalb von längstens fünf Jahren ab Eintragung des genehmigten Kapitals im Firmenbuch das Grundkapital um bis zu Nominale 3.000.000 EUR durch Ausgabe von bis zu 3.000.000 neuer Aktien zur Einräumung von Aktienoptionen an Arbeitnehmer, leitende Angestellte und Mitglieder des Vorstands oder eines mit ihr verbundenen Unternehmens zu erhöhen. Die Ausgabe der neuen Aktien kann auch unter Ausschluss des Bezugsrechts der Aktionäre erfolgen.

12.4.

Bedingtes Kapital

In der außerordentlichen Hauptversammlung vom 23. Juni 2014 wurde das Grundkapital um bis zu 15.000.000 EUR durch Ausgabe von bis zu 15.000.000 neuer auf Inhaber lautender Stückaktien bedingt erhöht (bedingtes Kapital). Dieses bedingte Kapital dient der Gewährung von Bezugs- oder Umtauschrechten an Gläubiger von Wandelschuldverschreibungen und der Vorbereitung des Zusammenschlusses mehrerer Unternehmen. Der Ausgabebetrag und das Umtauschverhältnis sind nach Maßgabe der Bestimmungen der Wandelschuldverschreibungen zu ermitteln. Der Ausgabebetrag der Aktien darf nicht unter dem anteiligen Betrag des Grundkapitals liegen.

12.5. und Aufsichtsrat

Bestimmungen zur Ernennung von Vorstand

Solange die FACC International Company Ltd., Hongkong, Aktionärin von FACC mit einer Beteiligung von zumindest 25 % des jeweils geltenden Grundkapitals ist, hat diese gemäß Punkt 11 der Satzung von FACC das Recht, bis zu einem Drittel aller Mitglieder des Aufsichtsrats zu ernennen.

Darüber hinaus bestehen keine Satzungsbestimmungen, die über die gesetzlichen Bestimmungen zur Ernennung von Vorstand und Aufsichtsrat sowie zur Änderung der Satzung hinausgehende Regelungen enthalten.

12.6.

Sonstige Angaben

Zum 28. Februar 2018 hielt die FACC AG keine eigenen Aktien.

Beschränkungen hinsichtlich der Stimmrechte der FACC-Aktien und deren Übertragung, auch aus Vereinbarungen zwischen Aktionären, sind FACC nicht bekannt.

Es bestehen keine Entschädigungsvereinbarungen zwischen FACC und ihren Vorstands- und Aufsichtsratsmitgliedern für den Fall eines öffentlichen Übernahmeangebots.

In den Vereinbarungen betreffend Schuldscheindarlehen sind „Change of Control“-Klauseln enthalten. Die Darlehensgeber sind berechtigt zu kündigen, wenn

- a. die Aviation Industry Corporation of China (AVIC) direkt oder indirekt insgesamt weniger als 50 % plus eine Aktie der Darlehensnehmerin hält oder
- b. die Aviation Industry Corporation of China (AVIC) weder direkt noch indirekt das Recht hat, die Mehrheit der Geschäftsführungs- oder Aufsichtsratsmitglieder der Darlehensnehmer zu bestimmen und zu ernennen.

13. AUSBLICK

13.1. Der Markt der zivilen Luftfahrt

Der Wachstumstrend in der zivilen Luftfahrtindustrie dürfte auch in Zukunft weiter anhalten: Analysen der OEM bestätigen derzeit die konstante jährliche Zunahme des

Passagieraufkommens von rund 4,5 %. In den kommenden 20 Jahren wird sich die Flotte an Flugzeugen weltweit von derzeit 21.000 Verkehrsflugzeugen (Quelle: Marktausblick – Airbus) bis zum Jahr 2036 auf 42.500 Flugzeuge mehr als verdoppeln. Aus der derzeit bestehenden Flotte werden 12.800 Flugzeuge außer Dienst gestellt und durch moderne Flugzeuge ersetzt werden. Entsprechend dieser Einschätzung besteht bis zum Jahr 2036 ein Bedarf an 34.900 neuen Flugzeugen mit mehr als 100 Sitzplätzen.

Es wird jedoch auch von einer deutlichen Verschiebung hin zu den neuen Wachstumsmärkten China und Indien ausgegangen. Das Verkehrsaufkommen (Reisetätigkeit pro Jahr und Einwohner) soll sich in diesen Ländern bis zum Jahr 2036 vervierfachen. Das Reiseaufkommen je Einwohner in den USA und in Europa wird sich – obwohl es sich bereits heute auf hohem Niveau befindet – um weitere 40 % erhöhen.

Im vergangenen Jahr lieferten Airbus und Boeing zusammen 1.481 neue Verkehrsflugzeuge an ihre Kunden aus. Im gleichen Zeitraum wurden 2.021 Flugzeuge an Airlines verkauft. Es handelt sich somit um eine Book to Bill Ratio von deutlich über 1.

13.2.FACC-Konzern

Das Erreichen des Umsatzziels von 1 Mrd. Euro gemäß der Konzernstrategie „Vision 2020“ bis zum Ende des Geschäftsjahres 2020/21 bleibt aufrecht. Für die Folgejahre wird von einer stufenweisen Steigerung der Fertigungsrate in wesentlichen Programmen ausgegangen. Bedingt durch das ausgewogene und moderne Produkt- und Kundenportfolio von FACC kann das Unternehmen vom generellen Wachstum aller bedeutenden Flugzeugfamilien profitieren.

Einen besonderen Fokus legt FACC auf die Abwicklung der im letzten Jahr unterschriebenen Neuaufträge in Höhe von rund 750 Mio. EUR. Erste Umsätze aus diesen Neuaufträgen werden für das erste Halbjahr des Geschäftsjahrs 2019/20 erwartet.

Für das Geschäftsjahr 2018/19 erwartet FACC auf Basis der heutigen Markteinschätzung und des aktuellen Produktmixes des Konzerns ein Umsatzwachstum im einstelligen Prozentbereich. An den Initiativen zur Erhöhung des Automatisierungsgrads und der Produktivität sowie das Outsourcing der Produktion von einfachen Composite-Teilen in die Supply Chain hält der Konzern weiterhin fest. Das wird zu einer überproportionalen Verbesserung der Ertragslage führen.

Zusammenfassend wird der FACC-Konzern seine Aktivitäten von der Entwicklung, der Herstellung sowie dem globalen Supply Chain Management weiter forcieren und damit seine Position als bevorzugter Technologiepartner der Luftfahrtindustrie nachhaltig ausbauen. Die Umsetzung der Konzernstrategie „Vision 2020“ im Hinblick auf Stärkung und Ausbau des Rangs eines Tier-1-Lieferanten bei den Kunden Airbus, Boeing, Bombardier, Embraer sowie allen namhaften Triebwerksherstellern hat höchste Priorität.

Ried im Innkreis, am 2. Mai 2018



Robert Machtlinger



Ales Starek



Yongsheng Wang



Andreas Ockel

4. BESTÄTIGUNGSVERMERK ^{*)}

Bericht zum Jahresabschluss

Prüfungsurteil

Wir haben den Jahresabschluss der

FACC AG, Ried im Innkreis,

bestehend aus der Bilanz zum 28. Februar 2018, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 28. Februar 2018 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir die aus unserer Sicht besonders wichtigen Prüfungssachverhalte dar:

1. *Bewertung von Anteilen an verbundenen Unternehmen sowie Forderungen gegenüber verbundenen Unternehmen*

Beschreibung

Im Jahresabschluss der FACC AG zum 28. Februar 2018 sind die Anteile an verbundenen Unternehmen (267,8 Mio. €) und Forderungen gegenüber verbundenen Unternehmen (30,3 Mio. €) ausgewiesen.

Die Beurteilung der Werthaltigkeit von Anteilen an verbundenen Unternehmen und Forderungen gegenüber verbundenen Unternehmen erfordert wesentliche Annahmen und Schätzungen der gesetzlichen Vertreter zur Beurteilung, ob eine Wertminderung zum Geschäftsjahresende vorliegt sowie gegebenenfalls zur Quantifizierung solcher Wertminderungen.

Das wesentliche Risiko besteht dabei in der Schätzung der zukünftigen Cash-Flows der Tochterunternehmen, welche zur Feststellung der Werthaltigkeit dieser Bilanzpositionen herangezogen werden. Diese Cash-Flow Schätzungen beinhalten Annahmen, die von zukünftigen Markt- und Wirtschaftsentwicklungen beeinflusst werden.

Die Angaben der Gesellschaft zu Anteilen an verbundenen Unternehmen und Forderungen gegenüber verbundenen Unternehmen sind im Jahresabschluss der FACC AG im Anhang in den Bilanzierungs- und Bewertungsmethoden zu Finanzanlagen und zu Forderungen und sonstigen Vermögensgegenständen sowie in den Erläuterungen zur Bilanz und im Anlagespiegel zum 28. Februar 2018 erläutert.

Adressierung im Rahmen der Abschlussprüfung

Um dieses Risiko zu adressieren, haben wir die Annahmen und Schätzungen des Managements kritisch hinterfragt und dabei unter anderem die folgenden Prüfungshandlungen durchgeführt:

- Prüfung der angewandten Methodik, der rechnerischen Richtigkeit der vorgelegten Unterlagen und Berechnungen sowie Plausibilisierung der Diskontierungssätze unter Beiziehung von unseren internen Bewertungsspezialisten
- Überprüfung, ob Indikatoren auf eine mögliche Wertminderung vorliegen
- Durchsicht der Planungsunterlagen sowie Plausibilisierung und Analyse der wesentlichen Werttreiber (Umsatz, Aufwendungen, Investitionen und Veränderungen im Working Capital), um die Angemessenheit dieser Planungen zu verifizieren
- Prüfung der Vollständigkeit der Angaben im Anhang

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit - sofern einschlägig - anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen kann. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und - sofern einschlägig - damit zusammenhängende Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

Sonstige gesetzliche und andere rechtliche Anforderungen

Bericht zum Lagebericht

Der Lagebericht ist auf Grund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält zutreffende Angaben nach § 243a UGB, und steht in Einklang mit dem Jahresabschluss.

Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen beinhalten alle Informationen im Geschäftsbericht, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk. Der Geschäftsbericht wird uns voraussichtlich nach dem Datum des Bestätigungsvermerks zur Verfügung gestellt. Unser Prüfungsurteil zum Jahresabschluss deckt diese sonstigen Informationen nicht ab und wir werden keine Art der Zusicherung darauf geben.

In Verbindung mit unserer Prüfung des Jahresabschlusses ist es unsere Verantwortung diese sonstigen Informationen zu lesen, sobald diese vorhanden sind und abzuwägen, ob sie angesichts des bei der Prüfung gewonnenen Verständnisses wesentlich in Widerspruch zum Jahresabschluss stehen, oder sonst wesentlich falsch dargestellt erscheinen.

Zusätzliche Angaben nach Artikel 10 der EU-VO

Wir wurden von der Hauptversammlung am 18. Juli 2017 als Abschlussprüfer gewählt. Wir wurden 03. Oktober 2017 vom Aufsichtsrat beauftragt. Wir sind ununterbrochen seit dem Geschäftsjahr 2016/17 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüferin ist Frau Mag. Johanna Hobelsberger-Gruber.

Linz, am 02. Mai 2018

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

 Mag. Johanna Hobelsberger-Gruber Wirtschaftsprüferin	 ppa DI (FH) Hans Eduard Seidel Wirtschaftsprüfer
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*) Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.