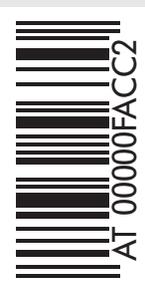


REPORT

ANNUAL FINANCIAL REPORT 2015/16



Group Management Report of the FACC Group for the 2015/2016 Financial Year

1. MACRO-ECONOMIC CONDITIONS

As in the previous year, the global economy recorded a growth of 2.4% in 2015, with the overall economic performance differing from region to region. Global economic growth in 2015 was driven more by industrialised countries than by emerging economies. In China, the world's second-largest economy, economic changes led to falling imports and weaker demand for raw materials. Economic growth slowed in 2015 and, at 6.9%, dipped below the 7% mark for the first time, also impacting other emerging markets.

Conversely, the US economy grew at the same rate as in the previous year, with buoyant private consumption and rising public expenditure and investments generating growth of 2.4% in 2015.

Growth began picking up again in the eurozone as well, with the economy expanding by 1.5% compared with 0.9% in 2014. This trend was favoured by low oil prices, the European Central Bank's expansionary monetary policy and the decline of the euro against other currencies, notably the dollar.

The downward trend in commodity prices is reflected in the price trend for crude oil. The combined effect of persistently high production volumes and lower economic growth in the emerging markets was to push down oil prices, at times quite dramatically, with the price of a barrel of Brent crude averaging USD 52 in the year under review.

(Source: EIA, January 2016)

1.1. INDUSTRY-SPECIFIC CONDITIONS IN THE AVIATION INDUSTRY

Thanks to rising passenger numbers and low fuel costs, 2015 is regarded as a very good year for the aviation industry. Global passenger traffic increased by 6.5% and freight traffic by 2.2%. The three most important regions for passenger traffic all performed well, with passenger traffic growing by 8.2% in Asia, 5.0% in Europe, and 3.2% in North America (source: IATA, February 2016).

Rising passenger numbers are prompting airlines to expand their fleets, with the global fleet growing by 4.5% in 2015 (source: Ascend) and the number of flying hours increasing by 6.6%.

According to IATA, the international aviation industry showed record profits in 2015, thanks to lower kerosene prices and an improved utilisation rate of almost 80%. Towards the end of the year, the airlines could reckon with revenues of USD 710 billion, with profits amounting to USD 33 billion. This corresponds to a doubling of their profit margin to 4.6% (source: IATA, December 2015).

Airbus and Boeing delivered a total of 1,397 aircraft in 2015 compared with 1,350 in the previous year. This equates to a rise of 3.5%. The order backlog for aircraft seating 100 or more passengers rose from 12,800 in 2014 to 13,400 at year-end 2015 (source: Ascend Online). Assuming unchanged production rates, this corresponds to a workload of nine years.

Data from recent years as well as key figures in 2015 underpin the continued positive development of the aviation industry in general. From today's perspective, the global aviation market should continue to develop in a positive manner also moving forward. These estimates are based on the following general growth trends:

- According to the market analyses of the major OEMs, passenger volumes will show an annual growth rate of 5% between 2015 and 2033.
- Based on current estimates, the existing fleet of 18,500 commercial aircraft (status April 2016) will grow to roughly 37,500 units by 2034.
- 12,400 airliners from the existing fleets will reach the end of their service life and be replaced by modern aircraft models.
- Based on these estimates, a total of 31,400 new airliners will be required over the next 19 years.

In the next two decades, the main growth markets in the aviation industry will continue to be the Asia/Pacific markets (+6.3% p.a.), China (+6.6% p.a.) and the Middle East (+7.4% p.a.). On the one hand, this growth will be mainly achieved through annual increases in GDP in the markets mentioned above, and on the other, demand from the local population for air travel will show strong growth, with these economic areas thus accounting for more than 50% of total future demand for new aircraft.

465 business jets were delivered in the first nine months of 2015, up 1.3% on the same period of the previous year (source: GAMA, October 2015).

1.2. OVERALL ASSESSMENT OF THE BUSINESS ENVIRONMENT

As in 2014, the global economy grew by 2.4% in the year under review, with growth being increasingly driven by industrialised countries rather than emerging economies.

In the opinion of the International Monetary Fund (IMF), dramatically lower commodity prices represent one of the biggest risks to the global economy. Although countries like Germany are benefiting from these lower prices, from a global perspective, however, there are numerous countries that are on the losing end – especially energy exporters such as Canada and Norway.

The aviation industry has been on a growth path for some years now and is growing faster than the global economy. Global passenger traffic increased by 6.5% in 2015 – the sixth year in succession, in which the growth rate has exceeded 5%. Therefore, from today's perspective, the long-term growth forecasts for the aviation industry of 5% per year on average also seem realistic for the future.

2. DEVELOPMENT OF THE FACC GROUP

In the 2015/16 financial year, the FACC Group generated revenues of EUR 587.5 million. This means an increase of EUR 58.6 million or 11.1% compared to the previous year. Product revenues increased by 11.6% to EUR 525.9 million.

Revenues from the billing of development services rose by 7.1% to EUR 61.6 million in the period under review.

In the period under review, fraudulent activities originated outside the company (Fake President Incident) and led to an illicit outflow of EUR 52.8 million of liquid funds from the company. Thanks to countermeasures, which were put in place straight away, a sum of EUR 10.9 million deposited on recipient accounts was frozen. This amount was recorded as non-current receivables in the balance sheet. As a result, the remaining amount of EUR 41.9 million (one-off effect) was recognised as a loss under various expenses. It can be assumed that the sums on frozen bank accounts will not be recovered over the short term.

Including this loss, earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) totalled EUR –23.4 million in the 2015/16 financial year (2014/15: EUR –4.5 million). Adjusted for this one-off effect, EBIT amounted to EUR 18.6 million in the 2015/16 financial year.

Group earnings after taxes amounted to EUR –21.9 million in the period under review (2014/15: EUR –9.6 million).

The balance sheet total decreased by EUR 19.1 million to EUR 699.2 million compared to the previous year.

Non-current assets increased particularly with regard to intangible assets and property, plant and equipment. In the period under review, investments were made in accordance with the investment budget and amounted to EUR 50.9 million (2014/15: EUR 77.8 million). Capitalised development costs contained in investments amounted to EUR 24.0 million (2014/15: EUR 30.3 million) and were mainly driven by engineering services associated with the development of the Airbus A350 Winglet, Embraer Legacy 450/500 and Embraer E-Jet 190, A320 new cabin interiors as well as A350 interiors.

Current assets of FACC Group fell by EUR 49.9 million in the year under review. Trade receivables and inventories registered a significant increase due to the growth in product revenues. Receivables from affiliated companies dropped by EUR 16.3 million. The loss incurred by the company as a result of the cyber fraud also led to an outflow of liquid funds totalling EUR 52.8 million.

FACC Group's equity reached a level of EUR 304.4 million at the end of the 2015/16 financial year. This corresponds to an equity ratio of 43.5% (28 February 2015: 43.8%).

Net debt amounted to EUR 171.9 million in the period under review financial year (28 February 2015: EUR 102.6 million).

Cash and cash equivalents of FACC Group stood at EUR 56.2 million as of the balance sheet date (28 February 2015: EUR 111.0 million).

Net cash flow from ongoing operating activities was materially affected by changes in the net working capital and by earnings before interest, taxes and fair value measurement of derivative financial instruments.

Net cash outflows resulting from investing activities amounted to EUR 50.8 million and were mainly driven by the planned investments in the expansion of Plant II and III as well as by investments in new aircraft programmes in the form of capitalised engineering services and investments in new tools.

Based on available credit lines (excluding cash and cash equivalents), free liquidity stood at EUR 66.2 million as of the balance sheet date (28 February 2015: EUR 67.0 million).

3. DEVELOPMENT OF THE BUSINESS SEGMENTS

3.1. AEROSTRUCTURES SEGMENT

Revenue in the Aerostructures segment amounted to EUR 273.5 million in the 2015/16 financial year (2014/15: EUR 273.3 million). Revenues from product deliveries remained almost at the previous year's level, totalling EUR 234.4 million compared to EUR 242.5 million in the 2014/15 financial year. This corresponds to a decline of 3.3% compared to the previous year. In contrast, revenues from development activities increased by 27.3% from EUR 30.8 million to EUR 39.2 million in the period under review.

Earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) in the Aerostructures segment stood at EUR 13.3 million in the 2015/16 financial year (2014/15: EUR 25.0 million).

This change in the earnings position is mainly based on the fact that division earnings in the year under review were reduced by EUR 19.5 million as a result of the Fake President Incident. Excluding the effects of the Fake President Incident, operating EBIT would have totalled EUR 32.9 million, thus considerably exceeding the previous year's level. The earnings contribution from the product business could be maintained at a sustainably high level.

3.2. ENGINES & NACELLES SEGMENT

Revenue in the Engines & Nacelles segment amounted to EUR 116.6 million in the 2015/16 financial year (2014/15: EUR 93.9 million). Revenues from product deliveries increased by 24.1% from EUR 87.2 million in the previous year to EUR 108.2 million in the year under review. Revenues from development activities also grew by 15.1% from EUR 7.3 million to EUR 8.4 million in the 2015/16 financial year.

The development of the Nacelles segment in the year under review continued to be mainly influenced by the ramp-up of serial production of the A350 Translating Sleeve project, while the sister product for Boeing 787 is already being produced in large quantities. Positive developments which are worth mentioning include the slight increase in the output rate of the fan cowls for the Airbus A320ceo, which continued to record stable sales. Older programmes such as the GIV fan cowls are being gradually replaced by new products and therefore registered a considerable reduction. Both Airbus A380 Rear Secondary Structure and Inlet Outer Barrel programmes developed in a relatively stable manner: they were only subject to minor fluctuations in the short-term operational planning process.

In the year under review, the Engine Composites segment continued to develop in a positive manner after it had reported a significant decline in output volumes in the previous year due to the one-off reduction of inventories at Rolls-Royce, one of the company's key customers. Also in the Engine Composites area, the A350 Trent XWB and PW800 Bypass Duct projects made a pivotal contribution to the development of the business according to plan. The Boeing 787 Trent 1000 project performed well in line with expectations, whereas the Airbus A380 programmes were affected by the preferred selection of the

engines produced by Pratt & Whitney instead of those manufactured by Rolls-Royce.

Earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) in the Engines & Nacelles segment amounted to EUR –13.3 million in the 2015/16 financial year (2014/15: EUR –22.6 million).

In the year under review, division earnings were reduced by EUR 8.2 million as a result of the Fake President Incident. Excluding the effects of the Fake President Incident, operating EBIT would have totalled EUR –5.1 million, thus considerably exceeding the previous year's level.

In the Engines & Nacelles division, the earnings contribution from engine programmes could be further increased. However, the B787 TRSL project within the nacelles programmes had a negative impact on the earnings performance of the division and consequently on overall Group results. This is mainly attributable to the fact that the negotiations of amendments to certain contracts with customers could not be concluded, as had also been the case in the previous year.

3.3. INTERIORS SEGMENT

Revenue in the Interiors segment amounted to EUR 197.4 million in the 2015/16 financial year (2014/15: EUR 161.7 million), as the division was able to achieve a considerable increase in product deliveries compared to the previous year. In the year under review, product revenue stood at EUR 183.3 million (2014/15: EUR 145.6 million). This increase of 25.9% is almost entirely attributable to the new A350, Legacy 500 and CL350 programmes, whereas revenues from existing series programmes such as the A320, A380 and Phenom 300 remained relatively stable. Revenues from development activities declined to EUR 14.1 million after EUR 16.2 million in the previous year.

The earnings situation of the Interiors division in the year under review was influenced by the ramp-up of the new A350 projects. Additional costs in the production area were mainly due to the increase in the number of employees, which became necessary in order to cope with the significant ramp-up of series production for the A350 projects. Conversely, production costs in the business jet manufacturing area were reduced, as planned, compared to the previous year. The earnings performance of the programmes was largely in line with planning figures, although the stabilisation measures with regard to the ramp-up of the A350 projects progressed less rapidly than originally planned.

Earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) in the Interiors segment amounted to EUR –23.4 million in the 2015/16 financial year (2014/15: EUR –6.9 million).

In the year under review, division earnings were reduced by EUR 14.2 million as a result of the Fake President Incident. Excluding the effects of the Fake President Incident, operating EBIT would have totalled EUR –9.2 million, remaining below the previous year's level.

4. RISK REPORT

FACC is exposed to unpredictable situations in its daily business operations, which may have potentially negative effects. In order to be adequately prepared and be able to deal with any such situations appropriately, FACC has established a Group-wide risk management system.

Within the framework of this risk management system, any occurring or potential risks are continuously monitored, assessed and reported by the respective operating units to the Management Board twice a year, once they have been reviewed by management. Exceptional events are reported immediately to the responsible risk owner or risk management director, who decides if the Management Board is to be notified straight away. The Management Board, in turn, reports to the Supervisory Board in its meetings. This ensures that significant risks are detected early on and corresponding measures to avoid or mitigate these risks are put in place.

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.

To support the timely identification and assessment of risks, effective internal risk control systems were introduced, which provide reliable results. Software tools for the execution of FMEA (Failure Mode and Effects Analysis) are well integrated and provide significant support for the risk minimisation process both in the product development phase and subsequently during ongoing production by adopting preventive measures.

4.1. MANAGEMENT RISKS

Based on market observations and analyses, a six-year business plan is created, which defines the basic strategy of the company 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 market changes pose the biggest risk here. Besides, operational success is also continually 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. This is to ensure that the company's strategic orientation along with the planned sales and profit targets are taken into due consideration.

4.1.1. Business interruption risk

The company's production sites and plants are constantly maintained and serviced, thus limiting the risk of breakdowns or lengthy production downtimes to a minimum. The business interruption risk is also covered by business interruption insurance with an indemnity period of 18 months.

4.1.2. Financial risk

In this case, risk management falls under the responsibility of the company's treasury in the finance and accounting department. The treasury department assesses and hedges financial risks in close cooperation with the operating business segments and the company's banks.

4.1.3. Interest rate risk

The interest rate risk – the possible fluctuation in value of financial instruments due to changes in market interest rates or future cash flows – arises in connection with medium- and long-term receivables and liabilities (especially bonds and loans). In this context, particular care is taken to minimise part of the interest rate risk through fixed interest rate loans.

4.1.4. Foreign currency risk

Sales transactions in the aviation industry are almost exclusively carried out in US dollars. All transaction and currency transla-

tion risks are constantly monitored to hedge potential foreign currency risks. In order to reduce the US dollar risk, 90% of all purchases are currently carried out in US dollar, thus ensuring a so-called “natural hedging”. Derivative financial instruments (forward foreign exchange contracts) are used to hedge the remaining open items. The use of derivative financial instruments clearly reduces the risk of exchange rate fluctuations. The risk management system of the company’s treasury aims to hedge the expected USD-denominated cash flow for future periods.

4.2. PROJECT MANAGEMENT

FACC’s project management is responsible for implementing the objectives defined by the management by way of projects. This entails numerous risks that need to be duly considered. With regard to projects, distinctions are made as to whether development responsibility has been assumed 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.

4.3. CUSTOMER RISK

The company pursues a strict credit policy. The creditworthiness of existing customers is constantly monitored, and new customers undergo a credit assessment. In the event of potential defaults, bad debt allowances for trade receivables are recognised, following in-depth assessment of the risk.

4.4. PURCHASE 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 are in place and that there are no identifiable risks. When new projects are launched, suppliers are subject 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.

4.5. 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 therefore 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 by acting systematically. 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 the product liability risk being appropriately hedged, the occurrence of any possible quality problems may negatively affect the company’s assets and liabilities, financial position and profit and loss.

5. RESEARCH, DEVELOPMENT AND INNOVATION

FACC is committed to constantly investing in research and development with a view to consolidating the company’s relationships with its customers, while opening up new business fields. The main focus lies on proprietary developments, which allow the company to use the expertise acquired in this way for both existing and future customers.

In the 2015/16 financial year, FACC invested EUR 2.3 million or 0.4% of total revenue in the research and evaluation of new prototypes and production processes. The wide array of R&D activities ranged from applied fundamental research based on bench scale testing through to the development of airworthy prototypes and pilot series.

From a company’s perspective, active research represents a basic prerequisite for safeguarding FACC’s leading position as a dependable development partner and system supplier for its customers. Since FACC is often required to work with proprietary customer patents and processes, proprietary developments help retain contracts and open up new business fields. With the help of a strong network of customers, subcontractors and scientific partners, FACC develops new technologies to be applied in future serial production contracts.

From a developmental perspective, the year under review achieved very positive results. The winglet developed by FACC for the Airbus A350 programme passed final testing. In the Engines segment, a new procedure for protecting components against fire was developed, which is now ready for series production and is currently being included in the company’s production process. The development of new prototypes with a widely extended range of functions was also continued in the year under review.

At present, the company’s long-term development objectives increasingly focus on automation and the improvement of production processes. In the year under review, new manufacturing processes for high-production volumes were developed, which will continue to guarantee a high capacity utilisation of existing production plants moving forward. Besides, within the framework of an Industry 4.0 initiative, the research & development team is working jointly with the production planning and manufacturing units on a virtual factory concept aimed at optimising material flows and further reducing production times.

5.1. PATENTS & PRIZES

FACC strives for the highest degree of independence possible 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.

Over the past year, a total of nine patent families were registered, which included – among others – new manufacturing technologies, a new breed of interior components with a special focus on acoustic and heat insulation as well as sound-absorbing and fire-resistant engine components. The R&D team won the Innovation Prize of the State of Upper Austria for the active winglets.

5.2. OUTLOOK

Despite challenging framework conditions, FACC will continue its technology offensive in the 2016/17 financial year. The cross-divisional links between the engineering and product development units in all the divisions will be further strengthened through organisational changes and fine-tuning measures. At the same time, annual coordination activities with regard to technological agreements with key customers, which were started in the past year, will be further intensified moving forward.

6. EMPLOYEES

Despite rising revenues, the number of employees was slightly reduced in the year under review. As of 29 February 2016, total headcount amounted to 3,062 employees (FTE). The number of white collars was reduced by 17.1% due to lower development activities, whereas the number of blue collars in the production area was increased by 9%.

In Austria, a total of 2,786 FTE were working for the company as of 29 February 2016. This corresponds to 90% of the entire workforce.

In order to increase the company's attractiveness as an employer as well as improve staff retention, FACC also continued to consistently implement its extensive employer-branding strategy in the year under review. Since the 2014/15 financial year, the company has made extensive use of social media platforms to increase its attractiveness as an employer. As a special acknowledgement of the company's consistent implementation of its employer-branding strategy, FACC won silver at the "European Change Communication Awards" in November 2015.

As in previous years, further education and vocational training for staff members were a focus of personnel management measures in the year under review. In particular, a special emphasis was placed on the development of employees' management skills. Therefore, extensive management training programmes were implemented within the scope of the FACC Academy, which bundles all Group's vocational training measures under the same roof.

In addition to leadership training, the further education of new staff members has always been a top priority at FACC with the objective of guaranteeing that employees' skills and qualifications meet the high requirements of the aviation industry. A total of 664 training courses with 7,200 participants were held in the 2015/16 financial year.

Apart from specialist training, FACC regards the further development and strengthening of a corporate culture as crucial to corporate success. With a view to anchoring FACC's core values such as "performance", "success", "appreciation" and "team spirit" within the company in the long term, the FACC Leonardo Award was presented in the year under review for the second year in a row, after its premiere in the previous year. This prize rewards outstanding team achievements aimed at implementing the company's corporate values. Following a multi-level selection process, this prize was awarded once again in December 2015. Thanks to the development and introduction of a procedure tailored to FACC's specific requirements aimed at constantly monitoring ongoing productivity increases, efficiency improvements could be implemented in a timely manner and on a project-by-project basis.

Last but not least, special emphasis continues to be placed on apprentice training at FACC. A total of 46 apprentices were working for the company in the 2015/16 financial year. The high quality of FACC's apprentice training was also confirmed by the excellent results achieved by the company's apprentices in the apprentice competition organised by the Chamber of Commerce of Upper Austria for commercial and technical professions in 2015. Out of 736 apprentices from 91 Upper-Austrian companies, including voestalpine and Lenzing, members of the FACC Future Teams secured top positions in the categories "plastics technology", "designer and tool-making technology" and "women in engineering".

Last but not least, since January 2015, FACC has been entitled to bear the Austrian national coat of arms as a state-approved training enterprise.

7. ENVIRONMENT

Since FACC was founded in 1989, the development of the company has been marked by continued growth, which significantly gathered momentum between 2011 and 2015. However, the consumption of both energy and resources did not match this trend. Thanks to a wide range of measures, the development of energy consumption at FACC has been considerably flatter than the overall operating performance of the company. In concrete terms, energy efficiency at FACC plants increased at an annual rate of 10% between 2010 and 2014 and by 7% in 2015. These are peak values, which have been achieved through a set of measures such as energy monitoring, the deployment of control technology and the central monitoring of building technology.

The amount of waste generated by a company is a key indicator for the quality of production processes as it shows how efficiently available raw materials are ultimately used. Thus, the overriding guiding principle at FACC is waste avoidance. The second pillar in the company's waste management is represented by recycling and recovery. Currently, every piece of waste at FACC undergoes thorough examination in a seamless manner to check the potential recyclability of materials. While in 2010 the proportion of recyclable waste at FACC amounted to 12%, in 2015 almost 49% of residual material could be recycled. Nowadays, polystyrene, plastic films, cardboard packaging, tools, iron and aluminium are 100% sold and subsequently recycled. The same applies to waste wood, which can be recycled as raw material to a great extent.

8. REPORT ON BRANCHES

FACC AG does not operate any branches.

9. EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred after the balance sheet date.

10. DISCLOSURES PURSUANT TO SEC. 243A OF THE AUSTRIAN COMMERCIAL CODE (UGB)

10.1. REPORT ON THE KEY FEATURES OF THE GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS WITH REGARD TO ACCOUNTING PROCEDURES

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

A comprehensive set of measures and rules includes, 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 software in use (SAP).

In connection with the "Fake President Incident", FACC AG's Management Board put countermeasures in place as soon as the fraud was discovered. In addition to evaluating possible compensation claims within the framework of the company's D&O insurance, the focus mainly lay on the review of established procedures and methods associated with the company's risk management process and the internal control system.

For more than ten years, FACC has used SAP in almost all areas across the company. The regularity of the SAP systems has been achieved in all relevant business processes.

In the course of monthly reporting to the Management Board and the second-level management, a comparison is made between actual and budgeted figures. 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 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 plans are subject to prior approval by the Management Board. Investments running

over budget are also subject to prior approval by the Supervisory Board.

With regard to IT security, measures relating to authorisation concepts, separation of functions and system security were designed and implemented.

10.2. DISCLOSURES ON CAPITAL, SHARE, VOTING, AND CONTROL RIGHTS AS WELL AS ASSOCIATED OBLIGATIONS

FACC AG's share capital amounted to EUR 45,790,000 as of 29 February 2016 and is divided into 45,790,000 no-par value bearer shares. All the company's shares have been admitted to trading on the Prime Market segment of the Vienna Stock Exchange.

Every FACC AG's share entitles the bearer to one vote at the Annual General Meeting.

As of 29 February 2016, 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 29 February 2016, the company's Management Board was unaware of any other shareholders, who held more than 10% of the company's share capital.

45.5% of FACC shares represent free float.

There are no shares with special control rights.

No employee participation programme is currently in place at FACC AG, which shall not entitle the bearers of FACC AG's shares to exercise their voting rights directly.

10.3. 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 19,895,000.00 by issuing up to 19,895,000 new shares against contributions in cash or in kind. 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 3,000,000.00 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.

10.4. 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 the merger of several companies. The amount of capital issued and the conversion ratio are to be established in compli-

ance with the provisions set forth in the convertible bonds. The issue amount of the shares shall not be less than the pro-rata amount of the share capital.

10.5. LEGAL PROVISIONS FOR THE APPOINTMENT OF MEMBERS OF THE MANAGEMENT BOARD AND THE 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 will have the right to appoint up to one third of all Supervisory Board members.

Beyond that, the Articles of Association include no regulations that exceed the legal provisions for the appointment of members of the Management Board and Supervisory Board or the amendment of the Articles of Association.

10.6. OTHER DISCLOSURES

As of 29 February 2016, 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 special compensation agreements exist between FACC AG and the members of the Management and Supervisory Board in the case of a public take-over bid.

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

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

11. OUTLOOK

11.1. MARKET

The overall market environment in the aviation industry remains consistently positive. Once again, delivery rates were further increased in the year under review, whereas new orders did not fully match the previous year's levels. Despite a slight easing of the situation, total order backlog for aircraft corresponds to a production workload of roughly nine years.

This growth trend is expected to continue moving forward. According to the market analyses of the major OEMs, passenger volumes will show a constant annual growth rate of roughly 5%. Over the next two decades, the global aircraft fleet, which currently amounts to 18,500 commercial aircraft (source: Airbus Global Market Forecast, April 2016), will more than double to roughly 37,500 units by 2034. At the same time, 12,400 airliners 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 31,400 new airliners will be required over the next 19 years.

11.2. THE FACC GROUP

The products developed over the last few years are increasingly starting serial production. Sales volumes of the A350 projects will more than double over the next two to three years, becoming a major driver of the company's overall business development. In addition to the series production of the A350 projects, current forecasts envisage a further increase in demand also for both the B787 and A320 programmes over the next year or two.

Thanks to FACC's balanced and modern product and customer portfolio, the company can profit from the general growth trend currently underway in almost all aircraft families. Development work on the large projects of the past ten to twelve years, particularly for the A380, A350, B787 aircraft models, are basically completed. The main focus currently lies on the optimal industrialisation of these projects as well as on ongoing improvement projects.

The investments made by the FACC Group in the A350 XWB, B787, Legacy 450/500, Bombardier CL 350 and Global 7000/8000 new projects are showing sustainable effects. As a system supplier, FACC will profit significantly from the serial ramp-up of these projects. In addition to increasing revenues, this will also ensure a high degree of capacity utilisation at the company's plants.

From a current perspective, repayment of development costs incurred by the company will be realised as planned. Thus, the accomplishment of "FACC Vision 2020" of achieving constant growth seems to be realistic from today's perspective. In its planning for the current financial year, FACC assumes that revenue growth will be in the double digit percentage range.

In the near future, revenues from development services will fail to match the levels recorded in the 2012 and 2013 financial years. As mentioned before, both Airbus and Boeing have decided to avoid major new developments in the near future and, instead, carry out ongoing improvements to existing aircraft, which are less risky in terms of technical requirements and more viable from a financial perspective.

Following the successful commissioning of FACC's new site in Wichita (USA) and the related modification activities with regard to the winglets for the B737 project, valuable experience was acquired in the MRO area (maintenance, repair and overhaul) as well as in terms of direct collaboration with the airlines as end-consumers. Since composite materials account for an ever-increasing proportion of new aircraft components, the MRO market, and more specifically the maintenance of composite systems, represents a fast growing business field. Based on its extensive experience in the development and manufacture of composite systems, moving forward, FACC is pursuing the ultimate objective of increasingly providing repair and maintenance services to airlines in addition to its core business.

As part of the "FACC Vision 2020", a number of dedicated "Operational Excellence" projects were launched with a view to improving efficiency and boosting profitability. These projects aim to increase the degree of automation in production, raise productivity and reduce products' processing costs as well as to boost margins by outsourcing the production of simple composite parts. These projects are having an impact. The increasing automation of processes will also take centre stage in the 2016/17 financial year with a view to further enhancing FACC's overall efficiency. The main objective of these activities will continue to be

a general increase in the overall productivity of 7 to 10% depending on the respective product mix.

The company will also continue to press ahead with outsourcing defined product families to strategic supply chain partners in growth markets (UAE, India and China). Thanks to the qualification of the plant, planned by FACC in China in the 2014 financial year, the outsourcing of significant product families from the Interiors, Engine Composites as well as Aerostructures segments will be further stepped up. Along with these relocations, the company also plans to further decrease US dollar exposure, release FACC production space for the manufacturing of high-tech products and further expand its global manufacturing network.

Moving forward, the FACC Group will continue to strengthen its business activities, ranging from development, manufacturing through to global supply chain management, while further expanding its role as a preferred partner of the aviation industry. The implementation of the “FACC Vision 2020” strategy, especially when it comes to consolidating and expanding the company’s standing as a Tier 1 supplier of customers such as Airbus, Boeing, Bombardier, Embraer and all renowned engine manufacturers, is and will continue to be a top priority.

Ried im Innkreis, 20 May 2016

Walter Stephan m. p.
Chairman of the Management Board

Robert Machtlinger m. p.
Member of the Management Board

Yongsheng Wang
Member of the Management Board

Consolidated Statement of Financial Position

	Note	February 28, 2015	February 29, 2016
		EUR'000	EUR'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5	151,659	166,067
Property, plant and equipment	6	158,251	168,748
Other non-current financial assets	7	469	451
Non-current receivables	9	24,597	30,232
Deferred tax assets	30	–	241
		334,976	365,739
CURRENT ASSETS			
Inventories	8	98,858	107,823
Trade receivables	9	91,707	106,384
Receivables from construction contracts	9	28,920	28,633
Other receivables and deferred items	9	17,507	15,337
Receivables from related companies	9	35,322	19,060
Derivative financial instruments	14	–	–
Cash and cash equivalents	10	110,955	56,215
		383,269	333,451
TOTAL ASSETS		718,245	699,190
EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital	11	45,790	45,790
Capital reserve	11	220,535	221,459
Currency translation reserve	11	(170)	(250)
Other reserves	11	(24,014)	(13,476)
Retained earnings		72,759	50,842
		314,900	304,365
Non-controlling interests		8	17
TOTAL EQUITY		314,908	304,381
LIABILITIES			
NON-CURRENT LIABILITIES			
Promissory note loans	12	–	42,000
Bonds	12	89,067	89,242
Other financial liabilities	13	66,268	75,213
Derivative financial instruments	14	10,340	–
Investment grants	15	11,223	12,385
Employee benefit obligations	16	10,926	10,759
Deferred taxes	30	4,589	–
		192,413	229,600
CURRENT LIABILITIES			
Trade payables	17	72,087	72,679
Payables to related companies	18	–	425
Other liabilities and deferred income	18	25,007	25,526
Other financial liabilities	13	13,173	21,634
Promissory note loans	12	45,000	–
Derivative financial instruments	14	48,199	33,476
Other provisions	19	6,642	10,393
Investment grants	15	768	904
Income tax liabilities		49	171
		210,924	165,209
TOTAL LIABILITIES		403,337	394,809
TOTAL EQUITY AND LIABILITIES		718,245	699,190

The Notes on pages 64 to 105 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Note	2014/15	2015/16
		EUR'000	EUR'000
REVENUE	4	528,914	587,541
Changes in inventories	20	2,755	4,424
Own work capitalised	21	18,762	18,784
Cost of materials and purchased services	22	(330,193)	(373,894)
Staff costs	23	(162,259)	(158,510)
Depreciation and amortisation	25	(23,299)	(25,911)
Other operating income and expenses	26	(39,192)	(75,822)
Earnings before interest, taxes and fair value measurement of derivative financial instruments		(4,512)	(23,388)
Finance costs	27	(10,280)	(12,562)
Interest income from financial instruments	28	623	444
Fair value measurement of derivative financial instruments	29	(387)	5,242
Loss before taxes		(14,557)	(30,264)
Income taxes	30	4,976	8,357
Loss after taxes		(9,581)	(21,908)
ITEMS SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS			
Currency translation differences from consolidation		(43)	(78)
Fair value measurement of securities (net of tax)		31	(13)
Cash flow hedges (net of tax)	11	(19,779)	10,052
ITEMS SUBSEQUENTLY NOT RECLASSIFIED TO PROFIT OR LOSS			
Revaluation effects of pensions and termination benefits (net of tax)	16	(2,832)	499
Other comprehensive loss/income for the year		(22,623)	10,460
Total comprehensive loss for the year		(32,204)	(11,448)
LOSS AFTER TAXES			
ATTRIBUTABLE TO:			
Equity holders of the parent		(9,594)	(21,917)
Non-controlling equity holders		13	9
TOTAL COMPREHENSIVE LOSS FOR THE YEAR			
ATTRIBUTABLE TO:			
Equity holders of the parent		(32,217)	(11,457)
Non-controlling equity holders		13	9
Earnings per share with regard to loss after taxes attributable to the equity holders of the parent during the year (in EUR per share)			
Basic	35	(0.22)	(0.48)

The Notes on pages 64 to 105 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	2014/15	2015/16
	EUR'000	EUR'000
OPERATING ACTIVITIES		
Earnings before interest, taxes and fair value measurement of derivative financial instruments	(4,512)	(23,388)
Fair value measurement of derivative financial instruments ¹	(387)	5,242
	(4,899)	(18,146)
Plus/minus		
Release of/accrual of investment grants	1,378	1,332
Depreciation and amortisation	23,299	25,911
Losses/(gains) on disposal of non-current assets	783	-
Changes in financial instruments ¹	52,176	(25,063)
Cash flow hedges	(26,384)	13,403
Change in non-current receivables	(7,921)	(5,634)
Change in employee benefit obligations, non-current	4,646	(167)
Revaluation effects of pensions and termination benefits	(3,776)	665
Deconsolidation effects	-	(2,334)
Valuation effects from currency translation differences	(9,533)	(1,534)
	29,769	(11,567)
Changes in net current assets		
Change in inventories	(17,809)	(9,069)
Changes in receivables and deferred items	(14,361)	3,223
Change in trade payables	16,393	730
Change in current provisions	(3,834)	5,627
Change in other current liabilities	1,332	1,307
Cash generated from operations	11,490	(9,749)
Interest received	623	444
Tax paid	(4,755)	(2)
Net cash generated from operating activities	7,358	(9,308)
INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	(42,796)	(26,296)
Purchase of intangible assets	(4,745)	(586)
Payments for addition to development costs	(30,274)	(23,983)
Net cash used in investing activities	(77,815)	(50,865)
FINANCING ACTIVITIES		
Proceeds from financial loans and bonds	15,203	26,190
Repayments of financial loans and bonds	(3,433)	(9,722)
Payments of interest on financial loans and bonds	(10,280)	(12,562)
Equity contribution	138,377	-
Payment of dividend	(19,000)	-
Net cash generated from/(used in) financing activities	120,867	3,906
Net change in cash and cash equivalents	50,410	(56,266)
Cash and cash equivalents at the beginning of the period	51,012	110,955
Change resulting from consolidation effects (deconsolidation)	-	(8)
Valuation effects from currency translation differences	9,533	1,534
Cash and cash equivalents at the end of the period	110,955	56,215

¹ Includes changes in financial instruments not considered part of net current assets.

The Notes on pages 64 to 105 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Fiscal year 2014/15

	Share capital EUR'000	Capital reserve EUR'000	Currency translation reserve EUR'000
Balance as at March 1, 2014	35	125,006	(127)
Loss after taxes	-	-	-
Other comprehensive loss			
Currency translation differences from consolidation	-	-	(43)
Fair value measurement of securities (net of tax)	-	-	-
Revaluation effects of pension and termination benefits (net of tax)	-	-	-
Cash flow hedges (net of tax)	-	-	-
Total other comprehensive loss	-	-	(43)
Total comprehensive loss	-	-	(43)
Reclassification from capital reserve to retained earnings	-	-	-
Dividends paid	-	-	-
Initial consolidation of subsidiaries	-	-	-
Other changes	-	-	-
Share capital increase from capital reserve	29,965	(29,965)	-
Capital increase from IPO	15,790	125,494	-
Balance as at February 28, 2015	45,790	220,535	(170)

Fiscal year 2015/16

	Share capital EUR'000	Capital reserve EUR'000	Currency translation reserve EUR'000
Balance as at March 1, 2015	45,790	220,535	(170)
Loss after taxes	-	-	-
Other comprehensive loss			
Currency translation differences from consolidation	-	-	(80)
Fair value measurement of securities (net of tax)	-	-	-
Revaluation effects of pension and termination benefits (net of tax)	-	-	-
Cash flow hedges (net of tax)	-	-	-
Total other comprehensive loss	-	-	(80)
Total comprehensive loss	-	-	(80)
Reclassification from capital reserve to retained earnings	-	-	-
Dividends paid	-	-	-
Initial consolidation of subsidiaries	-	-	-
Other changes	-	924	-
Share capital increase from capital reserve	-	-	-
Capital increase from IPO	-	-	-
Balance as at February 29, 2016	45,790	221,459	(250)

The Notes on pages 64 to 105 are an integral part of these consolidated financial statements.

Other reserves

Available-for-sale securities EUR'000	Hedging reserve EUR'000	Reserve IAS 19 EUR'000	Retained earnings EUR'000	Equity attributable to equity holders of the parent EUR'000	Non-controlling interests EUR'000	Total equity EUR'000
(45)	–	(1,389)	101,353	224,833	(5)	224,828
–	–	–	(9,594)	(9,594)	13	(9,581)
–	–	–	–	(43)	–	(43)
31	–	–	–	31	–	31
–	–	(2,832)	–	(2,832)	–	(2,832)
–	(19,779)	–	–	(19,779)	–	(19,779)
31	(19,779)	(2,832)	–	(22,623)	–	(22,623)
31	(19,779)	(2,832)	(9,594)	(32,217)	13	(32,204)
–	–	–	–	–	–	–
–	–	–	(19,000)	(19,000)	–	(19,000)
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	141,284	–	141,284
(14)	(19,779)	(4,221)	72,759	314,900	8	314,908

Other reserves

Available-for-sale securities EUR'000	Hedging reserve EUR'000	Reserve IAS 19 EUR'000	Retained earnings EUR'000	Equity attributable to equity holders of the parent EUR'000	Non-controlling interests EUR'000	Total equity EUR'000
(14)	(19,779)	(4,221)	72,759	314,900	8	314,908
–	–	–	(21,917)	(21,917)	9	(21,908)
–	–	–	–	(80)	–	(80)
(13)	–	–	–	(13)	–	(13)
–	–	499	–	499	–	499
–	10,052	–	–	10,052	–	10,052
(13)	10,052	499	–	10,458	–	10,458
(13)	10,052	499	(21,917)	(11,459)	9	(11,450)
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	924	–	924
–	–	–	–	–	–	–
–	–	–	–	–	–	–
(27)	(9,727)	(3,722)	50,842	304,365	17	304,381

Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 29 FEBRUARY 2016

1 GENERAL

In the following, the notes are presented for the two reporting periods ended 28 February 2015 and 29 February 2016.

The FACC Group, domiciled in Ried im Innkreis, is a group incorporated in Austria for the development, production and servicing of aircraft components. The principal activities of the FACC Group are the manufacturing of structural components, such as engine cowlings, wing claddings or control surfaces, as well as interiors for modern commercial aircraft. The components are manufactured using mainly composites. In the components made of such composites, the Group also integrates metallic components of titanium, high-alloy steel and other metals, and supplies these components to the aircraft final assembly lines ready for fitting.

Since 25 June 2014 FACC AG has been listed on the Vienna Stock Exchange in the Prime Market segment (official trading).

Except for the deconsolidation of the previously fully consolidated subsidiary ITS GmbH, there has been no change in the scope of consolidation of the FACC Group as at 29 February 2016 compared to the scope of consolidation of the consolidated financial statements as at 28 February 2015.

FACC AG is included in the scope of consolidation of FACC International Company Ltd. with its office in Hong Kong (Room 2302, 23rd Floor, Caroline Centre Lee Gardens Two, 28 Yun Ping Road, HKG), company register number 1394811.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the reporting periods presented.

(a) Basis of preparation

The consolidated financial statements as at 29 February 2016 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the statutory provisions of Section 245a of the Austrian Commercial Code (UGB).

The consolidated financial statements have been prepared under the historical cost convention, with the exception of financial assets and financial liabilities (including derivative financial instruments) that were measured at fair value. Assets and liabilities are categorised either as current or non-current assets and liabilities, with their terms being disclosed in the notes to the consolidated financial statements. The consolidated statement of comprehensive income is prepared using the total expenditure format.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2(b).

For the purpose of clarity, amounts are rounded and – where stated – reported in euro thousand.

New and amended standards that have been applied for the first time in the fiscal year

The following new and/or amended standards and interpretations have been adopted for the first time in the fiscal year 2015/16 but had no material impact on the consolidated financial statements:

Standards/interpretations

Annual improvements to IFRS 2011–2013

Effective date in the EU

1 January 2015

Endorsement status

Endorsed in December 2014

Standards, interpretations and amendments to published standards which are not yet effective and have not been applied by the Group in preparing these consolidated financial statements

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9, developed in several phases, was issued in July 2014 by the IASB. It replaces the parts of IAS 39, 'Financial instruments: Recognition and measurement', that relate to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit loss model that replaces the incurred loss model used in IAS 39. With regard to the classification and measurement of financial liabilities, IFRS 9 only introduces amendments for liabilities designated at fair value through profit or loss. Under IFRS 9, changes in own credit risk with regard to these liabilities are now to be recognised in other comprehensive income. Further, IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Concurrent documentation is still required but is different to that currently prepared under IAS 39. According to the IASB, IFRS 9 is effective for reporting periods beginning on or after 1 January 2018. The standard has not yet been endorsed by the European Union. The Group is currently assessing the full impact of IFRS 9. From a current perspective, the Group estimates that IFRS 9 will primarily affect the categorisation of financial assets as well as their measurement. The transition to the expected credit loss model will result in a tendency to record value adjustments of receivables earlier. IFRS 7, 'Financial instruments: Disclosures', which has been changed due to IFRS 9, will lead to changes in and/or extensions to disclosures in the notes.

IFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue. Under IFRS 15, revenue is to be recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The new standard

on revenue recognition replaces the previous provisions of IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The IASB determined the standard to be effective for reporting periods beginning on or after 1 January 2018. IFRS 15 has not yet been endorsed by the European Union. The FACC Group is currently assessing the full impact of IFRS 15. An adjustment of internal processes in relation to the first-time adoption of IFRS 15 is to be expected. Furthermore, changes in and/or extensions to disclosures in the notes with regard to revenue recognition will have to be made.

IFRS 16 'Leases' specifies how to recognise, measure and present leases as well as how to disclose leases in the notes. IFRS 16 provides a single lessee accounting model, requiring lessees to recognise rights of use arising from the lease on the assets side as well as lease obligations on the liabilities side of the statement of financial position. Simplified rules apply to leases with terms of less than twelve months as well as for low-value assets. The approach to lessor accounting remains substantially unchanged under IFRS 16. The FACC Group is currently assessing the impact of IFRS 16 on the Group. From a current perspective, it is expected that IFRS 16 will lead to a more detailed accounting of rights of use and lease obligations arising from the leases thus far classified as operating leases. Furthermore, extended disclosures in the notes in accordance with the requirements under IFRS 16 will have to be made.

There are no other standards or interpretations that are not yet effective and that would be expected to have a material impact on the Group.

(b) Use of assumptions and estimates

Assumptions and estimates were made in the preparation of the consolidated financial statements which had an effect on the amount of the reported assets, liabilities, income and expenses. These may lead to significant adjustments to assets and liabilities in subsequent fiscal years.

Assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may not necessarily be equal to the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

(i) Employee benefit obligations

Employee benefit obligations mainly comprise pension obligations and provisions for termination benefits. Employee benefit obligations are calculated based on the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on high-quality corporate bonds with the same currency and a term corresponding to the estimated term of benefit obligations.

Management appointed independent actuaries to carry out a full valuation to determine the expected employee benefit obligations that are required to be disclosed and recognised in the financial statements in accordance with the IFRS requirements.

The actuaries use assumptions and estimates and evaluate and update these assumptions at least on an annual basis. Judgment is required in establishing the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions

can significantly affect the present value of plan obligations and service costs in future periods. The discount rate is a potential volatile parameter. Increasing the discount rate by 0.25 percentage points would result in a decrease in the present value of defined benefit obligations of 144 EURk and decrease the service cost by 9 EURk. Decreasing the discount rate by 0.25 percentage points would result in an increase in the defined benefit obligations of 153 EURk and increase the service cost by 9 EURk. Reference is also made to Note 16.

(ii) Non-current receivables

In the reporting period, an externally controlled fraud incident ("Fake President Incident") resulted in an illegal outflow of the Group's liquid funds in the amount of 52,847 EURk. Immediately adopted measures led to the freezing of 10,860 EURk in receiving accounts. This amount has been recognised as non-current receivable, as the subsidiary FACC Operations GmbH considers itself to be the lawful owner of the money and – based on a legal opinion obtained – assumes that the money will be reimbursed. It is expected that the amounts frozen in receiving accounts will not be reimbursed in the short term.

(iii) Scheduled amortisation of development costs

The calculation for amortisation of capitalised development costs is based on the number of shipsets to be supplied. This number of shipsets is an assumption based on a defined assessment procedure (refer to Note 2(d)(iii) "Research and development costs"). Increasing the estimated number of shipsets by 10% would result in a decrease in amortisation of 501 EURk (28 February 2015) and 613 EURk (29 February 2016). Decreasing the estimated number of shipsets by 10% would result in an increase in amortisation of 613 EURk (28 February 2015) and 751 EURk (29 February 2016).

(iv) Receivables from construction contracts

Under IAS 11, a construction contract is a contract specifically negotiated for the construction (development) of an asset. Contract costs are recognised as expenses in the period in which they are incurred. As the outcome of a construction contract can frequently not be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable from the customer. Based on this assessment, partial profit realisation is not applied by management.

(v) Impairment assessment of goodwill and other non-current assets

Assumptions are required in the assessment of impairment, particularly when assessing: (1) whether an event has occurred that may indicate that the respective assets may not be recoverable; (2) whether the carrying amount of an asset can be achieved by the recoverable amount based on the present value of future cash flows; and (3) whether there are appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Should the discount rate change by +50 basis points at the end of the reporting period, an additional impairment adjustment would not be required. As discount rate, the Group uses the weighted average cost of capital (WACC), which was 7.55% as at 29 February 2016 and 8.2% as at 28 February 2015.

Should the EUR/USD exchange rate used in the measurement model change by +/-5 cents, no impairment would be required in the Engines & Nacelles and Aerostructures divisions; an impairment in the amount of 13,208 EURk would be required in the Interiors division. The EUR/USD exchange rates used in

the measurement model ranged between 1.2250 EUR/USD and 1.1800 EUR/USD in the planning periods. Should the expected average EBIT margin change by 2.0%, no impairment would be required in the Engines & Nacelles and Aerostructures divisions; an impairment in the amount of 28,926 EURk would be required in the Interiors division. Reference is also made to Note 33.

(vi) Useful lives of property, plant and equipment

The useful life of the Group's property, plant and equipment is defined as the period over which it is expected to be available for use by the Group. The estimation of the useful life is a matter of judgement based on management's experience. Periodic reviews by management could result in a change in depreciable lives and therefore affect the depreciation expense in future periods.

(vii) Derivative financial instruments

All derivatives are recognised at their fair value. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivatives and whether they are designated and qualify for hedge accounting under IAS 39. Where derivative financial instruments entered into by the Group qualify for cash flow hedge accounting, the movement in their fair value is recorded under the caption of hedging reserve in equity. Where derivative financial instruments entered into by the Group do not qualify for hedge accounting, or hedge accounting is not applied, the movement in their fair value is recorded in the consolidated statement of comprehensive income through profit or loss. The sensitivity analysis with regard to derivative financial instruments is presented in Note 3(b)(i) below.

(c) Consolidation

The financial statements of subsidiaries included in the consolidated financial statements were prepared as at the end of the reporting period applicable throughout the Group, i.e. as at 28 February 2015 and 29 February 2016, and in accordance with IFRS as adopted by the EU. The financial statements of FACC AG and its subsidiaries are included in the consolidated financial statements taking into account the uniform recognition and measurement principles of the Group.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are de-consolidated as at the date that control ceases. The consolidated statement of comprehensive income includes revenue and expenses up to the date of de-consolidation.

Under full consolidation, all Group companies are included in the consolidated financial statements.

(i) Consolidated group

The consolidated group is determined according to the principles of IFRS 10. The Group has the following subsidiaries:

Company	Place of incorporation	Issued and fully paid share capital	Direct shareholding	Principal activities
FACC Operations GmbH	Ried im Innkreis, Austria	127,000,000 EUR ¹	100%	Development & production of aircraft components
FACC Solutions (Canada) Inc.	Montreal, Canada	10,000 CAD	100%	Customer service
FACC Solutions Inc.	Wichita, Kansas, USA	10,000 USD	100%	Customer service
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
ITS digitech Pvt. Ltd.	Bhau Patil Marg, India	20,193,002 INR	100%	Design & Engineering
CoLT Prüf und Test GmbH	St. Martin, Austria	35,000 EUR	91%	Design & Engineering

¹ of which shareholder contribution for the ordinary capital increase (not yet registered): 47,000,000 EUR

Non-controlling interests with regard to the subsidiary CoLT Prüf und Test GmbH are not considered material. Assets and liabilities of subsidiaries are fully available to the Group.

(ii) Changes in the consolidated group

Except for the deconsolidation of the previously fully consolidated subsidiary ITS GmbH, there has been no change in the consolidated group of the FACC Group as at 29 February 2016 compared to the consolidated group of the consolidated financial statements as at 28 February 2015. Insolvency proceedings regarding the assets of ITS GmbH were initiated in the second quarter of 2015, resulting in the loss of control and deconsolidation as at 31 August 2015. ITS GmbH is an engineering office domiciled in Steinebach, Germany (most recent number of staff: 19). The deconsolidation of ITS GmbH does not have a material impact on the Group's assets and liabilities, financial situation and results of operations.

(iii) Consolidation methods

The Group applies the acquisition method to account for business combinations. The consideration transferred for acquisition of the subsidiary is the fair values of the assets transferred, equity instruments issued and the liabilities assumed or incurred at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Inter-company transactions, balances, and material unrealised income and expenses on transactions between Group companies are eliminated.

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

(iv) Currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros ("EUR"), which is the functional currency of the FACC Group and the Group's presentation currency.

With regard to the currency translation of financial statements of subsidiaries presented in foreign currencies, the rates as at the end of the reporting period were applied to items in the consolidated statement of financial position, and average rates for the reporting period were applied to items in the consolidated statement of comprehensive income. Differences in these currency translations are recognised as part of other comprehensive income in equity.

Exchange rate differences arising from the translation of transactions and monetary items in the consolidated statement of financial position denominated in foreign currencies are recognised in profit or loss at the rates applicable at the time of the transaction or valuation. Foreign currency translation in relation to foreign currency derivatives is set out in Section (q).

The exchange rates used in the currency translation are as follows:

	Year-end rate February 28, 2015	Average rate
1 EUR/CAD FY 2014/15	1.3995	1.4520
1 EUR/USD FY 2014/15	1.1240	1.2937
1 EUR/RMB FY 2014/15	7.0485	8.0068

	Year-end rate February 29, 2016	Average rate
1 EUR/CAD FY 2015/16	1.4767	1.4388
1 EUR/USD FY 2015/16	1.0888	1.1014
1 EUR/RMB FY 2015/16	7.1351	6.9799
1 EUR/INR FY 2015/16	74.3825	71.6992

(d) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's share in the fair value of the identifiable net assets acquired. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of comprehensive income affecting profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is monitored internally at the segment level.

A CGU or group of CGUs to which the goodwill was allocated is reviewed for impairment annually at the end of the reporting period or more frequently if events indicate a potential impairment. In doing so, the carrying amount of the CGU, including the goodwill, is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. If the carrying amount of the CGU exceeds the recoverable amount, the difference is recognised immediately as an impairment loss in profit or loss. Any impairment recognised for the goodwill is not reversed in subsequent periods.

(ii) Software and delivery rights

Purchased intangible assets are measured at acquisition cost in the consolidated statement of financial position, and are generally amortised on a straight-line basis over their respective useful life (three to ten years). Delivery rights are amortised on the basis of the shipsets supplied or outstanding.

(iii) Research and development costs

An intangible asset arising from development is to be only recognised when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- It is intended to complete the intangible asset as well as to use or sell it;
- It is possible to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits. There is proof that, among other things, a market exists for the products of the intangible asset or the intangible asset as such or, if it is intended for internal use, the benefit of the intangible asset;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available;

- The expenditure attributable to the intangible asset during its development can be reliably measured.

The Group capitalises the development costs in accordance with IAS 38, based on project-related costs. All eligible development costs for each project are capitalised. The capitalised development costs are treated as "construction in process". Amortisation starts when series production is ready, based on shipsets supplied, with reference to the sales framework, as determined by the management. The sales framework is determined based on the Airline Monitor (market forecast by third parties), as used throughout the aviation industry, and current customer forecasts. This sales framework is re-assessed at the end of each reporting period. Depending on the status of the project (new project or on-going project with residual terms) the planning horizon of the sales framework is a maximum of 20 years. This amortisation method ensures that changes in the order volume have a direct effect on the development costs. The costs of research projects are immediately recognised as an expense as and when incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (which are assets that necessarily take a substantial period of time to get ready for their intended use or sale) are added to the production cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed as and when incurred.

(e) Property, plant and equipment

Items of property, plant and equipment are measured at acquisition or production costs, less scheduled depreciation and write-downs.

The production costs of property, plant and equipment comprise direct costs and reasonable parts of the overhead costs.

Property, plant and equipment subject to depreciation are depreciated on a straight-line basis over the estimated useful life of the respective asset. Depreciation is charged over the following useful lives assumed unchanged across all years presented:

	Useful life in years	
	From	To
Buildings	10	50
Leasehold improvements ¹	33	50
Technical equipment and machinery	3	33
Fixtures and fittings	5	14
Vehicles	5	8

¹ or over the lease terms, whichever is shorter

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amounts of property, plant and equipment and are recognised within "Other operating income and expenses" in the consolidated statement of comprehensive income.

(f) Assets from rental and leasing contracts

The Group leases assets as a lessee. Leases in which a significant part of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. In the same amount, a leasing liability is recognised under non-current liabilities. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(g) Other non-current financial assets

This item comprises securities and investments. Regular purchases and sales of financial assets are recognised on the settlement date.

All items are classified as "available for sale", and are initially measured at cost at the time of acquisition and subsequently carried at fair value. The changes in value are recognised as part of equity in other comprehensive income. In case of impairment or when the security is sold, these changes are recognised in the consolidated statement of comprehensive income. The fair value of the securities is based on the share price at the end of the reporting period.

(h) Impairment of intangible assets (goodwill, development costs, software and delivery rights) and property, plant and equipment

Intangible assets with an indefinite useful life as well as intangible assets not ready for use are not subject to amortisation but are tested annually for impairment in the course of an impairment test at the segment level. Assets that are subject to amortisation are reviewed for impairment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest cash flow generating levels which are largely independent from the cash flows of other assets or groups of assets (CGU). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

(i) Inventories

Inventories are stated at the lower of acquisition or production costs and net realisable value at the end of the reporting period.

Acquisition costs include all costs incurred in bringing the asset to the condition required and moving it to the specific location. Production costs include all direct costs and also reasonable parts of the production-related overheads, based on normal operating capacity. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (which are assets that necessarily take a substantial period of time to get ready for their intended use or sale) are added to the production cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they occur. The costs per unit are determined according to the moving average price method.

The net realisable value is the estimated selling price for the assets, less expected future costs of completion and sale,

determined on the basis of experience. Price reductions in the replacement costs are generally considered when determining the net realisable value.

(j) Receivables and other assets

Trade receivables, other receivables and other assets are initially recognised at fair value or acquisition cost and subsequently carried at amortised cost, less any value adjustments (in case of impairment). Foreign currency receivables are valued at the year-end exchange rate.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash (cash in hand), cheques received and deposits held at call with financial institutions with original maturities of three months or less. This is in accordance with the definition of cash and cash equivalents in the consolidated statement of cash flows.

(l) Employee benefits

(i) Pension obligations

Based on an individual commitment as a result of an executive employee joining FACC AG on 1 June 2014, the Group is obligated to pay a pension to this executive employee when he retires. This defined benefit obligation is measured by a qualified and independent actuary at the end of each reporting period.

The liability recognised in the consolidated statement of financial position as at 29 February 2016 in respect of defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost, recognised in the consolidated statement of comprehensive income under "Staff costs" (except where included in the cost of an asset), reflects the increase in the defined benefit obligation the reporting period 2015/16. Past-service costs are recognised immediately in profit or loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Both are calculated at the beginning of the reporting period taking into account any changes that arose due to contribution and benefit payments made with regard to the net balance in the course of the reporting period. The net interest cost is included in "Staff costs" in the consolidated statement of comprehensive income.

Actuarial gains and losses ("revaluation effects") arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(ii) Defined contribution plans

The Group pays monthly contributions into an industry-wide pension fund for all executives. These contributions are invested in an employee account, and paid out or passed on to the employee as an entitlement upon retirement. The Group is exclusively obligated to make those contributions that were recorded as

expenditure in the same reporting period in which they were incurred (defined contribution obligation).

(iii) Termination benefits

Statutory provisions require the Group to pay a one-off termination benefit to an employee whose employment commenced up to and until 31 December 2002 when employment is terminated by the Group or when an employee retires. This termination benefit depends on the number of years of service and the remuneration at the time of severance or retirement and amounts to between two to twelve monthly salaries. A provision is made for this obligation.

This provision is calculated in accordance with IAS 19 using the projected unit credit method. The present value of future payments is accumulated according to actuarial calculations over the estimated period of employment of the employees. The calculation is done at the end of the respective reporting period, based on the expert opinion of an actuary.

Actuarial gains and losses (“revaluation effects”) arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

In addition, provisions for termination benefits are made due to contractual termination benefit obligations vis-à-vis the managing directors of FACC AG. The calculation basis for these contractual termination benefit obligations is the amount that would have to be paid at the end of the reporting period if the managing director left the company.

(iv) Defined contribution plans (staff provision fund; Mitarbeitervorsorgekasse)

For all employee/employer relationships which started in Austria after 31 December 2002, the Group makes a monthly contribution of 1.53% of the remuneration to a corporate staff provision fund, which deposits the contributions into an account of the employee. The amount is paid out to the employee or the employee is entitled to this amount upon termination of employment. The Group is exclusively obligated to pay those contributions that were recorded as expenditure in the same reporting period in which they were incurred (defined contribution obligation).

(v) Other non-current employee obligations

Based on collective agreements, the Group is obligated to pay employees anniversary bonuses equivalent to one month's salary or wage (excluding fringe benefits and bonuses) upon completion of 25 years of service. A provision was made for this obligation.

This provision is measured according to the projected unit credit method and assumptions applied for the measurement of termination benefit obligations. However, actuarial gains and losses (“revaluation effects”) are recognised through profit or loss.

(m) Other provisions

Other provisions are recorded if the Group has a present legal or constructive obligation towards a third party as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. The provisions are recorded at the value determined according to best estimates made at the time the consolidated financial statements are prepared. A provision is not recognised if the amount cannot be reasonably assessed (in exceptional cases). This liability is recognised as contingent liability.

(n) Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In this case, tax is also recognised in other comprehensive income or in equity, respectively.

Pursuant to the provisions stipulated in Section 9 of the Austrian Corporate Income Tax Act (KStG), a group and tax compensation agreement dated 13/15 February 2012 was entered into between Aerospace Innovation Investment GmbH (now FACC AG) as group parent and Aero Vision Holding GmbH (which was merged with FACC AG on 28 February 2014) as well as FACC AG (now FACC Operations GmbH) as group members. This agreement is effective for the first time in the fiscal year 2012. The group and tax compensation agreement was lodged with the competent tax authority by group tax application dated 27 February 2012. If the group parent as well as the group member generate revenue, the positive tax compensation to be paid by the group member amounts to 25% of the calculated tax income. If a group premium is generated due to the losses of the group parent or the group member (irrespective of the loss having arisen prior to or during the existence of the group of companies), this premium is allocated according to the “costs-by-cause” principle. The positive tax compensation to be paid and the negative tax compensation to be received by the group member is calculated on the basis of the prorated tax charge/group premium plus any minimum tax that would have to be paid if no group had been set up (and that has to be paid by the group parent if the group of companies still exists).

A VAT group within the meaning of Section 2 Para. 2 No. 2 UStG is in place between FACC AG and FACC Operations GmbH as of June 2014.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements prepared in accordance with IFRS. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for, both at initial recognition and thereafter, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future due to this influence.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation

authority on either the same or different taxable entities where there is an intention to settle the balances on a net basis.

(o) Borrowings

The Group's borrowings are initially measured at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised through profit or loss over the period of the borrowings using the effective interest method.

(p) Trade and other payables

Trade and other payables are initially measured at fair value or at cost and are subsequently measured at amortised cost.

(q) Derivative financial instruments

The Group uses derivative financial instruments to hedge risk exposures with regard to foreign currency and interest rate risks. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes. Derivative financial instruments are initially measured at fair value on the contract date, and are carried at amortised cost at the end of the subsequent reporting periods. Changes in fair value are recognised based on whether certain qualifying criteria under IAS 39 are satisfied in order to apply hedge accounting.

(i) Cash flow hedges

Derivatives designated as hedging instruments to hedge against the variability of cash flows attributable to highly probable forecast transactions qualify as cash flow hedges. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group enters into forward foreign exchange contracts to hedge the foreign currency risk associated with certain forecast foreign currency revenue. The effective portion of changes in the fair value of these derivatives is recognised in other comprehensive income and recognised in the hedging reserve (currency hedges) as part of other reserves. Gains and losses relating to the ineffective portion are immediately recognised through profit or loss.

Amounts accumulated in the hedging reserve are reclassified to the consolidated statement of comprehensive income in the period when the hedged item affects profit or loss (for example, when the forecast revenue transaction takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised through profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of comprehensive income.

(ii) Derivatives not qualified for hedge accounting

As regards derivatives that do not qualify for cash flow hedge accounting under IAS 39 (such as structured currency options and interest rate swaps, or those where the rules of hedge accounting are not applied), changes in fair value are recognised in the consolidated statement of comprehensive income under "Fair value

measurement of derivative financial instruments" or – if they relate to recognised foreign currency trade receivables and payables – in "Other operating income and expenses". Interest income and expenses resulting from interest rate derivatives are included within the line item "Interest income from financial instruments" in the consolidated statement of comprehensive income.

(r) Foreign currency measurement

Foreign currency translation of receivables, cash and cash equivalents and payables is carried out at the rate prevailing at the end of the reporting period. Gains and losses are recognised in profit or loss.

(s) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the applicable conditions.

Government grants relating to costs are recognised over the period in which the relating costs are incurred.

Government grants relating to property, plant and equipment are included in non-current/current liabilities as deferred items and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (which are assets that necessarily take a substantial period of time to get ready for their intended use or sale) are added to the acquisition or production cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

(u) Revenue recognition

Revenue comprises the fair value of the consideration received or to be received for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating inter-Group sales.

The Group generates revenue by sale of goods (shipsets) to its customers. Sales of goods within the underlying supply agreements are recognised when the Group or a Group company has delivered the products to the customer and after any risks have been transferred to the customer according to the agreed terms and conditions.

In addition, the Group earns revenue from the provision of engineering services and the rendering of services to third parties relating to producing shipsets. These services include: selling technology and research results, as well as carrying out training programmes for third parties. This revenue is recognised over the period of service rendered to the relevant third party.

The Group's revenue is partly generated by construction contracts. The recognition of this revenue is explained under Note 2(b)(iv).

3 FINANCIAL RISK MANAGEMENT

(a) Principles of financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. It is the Group's policy to basically not enter into derivative transactions for speculative purposes.

Risk management is carried out by a central treasury department (Group treasury). Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

The Group's industry-specific risk lies in the changes in manufacturers' aircraft delivery plans to the end customers. The risk arising from the changes in future aircraft deliveries has an effect on the future revenue of the Group, since the deliveries of components manufactured by the Group follow this trend. The risk may lie in a reduction or the postponement of aircraft deliveries. This has the effect that the development costs cannot be recovered over the calculated period. This risk is counteracted through diversification within the sector, on the one hand, by maintaining supply agreements with both market dominating commercial aircraft suppliers and, on the other hand, by entering into supply agreements with the business jet sector in addition to the wide-body passenger aircraft. There is also geographic diversification through conclusion of supply agreements with the American/European markets and also in the Asian region. The Group is also a development partner for improvements to existing aircraft types, generating supply agreements for refurbishment of such aircraft.

(b) Financial risk factors

(i) Market risk

This includes especially the exchange and interest rate risks, as explained in more detail below. Apart from the two risk groups described below, there are no other significant price risks.

Foreign exchange risk – The Group is exposed to foreign exchange risk arising from cash flows from operating business, carried out mainly in USD. Consequently, the USD/EUR exchange rate affects the Group's profit or future cash flows to the extent to which the Group does not use financial instruments to hedge its current and future net foreign currency position. The Group treasury's hedging strategies are designed to control and minimise the influence of exchange rate fluctuations on these profits or future cash flows. The Management Board approves the strategies and reports to the Supervisory Board on a regular basis. This is an ongoing process. The goal is to minimise the inherent risk in market fluctuations by pursuing the right strategy.

The Group treasury's risk management policy is to hedge anticipated USD cash flows (arising from revenue and purchases of raw materials) for the following periods as described below: 100% hedging for the next twelve months, 50% hedging for 13 to 24 months, and 25% hedging for 25 to 36 months. These USD cash flows qualify as 'highly probable' forecast transactions with regard to hedge accounting purposes. The Group therefore applies hedge accounting for the forward foreign exchange contracts in accordance with the rules of hedge accounting.

A change in exchange rates with respect to all currencies as at 28 February 2015 and 29 February 2016 would basically impact the Group only with regard to the USD, on the one hand due to the effects from the measurement at the end of the reporting period of USD items in the consolidated financial statements, and on the other hand due to the effect from the change in fair values of the derivative financial instruments in connection with currency hedges.

A change in the EUR/USD exchange rate as at 28 February 2015 and 29 February 2016 by +5% (average exchange rate at the end of the reporting period: 1.1240 and 1.088, respectively) would result in a decrease in profit/loss (after taxes) and equity by 4,607 EURk and 4,053 EURk due to the measurement at the end of the reporting period, as well as an increase in total comprehensive income/loss and equity by 19,475 EURk and 10,992 EURk due to the change in fair values of derivative financial instruments in connection with currency hedges.

A change in the EUR/USD exchange rate as at 28 February 2015 and 29 February 2016 by –5% (average exchange rate at the end of the reporting period: 1.1240 and 1.088, respectively) would result in an increase of the profit/loss (after taxes) and equity by 5,092 EURk and 4,480 EURk due to the measurement at the end of the reporting period, as well as a decrease in total comprehensive income/loss and equity by 8,982 EURk and 11,967 EURk due to the change in fair values of derivative financial instruments in connection with currency hedges.

Interest rate risk – Risks from interest rate changes arise almost exclusively from non-current borrowings. A list of all the significant interest-bearing liabilities and the residual terms, together with information on existing interest rate swap transactions, is included in Notes 12, 13 and 14.

In the context of whether an item bears fixed or variable interest rates, the Group assesses the risks of interest rate changes in the light of changes in cash flows of future interest payments. In close cooperation with market specialists from the banking sector, Group treasury routinely checks for every interest-bearing item whether a hedging instrument should be used. Strategies are presented to and approved by the Management Board.

If the market interest rate level had been higher/lower by 50 basis points as at 28 February 2015 and 29 February 2016, the profit/loss (after taxes) and equity would have been lowered/increased by 247 EURk and 256 EURk. The calculation was based on the financial assets and liabilities bearing variable interest rates.

(ii) Liquidity risk

It is a key element of FACC's business policy to, at all times, ensure adequate availability of cash and cash equivalents as liquidity reserve to be able to meet current and future obligations. This is assured by the reported total amount of cash and cash equivalents and extensive unused credit facilities (67,000 EURk as at 28 February 2015 and 66,162 EURk as at 29 February 2016). Working capital is constantly monitored and reported to the Management Board. Timely financing is a top priority in financing considerations. Surplus cash and cash equivalents are invested in non-speculative, highly liquid financial instruments as required. These include mainly money market certificates, call money, securities and other money market papers that generally mature in less than three months. Refer to Note 3(e) for a maturity analysis of the financial liabilities. Reference is also made to Note 12 with regard to the covenant agreement.

(iii) Credit risk

The Group operates within the airline industry and has two key customers. Consequently, the Group faces a concentration of credit risk in respect to the limited number of aircraft manufacturers.

Non-compliance by contractual partners is a credit risk to the Group. The Group has introduced guidelines to limit credit risks. Products and services are sold to customers with a history of appropriate creditworthiness taking into account the financial situation, past experience as well as other factors. The creditworthiness of new customers is assessed with regard to the default risk. The creditworthiness of existing customers is also regularly monitored. Claims against customers are insured against default should they exceed certain limits. Credit risks 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 reputable and creditworthy banks and financial institutions.

The maximum credit risk is limited to the carrying amount of each financial asset in the consolidated statement of financial position.

No significant receivables had to be written off during the relevant fiscal years.

(c) Contract volumes of derivative financial instruments and associated fair values

The notional amounts of certain types of derivative financial instruments serve as a basis for comparison with instruments recognised in the consolidated statement of financial position but do not necessarily indicate the current fair value of the instrument and, therefore, do not indicate the Group's exposure to credit risk or price risk. Depending on the individual conditions, the derivative financial instruments have a favourable (assets) or unfavourable (liabilities) effect as a result of fluctuations in market interest rates or foreign exchange rates. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can be subject to considerable temporal fluctuation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The contract volume of the foreign currency derivatives is shown below, broken down according to maturity:

	RESIDUAL TERM			Total USD'000
	Up to 1 year USD'000	1 to 5 years USD'000	More than 5 years USD'000	
BALANCE AS AT FEBRUARY 28, 2015				
CURRENCY HEDGING AGREEMENTS				
Forward foreign exchange contracts – USD	290,000	135,000	–	425,000
BALANCE AS AT FEBRUARY 29, 2016				
CURRENCY HEDGING AGREEMENTS				
Forward foreign exchange contracts – USD	255,000	80,000	–	335,000

With regard to payments from cash flow hedges, the contractual due dates, i.e. the time when the underlying transactions are recognised through profit or loss, essentially correspond to the maturity of the above currency hedging agreements.

The contract volume of the derivative financial instruments for interest rate hedging is as follows:

	RESIDUAL TERM			Total EUR'000
	Up to 1 year EUR'000	1 to 5 years EUR'000	More than 5 years EUR'000	
BALANCE AS AT FEBRUARY 28, 2015				
Interest rate swaps	–	20,000	–	20,000
BALANCE AS AT FEBRUARY 29, 2016				
Interest rate swaps	20,000	–	–	20,000

The fair values of derivative financial instruments for foreign currency and interest rate hedging are as follows:

	Volume USD'000	Volume EUR'000	Fair value EUR'000
BALANCE AS AT FEBRUARY 28, 2015			
Forward foreign exchange contracts – USD	425,000	–	(48,199)
Interest rate swaps	–	20,000	(10,340)
BALANCE AS AT FEBRUARY 29, 2016			
Forward foreign exchange contracts – USD	335,000	–	(28,378)
Interest rate swaps	–	20,000	(5,098)

(d) Carrying amounts and fair values of financial instruments

Original financial instruments mainly include other non-current financial assets, trade receivables, bank balances, bonds, financial liabilities and trade payables.

Purchases and disposals of all the financial instruments are reported as at the completion date.

At the time of acquisition, the financial instruments are generally measured at cost corresponding to the acquisition-date fair value. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of the ownership. Financial liabilities are derecognised when the payment obligation has expired.

The current and non-current financial assets and liabilities are classified or categorised in accordance with IAS 39 as follows:

	Category IAS 39 ¹	Carrying amount as at February 28, 2015 EUR'000	Fair value as at February 28, 2015 EUR'000	Carrying amount as at February 29, 2016 EUR'000	Fair value as at February 29, 2016 EUR'000
ASSETS					
Measurement at (amortised) cost					
Non-current receivables	LaR	24,597	24,597	30,232	30,232
Trade receivables	LaR	91,707	91,707	106,383	106,383
Receivables from construction contracts	LaR	28,920	28,920	28,633	28,633
Receivables from related companies	LaR	35,322	35,322	19,060	19,060
Cash and cash equivalents	LaR	110,955	110,955	56,215	56,215
Measurement at fair value					
Book-entry securities (not listed)	AfS	44	44	44	44
Securities (listed)	AfS	425	425	407	407
Derivatives with positive fair value (interest rate swaps)	AtFVtP&L	–	–	–	–
Derivatives with positive fair value (forward foreign exchange contracts)	–	–	–	–	–
Total financial assets		291,970	291,970	240,974	240,974
LIABILITIES					
Measurement at (amortised) cost					
Promissory note loans	FLAC	45,000	45,000	42,000	42,000
Bonds	FLAC	89,067	97,486	89,242	90,220
Bank borrowings	FLAC	79,441	79,441	96,848	96,848
Trade payables	FLAC	72,087	72,087	72,679	72,679
Payables to related companies (Group financing)	FLAC	–	–	425	425
Measurement at fair value					
Derivatives with negative fair value (interest rate swaps)	AtFVtP&L	10,340	10,340	5,098	5,098
Derivatives with negative fair value (forward foreign exchange contracts)	–	48,199	48,199	28,378	28,378
Total financial liabilities		344,134	352,553	334,670	335,648

¹ LaR Loans and Receivables
 AfS Available for Sale
 AtFVtP&L At Fair Value through Profit and Loss
 FLAC Financial Liabilities at Amortised Cost

The fair value of a financial instrument is the price at which a party would take over the rights and/or duties under this financial instrument from another party. The fair values were determined based on the market information available at the end of the reporting period and the measurement methods described below. The fair values of financial instruments reported in the financial statements may differ from the values to be realised in the market at a future date due to varying factors.

Trade receivables, other receivables and cash and cash equivalents generally have short residual terms. For this reason, their carrying amounts at the end of the reporting period approximate their fair values. If no market prices are available, the fair values of non-current financial assets correspond to the present values of the associated payments, allowing for the current market parameters in each case.

The fair value of available-for-sale securities was estimated based on their quoted market price at the end of the reporting period.

Trade payables and other current financial liabilities generally have short residual terms; the carrying amounts therefore approximate the fair values.

The fair value of bonds corresponds to the market value at the end of the reporting period. For variable-interest loans, the carrying amount is the fair value. For non-current fixed-interest bank borrowings (including promissory note loans), the fair value was calculated by discounting the cash flows using the market interest rate.

The fair value of the derivative financial instruments on the assets and the liabilities sides is the estimated amount the Group would have to pay or would receive if the transactions were settled on 28 February 2015 and 29 February 2016.

With regard to financial instruments measured at fair value, a differentiation is to be made according to the following three categories.

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- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). An allocation to level 3 is already made if an unobservable input exists in the course of the measurement that exerts a significant influence on the measurement.

The allocation of the financial instruments measured at fair value to the three measurement categories at the end of the reporting period is as follows:

	Level 1 EUR'000	Level 2 EUR'000	Level 3 EUR'000	Total EUR'000
BALANCE AS AT FEBRUARY 28, 2015				
ASSETS				
Non-current assets				
Non-current financial assets	425	–	44	469
Derivative financial instruments	–	–	–	–
Current assets				
Derivative financial instruments	–	–	–	–
LIABILITIES				
Non-current liabilities				
Derivative financial instruments	–	10,340	–	10,340
Current liabilities				
Derivative financial instruments	–	48,199	–	48,199
BALANCE AS AT FEBRUARY 29, 2016				
ASSETS				
Non-current assets				
Non-current financial assets	407	–	44	451
Derivative financial instruments	–	–	–	–
Current assets				
Derivative financial instruments	–	–	–	–
LIABILITIES				
Non-current liabilities				
Derivative financial instruments	–	–	–	–
Current liabilities				
Derivative financial instruments	–	33,476	–	33,476

(e) Residual terms and cash flow analysis of financial liabilities

The residual terms of the financial liabilities are as follows:

	Category IAS 39 ¹	Carrying amount as at February 28, 2015 EUR'000	RESIDUAL TERM			
			Year 1 EUR'000	Year 2 EUR'000	Years 3 to 5 EUR'000	In more than 5 years EUR'000
LIABILITIES						
Measurement at (amortised) cost						
Bonds	FLAC	89,067	-	-	-	89,067
Promissory note loans	FLAC	45,000	45,000	-	-	-
Bank borrowings	FLAC	79,441	13,173	9,920	20,344	36,004
Trade payables	FLAC	72,087	72,087	-	-	-
Measurement at fair value						
Derivatives with negative fair value (interest rate swaps)	AtFVtP&L	10,340	-	10,340	-	-
Derivatives with negative fair value (forward foreign exchange contracts)	-	48,199	38,686	9,513	-	-
Total financial liabilities		344,134	168,946	29,773	20,344	125,071

¹ FLAC Financial Liabilities at Amortised Cost
AtFVtP&L At Fair Value through Profit and Loss

	Category IAS 39 ¹	Carrying amount as at February 29, 2016 EUR'000	RESIDUAL TERM			
			Year 1 EUR'000	Year 2 EUR'000	Years 3 to 5 EUR'000	In more than 5 years EUR'000
LIABILITIES						
Measurement at (amortised) cost						
Bonds	FLAC	89,242	-	-	89,242	-
Promissory note loans	FLAC	42,000	-	8,000	34,000	-
Bank borrowings	FLAC	96,848	21,634	8,903	32,533	33,778
Trade payables	FLAC	72,679	72,679	-	-	-
Payables to related companies (Group financing)	FLAC	425	425	-	-	-
Measurement at fair value						
Derivatives with negative fair value (interest rate swaps)	AtFVtP&L	5,098	5,098	-	-	-
Derivatives with negative fair value (forward foreign exchange contracts)	-	28,378	24,430	3,948	-	-
Total financial liabilities		334,670	124,266	20,851	155,775	33,778

¹ FLAC Financial Liabilities at Amortised Cost
AtFVtP&L At Fair Value through Profit and Loss

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following contractually agreed payment obligations (interest payments and redemptions) arise in the subsequent years from the financial liabilities as at 28 February 2015:

LIABILITIES	Category IAS 39 ¹	Carrying amount as at February 28, 2015 EUR'000	Fixed interest EUR'000
Measurement at (amortised) cost			
Promissory note loans ²	FLAC	45,000	(626)
Bonds	FLAC	89,067	(3,600)
Bank borrowings	FLAC	79,441	(989)
Trade payables	FLAC	72,087	–
Measurement at fair value			
Derivatives with negative fair value (interest rate swaps) ³	AtFVtP&L	10,340	–
Derivatives with negative fair value (forward foreign exchange contracts)	–	48,199	–
Total financial liabilities		344,134	(5,215)

¹ FFLAC Financial Liabilities at Amortised Cost
AtFVtP&L At Fair Value through Profit and Loss

² For information on the covenant agreement, please refer to Note 12.

³ Due to the partially high volatility of the current interest rate environment, a reasonable presentation of the interest payments based on an assessment of the interest rate development up to the maturity of the interest derivative (in 2016) cannot be presented. Therefore, no presentation is given for the following fiscal years.

The interest payments were calculated based on the last interest rates as determined on or before the end of the reporting period. Planned figures for future new liabilities are not included. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity interval.

The following contractually agreed payment obligations (interest payments and redemptions) arise in the subsequent years from the financial liabilities as at 29 February 2016:

LIABILITIES	Category IAS 39 ¹	Carrying amount as at February 29, 2016 EUR'000	Fixed interest EUR'000
Measurement at (amortised) cost			
Promissory note loans ²	FLAC	42,000	(634)
Bonds	FLAC	89,242	(3,600)
Bank borrowings	FLAC	96,848	(1,118)
Trade payables	FLAC	72,679	–
Measurement at fair value			
Derivatives with negative fair value (interest rate swaps) ³	AtFVtP&L	5,098	–
Derivatives with negative fair value (forward foreign exchange contracts)	–	28,378	–
Total financial liabilities		334,244	(5,353)

¹ FFLAC Financial Liabilities at Amortised Cost
AtFVtP&L At Fair Value through Profit and Loss

² For information on the covenant agreement, please refer to Note 12.

³ Due to the partially high volatility of the current interest rate environment, a reasonable presentation of the interest payments based on an assessment of the interest rate development up to the maturity of the interest derivative (in 2016) cannot be presented. Therefore, no presentation is given for the following fiscal years.

The interest payments were calculated based on the last interest rates as determined on or before the end of the reporting period. Planned figures for future new liabilities are not included. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity interval.

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Fiscal year 2015/16		Fiscal years 2016/17 to 2019/20				Fiscal year 2020/21 ff.	
Variable interest EUR'000	Redemption EUR'000	Fixed interest EUR'000	Variable interest EUR'000	Redemption EUR'000	Fixed interest EUR'000	Variable interest EUR'000	Redemption EUR'000
(560)	(45,000)	-	-	-	-	-	-
-	-	(14,400)	-	-	(1,160)	-	(90,000)
(548)	(13,173)	(3,448)	(1,882)	(30,264)	(7,807)	(4,333)	(36,004)
-	(72,087)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(38,686)	-	-	(9,513)	-	-	-
(1,108)	(168,946)	(17,848)	(1,882)	(39,777)	(8,967)	(4,333)	(126,004)

Fiscal year 2016/17		Fiscal years 2017/18 to 2020/21				Fiscal year 2021/22 ff.	
Variable interest EUR'000	Redemption EUR'000	Fixed interest EUR'000	Variable interest EUR'000	Redemption EUR'000	Fixed interest EUR'000	Variable interest EUR'000	Redemption EUR'000
(515)	-	(1,369)	(1,044)	(42,000)	-	-	-
-	-	(11,950)	-	(90,000)	-	-	-
(503)	(21,634)	(3,555)	(1,732)	(41,436)	(7,106)	(3,930)	(33,777)
-	(72,679)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(24,430)	-	-	(3,948)	-	-	-
(1,018)	(118,743)	(16,874)	(2,776)	(177,384)	(7,106)	(3,930)	(33,777)

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The Group has access to the following credit facilities:

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Total credit facilities agreed	67,000	72,000
Total credit facilities unused	67,000	66,162

(f) Net result from financial instruments

The net result from the Group's financial instruments according to classes or measurement categories pursuant to IAS 39 comprises

net gains and losses, total interest income and expenses and impairment losses, and is as follows:

	Fiscal year 2014/15				
	From subsequent measurement				
	From interest EUR'000	At fair value EUR'000	Change in value EUR'000	From disposal EUR'000	Total EUR'000
Loans and receivables	613	–	87	–	700
Financial assets available for sale	10	31	–	–	41
Financial liabilities measured at fair value through profit or loss	(3,453)	(387)	–	–	(3,840)
Financial liabilities measured at amortised cost	(6,438)	–	–	–	(6,438)
Total	(9,268)	(356)	87	–	(9,537)

	Fiscal year 2015/16				
	From subsequent measurement				
	From interest EUR'000	At fair value EUR'000	Change in value EUR'000	From disposal EUR'000	Total EUR'000
Loans and receivables	413	–	(296)	–	117
Financial assets available for sale	10	13	–	–	23
Financial liabilities measured at fair value through profit or loss	(5,472)	5,242	–	–	(230)
Financial liabilities measured at amortised cost	(6,585)	–	–	–	(6,585)
Total	(11,633)	5,255	(296)	–	(6,674)

The change in the provision for impaired loans and receivables is shown under "Other operating income and expenses". The subsequent measurement at fair value of the financial assets available for sale is shown in other comprehensive income under "Fair value

measurement of securities". The remaining components of the net result are mainly included in "Finance costs", "Interest income from financial instruments" and in "Fair value measurement of derivative financial instruments".

4 SEGMENT REPORTING

Fiscal year 2014/15	Segments			Total EUR'000
	Aerostructures EUR'000	Engines & Nacelles EUR'000	Interiors EUR'000	
Information on profitability				
Revenue	273,269	93,897	161,748	528,914
Earnings before interest, taxes and fair value measurement of derivative financial instruments	25,045	(22,612)	(6,945)	(4,512)
Depreciation and amortisation	10,480	6,296	6,523	23,299
Earnings before interest, taxes, fair value measurement of derivative financial instruments, depreciation and amortisation	35,526	(16,316)	(422)	18,787
Information on assets				
Assets	371,606	137,354	209,285	718,245
Capital expenditure in the fiscal year	46,313	3,998	27,504	77,815

Fiscal year 2015/16	Segments			Total EUR'000
	Aerostructures EUR'000	Engines & Nacelles EUR'000	Interiors EUR'000	
Information on profitability				
Revenue	273,532	116,613	197,396	587,541
Earnings before interest, taxes and fair value measurement of derivative financial instruments	13,345	(13,285)	(23,448)	(23,387)
Depreciation and amortisation	11,903	5,090	8,918	25,911
Earnings before interest, taxes, fair value measurement of derivative financial instruments, depreciation and amortisation	25,248	(8,195)	(14,529)	2,524
Information on assets				
Assets	334,101	143,502	221,587	699,190
Capital expenditure in the fiscal year	30,407	5,432	15,025	50,864

In the reporting period, an externally controlled fraud incident (Fake President Incident) resulted in an illegal outflow of the Group's liquid funds in the amount of 52,847 EURk. Immediately adopted measures led to the freezing of 10,860 EURk in receiving accounts. This amount has been recognised as non-current receivable, as the subsidiary FACC Operations GmbH considers

itself to be the lawful owner of the money and – based on a legal opinion obtained – assumes that the money will be reimbursed. Miscellaneous expenses thus include an amount of 41,987 EURk resulting from the fraud incident which has been allocated to the segments on a prorated basis based on revenue.

Profitability without taking into account the fraud incident (Fake President Incident) is as follows:

Profitability without taking into account Fake President Incident				
Revenue	273,532	116,613	197,396	587,541
Earnings before interest, taxes and fair value measurement of derivative financial instruments	32,877	(5,057)	(9,221)	18,599
Depreciation and amortisation	11,903	5,090	8,918	25,911
Earnings before interest, taxes, fair value measurement of derivative financial instruments, depreciation and amortisation	44,780	33	(303)	44,510

The Group manufactures components for the aviation industry, mainly for civil aircraft and helicopters. The product range includes "structural components" (claddings for body and control surfaces, engine cowlings and composite parts for engines, wing parts and wingtips) as well as components for the interiors of aircraft (such as baggage compartments, interiors, service units, etc.).

Segment reporting is consistent with the internal management and reporting of FACC. Due to the product's different applications, three operating segments were created. The "FACC Aerostructures" segment covers development, manufacture and sales of structural components, the "FACC Interiors" segment handles the development, manufacture and sales of interiors, and the "FACC Engines & Nacelles" segment is responsible for the manufacture and sales of engine components. After conclusion of the custom-

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er agreements and order processing, the individual orders are manufactured in the five plants. Apart from these three operating segments, the company as a whole includes the central services of finances and controlling, personnel, quality management, purchasing and IT (including engineering services). In the form of a matrix organisation, these central services support the operating segments in the completion of their tasks.

The business area managers report to the Management Board ("chief operating decision maker") in separate monthly management review meetings in the course of which the current order position, revenue, profit contributions of individual projects, schedules and milestones, project and development risks, calculation and compilation of offers, required capital expenditure and other operating topics of importance are discussed and – if necessary – followed up by immediate decisions.

The segmented assets as well as expenses and income are assigned to the three segments by means of a defined procedure. The entire segment revenue represents external revenue from third parties.

Internal reporting within the segments is essentially based on information on profitability. In the course of segment accounting, the profitability is calculated on project level by way of direct costing and then aggregated into segments. Expenses and income that cannot be directly assigned on project level are attributed to the segments using defined criteria.

Apart from the depreciation, amortisation and impairment, there was no other significant non-cash effective expenditure in the individual segments.

The segment assets comprise that part of the current and non-current assets used in the operating activities of the segment. This includes primarily intangible assets, property, plant and equipment, cash and cash equivalents, inventories and trade receivables. Debt was not assigned to segments, since this is not considered in internal control and reporting either.

VALUE AS AT FEBRUARY 28, 2015	Austria EUR'000	USA EUR'000	Canada EUR'000	Germany EUR'000	Other countries EUR'000	Total EUR'000
Revenue	2,128	177,905	55,788	199,787	93,306	528,914

VALUE AS AT FEBRUARY 29, 2016

Revenue	2,640	169,752	66,743	239,114	109,292	587,541
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As regards revenue, segmentation into geographical areas is based on the customer's corporate seat. The majority of segment assets are located in Austria.

For the fiscal year ended 28 February 2015, the Group generated revenue from two external customers which both exceeded 10% of the total revenue; this excess amounted to 158,964 EURk and 78,662 EURk, respectively.

For the fiscal year ended 29 February 2016, the Group generated revenue from two external customers which both exceeded 10% of the total revenue; this excess amounted to 191,010 EURk and 70,775 EURk, respectively.

Revenue from external customers is derived from the production of shipsets as well as from providing engineering and other services in connection with the production of shipsets. Revenue is broken down as follows:

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Production	471,374	525,907
Engineering and services	57,540	61,634
Total revenue	528,914	587,541

5 INTANGIBLE ASSETS

Fiscal years 2014/15 and 2015/16	Goodwill EUR'000	Software EUR'000	Delivery rights EUR'000	Development costs EUR'000	Other EUR'000	Total EUR'000
Acquisition costs						
Balance as at March 1, 2014	18,595	17,789	25,331	118,109	1	179,825
Additions	–	957	3,788	30,274	–	35,019
From initial consolidation	–	6	–	–	–	6
Reclassification to current assets	–	–	–	–	–	–
Disposals	–	–	–	(323)	(1)	(324)
Balance as at February 28, 2015	18,595	18,752	29,119	148,060	–	214,526
Additions	–	530	55	23,983	–	24,568
From consolidation	–	2	–	–	–	2
From deconsolidation	–	(93)	–	–	–	(93)
Disposals	–	–	–	–	–	–
Balance as at February 29, 2016	18,595	19,191	29,174	172,043	–	239,003
Accumulated scheduled amortisation and write-downs						
Balance as at March 1, 2014	–	12,251	13,012	28,255	–	53,518
Scheduled amortisation	–	2,551	1,333	5,516	–	9,400
Write-downs	–	–	–	–	–	–
Reclassification to current assets	–	–	–	–	–	–
Disposals	–	–	–	(51)	–	(51)
Balance as at February 28, 2015	–	14,802	14,345	33,720	–	62,867
Scheduled amortisation	–	2,192	1,126	6,751	–	10,069
Write-downs	–	–	–	–	–	–
Reclassification to current assets	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Balance as at February 29, 2016	–	16,994	15,471	40,471	–	72,936
Carrying amounts as at February 28, 2015	18,595	3,950	14,774	114,340	–	151,659
Carrying amounts as at February 29, 2016	18,595	2,197	13,703	131,572	–	166,067

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

Research expenses of 2,765 EURk (28 February 2015) and 2,317 EURk (29 February 2016), respectively, were recognised through profit or loss.

With respect to the impairment test for goodwill and other non-current assets (particularly development costs), reference is made to Note 33.

6 PROPERTY, PLANT AND EQUIPMENT

Fiscal years 2014/15 and 2015/16	Land and buildings EUR'000	Technical equipment EUR'000	Factory and office equipment EUR'000	Construction in process EUR'000	Total EUR'000
Acquisition costs					
Balance as at March 1, 2014	83,028	118,997	19,201	22,569	243,795
Additions	13,858	12,361	3,603	12,974	42,796
From (initial) consolidation	–	–	5	–	5
Transfers	4,014	16,862	199	(21,075)	–
Reclassification to current assets	–	–	–	–	–
Disposals	(75)	(221)	(590)	(403)	(1,289)
Balance as at February 28, 2015	100,825	147,999	22,418	14,065	285,307
Additions	540	6,944	2,196	16,616	26,296
From consolidation	–	–	48	–	48
Transfers	162	7,773	264	(8,199)	–
From deconsolidation	–	–	(5)	–	(5)
Disposals	–	–	(323)	–	(323)
Balance as at February 29, 2016	101,527	162,716	24,598	22,482	311,323
Accumulated depreciation					
Balance as at March 1, 2014	18,022	83,236	12,677	–	113,934
Accumulated depreciation	2,471	9,135	2,292	–	13,899
Disposals	–	(209)	(567)	–	(776)
Balance as at February 28, 2015	20,492	92,162	14,401	–	127,056
Accumulated depreciation	2,843	10,855	2,144	–	15,841
Disposals	–	–	(323)	–	(323)
Balance as at February 29, 2016	23,335	103,017	16,222	–	142,574
Carrying amounts as at February 28, 2015	80,332	55,837	8,017	14,065	158,251
Carrying amounts as at February 29, 2016	78,192	59,699	8,376	22,482	168,748

Certain land and buildings serve as collateral for bank borrowings (see Note 13 “Financial liabilities”).

Group finance lease agreements are related to land and buildings at acquisition costs in the amount of 20,632 EURk. At the end of

the fiscal year 2015/16, accumulated depreciation was recognised in the amount of 999 EURk, resulting in a net carrying amount of the respective assets of 19,633 EURk.

7 OTHER NON-CURRENT FINANCIAL LIABILITIES

	Securities EUR'000	Book-entry securities EUR'000	Total EUR'000
Fair value as at March 1, 2014	384	1,346	1,730
Additions	–	–	–
Pension re-insurance (plan asset) DBO as at March 1, 2013 ¹	–	(1,302)	(1,302)
Unrealised changes in fair value	41	–	41
Fair value as at February 28, 2015	425	44	469
Additions	–	–	–
Unrealised changes in fair value	(17)	–	(17)
Fair value as at February 29, 2016	407	44	451

¹ The pension re-insurance (plan asset) was offset against the provision for pension obligations in the fiscal year 2014/15. The pension re-insurance (plan asset) offset against the provision for pensions in the fiscal year 2015/16 has a carrying amount of 1,635 EURk (refer to Note 16 (a)).

Securities (listed)

Available-for-sale securities serve to cover the provision for pension obligations in accordance with the provisions of Sections 14 and 116 of the Austrian Income Tax Act (EStG). The carrying amount corresponds to the market value at the respective end of the reporting period (28 February 2015 and 29 February 2016).

Book-entry securities (unlisted)

Book-entry securities (listed) with regard to the Group's shares in Techno-Z Ried Technologiezentrum GmbH, Ried im Innkreis, were shown under other non-current financial assets in the consolidated statement of financial position as at 29 February 2016.

	Share	Carrying amount as at February 28, 2015 EUR'000	Carrying amount as at February 29, 2016 EUR'000
Techno-Z Ried Technologiezentrum GmbH, Ried im Innkreis	3.14%	44	44
Balance		44	44

All non-current financial assets are denominated in EUR.

8 INVENTORIES

Carrying amount	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Raw materials and consumables	62,374	66,969
Unfinished goods	32,233	34,858
Finished goods	4,251	5,996
Balance (net of valuation adjustments)	98,858	107,823

Based on a detailed inventory analysis, value adjustments of inventories were made for slow-moving inventory and due to lower net selling prices in the amount of 3,657 EURk (28 February 2015) and

4,128 EURk (29 February 2016). The value adjustments of inventories in the amount of 1,174 EURk (28 February 2015) and 471 EURk (29 February 2016) were recognised through profit or loss.

9 TRADE RECEIVABLES, RECEIVABLES FROM CONSTRUCTION CONTRACTS, OTHER RECEIVABLES AND DEFERRED ITEMS, RECEIVABLES FROM RELATED COMPANIES AND NON-CURRENT RECEIVABLES

Carrying amount	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Trade receivables	91,707	106,384
Receivables from construction contracts (= costs incurred)	28,920	28,633
Receivables from customers	120,627	135,017
Other receivables	15,289	14,037
Accruals and deferrals	2,218	1,300
Receivables from related companies	35,322	19,060
Balance	173,456	169,414

The FACC Group applies the zero profit method to account for construction contracts in accordance with IAS 11, as the outcome of a construction contract can frequently not be estimated reliably due to the individual specifications of such contracts. Contract

revenue is therefore only recognised to the extent of contract costs incurred being likely to be recoverable from the customer. In the fiscal year 2015/16, construction costs incurred (= contract revenue) were recognised in the amount of 21,681 EURk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At the end of the reporting period, the following construction contracts were recognised under assets as amounts to be received from the customer:

Carrying amount	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Total costs incurred	28,920	28,633
Less partial settlement	–	–
Receivables from construction contracts	28,920	28,633

Receivables from construction contracts correspond to the carrying amount of receivables from construction contracts reported in the consolidated statement of financial position, since no partial settlements were carried out. Retained amounts for partial settlements do not exist either.

Prepayments made by customers in connection with construction contracts, which are not yet offset by services rendered, were recognised as trade payables showing a carrying amount of 4,023 EURk (28 February 2015: 3,750 EURk).

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Trade receivables and receivables from construction contracts	121,838	136,415
Less value adjustments for trade receivables	(1,211)	(1,399)
Trade receivables, net	120,627	135,016
Other receivables	15,289	14,037
Accruals and deferrals	2,218	1,300
Receivables from related companies	35,322	19,060
Balance	173,456	169,413

The majority of the Group's revenue is based on payment terms between 30 and 120 days calculated from date of invoice.

These receivables relate to a number of independent customers for whom there is no recent history of default. At the end of the reporting period, there are no indications that the debtors will not meet their obligations.

As at 28 February 2015 and 29 February 2016, trade receivables of 33,065 EURk and 48,827 EURk were past due but not impaired.

Trade receivables (past due but not impaired)	Total EUR'000	1 to 30 days EUR'000	31 to 60 days EUR'000	61 to 90 days EUR'000	91 to 120 days EUR'000	More than 120 days EUR'000
Balance as at February 28, 2015	33,065	14,029	4,735	1,870	2,789	9,642
Balance as at February 29, 2016	48,827	16,016	1,892	7,352	3,593	19,974

In connection with the trade receivables from six customers, the Group has a cession agreement without recourse with a financial

institution. The ceded amount reduces the FACC Group's trade receivables.

Movements in the value adjustments of trade receivables have developed as follows:

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Valuation adjustment of trade receivables at the beginning of the period	1,498	1,211
Utilisation	–	–
(Reversal)/addition	(287)	188
Valuation adjustment of trade receivables at the end of the period	1,211	1,399

The value adjustments of trade receivables comprise many individual items of which no single item is considered significant on its own.

Other receivables include:

Carrying amount	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Credit balance with tax authority	11,116	12,156
Other	4,173	2,998
Balance	15,289	15,154

Other receivables do not show significant amounts of overdue receivables. Furthermore, no value adjustments in a significant amount were made for these receivables.

All other receivables have residual terms of less than one year.

Receivables from related companies include:

The Group shows receivables from the direct holding company of FACC International Co Ltd. as well as from the related companies Future Aviation International Investment Co. Ltd., Fesher Aviation Component (Zhenjiang) Co. Ltd., Shanghai Aircraft Manufacturing

Co. Ltd. and Aerospace Innovation Investment GmbH under receivables from related companies in the consolidated statement of financial position.

With regard to receivables from related companies, 12,473 EURk are overdue by more than 120 days. No value adjustments in a significant amount were made for these receivables. With regard to receivables from related companies overdue, the Group received payments in the amount of 9,037 EURk after the end of the fiscal year 2015/16.

These receivables have residual terms of less than one year.

Non-current receivables include:

Carrying amount	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Non-current trade receivables	16,340	11,087
Receivables arising from Fake President Incident	–	10,860
Prepayments and deposits	8,257	8,285
Balance	24,597	30,232

With the exception of the receivables stated below, all trade receivables and receivables from related companies – as in the previous year – have residual terms of less than one year:

Receivables from the customer Goodrich, Chula Vista, USA, with a notional amount of 4,632 EURk (which corresponds to a present value of 4,568 EURk) and an annual redemption plan (starting on 15 January 2015 and ending on 15 January 2019), and another receivable with a notional amount of 5,447 EURk (which corresponds to a present value of 5,001 EURk) and a long-term redemption plan that depends on units delivered per year starting on 1 March 2014 and ending on the date when 1,108 units will have been delivered. Under a development project, a receivable from a customer in the amount of 1,518 EURk was recognised

as non-current because the payment agreement specifies a long-term redemption plan depending on the number of units delivered per year starting on 1 March 2015.

In the reporting period, an externally controlled fraud incident ("Fake President Incident") resulted in an illegal outflow of the Group's liquid funds in the amount of 52,847 EURk. Immediately adopted measures led to the freezing of 10,860 EURk in receiving accounts. This amount has been recognised as non-current receivable, as the subsidiary FACC Operations GmbH considers itself to be the lawful owner of the money and – based on a legal opinion obtained – assumes that the money will be reimbursed. It is expected that the amounts frozen in receiving accounts will not be reimbursed in the short term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The carrying amounts of the Group's trade receivables, receivables from construction contracts and other receivables are denominated in the following currencies:

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
GBP	177	191
USD	123,119	127,533
EUR	50,160	41,689
	173,456	169,413

10 CASH AND CASH EQUIVALENTS

Carrying amount	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Bank balances ¹	107,677	56,032
Cash in hand ¹	20	28
Cheques received ¹	3,258	155
Balance	110,955	56,215

¹ of which bank balances, cash in hand and cheques received denominated in USD in the amount of 46,943 EURk (28 February 2015) and 45,349 EURk (29 February 2016)

11 EQUITY AND CAPITAL MANAGEMENT

(a) Share capital

The share capital of FACC AG amounts to 45,790 EURk and is fully paid in. The share capital is divided into 45,790,000 no-par shares with a value of 1 EUR per share.

(b) Capital reserve

The capital reserve amounts to 221,459 EURk (28 February 2015: 220,535 EURk). An amount of 924 EURk arising from the reversal of a provision resulting from costs that did not affect profit or loss in relation to the IPO was allocated to the capital reserve, as at the time, the IPO costs were offset directly against equity.

(c) Reserves for cash flow hedges

The reserve for cash flow hedges results from changes in the fair value of currency hedging instruments that have to be recognised directly in equity pursuant to IAS 39 (cash flow hedges). The effective portion of the changes in the fair value was entered in the hedging reserve with no effect on profit/loss. These changes in equity are presented net of taxes in other comprehensive income in the consolidated statement of comprehensive income. The non-effective portion of the changes in the fair value in the amount of nil EURk (28 February 2015) and nil EURk (29 February 2016) was recognised in the consolidated statement of comprehensive income. The reserve for cash flow hedges is reversed when the underlying hedged items affect the consolidated statement of comprehensive income through profit or loss by reversing the corresponding amount in other comprehensive income, thus affecting profit or loss.

Changes in the fair value of forward foreign exchange contracts used for hedge accounting purposes are as follows:

	EUR'000
Balance as at March 1, 2014	–
Reclassification to the consolidated statement of comprehensive income, net	–
Change in fair values of hedging instruments, net	(19,779)
Balance as at February 28, 2015	(19,779)
Reclassification to the consolidated statement of comprehensive income, net	19,779
Change in fair values of hedging instruments, net	10,052
Balance as at February 29, 2016	10,052

(d) Revaluation effects of pensions and termination benefits

Actuarial gains and losses associated with termination and pension obligations for previous years as well as the current fiscal year are recognised in equity as other reserves for revaluation effects of pensions and termination benefits (IAS 19 reserve).

(e) Dividends

In the reporting period, a dividend was paid in the amount of nil EURk (previous year: 19,000 EURk) to the shareholders.

(f) Capital management

It is the goal of capital management to maintain a strong capital base to meet the specific corporate risks (growth and development risk) by creating a balanced capital structure. Management considers capital to be only the equity as shown in the consolidated statement of financial position in accordance with IFRS. The target is to achieve an equity ratio of at least 30%. As at the end of the reporting period, the equity ratio (i.e. the ratio of equity to total assets) was 44% (28 February 2015) and 44% (29 February 2016).

12 BONDS AND PROMISSORY NOTE LOANS

The following table shows the bonds and promissory note loans issued by the Group:

	Nominal value EUR'000	Carrying amount as at February 28, 2015 EUR'000	Carrying amount as at February 29, 2016 EUR'000
Promissory note loan 2012 to 2015	3,000	3,000	–
Promissory note loan 2012 to 2017	8,000	8,000	8,000
Promissory note loan 2012 to 2019	34,000	34,000	34,000
FACC bond 2013-20 (ISIN AT0000A10J83)	90,000	89,067	89,242
Balance	135,000	134,067	131,242

In connection with the promissory note loans 2012 to 2015, 2012 to 2017 and 2012 to 2019 (variable interest rate between 6M Euribor +1.2 percentage points and 6M Euribor +2.25 percentage points and/or fixed interest rate between 2.82% and 3.7%), a covenant was agreed upon under which the FACC Group, in its capacity as the issuer of the promissory note (borrower), is obligated to meet a specific equity ratio. As at 28 February 2015, this equity ratio as defined in the covenant agreement was slightly undershot. As a consequence, the Group classified the liability arising from the promissory note loans as current. After the end of the reporting period, an agreement was reached with the principal creditors of the promissory note loans not to call in the promissory note loans.

After the end of the reporting period, FACC AG issued a letter of comfort in favour of the creditors of the promissory note loans. At the end of the reporting period (29 February 2016), there was no breach of the covenant by the Group.

With respect to the bond 2013 to 2020, the FACC Group as the issuer gave assurances regarding a certain amount of dividend in relation to the net income for the year and in relation to a certain equity ratio. If these assurances are not met, the bond may fall due. At the end of the reporting period (29 February 2016), there was no breach of the covenant by the Group.

13 FINANCIAL LIABILITIES

	February 28, 2015		
	Non-current EUR'000	Current EUR'000	Total EUR'000
Bank borrowings			
Investkredit AG, ERP A380	–	1,034	1,034
RLB OÖ/Oberbank, loan with AWS guaranty	2,765	395	3,160
RLB OÖ/Oberbank, loan with security transfer	4,430	632	5,062
Investkredit AG, ERP loan	1,579	1,667	3,246
UniCredit BA, ERP loan with AWS guaranty	2,034	1,060	3,094
OB, FFG loan	1,462	293	1,755
Erste, ERP loan	6,743	–	6,743
RLB, ERP loan	6,068	–	6,068
OB, FFG loan	2,433	–	2,433
Sparkasse, FFG loan	328	–	328
Leasing UniCredit Plant 5	19,486	483	19,969
Raiffeisen Impuls Plant 2	6,965	85	7,050
Raiffeisen Impuls Plant 2 – addition	7,921	227	8,148
RLB GBP ÖB	–	1,388	1,388
Raiffeisen Impuls Plant 2 – addition press hangar	1,254	39	1,293
Accrual, interest and expenses	–	3,684	3,684
Other	2,800	2,186	4,986
Balance	66,268	13,173	79,441

	February 29, 2016		
	Non-current EUR'000	Current EUR'000	Total EUR'000
Bank borrowings			
RLB OÖ/Oberbank, loan with AWS guaranty	2,370	395	2,765
RLB OÖ/Oberbank, loan with security transfer	3,798	632	4,430
Investkredit AG, ERP loan	–	1,667	1,667
UniCredit BA, ERP loan with AWS guaranty	1,060	1,060	2,120
OB, FFG loan	877	585	1,462
Erste, ERP loan	4,667	2,333	7,000
RLB, ERP loan	4,200	2,100	6,300
OB, FFG loan	2,105	421	2,526
Sparkasse, FFG loan	281	56	337
Leasing UniCredit Plant 5	18,996	490	19,486
Raiffeisen Impuls Plant 2	6,879	87	6,965
Raiffeisen Impuls Plant 2 – addition	7,847	156	8,003
Raiffeisen Impuls Plant 2 – addition press hangar	1,244	25	1,269
OB, ERP loan	5,900	–	5,900
UniCredit, ERP loan	7,500	–	7,500
RBI, ERP loan	4,200	–	4,200
RLB, FFG loan	1,832	–	1,832
Sparkasse, FFG loan	450	–	450
Export loan KRR	–	5,000	5,000
Operating resources accounts	–	1,095	1,095
Accrual, interest and expenses	(924)	5,532	4,608
OB, ERP loan, CoLT	1,932	–	1,932
Balance	75,213	21,634	96,847

The interest rates of the financial liabilities vary from 0.5% to 4.8%.

Certain bank borrowings are secured by liens on company properties, by AWS (Austrian Credit Agency) guarantees, federal guarantees for loans within the framework of support agreements by the Forschungsförderungsgesellschaft (Austrian Research Promotion Agency) and transfers of titles on machines by way of security. The export loan under the Austrian Kontrollbank's proced-

ure is secured by export receivables in the amount of 120% of the framework made available. Certain conditions must be complied with in order to claim the favourable interest rates on research promotion loans. The collaterals for certain bank borrowings in connection with land and buildings amounted to 15,966 EURk as at 28 February 2015 and 15,966 EURk as at 29 February 2016.

Interest rate risks and the contractually defined interest rate adjustment dates related to variable-interest financial liabilities at the end of the reporting period are as follows:

Carrying amount	February 28, 2015 EUR'000	February 29, 2016 EUR'000
6 months or less	11,796	13,290
6 to 12 months	47,469	43,986
Balance	59,265	57,276

The carrying amounts and fair values of non-current financial liabilities bearing fixed interests are:

	2014/2015 carrying amount EUR'000	2014/2015 fair value EUR'000	2015/2016 carrying amount EUR'000	2015/2016 fair value EUR'000
Investkredit AG, ERP loan	3,246	3,246	-	-
BACA ERP loan	3,095	3,095	2,064	2,064
Oberbank FFG loan	1,754	1,754	1,462	1,462
Erste Bank ERP loan	6,743	6,743	6,810	6,810
RLB ERP loan	6,068	6,068	6,129	6,129
OB FFG loan	2,433	2,433	2,455	2,455
Sparkasse FFG loan	328	328	330	330
OB FFG loan	2,800	2,800	1,932	1,932
OB ERP loan (new loan 2015/16)	-	-	5,653	5,653
UniCredit ERP loan (new loan 2015/16)	-	-	7,186	7,186
RBI ERP loan (new loan 2015/16)	-	-	4,024	4,024
RLB FFG loan (new loan 2015/16)	-	-	1,802	1,802
Sparkasse FFG loan (new loan 2015/16)	-	-	449	449
Raiffeisen Impuls Plant 2 and additions	16,491	16,491	16,238	16,238
Borrower's note 5Y 18/07/2017	-	-	2,500	2,500
Borrower's note 7Y 18/07/2019	-	-	15,000	15,000
Bond 2013-20	89,068	97,486	89,242	90,220
Balance	132,026	140,444	163,276	164,254

The carrying amounts of current borrowings approximate the fair value, since the impacts of discounts are immaterial. The fair values of non-current borrowings bearing fixed interest are based

on discounted cash flows calculated according to the market interest rates (fair value level 2).

Finance lease liabilities

Finance lease liabilities – minimum lease payments

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
No later than 1 year	972	967
Later than 1 year and no later than 5 years	3,831	4,140
Later than 5 years	21,443	20,229
Future finance charges on finance lease liabilities	(6,277)	(5,849)
Present value of finance lease liabilities	19,969	19,487

The maturity of finance lease liabilities is as follows:

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
No later than 1 year	932	905
Later than 1 year and no later than 5 years	3,462	4,140
Later than 5 years	15,575	14,442
Total	19,969	19,487

14 DERIVATIVE FINANCIAL INSTRUMENTS

The notional amounts of derivative financial instruments are as follows:

	February 28, 2015 USD'000	February 29, 2016 USD'000
Forward foreign exchange contracts		
Forward foreign exchange contracts	425,000	335,000
Total current	425,000	335,000
	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Interest rate swaps		
Interest rate swaps	20,000	20,000
Total	20,000	20,000
Less non-current portion		
Interest rate swaps	20,000	–
Current portion	–	20,000

The full fair value of a derivative financial instrument is classified as a non-current asset or liability if the residual term exceeds twelve months. If the residual term is less than twelve months, it is classified as a current asset or liability.

A positive fair value is shown on the assets side under the item “Derivative financial instruments”. A negative fair value is reported under the item “Derivative financial instruments” on the liabilities side.

The maximum credit risk exposure at the end of the reporting period corresponds to the fair value of the derivative assets recognised in the consolidated statement of financial position.

(a) Forward foreign exchange contracts

Forward foreign exchange contracts were concluded to hedge against the foreign exchange risk. The forward foreign exchange contracts that qualify for hedge accounting are shown as cash flow hedge in accordance with IAS 39. Forward foreign exchange contracts not shown as cash flow hedges are shown as stand-alone derivatives.

The hedged transactions denominated in foreign currency are expected to occur during the hedged periods. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts with no effect on profit or loss are recognised in the consolidated statement of comprehensive income in the period or periods during which the hedged forecast transaction affects the consolidated statement of comprehensive income. This is generally within a period of maximum 36 months from the end of the reporting period unless the gain or loss is included in the initial amount recognised for the purchase of fixed assets.

(b) Interest rate swaps

To hedge against the interest rate risk of the interest-bearing financial liabilities, interest rate swap contracts were concluded which are entered in the consolidated statement of financial position as a stand-alone derivative and not as hedge accounting in accordance with IAS 39.

15 INVESTMENT GRANTS

Non-current and current investment grants amount to 11,991 EURk (28 February 2015) and 13,289 EURk (29 February 2016). As a rule, the significant part of the investment grants is subject to conditions defined by the granting authority that have to be fulfilled

for a period of three to five years upon acceptance of the final settlement. This essentially entails a minimum number of employees that must be retained, as well as the obligation not to move the supported assets from the project location or sell them. The other investment grants relate to subsidies for development projects and are released over the term of the projects.

16 EMPLOYEE BENEFIT OBLIGATIONS

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Obligations recognised in the consolidated statement of financial position for		
Pension obligations (a)	2,929	2,008
Provision for termination benefits (b)	6,898	7,288
Provision for anniversary bonuses (c)	1,089	1,463
Provision for early retirement benefits	10	–
	10,926	10,759
	2014/15 EUR'000	2015/16 EUR'000
Expenses shown in the consolidated statement of comprehensive income		
Pension obligations	2,288	(674)
Termination benefits	2,025	618
Anniversary bonuses	302	443
Early retirement benefits	(21)	(10)
	4,594	377

The provision for pension obligations was offset against existing plan assets from a pension re-insurance.

(a) Pension obligations

The amounts recognised in the consolidated statement of financial position as at 28 February 2015 are as follows:

	February 28, 2015 EUR'000
Present value of the pension obligations as at March 1, gross	2,114
Service cost	–
Interest expense	71
Revaluation effects (recognised in other comprehensive income, net of deferred taxes)	2,133
Reversal due to retirement of beneficiaries	–
Present value of the pension obligations at the end of the period (DBO), gross	4,318
Fair value of plan asset (pension re-insurance)	(1,389)
Net liability (provision) as at February 28, 2015	2,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The amounts recognised in the consolidated statement of financial position as at 29 February 2016 are as follows:

	February 29, 2016 EUR'000
Present value of the pension obligations as at March 1, gross	4,318
Service cost	–
Interest expense	65
Revaluation effects (recognised in other comprehensive income, net of deferred taxes)	(739)
Reversal due to retirement of beneficiaries	–
Present value of the pension obligations at the end of the period (DBO), gross	3,643
Fair value of plan asset (pension re-insurance)	(1,635)
Net liability (provision) as at February 29, 2016	2,008

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	2014/15 EUR'000	2015/16 EUR'000
Service costs	–	–
Interest expense	71	65
Revaluation effects (recognised in other comprehensive income, net of deferred taxes)	2,217	(739)
Past service cost	–	–
Total	2,288	(674)

The principal actuarial assumptions used were as follows:

	2014/15	2015/16
Interest rate	1.50%	2.00%
Pension and salary increases	2.00%	2.00%
Staff turnover – employees	none	none
Pensionable age – men	60 years	60 years
Life expectancy ¹	AVÖ 2008-P	AVÖ 2008-P

¹ Assumptions regarding future life expectancy are set based on actuarial advice in accordance with published statistics and experience in each territory. Mortality assumptions are based on the mortality tables in Austria (published by the Austrian Actuarial Association).

All expenses associated with pensions are shown under “Staff costs” in the consolidated statement of comprehensive income.

(b) Provision for termination benefits

	2014/15 EUR'000	2015/16 EUR'000
Present value of provision for termination benefit obligations at the beginning of the period	4,598	6,358
Other termination benefits	539	577
Service cost	258	342
Interest expense	150	145
Revaluation effects (recognised in other comprehensive income, net of deferred taxes)	1,563	73
Termination benefits paid	(210)	(207)
Present value of provision for termination benefit obligations at the end of the period (DBO)	6,898	7,288

The calculations as at 28 February 2015 and 29 February 2016 are based on the following assumptions:

	February 28, 2015	February 29, 2016
Interest rate	2.30%	2.00%
Pension and salary increases	2.00%	2.00%
Staff turnover – employees	2.76%	4.00%
Staff turnover – workers	4.43%	2.70%
Pensionable age – women	60 years	60 years
Pensionable age – men	65 years	65 years
Life expectancy	AVÖ 2008-P	AVÖ 2008-P

The statutory transitional provisions regarding the pensionable age were taken into account.

All expenses associated with termination benefits with the exception of the revaluation effects are shown under “Staff costs” in the consolidated statement of comprehensive income.

(c) Provisions for anniversary bonuses

	2014/15 EUR'000	2015/16 EUR'000
Present value of provision for anniversary bonuses at the beginning of the period	787	1,020
Service costs	134	480
Interest expense	26	23
Actuarial gain/loss for the period	112	(45)
Anniversary bonuses paid	(39)	(15)
Present value of provision for anniversary bonuses at the end of the period	1,020	1,463
Non-wage labour costs	69	–
Recognised provision for anniversary bonuses	1,089	1,463

All expenses associated with anniversary bonuses are shown under the item “Staff costs” in the consolidated statement of comprehensive income.

Defined contribution plans (pension fund)

Contributions in the amount of 117 EURk (28 February 2015) and 131 EURk (29 February 2016) were made to the multi-employer pension fund for the respective fiscal years.

Defined contribution plans (staff provision fund – new Austrian severance payment scheme, “Abfertigung ‘neu’”)

Contributions in the amount of 1,523 EURk (28 February 2015) and 1,524 EURk (29 February 2016) were made to the staff provision fund in the respective fiscal years.

17 TRADE PAYABLES

The maturity analysis of trade payables as at 28 February 2015 and 29 February 2016 is as follows:

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Within 90 days	71,681	72,667
Over 90 days and within 360 days	406	12
	72,087	72,679

18 OTHER LIABILITIES AND DEFERRED INCOME, PAYABLES TO RELATED COMPANIES

	Carrying amount as at February 28, 2015 EUR'000	Carrying amount as at February 29, 2016 EUR'000
Social security payables	3,295	3,436
Other liabilities	2,290	1,851
Liabilities towards employees	18,376	18,754
Accruals and deferrals	1,046	1,485
Balance	25,007	25,526

Payables to related companies mainly consist of trade payables.

19 OTHER PROVISIONS

	Employees EUR'000	Warranties EUR'000	Other EUR'000	Total EUR'000
Balance as at March 1, 2014	107	1,626	8,743	10,476
Utilisation	(107)	(472)	(8,192)	(8,771)
Reversal	–	(821)	(588)	(1,409)
New provisions	51	1,106	5,189	6,346
Balance as at February 28, 2015	51	1,439	5,152	6,642
of which current	51	1,439	5,152	6,642
of which non-current	–	–	–	–

With regard to warranties, a provision is only made for specific obligations.

a provision for outstanding travel expenses in the amount of 167 EURk and a provision for legal disputes in the amount of 593 EURk.

Other provisions include a provision for follow-up costs in relation to several development projects in the amount of 1,082 EURk,

	Employees EUR'000	Warranties EUR'000	Other EUR'000	Total EUR'000
Balance as at March 1, 2015	51	1,439	5,152	6,642
Utilisation	(51)	(9)	(1,742)	(1,802)
Reversal	–	(1,336)	(3,250)	(4,586)
New provisions	42	2,803	7,294	10,139
Balance as at February 29, 2016	42	2,897	7,454	10,393
of which current	42	2,897	7,454	10,393
of which non-current	–	–	–	–

With regard to warranties, a provision is only made for specific obligations.

in the amount of 3,876 EURk, a provision for outstanding shipping costs in the amount of 281 EURk and a provision for legal disputes in the amount of 713 EURk.

Other provisions include a provision for follow-up costs (outstanding incoming invoices) in relation to several development projects

20 CHANGES IN INVENTORIES

	2014/15 EUR'000	2015/16 EUR'000
Finished goods	(427)	1,799
Unfinished goods	3,182	2,625
Total	2,755	4,424

21 OWN WORK CAPITALISED

	2014/15 EUR'000	2015/16 EUR'000
Capitalisation of development costs	18,508	18,455
Other	254	329
Total	18,762	18,784

22 COST OF MATERIALS AND PURCHASED SERVICES

	2014/15 EUR'000	2015/16 EUR'000
Cost of materials	315,793	353,619
Cost of purchased services	14,400	20,275
Total	330,193	373,894

23 STAFF COSTS

	2014/15 EUR'000	2015/16 EUR'000
Wages and salaries	124,756	122,186
Expenses for statutory social contributions and benefits	31,887	31,604
Expenses for termination benefits and contributions to staff provision funds	2,209	2,166
Expenses for pensions	189	119
Other social expenses	3,218	2,434
Total (including remuneration of the Management Board)	162,259	158,509

Expenses for termination benefits and contributions to staff provision funds include contributions to staff provision funds in the amount of 1,523 EURk (28 February 2015) and 1,524 EURk (29 February 2016).

The number of staff employed by the Group is 3,062 persons (2,030 workers and 1,032 employees) as at 29 February 2016 compared to 3,109 persons (1,864 workers and 1,245 employees) as at 28 February 2015.

24 REMUNERATION OF MANAGEMENT IN KEY POSITIONS

The remuneration as at 28 February 2015 of the members of the Management Board of FACC AG and of the Supervisory Board of FACC AG who also serve on the management board and supervisory board of FACC Operations GmbH is set out below:

Name	Fee EUR'000	Salary EUR'000	Discretionary bonus EUR'000	Termination benefits EUR'000	Employer's contribution to retirement scheme EUR'000	Total EUR'000
Supervisory Board						
Ruguang Geng	8	-	-	-	-	8
Xiangkai Meng (until 28 June 2014)	1	-	-	-	-	1
Hang Huang (until 29 April 2014)	-	-	-	-	-	-
Greg Peters	6	-	-	-	-	6
Jun Tang	7	-	-	-	-	7
Yongsheng Wang	7	-	-	-	-	7
Chunlin Xu (until 21 February 2014)	-	-	-	-	-	-
Weixi Gong	6	-	-	-	-	6
Huimin Zhao (until 28 June 2014)	-	-	-	-	-	-
Yanzheng Lei (since 29 April 2014)	5	-	-	-	-	5
Xueljun Wang (since 28 June 2014)	5	-	-	-	-	5
Chunsheng Yang (since 28 June 2014)	5	-	-	-	-	5
Management Board						
Walter Stephan	-	369	733	98	2,288 ¹	3,488
Minfen Gu	-	266	374	58	4	702
Robert Machtlinger	-	257	404	110	7	778
	50	892	1,511	266	2,299	5,018

¹ of which 2,217 EURk actuarial losses – due to revaluation effects in connection with pension obligations – recognised in other comprehensive income.

In addition, Wang Yongsheng in his capacity as managing director from 7 March 2014 to 21 March 2014 and Xu Chunlin in his capacity as managing director until 7 March 2014 received remuneration for their activities as managing directors in the fiscal

year 2014/15. The remuneration was passed on to Aerospace Innovation Investment GmbH (now FACC AG) in the fiscal year 2014/15.

The remuneration as at 29 February 2016 of the members of the Management Board and the Supervisory Board is set out below:

Name	Fee EUR'000	Salary EUR'000	Discretionary bonus EUR'000	Termination benefits EUR'000	Employer's contribution to retirement scheme EUR'000	Total EUR'000
Supervisory Board						
Ruguang Geng	17	–	–	–	–	17
Greg Peters	23	–	–	–	–	23
Jun Tang	15	–	–	–	–	15
Yongsheng Wang (until 2 February 2016)	20	–	–	–	–	20
Weixi Gong	25	–	–	–	–	25
Yanzheng Lei	15	–	–	–	–	15
Xueljun Wang	12	–	–	–	–	12
Chunsheng Yang	12	–	–	–	–	12
Xiangkai Meng (until 28 June 2014)	1	–	–	–	–	1
Management Board						
Walter Stephan	–	401	–	66	(674) ¹	(207)
Minfen Gu (until 2 February 2016)	–	275	–	46	8	329
Robert Machtlinger	–	326	–	46	8	380
Yongsheng Wang (since 2 February 2016)	–	–	–	–	–	–
	140	1,002	–	158	(658)	642

¹ of which 795 EURk actuarial gains (previous year: 2,217 EURk actuarial losses) – due to revaluation effects in connection with pension obligations – recognised in other comprehensive income

25 AMORTISATION AND DEPRECIATION

	2014/15 EUR'000	2015/16 EUR'000
Amortisation of intangible assets	9,400	10,069
Depreciation of property, plant and equipment	13,899	15,842
Total	23,299	25,911

26 OTHER OPERATING INCOME AND EXPENSES

	2014/15 EUR'000	2015/16 EUR'000
Maintenance, servicing and third-party repairs	7,657	7,922
Shipping costs	11,282	8,802
Material testing and certification costs, technical support	4,528	5,391
Rents, leases and building rights costs	6,879	7,451
Travel expenses	3,805	3,093
Allowances, grants and other income	(16,537)	(12,728)
Miscellaneous expenses (Fake President Incident)	–	41,987
Miscellaneous expenses	21,578	13,903
Total	39,192	75,821

In the reporting period, an externally controlled fraud incident (“Fake President Incident”) resulted in an illegal outflow of the Group’s liquid funds in the amount of 52,847 EURk. Immediately adopted measures led to the freezing of 10,860 EURk in receiving accounts. This amount has been recognised as non-current receivable, as the subsidiary FACC Operations GmbH considers

itself to be the lawful owner of the money and – based on a legal opinion obtained – assumes that the money will be reimbursed.

Miscellaneous expenses thus include an amount of 41,987 EURk resulting from the fraud incident.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The expenses for the Group auditor relating to the relevant fiscal years are as follows:

	2014/15 EUR'000	2015/16 EUR'000
Audit of the consolidated financial statements and the financial statements	135	174
Other assurance services	–	1
Audit-related consulting services	45	52
Tax consulting services	17	5
Total	197	232

27 FINANCE COSTS

	2014/15 EUR'000	2015/16 EUR'000
Interest and bank charges	6,516	8,777
Interest expense – bonds	3,764	3,785
Total	10,280	12,562

28 INTEREST INCOME FROM FINANCIAL INSTRUMENTS

	2014/15 EUR'000	2015/16 EUR'000
Bank interest	360	305
Income from interest rate swaps	–	–
Income from securities	10	10
Other interest	253	129
Total	623	444

29 FAIR VALUE MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS

The recognition of changes in the fair values of derivative financial instruments in the consolidated statement of comprehensive income is as follows:

	Volume USD'000	Volume EUR'000	Fair value EUR'000	Recognised in “Fair value measurement of derivative financial instruments” EUR'000	Recognised in “Cash flow hedges (net of tax)” EUR'000	Recognised in “Other operating income and expenses” EUR'000
Balance as at February 28, 2015						
Forward foreign exchange contracts – USD	425,000	–	(48,199)	–	(26,372)	(25,417)
Structured currency options – USD	–	–	–	–	–	–
Interest rate swaps	–	20,000	(10,340)	(387)	–	–
Balance as at February 29, 2016						
Forward foreign exchange contracts – USD	335,000	–	(28,378)	–	13,403	6,418
Structured currency options – USD	–	–	–	–	–	–
Interest rate swaps	–	20,000	(5,098)	5,242	–	–

30 INCOME TAXES

	2014/15 EUR'000	2015/16 EUR'000
Corporate income tax, current	115	(175)
Tax compensation from group taxation	-	-
Foreign withholding tax	-	-
Deferred taxes	(5,101)	(8,342)
	(4,987)	(8,517)
Tax expenses, previous years	10	160
Total	(4,976)	(8,357)

The income tax on the Group's profit/loss before taxes differs from the calculated income tax expense that would arise if the results of the fiscal years were subjected to a tax rate of 25%. This is broken down as follows:

	2014/15 EUR'000	2015/16 EUR'000
Loss before taxes	(14,556)	(30,264)
Calculated income tax expense 25%	(3,639)	(7,566)
Tax effects from:		
Deviating foreign tax rates	(45)	(191)
Tax free income	(839)	(677)
Expenses not deductible for tax purposes	82	186
Utilisation of previously unrecognised tax losses	-	-
Tax losses for which no deferred income tax asset was recognised	343	103
Other effects/valuation adjustments – deferred taxes	(218)	(379)
Capitalised deferred taxes	-	-
Impairment of goodwill	-	-
Adjustment in respect of prior years	(664)	160
Minimum corporate income tax and withholding taxes	4	7
Recognised income tax expense	(4,976)	(8,357)

The deferred taxes changed as follows:

	March 1, 2014 EUR'000	Changes in the consolidated state- ment of compre- hensive income EUR'000	Changes in other comprehensive income EUR'000	February 28, 2015 EUR'000
Deferred taxes				
Financial assets	(54)	411	(10)	347
Other receivables and assets	132	(36)	-	96
Investment grants	774	511	-	1,285
Obligations towards employees	730	(367)	944	1,307
Derivative financial instruments	(897)	6,351	6,596	12,050
Provisions	399	(48)	-	351
Liabilities	6,647	4,706	-	11,353
Tax-loss carryforwards	358	13,531	-	13,889
Intangible assets (development costs)	(22,485)	(6,130)	-	(28,615)
Property, plant and equipment	(6,558)	(2,409)	-	(8,967)
Inventories	-	-	-	-
Trade receivables (mainly differences from USD valuation)	766	(6,484)	-	(5,718)
Bonds	(274)	168	-	(106)
Other	333	(2,194)	-	(1,861)
	(20,128)	8,010	7,530	(4,589)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	March 1, 2015 EUR'000	Changes in the consolidated statement of comprehensive income EUR'000	Changes in other comprehensive income EUR'000	February 29, 2016 EUR'000
Deferred taxes				
Financial assets	347	62	4	413
Other receivables and assets	96	8	-	104
Investment grants	1,285	(103)	-	1,182
Obligations towards employees	1,307	(215)	(184)	908
Derivative financial instruments	12,050	(1,604)	(3,351)	7,095
Provisions	351	(629)	19	(259)
Liabilities	11,353	(494)	-	10,859
Tax-loss carryforwards	13,889	13,634	-	27,523
Intangible assets (development costs)	(28,615)	(4,313)	-	(32,928)
Property, plant and equipment	(8,967)	170	-	(8,797)
Inventories	-	-	-	-
Trade receivables (mainly differences from USD valuation)	(5,718)	1,396	-	(4,322)
Bonds	(106)	20	-	(86)
Other	(1,861)	410	-	(1,452)
	(4,589)	8,342	(3,512)	241

Deferred income tax assets and liabilities are offset and recognised in the consolidated statement of financial position as an asset or a liability when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority.

As at 28 February 2015, deferred income tax liabilities in the amount of 4,589 EURk were shown in the consolidated statement of financial position. As at 29 February 2016, deferred income tax assets in the amount of 241 EURk were shown in the consolidated statement of financial position.

Within the next twelve months, deferred income tax assets in the amount of 16,997 EURk and 12,243 EURk are expected to be

realised and deferred income tax liabilities amounting to 12,216 EURk and 13,271 EURk are expected to be settled as at 28 February 2015 and 29 February 2016, respectively.

Deferred income tax assets on loss carryforwards are recognised to the extent that their utilisation seems likely. The Group assesses the probability based on available planning data.

The Group did not recognise deferred income tax assets of 343 EURk as at 28 February 2015 and 131 EURk as at 29 February 2016 in respect of losses amounting to 1,373 EURk and 522 EURk, respectively, that can be carried forward against future taxable income in the country of origin of the subsidiary involved.

The income tax amount that is directly attributed to other comprehensive income consists of the following items:

	2014/15			2015/16		
	Gross EUR'000	Tax EUR'000	Net EUR'000	Gross EUR'000	Tax EUR'000	Net EUR'000
Revaluation effects pensions and termination benefits	(3,776)	944	(2,832)	665	(166)	499
Fair value measurement of securities	41	(10)	31	(18)	5	(13)
Cash flow hedge	(26,375)	6,596	(19,779)	13,403	3,351	10,052
Total	(30,110)	7,530	(22,580)	14,050	3,512	10,538

31 COMMITMENTS TO ACQUIRE ASSETS

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Property, plant and equipment		
Authorised but without contractual obligation	35,892	30,701
Contractual obligation, not yet incurred	8,373	5,715
	44,265	36,416

32 RENTAL AND LEASING COMMITMENTS

The total of future accumulated minimum lease payments from operating leases in connection with property, plant and equipment amount to:

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
No later than 1 year	4,291	3,665
Later than 1 year and no later than 5 years	11,193	10,117
Later than 5 years	6,945	5,422
Total	22,429	19,204

33 IMPAIRMENT TESTS FOR GOODWILL AND OTHER NON-CURRENT ASSETS (PARTICULARLY DEVELOPMENT COSTS)

The following is a summary of goodwill allocation at the segment level:

2015/16	Opening	Additions	Disposals	Impairment	Closing
Aerostructures	10,211	–	–	–	10,211
Engines & Nacelles	3,054	–	–	–	3,054
Interiors	5,330	–	–	–	5,330
Total	18,595	–	–	–	18,595

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on the multi-year plan approved by management. Cash flows beyond this multi-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the business in which the CGU operates.

The underlying budgets include the planned costs and returns per item and quantity based on external data (Airline Monitor, customer forecasts, etc.), and foreign exchange rate forecasts (EUR/USD) of 1.18 to 1.23 (previous year: EUR/USD 1.35). The planning period with regard to the future cash flows depends on the terms and conditions of the respective customer contracts.

Key assumptions used for the value-in-use calculations in 2015/16:

	Aerostructures	Engines & Nacelles	Interiors
Growth rate ¹	1.5%	1.5%	1.5%
Discount rate ²	10.07%	10.07%	10.07%
Average revenue growth p.a. in the planning period	11.80%	11.93%	5.46%

¹ Weighted average growth rate used to extrapolate cash flows beyond the planning period

² Pre-tax discount rate applied to the cash flows

Revenue development (EBIT margin) extrapolated from the multi-year plan adopted by the Management Board is considered as key assumption. The Management Board assumes that standard market margin levels will be maintained and/or achieved in the Aerostructures as well as Engines & Nacelles segments (average standard market EBIT margin 7% – 15%). In the Interiors segment, the Management Board assumes that the standard market margin level will be reached in the course of the planning period (average standard market EBIT margin Interiors 6% – 18%).

Key assumptions used for the value-in-use calculations in 2014/15:

	Aerostructures	Engines & Nacelles	Interiors
Growth rate ¹	1.5%	1.5%	1.5%
Discount rate ²	10.9%	10.9%	10.9%

¹ Weighted average growth rate used to extrapolate cash flows beyond the planning period

² Pre-tax discount rate applied to the cash flows

In the planning period, an average revenue growth of 9.8% at the Group level was taken into account.

Management determined budgeted gross margin based on past performance and its expectations of market development.

For material assumptions in sensitivity analyses, reference is made to Note 2(b)(v).

Due to the long-term nature of the underlying transaction (contractual terms of up to 15 years) as well as the resulting longer industrialisation phases (period between five and seven years to achieve target margins), management has determined the planning period to be six years. It is expected that a steady state of the revenue situation for calculating perpetual annuity will only be achieved after six years.

34 RELATED-PARTY TRANSACTIONS

The Group companies entered into and executed several transactions with associates of the consolidated group as part of ordinary business operations. The transactions were fully consolidated.

Related-party transactions outside of the consolidated group for the period 1 March 2014 to 28 February 2015

With the related company Shanghai Aircraft Manufacturing Co., Ltd. revenue was generated in the amount of 9,655 EURk (previous year: 15,503 EURk). Receivables in the amount of 17,315 EURk (previous year: 14,201 EURk) are shown in the consolidated statement of financial position.

With the related company Fesher Aviation Component (Zhenjiang) Co., Ltd. revenue was generated in the amount of 3,329 EURk (previous year: 1,218 EURk). Receivables in the amount of 12,739 EURk (previous year: 11,372 EURk) are shown in the consolidated statement of financial position.

With the related company Future Aviation International Investment Co., Ltd. revenue was generated in the amount of nil EURk (previous year: 2,800 EURk). Receivables in the amount of 2,800 EURk (previous year: 2,800 EURk) are shown in the consolidated statement of financial position.

A dividend was paid in the amount of 19,000 EURk (previous year: 1,700 EURk) to FACC International Company Limited.

The related company FACC International Company Limited was charged costs in the amount of 1,811 EURk (previous year: 900 EURk). Receivables in the amount of 1,811 EURk (previous year: 900 EURk) are shown in the consolidated statement of financial position. 1,811 EURk relates to the prorated costs arising from the IPO that are to be allocated to the majority shareholder FACC International Company Limited in connection with the sale of shares in the course of the IPO. The Management Board of FACC AG, after consulting a legal advisor, decided to recognise a

receivable from FACC International Company Limited. The majority shareholder FACC International Company Limited does not share this legal interpretation. The Management Board of FACC AG assumes that the receivable is recoverable based on this legal interpretation and that the legal interpretation will be accepted.

The related company Aerospace Innovation Investment GmbH was charged costs in the amount of 166 EURk (previous year: nil EURk). Receivables in the amount of 656 EURk (previous year: nil EURk) are shown in the consolidated statement of financial position.

Related-party transactions outside of the consolidated group for the period 1 March 2015 to 29 February 2016

With the related company Shanghai Aircraft Manufacturing Co., Ltd. revenue was generated in the amount of 1,172 EURk (previous year: 9,655 EURk). Receivables in the amount of 5,622 EURk (previous year: 17,315 EURk) are shown in the consolidated statement of financial position.

With the related company Fesher Aviation Component (Zhenjiang) Co., Ltd. revenue was generated in the amount of 2,122 EURk (previous year: 3,329 EURk). Receivables in the amount of 10,469 EURk (previous year: 12,739 EURk) and payables in the amount of 234 EURk (previous year: nil EURk) are shown in the consolidated statement of financial position.

With the related company Future Aviation International Investment Co., Ltd. revenue was generated in the amount of nil EURk (previous year: nil EURk). Receivables in the amount of 2,800 EURk (previous year: 2,800 EURk) are shown in the consolidated statement of financial position.

In the reporting period, a dividend was paid in the amount of nil EURk (previous year: 19,000 EURk) to FACC International Company Limited.

The related company FACC International Company Limited was charged costs in the amount of nil EURk (previous year: 1,811 EURk). Receivables in the amount of 168 EURk (previous year: 1,811 EURk) are shown in the consolidated statement of financial position.

The related company Aerospace Innovation Investment GmbH was charged costs in the amount of nil EURk (previous year: 166 EURk). Receivables in the amount of nil EURk (previous year: 656 EURk) and payables in the amount of 34 EURk (previous year: nil EURk) are shown in the consolidated statement of financial position.

Remuneration – Total remuneration of members of the Management Board amounted to 4,968 EURk¹ (28 February 2015 and 502 EURk (29 February 2016). No loans or advances were granted to members of the Management Board.

Key management compensation

	February 28, 2015 EUR'000	February 29, 2016 EUR'000
Salaries and other short-term employee benefits	2,403	1,002
Retirement scheme contributions	2,299 ¹	(658) ¹
Allocation to provision for termination benefits	266	158
	4,968	502

¹ of which 795 EURk actuarial gains (previous year: 2,217 EURk actuarial losses) – due to revaluation effects in connection with pension obligations – recognised in other comprehensive income

35 EARNINGS PER SHARE

Basic earnings per share are determined in accordance with IAS 33 by dividing the profit or loss for the year by the number of shares issued.

	February 29, 2016
Loss after taxes attributable to the equity holders (in EURk)	(21,917)
Average number of shares in issue (number of shares)	45,790,000
Basic earnings per share (in EUR)	(0.48)

36 EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the end of the reporting period.

37 MANAGEMENT BOARD AND SUPERVISORY BOARD

Members of the Management Board in the reporting period were:

Walter Stephan
Minfen Gu (until 2 February 2016)
Robert Machtlinger
Yongsheng Wang (since 2 February 2016)

Members of the Supervisory Board in the reporting period were:

Ruguang Geng, Chairman
Jun Tang, Deputy Chairman
Weixi Gong
Barbara Huber
Peter Krohe
Yanzheng Lei
Greg Peters
Johann Redhammer (until 30 July 2015)
Ulrike Reiter
Yongsheng Wang (until 2 February 2016)
Xuejun Wang
Chunsheng Yang
Birol Mutlu (since 1 August 2015)

Ried im Innkreis, 20 May 2016

Walter Stephan m. p.
Chairman of the Management Board

Robert Machtlinger m. p.
Member of the Management Board

Yongsheng Wang
Member of the Management Board

Statement of all Legal Representatives

ACCORDING TO SECTION 82 PARA. 4 STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards.

In addition, we confirm to the best of our knowledge that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Ried im Innkreis, 20 May 2016

The Management Board

Walter Stephan m. p.
Chairman of the Management Board

Robert Machtlinger m. p.
Member of the Management Board

Yongsheng Wang
Member of the Management Board

Auditor's Report

We draw attention to the fact that the English translation of this auditor's report according to Section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of FACC AG, Ried im Innkreis, which comprise the consolidated balance sheet as of 29 February 2016, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under Section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian generally accepted auditing standards. Those standards require the application of the International Stan-

dards on Auditing according to which we are to comply with ethical requirements and to plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 29. February 2016 and of its financial performance and its cash flows for the fiscal year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 245a UGB.

Emphasis of matter

Without qualifying our audit opinion, we draw attention to the disclosures made by the Company in the notes to the consolidated financial statements on the use of assumptions and estimates under "Non-current receivables" (page 8) and under "Other operating income and expenses" (page 45), stating that in the fiscal year 2015/16, an externally controlled fraud incident (fake president incident) resulted in an illegal outflow of the Group's liquid funds in the amount of EUR 52,847k. Immediately adopted measures led to the freezing of EUR 10,860k in receiving accounts, with this amount having been recognised as non-current receivable. Based on a legal opinion obtained, the management considers FACC Operations GmbH to be the lawful owner of the money and assumes that the money will be reimbursed, even if this will not happen in the short term. Consequently, the item "Other operating income and expenses" contains a loss balance resulting from the fraud incident in the amount of EUR 41,987k.

COMMENTS ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, 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 other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB are appropriate.

Linz, 20 May 2016
PwC Oberösterreich
Wirtschaftsprüfung und Steuerberatung GmbH

signed:

Friedrich Baumgartner
Austrian Certified Public Accountant

Disclosure, publication and duplication of the Consolidated Financial Statements together with the auditor's report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.

CORPORATE GOVERNANCE REPORT

The Austrian Code of Corporate Governance (ACCG) provides Austrian stock corporations with a framework for the management and control of enterprises. It covers the standards of good corporate management common in international business practice as well as the most important provisions of Austrian corporation law that are of relevance in this context. The Code aims to establish a system of management and control of companies and groups that is accountable and is geared to creating sustainable, long-term value. The Code is designed to increase the degree of transparency for all stakeholders of a company.

DECLARATION OF COMMITMENT

FACC AG respects the Austrian Code of Corporate Governance (ACCG) and committed itself for the first time to compliance with the provisions contained in this Code in 2014, following the first listing of the company shares on the Prime Market of the Vienna Stock Exchange. The Supervisory Board also unanimously resolved to fully adhere to the ACCG. The Code is available on the Internet at www.corporate-governance.at in the currently valid version. In accordance with Rule 60 of the ACCG, FACC AG is required to prepare and publish a Corpo-

rate Governance Report. This Corporate Governance Report is publicly available on the website of FACC AG (www.facc.com) (C-Rule 61 of the ACCG).

Deviation from C-Rules

Rule 41: FACC AG has a combined Nomination and Remuneration Committee, which performs the function of the Nomination Committee: this committee is referred to as the "Personnel and Remuneration Committee".

CORPORATE BODIES OF FACC AG

Management Board

The Management Board is responsible for managing the business operations of FACC AG in line with prevailing legal regulations, the Articles of Association and the internal rules of procedure. The distribution of responsibilities among the individual members of the Management Board is determined in accordance with the internal rules of procedure, which also regulate the mode of cooperation among the Management Board members. Furthermore, the Management Board is required to fully comply with the rules stipulated in the Austrian Code of Corporate Governance.



Walter Stephan
Chairman of the
Management Board

Robert Machtlinger
Member of the
Management Board

Management Board**Walter STEPHAN (1954)**

Chairman of the Management Board

First appointed: 2014

Current mandate expires: 2019

Areas of responsibility: Sales & Marketing, Distribution, Research & Development, Engineering, Quality Management, Purchasing, Legal Affairs, Investor Relations

Supervisory Board mandates in other companies: POLYMER Competence Center Leoben GmbH, Techno-Z Ried Technologiezentrum GmbH (Chairman)

Robert MACHTLINGER (1967)

Member of the Management Board

First appointed: 2014

Current mandate expires: 2019

Areas of responsibility: Production, Logistics, Tooling & Industrial Engineering, Facility Management, Human Resources

Supervisory Board mandates in other companies: none

Members of the Management Board who resigned from the Board in the 2015/16 financial year:

Minfen GU (1965)

Member of the Management Board

First appointed: 2014

The Supervisory Board revoked the appointment of Minfen Gu to the Management Board of FACC AG as of 2 February 2016.

Supervisory Board**Ruguang GENG (1957)**

Chairman since 2009

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

Jun TANG (1960)

Vice Chairman since 2011

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

Yongsheng WANG (1963)

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

By a resolution of 2 February 2016, the Supervisory Board delegated Yongsheng Wang as a member of the Management Board to perform a support function until 30 November 2016 pursuant to Section 90 para. 2 of the Austrian Stock Corporation Act. After this period Yongsheng Wang will be a member of the Supervisory Board again.

Yanzheng LEI (1965)

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

Weixi GONG (1962)

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

Xuejun WANG (1972)

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

Chunsheng YANG (1955)

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

Gregory B. PETERS (1947)

First appointed: 2014

Current mandate expires: Annual General Meeting resolving upon the 2017/18 financial year

Supervisory Board mandates in other companies: none

Supervisory Board members designated by the Works Council**Barbara HUBER (1965)**

First appointed: 2014

Birol MUTLU (1981)

First appointed: 2015

Peter KROHE (1959)

First appointed: 2014

Ulrike REITER (1960)

First appointed: 2014

Members of the Supervisory Board who resigned from the Board in the 2015/16 financial year:

Johann REDHAMMER (1985), a member of the Supervisory Board designated by the Works Council, resigned from the Supervisory Board in the 2015/16 financial year.

The FACC International Company Limited has not made use of its right in accordance with Section 11.2 of the Articles of Association of FACC AG to appoint up to one third of all Supervisory Board members, as long as it owns at least 25% of the share capital.

The eight shareholder representatives, currently serving on the Supervisory Board, were elected in the Annual General Meeting of 23 June 2014.

INDEPENDENCE OF SUPERVISORY BOARD MEMBERS

The Supervisory Board has adopted the guidelines relating to the independence of its members pursuant to Appendix 1 of the Austrian Code of Corporate Governance. As a result, all members of the Supervisory Board have declared their independence of the company and its Management Board (Rule 53 of the ACCG).

Gregory B. Peters and Weixi Gong are the members of the Supervisory Board, who do not represent the interests of shareholders with an equity interest of more than 10% (Rule 54 of the ACCG).

NUMBER AND SIGNIFICANT MATTERS RAISED DURING MEETINGS OF THE SUPERVISORY BOARD AND THE COMMITTEES

During the 2015/16 financial year, the Supervisory Board of FACC AG fulfilled its responsibilities under the law and the Articles of Association, holding four ordinary sessions, and two extraordinary meetings. In addition to ongoing reports on the current economic and financial situation of FACC AG, the ordinary meetings dealt in particular with issues relating to corporate strategic development.

The Audit Committee held two ordinary meetings and one extraordinary meeting and dealt primarily with the preparation and review of the company's consolidated financial statements and the individual financial statements, the audit planning of the auditor for the 2015/16 financial year, the effectiveness and smooth functioning of both the internal control system and risk management as well as with specific accounting matters.

The Personnel and Remuneration Committee met three times in the 2015/16 financial year for the evaluation and discussion of a new remuneration system for executives.

The Strategic Committee held three meetings dealing with corporate strategy and the monitoring of company-specific key performance indicators.

In connection with the "Fake President Incident", two extraordinary Supervisory Board meetings and one extraordinary Audit Committee meeting were held in the 2015/16 financial year. Since these meetings were convened at short notice, they were held in the form of a telephone or video-conference and served primarily to collect information on the status of corresponding forensic investigations as well as resolving upon the necessary authorisations needed for further investigations. The Supervisory Board was therefore kept abreast about the current status of the forensic investigations and the situation of the company.

COOPERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board reports to the Supervisory Board on fundamental issues relating to the future business policies of both the company and the Group as a whole as well as the future

development of assets and liabilities, financial position and profit or loss. In addition, the Management Board regularly informs the Supervisory Board about business performance and the current situation of both the company and the Group as a whole in comparison to forecasts, while taking future development into account.

REMUNERATION REPORT

Remuneration of the Management Board

Management Board members' variable remuneration components are linked to both financial performance criteria such as the operating result (EBIT) and individually agreed and partly non-financial performance indicators.

No maximum limit has been defined for these variable remuneration components.

In the 2015/16 financial year, variable remuneration components accounted for 0% of total remuneration of the members of the Management Board.

Remuneration of the active members of the FACC AG's Management Board in the 2015/16 financial year:

A D&O insurance policy is currently in place, for which the premiums are paid by the company.

A defined contribution pension scheme has been set up for two members of the Management Board, Robert Machtlinger and Minfen Gu. Total expenses amounted to TEUR 16 in the 2015/16 financial year (2014/15: TEUR 11).

TEUR	Fixed	Variable	Total
Walter STEPHAN	401	0	401
Robert MACHTLINGER	326	0	326
Minfen GU ¹	275	0	275

¹ retired from the Management Board as of 2 February 2016

For the Chairman of the Management Board Walter Stephan a defined benefit pension scheme is in place. Within the framework of the pension arrangement concluded between FACC AG and Walter Stephan on February 3, 2015, it was agreed that FACC AG will finance the pension plan of the Chairman of the Management Board for the entire duration of his mandate with an annual payment of EUR 170,000.

No stock option programme has been set up for members of the Management Board or for the company's executives.

Following the early termination of the Management Board's contracts by the Supervisory Board, members will have certain entitlements with regard to basic salaries. Upon scheduled termination of a contract, Management Board members are entitled to severance payments depending on the length of their service and in accordance with statutory regulations.

Remuneration of the Supervisory Board

Total remuneration for the members of the Supervisory Board for the 2014/15 financial year, which was approved by the Annual General Meeting held on 15 June 2015, amounted to EUR 114,720 and was distributed as follows:

- for the Chairman of the Supervisory Board: 10,000 EUR
- for the Vice Chairman of the Supervisory Board: 8,800 EUR
- for independent members of the Supervisory Board: 15,100 EUR
- for members of the Supervisory Board: 7,600 EUR
- for Yongsheng Wang: 17,600 EUR

SUPERVISORY BOARD COMMITTEES IN THE 2015/16 FINANCIAL YEAR

Audit Committee

The Audit Committee carries out the tasks assigned to it pursuant to Section 92 Para. 4a of the Austrian Stock Corporation Act. Thus, the Audit Committee is mainly responsible for auditing the annual financial statements and preparing their adoption, evaluating the proposal made by the Management Board on the distribution of profits as well as reviewing the Management Report. The Audit Committee also examines the consolidated financial statements and the Group Management Report and makes a recommendation for the selection of the auditor. Furthermore, the Audit Committee monitors the effectiveness of the internal control system, the internal auditing and the risk management system of the company. The Committee is required to submit a report to the Supervisory Board on its activities.

In the 2015/16 financial year, the Audit Committee met three times.

Members

- Yanzheng LEI (Chairman)
- Yongsheng WANG (financial expert)¹
- Weixi GONG
- Barbara HUBER

Personnel and Remuneration Committee

The Supervisory Board has set up a Personnel Committee, which submits proposals to the Supervisory Board for filling new or vacant positions on the Management Board and also deals with issues relating to succession planning. Moreover, the Committee submits proposals to the Annual General Meeting for filling vacant positions on the Supervisory Board.

The Supervisory Board has set up a Remuneration Committee, which deals with the terms and conditions of employment contracts of Management Board members, ensures compliance with the C-Rules 27, 27a and 28 and also assesses the remuneration policy with respect to Management Board members at regular intervals.

In the 2015/16 financial year, this Committee met three times.

Members

- Ruguang GENG (Chairman)
- Jun TANG
- Yanzheng LEI
- Yongsheng WANG¹
- Weixi GONG

Strategy Committee

The Supervisory Board has established a Strategy Committee. This Committee focuses on the corporate strategy and on monitoring related company-specific key performance indicators. Moreover, it both monitors the measures adopted by the Management Board to implement the corporate strategy on an ongoing basis and carries out an annual review thereof.

Three meetings of the Strategy Committee were held in the 2015/16 financial year.

Members

- Jun TANG (Chairman)
- Yanzheng LEI
- Yongsheng WANG¹
- Weixi GONG
- Ulrike REITER

PROMOTION OF WOMEN ON THE MANAGEMENT BOARD, SUPERVISORY BOARD AND IN EXECUTIVE POSITIONS

The proportion of female employees within the FACC Group decreased from 38.3% to 22% in the 2015/16 financial year. The percentage of female apprentices remained almost constant at 35% in the year under review.

There are no explicit women's quotas in any of the subsidiaries of the FACC Group. The still relatively low proportion of women employed in the company compared to other economic sectors is mainly attributable to sector-specific factors.

FACC AG is committed to promoting equal opportunities at the workplace and strongly opposes any form of gender discrimination.

POSITION OF THE SHAREHOLDERS

Each share grants shareholders one vote at the Annual General Meeting of FACC AG. Unless mandatory statutory provisions require otherwise, the Annual General Meeting shall pass resolutions by a simple majority of votes cast. Resolutions requiring equity majority are passed by a simple majority of the capital stock represented at the time when the resolution is adopted. None of the shares conveys special control rights.

DIRECTORS' DEALINGS

In the 2015/16 financial year, a total of six share trading transactions concluded by individuals of FACC AG subject to reporting obligations were published on the website of the Financial Market Authority (FMA).

¹ By a resolution of 2 February 2016, the Supervisory Board delegated Yongsheng Wang as a member of the Management Board to perform a support function until 30 November 2016 pursuant to Section 90 para. 2 of the Austrian Stock Corporation Act. After this period Yongsheng Wang will be a member of the Supervisory Board again.

Bilanz zum 29. Februar 2016

A K T I V A	29.02.2016	28.02.2015 EUR 1.000
A. Anlagevermögen		
I. Immaterielle Vermögensgegenstände		
Software	709,00	0
II. Finanzanlagen		
1. Anteile an verbundenen Unternehmen	267.822.715,00	141.823
2. Wertpapiere (Wertrechte) des Anlagevermögens	1.635.084,67	1.389
	269.457.799,67	143.212
	269.458.508,67	143.212
B. Umlaufvermögen		
I. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen gegenüber verbundenen Unternehmen	2.074.288,25	83.498
<i>davon aus Lieferungen und Leistungen</i>	<i>1.117.597,46</i>	<i>3.544</i>
<i>davon sonstige</i>	<i>956.690,79</i>	<i>79.955</i>
2. Sonstige Forderungen und Vermögensgegenstände	7.286.791,66	9.834
	9.361.079,91	93.332
II. Guthaben bei Kreditinstituten	2.971.108,89	53.122
	12.332.188,80	146.454
C. Rechnungsabgrenzungsposten	183.196,72	172
	281.973.894,19	289.838

P A S S I V A	29.02.2016	28.02.2015 EUR 1.000
A. Eigenkapital		
I. 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. Bilanzverlust davon <i>Verlust-/Gewinnvortrag</i>	- 6.610.720,07 - 8.539.897,04	- 8.540 4.708
	268.435.529,93	266.506
B. Rückstellungen		
1. Rückstellungen für Abfertigungen	579.741,00	542
2. Rückstellungen für Pensionen	3.642.553,00	4.317
3. Steuerrückstellungen	24.946,73	24
4. Sonstige Rückstellungen	1.061.922,01	2.595
	5.309.162,74	7.478
C. Verbindlichkeiten		
1. Verbindlichkeiten aus Lieferungen und Leistungen	683.943,56	125
2. Verbindlichkeiten gegenüber verbundenen Unternehmen davon <i>aus Lieferungen und Leistungen</i> davon <i>sonstige</i>	7.281.404,69 34.434,91 7.246.969,78	15.644 0 15.644
3. Sonstige Verbindlichkeiten davon <i>aus Steuern</i> davon <i>im Rahmen der sozialen Sicherheit</i>	263.853,27 3.915,65 21.831,98	85 4 19
	8.229.201,52	15.854
	281.973.894,19	289.838

Gewinn- und Verlustrechnung 2015/2016

	2015/2016	2014/2015 EUR 1.000
1. Umsatzerlöse	3.000.000,00	2.250
2. Sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom Anlagevermögen	0,00	7
b) Erträge aus der Auflösung von Rückstellungen	1.231.733,30	0
c) Übrige	210,66	1.978
	1.231.943,96	1.985
3. Personalaufwand		
a) Gehälter	1.630.160,75	2.091
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervereinigungen	170.600,13	268
c) Aufwendungen für Altersversorgung	- 721.968,29	2.275
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	248.167,86	123
e) Sonstige Sozialaufwendungen	3.511,00	0
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	368,50	1
5. Sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	0,00	2.181
b) Übrige	2.393.149,52	11.460
6. Zwischensumme aus Z 1 bis 5 (Betriebsergebnis)	507.954,49	- 14.164
7. Sonstige Zinsen und ähnliche Erträge	1.428.775,34	971
<i>davon aus verbundenen Unternehmen</i>	<i>1.144.884,90</i>	<i>672</i>
8. Zinsen und ähnliche Aufwendungen	4.052,86	47
<i>davon betreffend verbundene Unternehmen</i>	<i>0,00</i>	<i>46</i>
9. Zwischensumme aus Z 7 bis 8 (Finanzergebnis)	1.424.722,48	924
10. Ergebnis der gewöhnlichen Geschäftstätigkeit	1.932.676,97	- 13.240
11. Steuern vom Einkommen	3.500,00	8
12. Jahresüberschuss/-fehlbetrag	1.929.176,97	- 13.248
13. Verlust-/Gewinnvortrag aus dem Vorjahr	- 8.539.897,04	4.708
14. Bilanzverlust	- 6.610.720,07	- 8.540

Anlage 3

**FACC AG,
Ried im Innkreis**

ANHANG ZUM JAHRESABSCHLUSS

zum 29. Februar 2016

Allgemeine Grundsätze

Unternehmensgröße	Die FACC AG ist eine große Kapitalgesellschaft im Sinne des § 221 UGB.
Prinzipien	<p>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.</p> <p>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.</p>
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 im Ried 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 Firmenbuchnr. 114257a veröffentlicht wird.

Die FACC AG befindet sich wiederum im Konsolidierungskreis der FACC International Company Ltd. mit Sitz in Hongkong (Room 2302, 23rd Floor, Caroline Centre Lee Gardens Two, 28 Yun Ping Road, HKG), Firmenbuchnr. 1394811.

Geschäftliche Beziehungen

Der FACC AG obliegt die Holdingfunktion. Als Muttergesellschaft der FACC Operations GmbH übernimmt sie Managementtätigkeiten und Financial Services für den Konzern. Des Weiteren übernimmt die FACC AG Finanzierungsagenden im 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.
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 2,0 % (Vorjahr 2,3 %) 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.</p> <p>Rückstellungen für Pensionen</p> <p>Die für eine schriftliche, rechtsverbindliche und unwiderrufliche Einzelzusage gebildete Pensionsrückstellung wird nach versicherungsmathematischen Grundsätzen nach IAS 19 unter Zugrundelegung eines Rechnungszinssatzes von 2,0 % (Vorjahr 1,5 %) und einer Gehaltsdynamik von 2,0 % (Vorjahr 2,0 %) bzw. einer Rentendynamik von 1,0 % (Vorjahr 1,0 %) gebildet. Dabei wird ein Pensionsantrittszeitpunkt von 65 Jahren zugrunde gelegt. Bei der Rückstellungsberechnung wird kein Fluktuationsabschlag berücksichtigt. Versicherungsmathematische Gewinne und Verluste werden erfolgswirksam erfasst.</p>

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 berücksichtigt.

Die Rückstellung für Zeitguthaben berücksichtigt die zum Bilanzstichtag offene Zeitverrechnung mit Mitarbeitern. Die Berechnung beinhaltet die anteiligen Lohnnebenkosten.

Die Berechnung der Jubiläumsgeldrückstellung erfolgt nach IAS 19. Es werden ein Rechnungszinssatz von 2,0 % (Vorjahr 2,3 %) 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. Ein Fluktuationsabschlag wird nicht berücksichtigt. Versicherungsmathematischen Gewinne und Verluste werden sofort erfolgswirksam erfasst.

Verbindlichkeiten

Verbindlichkeiten werden mit ihrem Rückzahlungsbetrag 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

ANLAGEVERMÖGEN

269.458.508,67

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.

Immaterielle Vermögensgegenstände

709,00

Die immateriellen Vermögenswerte bestehen lediglich aus PC-Software, die im vorliegenden Geschäftsjahr erworben wurde.

Finanzanlagen

269.457.799,67

Anteile an verbundenen Unternehmen

267.822.715,00

Beteiligungsspiegel zum 29.02.2016

		Anteil am Stammkapital	Eigenkapital zum Bilanzstichtag	Jahresfehlbetrag
FACC Operations GmbH	Ried im Innkreis	100,0	172.582.902,03	-49.411.839,82

Beteiligungsspiegel zum 28.02.2015

		Anteil am Stammkapital	Eigenkapital zum Bilanzstichtag	Jahresfehlbetrag
FACC Operations GmbH	Ried im Innkreis	100,0	95.994.741,85	-39.010.078,32

Im vorliegenden Geschäftsjahr erhielt das Tochterunternehmen eine Stammkapitalerhöhung in Höhe von EUR 47.000.000,00 sowie einen Gesellschafterzuschuss in Form einer ungebundenen Kapitalrücklage aus einem unwiderruflichen Forderungsverzicht in Höhe von EUR 79.000.000,00, wodurch sich der Beteiligungsansatz entsprechend erhöhte.

Wertpapiere (Wertrechte) des Anlagevermögens

1.635.084,67

Bei den Wertrechten handelt es sich um die Rückkaufswerte der Pensionsrückdeckungsversicherung für die im Geschäftsjahr 2015/16 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.

	29.02.2016	28.02.2015
Wr. Städtische Versicherung		
- Deckungskapital Pol. 1,128.230-0	1.431.195,71	1.388,8
- Deckungskapital Pol. L 331.841-J	<u>203.888,96</u>	
	<u>1.635.084,67</u>	<u>1.388,8</u>

Diese Ansprüche wurden an den Berechtigten der Pensionszusage verpfändet.

UMLAUFVERMÖGEN **12.332.188,80**

Forderungen und sonstige Vermögensgegenstände **9.361.079,91**

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.

Forderungen gegenüber verbundenen Unternehmen **2.074.288,25**

Zum Bilanzstichtag bestanden folgende Forderungen gegenüber verbundenen Unternehmen:

	29.02.2016	28.02.2015
FACC Operations GmbH, Ried im Innkreis		
- Forderungen aus laufender Verrechnung	949.399,46	1.076,2
- Darlehensforderungen	100.000,00	79.100,0
- Forderungen aus Steuerumlage	856.690,79	854,9
FACC International Company Limited, Hongkong		
- Forderungen aus laufender Verrechnung	168.198,00	1.811,5
Aerospace Innovation Investment GmbH, Ried im Innkreis		
- Forderungen aus laufender Verrechnung	0,00	655,9
	<u>2.074.288,25</u>	<u>83.498,5</u>

Das an die FACC Operations GmbH gewährte Darlehen in Höhe von EUR 79.100.000,00 wurde im vorliegenden Geschäftsjahr im Ausmaß von EUR 79.000.000,00 durch einen unwiderruflichen Forderungsverzicht in einen Gesellschafterzuschuss in Form einer Kapitalrücklage umgewandelt.

An die FACC International Company Limited wurden im Vorjahr Kosten in Höhe von 1.811.464,70 EUR verrechnet. Diese anteiligen Kosten aus dem Börsegang, welche dem Mehrheitsaktionär FACC International Company Limited im Zusammenhang mit dem Verkauf von Aktien im Rahmen des Börsegangs zuzurechnen waren, wurden im vorliegenden Geschäftsjahr um EUR 643.266,70 auf EUR 1.168.198,00 reduziert. Davon bestand zum Bilanzstichtag eine Restforderung von EUR 168.198,00, die der Vorstand der FACC AG als vollumfänglich einbringlich ansieht.

Sonstige Forderungen und Vermögensgegenstände

7.286.791,66

Unter den sonstigen Forderungen und Vermögensgegenständen wurden folgende Einzelwerte zusammengefasst:

	29.02.2016	28.02.2015
Finanzamt Linz	7.271.548,87	9.636,6
Geleistete Anzahlungen	15.000,00	0,0
Noch nicht fakturierte Zinsforderungen	0,00	197,3
Ausländische Vorsteuer	242,79	0,1
	<u>7.286.791,66</u>	<u>9.834,0</u>

Im Posten „Sonstige Forderungen und Vermögensgegenstände“ sind keine Erträge (Vorjahr TEUR 197) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

Guthaben bei Kreditinstituten

2.971.108,89

Bankguthaben bestanden zum Bilanzstichtag bei folgenden Kreditinstituten:

	29.02.2016	28.02.2015
Erste Bank		
- Kto.Nr. 600-131-246/00	2.410.523,14	6.038,3
Bank Austria		
- Kto.Nr. 10009.182.832	560.585,75	10.083,7
- Kto.Nr. 10009.183.038 (Festgeld)	0,00	37.000,0
Raiffeisenlandesbank OÖ		
- Kto.Nr. 266 4365	0,00	0,0
	<u>2.971.108,89</u>	<u>53.122,0</u>

RECHNUNGSABGRENZUNGSPOSTEN

183.196,72

Zum Zwecke der Periodenabgrenzung waren zum Bilanzstichtag 29.02.2016 folgende Rechnungsabgrenzungsposten in die Bilanz einzustellen:

	29.02.2016	28.02.2015
Gebühren, Mitgliedsbeiträge	23.725,02	80,2
Versicherungen	158.696,70	77,2
Werbeaufwand	775,00	0,0
Beratungsaufwand	0,00	14,6
	<u>183.196,72</u>	<u>171,9</u>

EIGENKAPITAL

268.435.529,93

Das Eigenkapital der AG setzt sich zusammen aus:

	29.02.2016	28.02.2015
Grundkapital	45.790.000,00	45.790,0
Kapitalrücklagen	229.256.250,00	229.256,3
Bilanzverlust	-6.610.720,07	-8.539,9
	268.435.529,93	266.506,4

Grundkapital

45.790.000,00

Das Grundkapital der an der Börse notierenden Gesellschaft beträgt EUR 45.790.000 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 19.895.000,00 EUR 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 3.000.000,00 EUR 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 15.000.000 EUR 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.

Kapitalrücklagen **229.256.250,00**

	29.02.2016	28.02.2015
Gebundene Kapitalrücklage	134.215.000,00	134.215,0
Nicht gebundene Kapitalrücklage	95.041.250,00	95.041,3
	<u>229.256.250,00</u>	<u>229.256,3</u>

Bilanzverlust **-6.610.720,07**

	29.02.2016	28.02.2015
Verlust-/Gewinnvortrag per 29./28.02.	-8.539.897,04	23.707,9
Gewinnausschüttung	0,00	-19.000,0
Jahresgewinn/-verlust	1.929.176,97	-13.247,8
	<u>-6.610.720,07</u>	<u>-8.539,9</u>

RÜCKSTELLUNGEN **5.309.162,74**

Rückstellungen für Abfertigungen **579.741,00**

	Stand 01.03.2015	Verwendung	Zuweisung	Stand 29.02.2016
Rückstellungen für Abfertigungen	541.496,00	112.214,00	150.459,00	579.741,00

Im Geschäftsjahr 2015/16 wurden versicherungsmathematische Verluste in Höhe von EUR 2.033,00 (Vorjahr TEUR -1) erfolgswirksam in der in der Gewinn- und Verlustrechnung erfasst.

Rückstellungen für Pensionen **3.642.553,00**

	Stand 01.03.2015	Auflösung	Stand 29.02.2016
Rückstellungen für Pensionen	4.316.812,00	674.259,00	3.642.553,00

Im Geschäftsjahr 2015/16 wurden versicherungsmathematische Gewinne in Höhe von EUR 739.011,00 (Vorjahr TEUR -2.217) erfolgswirksam in der in der Gewinn- und Verlustrechnung erfasst.

Steuerrückstellungen **24.946,73**

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

Für erwartete Steuerverpflichtungen wurden folgende Rückstellungen gebildet:

	Stand 01.03.2015	Zuweisung	Stand 29.02.2016
Rückstellung für KöSt 2013	23.009,23	0,00	23.009,23
Rückstellung für KöSt 2014	437,50	0,00	437,50
Rückstellung für KöSt 2015	750,00	0,00	750,00
Rückstellung für KöSt 2016	0,00	750,00	750,00
	24.196,73	750,00	24.946,73

Sonstige Rückstellungen

1.061.922,01

Die Rückstellungen für sonstige Verpflichtungen setzen sich wie folgt zusammen:

	Stand 01.03.2015		Auflösung	Zuweisung	Stand 29.02.2016
	Verwendung				
Kosten aus Börsegang	1.875.000,00	0,00	1.875.000,00	0,00	0,00
Nicht konsumierte Urlaube	598.825,13	598.825,13	0,00	572.168,34	572.168,34
Aliquote Sonderzahlungen	46.521,00	46.521,00	0,00	42.827,58	42.827,58
Abschlussprüfung	36.000,00	36.000,00	0,00	74.000,00	74.000,00
Steuerberatung	18.000,00	18.000,00	0,00	57.800,00	57.800,00
Rechtsberatung	0,00	0,00	0,00	230.400,00	230.400,00
Aufsichtsratsvergütungen	0,00	0,00	0,00	41.000,00	41.000,00
Sonstige	21.067,40	17.930,40	0,00	40.589,09	43.726,09
	2.595.413,53	717.276,53	1.875.000,00	1.058.785,01	1.061.922,01

VERBINDLICHKEITEN

8.229.201,52

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.

Verbindlichkeiten aus Lieferungen und Leistungen

683.943,56

Verbindlichkeiten gegenüber verbundenen Unternehmen

7.281.404,69

Die Verbindlichkeit gegenüber verbundenen Unternehmen besteht in Höhe von EUR 7.246.969,78 (Vorjahr TEUR 15.644) aus Umsatzsteuerguthaben des Organmitglieds, das aufgrund der umsatzsteuerlichen Organschaft über die FACC AG verrechnet wird, sowie in Höhe von EUR 34.434,91 (Vorjahr TEUR 0) aus Kostenverrechnungen der Schwestergesellschaft Aerospace Innovation Investment GmbH.

Sonstige Verbindlichkeiten

263.853,27

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

	29.02.2016	28.02.2015
Aus Steuern	3.915,65	3,6
Im Rahmen der sozialen Sicherheit	21.831,98	19,0
Verbindlichkeiten gegenüber Personal		
- Verbindlichkeiten aus Bezugsverrechnung	69.204,84	60,3
- Abfertigungsverpflichtungen	122.214,00	0,0
Verbindlichkeiten gegenüber Aufsichtsratsmitgliedern	27.769,00	0,0
Sonstige	18.917,80	2,0
	263.853,27	84,9

davon aus Steuern

	29.02.2016	28.02.2015
Kommunalsteuer Februar	3.915,65	3,6
Gemeinde Wien	0,00	0,0
	3.915,65	3,6

davon im Rahmen der sozialen Sicherheit

	29.02.2016	28.02.2015
Verbindlichkeiten Sozialversicherungsbeiträge	21.831,98	19,0

In dieser Bilanzposition sind Aufwendungen in Höhe von EUR 263.853,27 (Vorjahr TEUR 83) enthalten, die erst im Folgejahr zahlungswirksam werden.

Erläuterungen zu Posten der Gewinn- und Verlustrechnung

Umsatzerlöse **3.000.000,00**

Erlöse aus Warenlieferungen und Leistungen

	2015/2016	2014/2015
Erlöse Inland		
- Erlöse aus Managementtätigkeit	3.000.000,00	2.250,0
	<u>3.000.000,00</u>	<u>2.250,0</u>

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.

Sonstige betriebliche Erträge **1.231.943,96**

Erträge aus dem Abgang vom Anlagevermögen

	2015/2016	2014/2015
Erlöse aus Anlagenverkauf	0,00	506,3
Buchwert abgegangener Anlagen	0,00	-498,8
	<u>0,00</u>	<u>7,5</u>

Aufgrund der Umstrukturierungen wurden bestehende immaterielle Vermögenswerte sowie das Sachanlagevermögen im Vorjahr an die Schwestergesellschaft verkauft.

Erträge aus der Auflösung von Rückstellungen

	2015/2016	2014/2015
Auflösung der Rückstellung für Kosten des Börsegangs	1.875.000,00	0,0
Anpassung von Erträgen aus der Weiterverrechnung an verbundene Unternehmen	-643.266,70	0,0
	<u>1.231.733,30</u>	<u>0,0</u>

Die erwartete Incentive Fee im Zuge des Börsegangs fiel nicht an, die Rückstellung war daher aufzulösen. In diesem Zusammenhang wurden die im Vorjahr an den Mehrheitsaktionär FACC International Company Limited verrechneten anteiligen Kosten aus dem Börsegang nachträglich reduziert. Dieser Nachlass wird davon saldiert.

Übrige

	2015/2016	2014/2015
Erträge aus Weiterverrechnung an verbundene Unternehmen	0,00	1.977,6
Erträge Bildungsprämie	210,66	0,0
	<u>210,66</u>	<u>1.977,6</u>

Personalaufwand

1.330.471,45

Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-vorsorgekassen

	2015/2016	2014/2015
Abfertigungsaufwand	122.214,00	0,0
Zuweisung/Auflösung Abfertigungsrückstellung	38.245,00	265,0
Beiträge Mitarbeitervorsorgekasse	10.141,13	3,4
	<u>170.600,13</u>	<u>268,4</u>

Aufwendungen für Altersversorgung

	2015/2016	2014/2015
Zuweisung/Auflösung Pensionsrückstellung	-674.259,00	2.179,3
Beiträge an Pensionsrückdeckungsversicherungen	170.000,00	170,0
Anpassung der Pensionsrückdeckungsversicherung	-246.326,59	-86,0
Beiträge vertragliche Pensionsvorsorge Angestellte	28.617,40	11,6
	<u>-721.968,29</u>	<u>2.275,0</u>

Steuern vom Einkommen

3.500,00

	2015/2016	2014/2015
Körperschaftsteuer lfd. Periode	5.250,00	5,3
Steuerumlage	-1.750,00	-1,8
Körperschaftsteuer Vorperioden	0,00	8,7
Steuerumlage Vorperioden	0,00	-4,4
	<u>3.500,00</u>	<u>7,8</u>

Diese Steuern belasten ausschließlich das Ergebnis der gewöhnlichen Geschäftstätigkeit.

Das Unternehmen macht von der Aktivierungsmöglichkeit der latenten Steuern gem. § 198 Abs. 10 UGB nicht Gebrauch. Aufgrund unterschiedlicher Bewertungsansätze ergibt sich in späteren Jahren ein Steuerguthaben in Höhe von EUR 509.369 (Vorjahr TEUR 702).

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 110.982,79 (Vorjahr TEUR 146). Davon entfallen EUR 59.612,28 (Vorjahr TEUR 59) auf das nächste Jahr.

Die FACC AG hat zugunsten von Schuldscheingläubigern der FACC Operations GmbH eine Patronatserklärung abgegeben. Der Buchwert der Schuldscheindarlehen der FACC Operations GmbH zum 29. Februar 2016 betrug TEUR 42.000 (Vorjahr TEUR 45.000).

Außerbilanzielle Geschäfte

Es bestehen darüber hinaus keine außerbilanziellen Geschäfte gemäß § 237 Z 8a UGB, aus denen wesentliche Risiken oder Vorteile für die Gesellschaft entstehen.

Gruppenbesteuerung

Mit 13./15. Februar 2012 haben die Aerospace Innovation Investment GmbH (nunmehr FACC AG) als Gruppenträgerin und die damalige Aero Vision Holding GmbH sowie die FACC AG (nunmehr FACC Operations GmbH) als Gruppenmitglieder mit erstmaliger Wirksamkeit für das Wirtschaftsjahr 2012 eine Gruppen- und Steuerumlagenvereinbarung gemäß den Bestimmungen des § 9 KStG abgeschlossen. Die Gruppen- und Steuerumlagevereinbarung wurde dem zuständigen Finanzamt mit Gruppenantrag vom 27.02.2012 angezeigt.

Erzielen sowohl der Gruppenträger als auch das Gruppenmitglied Gewinne, so trägt die positive Steuerumlage, die das Gruppenmitglied zu leisten hat, 25 % des überrechneten steuerlichen Gewinns. Wird aufgrund von Verlusten des Gruppenträgers oder des Gruppenmitglieds (unabhängig ob vor oder während des Bestands der Unternehmensgruppe entstanden) eine Konzernprämie erzielt, so wird diese nach dem Verursacherprinzip zugeteilt. Die vom Gruppenmitglied zu entrichtende positive Steuerumlage bzw. die vom Gruppenmitglied zu vereinnahmende negative Steuerumlage ermittelt sich aus der anteiligen Steuerbelastung/Konzernprämie zuzüglich einer allfälligen Mindeststeuer, die ohne die Gruppenbildung zu entrichten wäre (und die bei aufrechter Unternehmensgruppe vom Gruppenträger zu entrichten ist).

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 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

Die Aufwendungen für den Abschlussprüfer verteilen sich im Geschäftsjahr 2015/2016 folgendermaßen:

	2015/2016	2014/2015
Konzern- und Jahresabschlussprüfung	74.000,00	29,5
Prüfungsnaher Beratungsleistungen	7.903,59	10,6
Sonstige Betätigungsleistungen im Zuge des Börsegangs	0,00	1.435,5
	81.903,59	1.475,6

Angaben zu Arbeitnehmern und Organen

Arbeitnehmer

Der durchschnittliche Beschäftigungsstand der FACC AG betrug im Geschäftsjahr 11 Angestellte (Vorjahr: 5).

Zum Bilanzstichtag waren 12 Angestellte beschäftigt gegenüber 13 Angestellten zum Bilanzstichtag im Vorjahr.

Vorstand

Der Vorstand der Gesellschaft besteht aus:

- Dipl.-Ing. Walter Stephan (geb. 03.08.1954),
- Robert Machtlinger (geb. 25.07.1967) und
- Diplom-Kauffrau Minfen Gu (geb. 09.11.1965) (bis 2. Februar 2016)
- Yongsheng Wang (ab 2. Februar 2016)

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

Die Bezüge der Mitglieder des Vorstands im Zeitraum 1. März 2015 bis 29. Februar 2016 stellen sich wie folgt dar:

Name	Gehalt TEUR	Variabler Bonus TEUR	Abfertigungen TEUR	Arbeitgeber- beitrag zur Pensions- vorsorge TEUR	Summe TEUR
Stephan Walter Dipl.-Ing.	401	-	66	-674*	-207
Gu Minfen Dipl.-Kauffr.	275	-	46	8	329
Machtlinger Robert	326	-	46	8	380
Wang Yongsheng	-	-	-	-	-
	1.002		158	-658	502

* davon TEUR 795 versicherungsmathematische Gewinne aus Neubewertungseffekten von Pensionsverpflichtungen im sonstigen Ergebnis verbucht.

Leistungen des Managements, welche für die FACC Operations GmbH erbracht wurden, wurden im GJ 2015/16 in Höhe von EUR 3.000.000 (Vorjahr TEUR 2.250) von der FACC AG an die FACC Operations GmbH weiterverrechnet.

Aufsichtsrat

Der Aufsichtsrat setzt sich wie folgt zusammen:

- Geng Ruguang als Vorsitzender
- Tang Jun als Stellvertreter des Vorsitzenden
- Gong Weixi
- Huber Barbara
- Krohe Peter
- Lei Yanzheng
- Mutlu Birol (ab 1. August 2015)
- Peters Gregory B.
- Redhammer Johann (bis 30. Juli 2015)
- Reiter Ulrike
- Wang Yongsheng (bis 2. Februar 2016)
- Wang Xuejun
- Yang Chunsheng

An die Aufsichtsratsmitglieder wurden Vergütungen in Höhe von EUR 139.825,00 (Vorjahr TEUR 38) bezahlt.

Ried im Innkreis, am 20. Mai 2016

Dipl.-Ing. Walter Stephan e.h.
Vorstandsvorsitzender

Robert Machtiinger e.h.
Mitglied des Vorstands

Yongsheng Wang e.h.
Mitglied des Vorstands

Anlagenpiegel gem. § 226 Abs. 1 UGB

	Anfangs- bestand	Anschaffungs- bzw. Herstellungskosten Zugänge	Herstellungskosten Abgänge	End- bestand	kumulierte Abschreibungen	Buchwert 29.02.2016	Buchwert 28.02.2015	Jahresab- schreibungen
I. Immaterielle Vermögensgegenstände								
Software	0,00	945,00	0,00	945,00	236,00	709,00	0,00	236,00
	0,00	945,00	0,00	945,00	236,00	709,00	0,00	236,00
II. Sachanlagen								
Betriebs- und Geschäftsausstattung	0,00	132,50	132,50	0,00	0,00	0,00	0,00	132,50
	0,00	132,50	132,50	0,00	0,00	0,00	0,00	132,50
III. Finanzanlagen								
Anteile an verbundenen Unternehmen	141.822.715,00	126.000.000,00	0,00	267.822.715,00	0,00	267.822.715,00	141.822.715,00	0,00
Wertpapiere (Wertrechte) des Anlagevermögens	1.388.757,98	246.326,69	0,00	1.635.084,67	0,00	1.635.084,67	1.388.757,98	0,00
	143.211.472,98	126.246.326,69	0,00	269.457.799,67	0,00	269.457.799,67	143.211.472,98	0,00
	143.211.472,98	126.247.404,19	132,50	269.458.744,67	236,00	269.458.508,67	143.211.472,98	368,50

LAGEBERICHT FÜR DAS GESCHÄFTSJAHR 2015/16

1. GESAMTWIRTSCHAFTLICHE RAHMENBEDINGUNGEN

Wie schon im Jahr zuvor verzeichnete die Weltwirtschaft 2015 ein Wachstum von 2,4 %. Dabei entwickelte sie sich jedoch regional unterschiedlich. So ging das Wirtschaftswachstum nunmehr primär von den Industrieländern und weniger von den Volkswirtschaften der Schwellenländer aus. Die ökonomischen Veränderungen in China, der zweitgrößten Volkswirtschaft der Welt, führten zu rückläufigen Importen und geringerem Rohstoffbedarf. Das Wirtschaftswachstum schwächte sich ab und lag 2015 mit 6,9 % erstmals unter der Marke von 7 %. Dies wirkte sich auch auf die Wirtschaften anderer Schwellenländer aus.

Die US-Konjunktur hingegen entwickelte sich ähnlich wie im Vorjahr. Der anhaltende Privatkonsum sowie wachsende Staatsausgaben und Investitionen sorgten 2015 für ein Wachstum von 2,4 %.

In der Eurozone stehen die Zeichen ebenfalls wieder auf Wachstum: 2015 wuchs die Wirtschaft um 1,5 % gegenüber 0,9 % im Jahr 2014. Der günstige Ölpreis, die lockere Geldpolitik der Europäischen Zentralbank und die Abwertung des Euro gegenüber anderen Währungen wie dem US-Dollar begünstigten diese Entwicklung.

Der Abwärtstrend bei den Rohstoffpreisen spiegelt sich auch in der Entwicklung des Rohölpreises wider. Anhaltend hohe Fördermengen und das geringe Wirtschaftswachstum der Schwellenländer verursachten hier zeitweise eine rasante Talfahrt. Im Schnitt kostete ein Barrel Rohöl der Sorte Brent 2015 52 USD.

(Quelle: EIA, Jänner 2016).

1.1. Branchenwirtschaftliche Rahmenbedingungen der Luftfahrtindustrie

In der Luftfahrtbranche wird das vergangene Jahr dank steigender Passagierzahlen und niedriger Treibstoffkosten durchaus positiv bewertet. So wuchs das globale Passagieraufkommen um 6,5 % und der Bereich Luftfracht um 2,2 %. Die drei wichtigsten Regionen für den Passagierverkehr entwickelten sich dabei durchwegs positiv: In Asien stieg der Passagierverkehr um 8,2 %, in Europa um 5,0 % und in Nordamerika um 3,2 % (Quelle: IATA, Februar 2016).

Aufgrund steigender Passagierzahlen stocken die Airlines ihre Flotten auf, was 2015 zu einem weltweiten Flottenwachstum um 4,5 % führte (Quelle: Ascend). Und auch das Flugstundenaufkommen erhöhte sich um 6,6 % (2015: 6,8 %).

Dank gesunkener Kerosinpreise und einer Auslastung von nahezu 80 % steuerte die Luftfahrtbranche laut IATA 2015 auf einen neuen Rekordgewinn zu. Gegen Jahresende rechneten die Fluggesellschaften mit einem Umsatz von 710 Mrd. USD und einem Gewinn von 33 Mrd. USD. Dies entspricht einer Verdoppelung der Gewinnmarge auf 4,6 % (Quelle: IATA, Dezember 2015).

Airbus und Boeing lieferten 2015 in Summe 1.397 Flugzeuge aus, 2014 waren es 1.350 gewesen. Dies entspricht einem Anstieg um 3,5 %. Der Auftragsbestand für Flugzeuge mit mehr als 100 Sitzen erhöhte sich von 12.800 im Jahr 2014 auf 13.400 per Jahresende 2015 (Quelle: Ascend Online). Bei gleich bleibenden Produktionsraten entspricht dies einer Auslastung von neun Jahren.

Die Daten der letzten Jahre sowie die Zahlen aus dem Jahr 2015 unterstreichen die weiterhin positive Entwicklung der Luftfahrzeugbranche generell. Auch in Zukunft sollte sich der globale Flugzeugmarkt aus heutiger Sicht positiv entwickeln. Dieser Einschätzung liegen die folgenden generellen Wachstumstrends zugrunde:

- Das Wachstum im Passagieraufkommen in den Jahren 2015 bis 2033 wird durch die Marktanalysen der OEM mit jährlich 5 % bestätigt.
- Die bestehende Flotte von 18.500 Verkehrsflugzeugen (Stand 2014) wird nach heutigen Einschätzungen bis zum Jahr 2033 auf etwa 37.500 Flugzeuge anwachsen.
- 12.400 Flugzeuge der bestehenden Flotten werden zudem außer Dienst gestellt und durch moderne Maschinen ersetzt werden.
- Entsprechend dieser Einschätzung besteht in den kommenden 19 Jahren ein Bedarf an 31.400 Neuflugzeugen.

Wesentliche Wachstumsmärkte der Flugzeugindustrie werden auch in den nächsten 20 Jahren die Märkte Asien/Pazifik (+6,3 % p. a.), China (+6,6 % p. a.) und Mittlerer Osten (+7,4 % p. a.) sein. Dieses Wachstum dürfte einerseits durch jährliche Steigerungen der Bruttoinlandsprodukte in den genannten Regionen erzielt werden. Andererseits nimmt die

Nachfrage der lokalen Bevölkerungen nach Flugreisen stark zu. Mehr als 50 % des Neuflugzeugbedarfs dürften daher auf diese Wirtschaftsräume entfallen.

In den ersten neun Monaten 2015 wurden 465 Business Jets ausgeliefert. Gegenüber dem Vergleichszeitraum 2014 ist dies ein Anstieg um 1,3 % (Quelle: GAMA, Oktober 2015).

1.2. Gesamtaussage zu den Rahmenbedingungen

Wie im Vorjahr wuchs die Weltwirtschaft 2015 um 2,4 %. 2015 ging das Wachstum zunehmend von den Industrieländern und weniger von den Schwellenländern aus.

Die drastisch gesunkenen Rohstoffpreise stellen nach Einschätzung des Internationalen Währungsfonds eines der größten Risiken für die Weltwirtschaft dar. Zwar profitieren Länder wie Deutschland von diesem Preisrutsch, global gesehen gibt es jedoch zahlreiche Verlierer – vor allem Energieexporteure wie Kanada oder Norwegen.

Bereits seit mehreren Jahren befindet sich die Luftfahrtbranche auf Wachstumskurs und entwickelt sich besser als die Weltwirtschaft. 2015 nahm der globale Passagierverkehr mit 6,5 % das sechste Jahr in Folge um mehr als 5 % zu. Die langfristigen Wachstumsprognosen der Luftfahrzeugindustrie von 5 % im Jahresdurchschnitt erscheinen daher aus heutiger Sicht auch für die Zukunft realistisch.

2. ENTWICKLUNG DES FACC-KONZERNS

Im Geschäftsjahr 2015/16 erzielte der FACC-Konzern Umsatzerlöse in Höhe von 587,5 Mio. EUR und verzeichnete damit einen Anstieg von 58,6 Mio. EUR oder 11,1 % gegenüber dem Vorjahr. Die Umsatzerlöse aus Produktlieferungen konnten um 11,6 % auf 525,9 Mio. EUR gesteigert werden. Die Umsatzerlöse aus der Verrechnung von Entwicklungsleistungen stiegen im selben Zeitraum um 7,1 % auf 61,6 Mio. EUR.

Im Berichtszeitraum sind durch einen von außen gesteuerten Betrugsvorfall (Fake President Incident) unrechtmäßig 52,8 Mio. EUR an liquiden Mitteln aus dem Konzern abgeflossen. Dank unmittelbar eingeleiteter Maßnahmen konnte ein Betrag von 10,9 Mio. EUR auf Empfängerkonten einer Sperre unterzogen werden. Dieser Betrag ist als sonstige Forderung bilanziert. In den diversen Aufwendungen ist der verbleibende Betrag von 41,9 Mio. EUR als

Schadensfall (Sondereffekt) verbucht. Es ist davon auszugehen, dass die auf Empfängerkonten gesperrten Beträge nicht kurzfristig rückfließen werden.

Das Ergebnis aus den betrieblichen Tätigkeiten vor Zinsen und Steuern und vor Fair-Value-Bewertung derivativer Finanzinstrumente (EBIT) betrug nach Berücksichtigung des Schadensfalls –23,4 Mio. EUR (2014/15: –4,5 Mio. EUR). Bereinigt um dieses Ereignis (Einmaleffekt) beläuft sich das EBIT für das Geschäftsjahr 2015/16 auf 18,6 Mio. EUR.

Das Konzernergebnis nach Steuern betrug –21,9 Mio. EUR (2014/15: –9,6 Mio. EUR).

Die Bilanzsumme reduzierte sich im Vergleich zum Vorjahr um 19,1 Mio. EUR auf 699,2 Mio. EUR.

Das langfristige Vermögen erhöhte sich insbesondere im Bereich der immateriellen Vermögenswerte und der Sachanlagen. Die im Einklang mit dem Investitionsbudget umgesetzten Investitionen beliefen sich auf 50,9 Mio. EUR (2014/15: 77,8 Mio. EUR). In diesem Betrag sind aktivierte Entwicklungskosten von 24,0 Mio. EUR enthalten (2014/15: 30,3 Mio. EUR), die überwiegend auf Engineering-Leistungen im Zusammenhang mit den Entwicklungsprojekten Airbus A350 Winglet, Embraer Legacy 450/500, Embraer E-Jet 190, A320 Neue Kabinenausstattung sowie A350 Interiors beruhen.

Das kurzfristige Vermögen des Konzerns verringerte sich im Vergleichszeitraum um 49,9 Mio. EUR. Zum einen erhöhten sich hier aufgrund des Wachstums der Produktumsätze die Forderungen aus Lieferungen und Leistungen sowie die Vorräte deutlich, während sich die Forderungen gegenüber verbundenen Unternehmen um 16,3 Mio. EUR reduzierten. Zum anderen kam es wegen des oben genannten Schadensfalls zu einem Abfluss liquider Mittel in Höhe von 52,8 Mio. EUR.

Das Eigenkapital des FACC-Konzerns erreichte per Ende des Berichtsjahres einen Wert von 304,4 Mio. EUR. Dies entspricht einer Eigenkapitalquote von 43,5 % (28. Februar 2015: 43,8 %).

Die Nettoverschuldung belief sich auf 171,9 Mio. EUR (28. Februar 2015: 102,6 Mio. EUR).

Die liquiden Mittel des FACC-Konzerns betragen zum Bilanzstichtag 56,2 Mio. EUR (28. Februar 2015: 111,0 Mio. EUR).

Der Nettogeldfluss aus laufender Geschäftstätigkeit wurde im Wesentlichen durch Veränderungen des Nettoumlaufvermögens und durch das Ergebnis vor Zinsen und Steuern und vor Fair-Value-Bewertung von derivativen Finanzinstrumenten beeinflusst.

Aus der Investitionstätigkeit resultierten Nettogeldabflüsse von 50,8 Mio. EUR. Hier wirkten sich geplante Investitionen im Bereich der Erweiterung von Werk II und III sowie Investitionen in neue Flugzeugprogramme in Form von kapitalisierten Engineering-Leistungen und Werkzeuginvestitionen aus.

Basierend auf freien Kreditlinien (ohne Berücksichtigung von liquiden Mitteln) betrug die freie Liquidität zum Bilanzstichtag 66,2 Mio. EUR (28. Februar 2014: 67,0 Mio. EUR).

3. ENTWICKLUNG DER SEGMENTE

3.1. Segment Aerostructures

Der Umsatz im Bereich Aerostructures betrug im Geschäftsjahr 2015/16 in Summe 273,5 Mio. EUR (2014/15: 273,3 Mio. EUR.). Die Umsätze aus Produktlieferungen blieben dabei mit EUR 234,4 Mio. EUR annähernd auf dem Niveau des Vorjahres von 242,5 Mio. EUR. Dies entspricht einem Minus von 3,3 % gegenüber dem Vorjahr. Die Umsätze aus Entwicklungstätigkeiten stiegen hingegen um 27,3 % von zuvor 30,8 Mio. EUR auf 39,2 Mio. EUR.

Das Ergebnis aus den betrieblichen Tätigkeiten vor Zinsen und Steuern und vor Fair-Value-Bewertung derivativer Finanzinstrumente (EBIT) im Bereich Aerostructures betrug im Geschäftsjahr 2015/16 13,3 Mio. EUR (2014/15: 25,0 Mio. EUR.)

Die Veränderung der Ergebnissituation beruht im Wesentlichen darauf, dass im Geschäftsjahr 2015/16 das Divisionsergebnis durch den Fake President Incident mit 19,5 Mio. EUR belastet wurde. Das operative EBIT ohne Berücksichtigung des Fake President Incident wäre mit 32,9 Mio. EUR deutlich über dem EBIT des Vorjahres gelegen. Die operative Ertragswirksamkeit des Produktgeschäfts konnte auf nachhaltig hohem Niveau gehalten werden.

3.2. Segment Engines & Nacelles

Der Umsatz des Bereichs Engines & Nacelles erreichte im Geschäftsjahr 2015/16 in Summe 116,6 Mio. EUR (2014/15: 93,9 Mio. EUR.). Die Umsätze aus Produktlieferungen stiegen dabei um 24,1 % von zuvor 87,2 Mio. EUR auf 108,2 Mio. EUR, und auch die Umsätze aus Entwicklungstätigkeiten erhöhten sich um 15,1 % von 7,3 Mio. EUR auf 8,4 Mio. EUR im Geschäftsjahr 2015/16.

Die Entwicklung im Bereich Nacelles bleibt weiterhin vom Hochlaufen der Serienproduktion für das Projekt A350 Translating Sleeve beeinflusst, während das Schwesterprodukt für die Boeing 787 bereits mit hoher Stückzahl produziert wird. Positiv zu erwähnen ist eine leichte Steigerung der Ausbringungsmenge an Fan Cowls für den A320neo die weiterhin sehr stabilen Absatz finden. Ältere Programme wie die GIV Fan Cowls werden im Markt hingegen sukzessive durch neue Produkte ersetzt und verzeichneten deshalb eine deutliche Reduktion. Die beiden Airbus-A380-Programme Rear Secondary Structure und Inlet Outer Barrel liefen relativ stabil und verzeichneten lediglich kleinere Schwankungen in der operativen Kurzfristplanung.

Der Bereich Engine Composites entwickelte sich erneut positiv, nachdem es aufgrund eines einmaligen Abbaus des Lagerbestands beim Hauptkunden Rolls-Royce im Jahr 2014/15 zu einer deutlichen Reduktion der Ausbringungsmengen gekommen war. Auch für den Bereich Engine Composites sind die Projekte A350 Trent XWB und PW800 Bypass Ducts maßgeblich für die planmäßige Geschäftsentwicklung. Das Boeing-787-Projekt Trent 1000 lief erwartungsgemäß gut, während die Airbus-A380-Programme durch die bevorzugte Wahl der Triebwerke von Pratt & Whitney anstelle jener von Rolls-Royce beeinträchtigt wurden.

Das Ergebnis aus den betrieblichen Tätigkeiten vor Zinsen und Steuern sowie vor Fair-Value-Bewertung derivativer Finanzinstrumente (EBIT) im Bereich Engines & Nacelles betrug im Geschäftsjahr 2015/16 –13,3 Mio. EUR (2014/15: –22,6 Mio. EUR).

Das Divisionsergebnis wurde durch den Fake President Incident mit 8,2 Mio. EUR belastet. Das operative EBIT ohne Berücksichtigung des Fake President Incident wäre mit –5,1 Mio. EUR deutlich über dem EBIT des Vorjahres gelegen.

In der Division Engines & Nacelles konnte der Ergebnisbeitrag der Engine-Programme gesteigert werden. Demgegenüber belastete in den Nacelles-Programmen das Projekt B787

TRSL die Ertragslage der Division und folglich das Konzernergebnis. Die Ursache hierfür liegt, wie im Geschäftsjahr 2014/15, in den bis dato nicht abgeschlossenen Verhandlungen über Vertragsanpassungen.

3.3. Segment Interiors

Der Umsatz im Bereich Interiors betrug im Geschäftsjahr 2015/16 in Summe 197,4 Mio. EUR (2014/15: 161,7 Mio. EUR). Damit konnte die Division erneut eine deutliche Steigerung ihrer Produktlieferungen gegenüber dem Vorjahr erzielen. Insgesamt betrug der Produktumsatz 2015/16 183,3 Mio. EUR (2014/15: 145,6 Mio. EUR). Das hier erzielte Wachstum um 20,5 % beruht fast ausschließlich auf den neuen Programmen A350, Legacy 500 sowie CL350, während die Umsätze der bestehenden Serienprogramme wie A320, A380 und Phenom 300 relativ stabil blieben. Die Umsätze aus Entwicklungstätigkeiten waren nach 16,2 Mio. EUR im Vorjahr mit 14,1 Mio. EUR im Geschäftsjahr 2015/16 rückläufig.

Die Ertragslage der Division Interiors war im abgelaufenen Geschäftsjahr 2015/16 von anlaufenden A350-Neuprojekten beeinflusst. Mehrkosten im Fertigungsumfeld wurden vor allem durch eine Aufstockung des Mitarbeiterstands verursacht, die im Zuge des Hochfahrens der A350-Projekte notwendig wurde. Die Herstellkosten im Bereich Business-Jet-Fertigung konnten hingegen im Vergleich zum Vorjahr planmäßig reduziert werden. Die Ertragsentwicklung der Programme verlief grundsätzlich im Rahmen der Planung, jedoch verliefen die Stabilisierungsmaßnahmen bei den A350-Hochläufen langsamer als geplant.

Das Ergebnis aus den betrieblichen Tätigkeiten vor Zinsen und Steuern und vor Fair-Value-Bewertung derivativer Finanzinstrumente (EBIT) des Bereichs Interiors betrug im Geschäftsjahr 2015/16 –23,4 Mio. EUR (2014/15: –6,9 Mio. EUR).

Das Divisionsergebnis wurde durch den Fake President Incident mit 14,2 Mio. EUR belastet. Das operative EBIT ohne Berücksichtigung des Fake President Incident wäre mit –9,2 Mio. EUR unter dem EBIT des Vorjahres gelegen.

4. GESCHÄFTSENTWICKLUNG DER GESELLSCHAFT

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 FACC AG erzielte im Geschäftsjahr 2015/16 einen Jahresüberschuss von 1,9 Mio. EUR (Geschäftsjahr 2014/15: -13,2 Mio. EUR).

Die Umsatzerlöse von 3,0 Mio. EUR im Geschäftsjahr 2015/16 (Geschäftsjahr 2014/15: 2,3 Mio. EUR) resultieren aus Verrechnungen aus Managementleistungen gegenüber der FACC Operations GmbH.

Das Finanzergebnis beträgt im Geschäftsjahr 2015/16 1,4 Mio. EUR (Geschäftsjahr 2014/15: 0,9 Mio. EUR). Das Finanzergebnis resultiert im Wesentlichen aus Zinserträgen von Veranlagungen und der Finanzierung verbundener Unternehmen.

Das Eigenkapital beläuft sich auf 268,4 Mio. EUR gegenüber 266,5 Mio. EUR in der Vorjahresperiode. Die Eigenkapitalquote der FACC AG zum Bilanzstichtag 29. Februar 2016 beträgt 95 % (Geschäftsjahr 2014/15: 92 %)

5. RISIKOBERICHT

FACC ist im Unternehmensalltag fallweise mit unvorhersehbar eintretenden Situationen konfrontiert, die potenziell negative Auswirkungen haben können. Um darauf entsprechend vorbereitet zu sein bzw. kontrolliert auf solche Situationen reagieren zu können, hat FACC ein konzernweites Risikomanagementsystem etabliert.

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 of 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.

Nach Einschätzung des Vorstands sind die heute erkennbaren möglichen Risiken überschaubar und beherrschbar und stellen damit keine existenzielle Gefahr für das Unternehmen dar.

Zur Unterstützung der zeitgerechten Erkennung und Bewertung der Risiken wurden wirksame interne Risikokontrollsysteme eingeführt, die zuverlässige Ergebnisse liefern. Software-Tools zur Durchführung von Fehlermöglichkeits- und -einflussanalysen (FMEA) sind gut integriert und unterstützen den Prozess der Risikominimierung schon während der Produktentwicklung und auch später in der laufenden Produktion durch Beachtung vorbeugender Maßnahmen signifikant.

5.1. Managementrisiken

Ausgehend von Marktbeobachtungen und -analysen wird ein Businessplan mit einer Planungsperiode von sechs 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 die kurzfristigen 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.

5.1.1. Betriebsunterbrechungsrisiko

Die Fertigungsstätten und -anlagen des Unternehmens werden kontinuierlich instand gehalten und gewartet, sodass das Risiko von Betriebsstörungen oder längeren Produktionsausfällen gering ist. Das Betriebsunterbrechungsrisiko ist außerdem durch eine Betriebsunterbrechungsversicherung mit einer Haftungszeit von 18 Monaten versichert.

5.1.2. Finanzrisiken

Hier erfolgt das Risikomanagement durch das im Bereich Finanz- und Rechnungswesen angesiedelte Treasury. Die Abteilung Treasury bewertet und sichert finanzielle Risiken in enger Zusammenarbeit mit den operativen Geschäftsbereichen und den Hausbanken.

5.1.3. Zinsänderungsrisiko

Das Zinsänderungsrisiko – die mögliche wertmäßige Schwankung von Finanzinstrumenten aufgrund von Änderungen der Marktzinssätze bzw. Änderungen künftiger Cashflows – entsteht in Zusammenhang mit mittel- und langfristigen Forderungen und Verbindlichkeiten (insbesondere Anleihe- und Kreditverbindlichkeiten). Dabei wird darauf geachtet, dass ein Teil des Zinsänderungsrisikos durch fest verzinsliche Kredite reduziert wird.

5.1.4. Fremdwährungsrisiko

Verkäufe in der Luftfahrtindustrie werden fast ausschließlich in US-Dollar abgewickelt. Zur Absicherung der Währungsrisiken wird eine laufende Überwachung aller Transaktions- und Umrechnungsrisiken durchgeführt. Zur Reduktion des US-Dollar-Risikos werden Einkäufe mittlerweile zu rund 90 % in US-Dollar abgewickelt, sodass ein so genanntes „Natural Hedging“ entsteht. Zur Absicherung der verbleibenden offenen Positionen werden derivative Finanzinstrumente (Devisentermingeschäfte) eingesetzt. Der Einsatz von derivativen Finanzinstrumenten reduziert das Risiko von Wechselkursschwankungen deutlich. Das Risikomanagement des Treasury von FACC verfolgt das Ziel, erwartete Cashflows in US-Dollar für zukünftige Zeitperioden abzusichern.

5.2. Projektmanagement

Das Projektmanagement von FACC ist dafür verantwortlich, die vom Management festgelegten Ziele in Form von Projekten umzusetzen. Dabei sind zahlreiche Risiken zu beachten. Projekte werden dabei dahingehend unterschieden, ob FACC Entwicklungsverantwortung übernommen hat oder nicht. Jeder Vertrag ist auf seine Umsetzbarkeit zu prüfen, die mit dem Projekt verbundenen Risiken werden identifiziert, beurteilt und während der Abarbeitung genauestens beobachtet und analysiert um – wenn erforderlich – die notwendigen Maßnahmen einleiten und umsetzen zu können. Die bedeutendsten Risiken sind 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.

5.3. Kundenrisiko

Das Unternehmen verfolgt eine strenge Kreditpolitik. Die Kreditwürdigkeit bestehender Kunden wird laufend überprüft, Neukunden werden einer Kreditbewertung unterzogen. Für

eventuell eintretende Zahlungsausfälle werden nach eingehender Beurteilung des Risikos Einzelwertberichtigungen auf Forderungen vorgenommen.

5.4. Einkaufs- und Lieferantenrisiko

Der Bereich Einkauf 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 von neuen Lieferanten wird die Abteilung Procurement Quality Assurance (PQA) eingebunden, um sicherzustellen, 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.

5.5. Produkthaftungs- und Qualitätsrisiko

Die vom Unternehmen konstruierten und hergestellten Produkte sind für den Einbau in Luftfahrzeuge oder für Triebwerke bestimmt. Fehler oder Funktionsmängel der hergestellten Produkte können mittelbar oder unmittelbar Eigentum, Gesundheit oder Leben Dritter beeinträchtigen. Die dauerhafte Sicherheit hat damit oberste Priorität. Das Unternehmen ist nicht in der Lage, seine 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 Funktion und Qualität.

Bei Projekten, bei 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 wenden hier Risiken frühzeitig ab. FACC betreibt zudem ein Archivierungssystem für vertraglich festgelegte und auch individuell darüber hinausgehende Qualitätsaufzeichnungen (Quality

Records). Damit wird nachgewiesen, dass Leistungen und Produkte entsprechend 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.

6. 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.

Im Geschäftsjahr 2015/16 wendete FACC 2,3 Mio. EUR bzw. 0,4 % ihres Umsatzes zur Erforschung und Evaluierung neuer Prototypen und Produktionsverfahren auf. Dabei reichte das Spektrum von angewandter Grundlagenforschung im Labormaßstab bis hin zur Entwicklung flugfähiger Prototypen und Nullserien.

Aus Sicht des Unternehmens bildet aktive Forschung eine Grundvoraussetzung, um die führende Position von FACC als Entwicklungspartner und Systemlieferant seiner Kunden beizubehalten. Da FACC oft mit geschützten Kundenpatenten und -prozessen arbeitet, helfen Eigenentwicklungen, bestehende Aufträge zu behalten bzw. neue Geschäftsfelder zu erschließen. In einem starken Netzwerk aus Kunden, Zulieferern und wissenschaftlichen Partnern entwickelt FACC neue Technologien für die Anwendung in zukünftigen Serienaufträgen.

Das abgelaufene Geschäftsjahr zeigte aus Entwicklungssicht sehr positive Ergebnisse. So hat das durch FACC entwickelte Winglet für den Airbus A350 den finalen Test bestanden. Im Triebwerksbereich konnte ein neues Verfahren zum Feuerschutz von Bauteilen serienreif entwickelt werden und fließt bereits in die Produktion ein. Die Entwicklung neuer Prototypen mit stark erweitertem Funktionsumfang wird ebenfalls fortgesetzt.

Langfristige Ziele in der Entwicklung liegen derzeit verstärkt auch im Bereich Automatisierung und Produktionsprozessverbesserungen. So wurden im vergangenen Geschäftsjahr neue Fertigungsverfahren für hohe und höchste Stückzahlen entwickelt, die weiterhin eine hohe Auslastung der bestehenden Werke garantieren sollen. In Kombination mit einer Offensive im Bereich Industrie 4.0 arbeiten Forschung & Entwicklung, Produktionsplanung und Fertigung Hand in Hand am Konzept einer virtuellen Fabrik, um Stoffströme zu optimieren und die Fertigungszeiten weiter zu verkürzen.

6.1. Patente & Preise

FACC strebt weitgehende Unabhängigkeit in ihrem Prozessportfolio an, um die Technologieführerschaft im Composite-Bereich weiter auszubauen. Darüber hinaus wird das Bauteilportfolio sukzessive erweitert, um neue Absatzmöglichkeiten zu erschließen. Beide Wachstumsfelder werden durch eine erweiterte Patentstrategie flankiert, die auf den größtmöglichen Schutz an intellektuellem Eigentum abzielt.

Im vergangenen Jahr wurden insgesamt neun neue Patentfamilien angemeldet, darunter neue Fertigungstechnologien, neuartige Interior-Komponenten mit besonderem Fokus auf Akustik und Wärmedämmung sowie schalldämpfende und feuerfeste Triebwerksbauteile. Für das aktive Winglet konnte das F&E-Team den Innovationspreis Oberösterreich gewinnen.

6.2. Vorschau

Trotz schwieriger Rahmenbedingungen wird FACC ihre Technologieoffensive im Geschäftsjahr 2016/17 fortsetzen. Die Verzahnung mit den Engineering- und Produktentwicklungsbereichen aller Divisionen wird dabei durch organisatorische Änderungen und Präzisierungen verstärkt. Parallel dazu sollen die im abgelaufenen Geschäftsjahr gestarteten jährlichen Technologieabstimmungsvereinbarungen mit den Hauptkunden des Unternehmens intensiviert werden.

7. MITARBEITER

Trotz gestiegener Umsätze hat sich der Mitarbeiterstand im FACC-Konzern insgesamt leicht reduziert. Zum Stichtag 29. Februar 2016 betrug der Mitarbeiterstand 3.062 Vollzeitäquivalente (FTE). Die Anzahl der Angestellten hat sich bedingt durch weniger Entwicklungsleistungen um 17,1 % reduziert, im Produktionsbereich kam es zu einem Anstieg um 9 %.

In Österreich waren zum 29. Februar 2016 2.786 FTE beschäftigt. Dies entspricht rund 90 % der gesamten Belegschaft.

Um ihre Attraktivität als Arbeitgeber sowie die Mitarbeiterbindung weiter zu verbessern, hat FACC ihre umfassende Employer-Branding-Strategie auch im Berichtszeitraum konsequent umgesetzt. Seit dem Geschäftsjahr 2014/15 werden auch Social-Media-Plattformen zur Steigerung der Arbeitgeberattraktivität eingesetzt. Als besondere Auszeichnung für die Umsetzung der Employer-Branding-Strategie erhielt FACC im November 2015 den European Change Communications Award in Silber.

Weiterbildung und Qualifizierung der Mitarbeiter/innen bildeten 2015/16 wie schon in den Jahren zuvor ein Schwerpunktthema im Personalmanagement. Besonderer Wert wurde hier auf die Entwicklung der Managementfähigkeiten von Mitarbeitern gelegt. Im Rahmen der FACC Academy, in der alle Weiterbildungsmaßnahmen des Konzerns gebündelt sind, wurden daher umfangreiche Entwicklungsprogramme für Führungskräfte umgesetzt.

Neben der Führungskräfteausbildung hat die Weiterbildung neuer Mitarbeiter hohe Priorität, um deren Qualifikation entsprechend den sehr hohen Anforderungen der Luftfahrtindustrie sicherzustellen. Dazu wurden im Berichtszeitraum insgesamt 664 Trainings mit 7.200 Teilnehmern abgehalten.

Abgesehen von der fachlichen Ausbildung erachtet FACC auch die Weiterentwicklung und Vertiefung der Unternehmenskultur als maßgeblich für den Unternehmenserfolg. Um die FACC-Werte „Leistung“, „Erfolg“, „Wertschätzung“ und „Teamgeist“ nachhaltig zu verankern, wurde im Berichtszeitraum zum zweiten Mal nach der Premiere im Geschäftsjahr 2014/15 der „FACC Leonardo“ verliehen – ein Team-Award, der besondere Leistungen bei der Umsetzung dieser Werte auszeichnet. Im Dezember 2015 wurde der Preis nach einem mehrstufigen Auswahlprozess vergeben. Mit der Entwicklung und Einführung einer auf die Belange von FACC abgestimmten Methodik zur konstanten Überwachung der laufenden Produktivitätssteigerung konnten Effizienzsteigerungen sowohl zeit- als auch projektgenau umgesetzt werden.

Hohen Stellenwert genießt bei FACC weiterhin die Lehrlingsausbildung. So waren im Geschäftsjahr 2015/16 in Summe 46 Lehrlinge im Unternehmen beschäftigt. Für die hohe Qualität der Ausbildung bei FACC sprechen unter anderem die Ergebnisse, die die Lehrlinge des Unternehmens 2015 beim Lehrlingswettbewerb der Wirtschaftskammer Oberösterreich für kaufmännische und technische Berufe erzielten. Von 736 Lehrlingen aus 91 oberösterreichischen Unternehmen – darunter auch voestalpine und Lenzing – sicherten sich Mitglieder des FACC Future Teams Spitzenplätze in den Kategorien „Kunststofftechnik“, „Konstrukteur/Werkzeugbautechnik“ sowie „Frau in der Technik“.

Seit Jänner 2015 ist FACC berechtigt, als staatlich ausgezeichnete Lehrbetrieb das österreichische Staatswappen zu führen.

8. UMWELT

Seit der Gründung von FACC im Jahr 1989 prägt kontinuierliches Wachstum die Entwicklung des Unternehmens. Von 2011 bis 2015 beschleunigte sich dieses Wachstum deutlich. Der Verbrauch von Energie und Ressourcen folgte diesem Trend jedoch nicht. Dank vielfältiger Maßnahmen zeigte die Entwicklung des Energieverbrauchs bei FACC einen deutlich flacheren Verlauf als die Betriebsleistung des Unternehmens. Konkret stieg die Energieeffizienz der FACC-Werke in den Jahren von 2010 bis 2014 jährlich um 10 % und 2015 um weitere knapp 7 % – Spitzenwerte, die durch Maßnahmen wie etwa Energie-Monitoring, den Einsatz von Leittechnik oder die zentrale Überwachung der Gebäudetechnik erreicht wurden.

Die Menge des entstandenen Abfalls ist ein Gradmesser für die Qualität von Produktionsprozessen. Denn sie zeigt, wie effizient vorhandenes Rohmaterial genutzt wird. Als oberster Grundsatz gilt bei FACC daher zunächst die Vermeidung von Abfall. Die zweite Säule im Abfallmanagement des Unternehmens bilden Recycling und Verwertung. In diesem Sinn wird heute bei FACC lückenlos jedes Stück Abfall auf seine stoffliche Verwertbarkeit geprüft. Lag der Anteil recyclingfähiger und verwertbarer Abfälle bei FACC im Jahr 2010 noch bei 12 %, wurden 2015 bereits knapp 49 % der Reststoffe wiederverwertet. Styropor, Kunststofffolien, Kartonagen, Werkzeuge, Eisen und Aluminium werden heute zu 100 % verkauft und anschließend recycelt. Auch Altholz-Abfälle können zu einem großen Teil als Werkstoff wiederverwertet werden.

9. BERICHT ÜBER DIE ZWEIGNIEDERLASSUNGEN

Die FACC AG betreibt keine Zweigniederlassungen.

10. WESENTLICHE EREIGNISSE NACH DEM BILANZSTICHTAG

Nach dem Bilanzstichtag gab es keine wesentlichen Ereignisse.

11. ANGABEN GEMÄSS § 243A UGB

11.1. Berichterstattung über wesentliche Merkmale des internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess

Gem. § 243a Abs. 2 UGB ist die FACC AG verpflichtet, die wesentlichen Merkmale des internen Kontroll- und Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess zu beschreiben. Der Vorstand der FACC AG hat gem. § 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 der FACC AG, ein angemessenes internes Kontroll- und Risikomanagementsystem im Hinblick auf den Rechnungslegungsprozess einzurichten.

Die wesentlichen Merkmale des Risikomanagements und des internen Kontrollsystems sind im Risikomanagementhandbuch der FACC AG festgehalten worden. 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 sichergestellt sind.

Zu den Maßnahmen und Regeln zählen unter anderem Funktionstrennung, Vier-Augen-Prinzip, Unterschriftenordnungen, ausschließlich kollektive und auf wenige Personen eingeschränkte Zeichnungsermächtigungen für Zahlungen sowie systemunterstützte Prüfungen durch die verwendete EDV-Software (SAP).

Im Zusammenhang mit dem „Fake President Incident“ hat der Vorstand der FACC AG unmittelbar nach dessen Bekanntwerden umfassende Maßnahmen eingeleitet. Neben der Evaluierung möglicher Ersatzansprüche im Rahmen der D&O-Versicherung lag der Fokus auch auf der Überprüfung etablierter Prozesse und Methoden im Zusammenhang mit dem Risk-Management-Prozess und dem internen Kontrollsystem.

Bei FACC wird seit mehr als zehn Jahren in fast allen Unternehmensbereichen SAP 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.

In 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.

In Bezug auf die IT-Sicherheit wurden Maßnahmen in den Bereichen Berechtigungskonzept, Funktionstrennung und Systemsicherheit ausgearbeitet bzw. umgesetzt.

11.2. Angaben zu Kapital-, Anteils-, Stimm- und Kontrollrechten und damit verbundenen Verpflichtungen

Das Grundkapital der FACC AG belief sich zum 29. Februar 2016 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 der FACC AG entspricht einer Stimme in der Hauptversammlung.

Zum 29. Februar 2016 war die FACC International Company Ltd. (Hongkong) direkt bzw. indirekt mit 55,5 % an der FACC AG beteiligt. Zum Bilanzstichtag 29. Februar 2016 waren keine weiteren Aktionäre bekannt, die eine Beteiligung am Grundkapital von mehr als 10 % hielten.

Der im Streubesitz befindliche Anteil der FACC-Aktien betrug 45,5 %.

Es existieren keine Aktien mit besonderen Kontrollrechten.

Bei der FACC AG besteht kein Mitarbeiterbeteiligungsprogramm, in dessen Rahmen Mitarbeiter das Stimmrecht für ihre Anteile an der FACC AG nicht unmittelbar ausüben.

11.3. 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 19.895.000,00 EUR 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 Nominale 3.000.000,00 EUR 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.

11.4. 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 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.

11.5. Bestimmungen zur Ernennung von Vorstand und Aufsichtsrat

Solange die FACC International Company Ltd. (Hongkong) Aktionärin der FACC AG mit einer Beteiligung von zumindest 25 % des jeweils geltenden Grundkapitals ist, hat diese das Recht, bis zu ein 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.

11.6. Sonstige Angaben

Zum 29. Februar 2016 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 der FACC AG 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.

12. AUSBLICK

12.1. Markt

Das Umfeld der Luftfahrtindustrie ist nachhaltig positiv. Ein weiteres Mal in Folge kam es im vergangenen Jahr zu einer Erhöhung der Auslieferraten. Bei den Neubestellungen konnten die Werte des Vorjahres zwar nicht gänzlich wieder erreicht werden. Trotz dieser leichten Entspannung beträgt die Auftragsrücklage an bestellten Flugzeugen etwa neun Jahresmengen.

Dieser Wachstumstrend sollte auch in Zukunft weiter anhalten: Die Analysen der OEM bestätigen derzeit eine konstante jährliche Zunahme des Passagieraufkommens von rund 5 %. In den kommenden 20 Jahren wird sich die weltweite Flugzeugflotte von derzeit rund 18.500 Verkehrsflugzeugen (Quelle: Airbus Global Market Forecast, April 2016) bis zum Jahr 2034 auf rund 37.500 Flugzeuge mehr als verdoppeln. Gleichzeitig werden 12.400 Flugzeuge aus der bestehenden Flotte außer Dienst gestellt und durch moderne Flugzeuge ersetzt werden. Entsprechend dieser Einschätzung besteht innerhalb der kommenden 20 Jahre ein Bedarf an 31.400 Neuflugzeugen.

12.2. FACC-Konzern

Die in den letzten Jahren entwickelten Produkte gehen vermehrt in die Serienfertigung über. Das Verkaufsvolumen der A350-Projekte wird sich in den kommenden zwei bis drei Jahren mehr als verdoppeln und damit zu einem wesentlichen Treiber der Geschäftsentwicklung werden. Neben den Serienanläufen für den A350 sehen die Prognosen vor, dass in den kommenden ein bis zwei Jahren sowohl der Bedarf für die B787 als auch jener für den A320 weiter steigen werden.

Bedingt durch das ausgewogene und moderne Produkt- und Kundenportfolio von FACC kann das Unternehmen vom generellen Wachstum fast aller Flugzeugfamilien profitieren. Die Entwicklungsarbeiten für die großen Projekte der letzten zehn bis zwölf Jahre, insbesondere jene für die Modelle A380, A350 und B787, sind grundsätzlich abgeschlossen. Der Fokus liegt nun auf der optimalen Industrialisierung dieser Projekte sowie auf kontinuierlichen Verbesserungsprojekten.

Die Investitionen des FACC-Konzerns der Vergangenheit in die Neuprojekte A350 XWB, B787, Legacy 450/500, Bombardier CL 350 sowie Global 7000/8000 zeigen somit nachhaltige

Wirkung. Als Systemlieferant wird FACC vom Serienhochlauf dieser Projekte maßgeblich profitieren und neben steigenden Umsätzen eine hohe Auslastung ihrer Standorte sicherstellen können.

Die Rückführung der vom FACC-Konzern eingesetzten Entwicklungskosten ist aus heutiger Sicht planmäßig umsetzbar. Damit ist die Verwirklichung der „FACC Vision 2020“, wonach konstantes Wachstum erreicht werden soll, aus heutiger Sicht realistisch. FACC geht in der Planung für das Geschäftsjahr 2016/17 davon aus, dass das Umsatzwachstum im zweistelligen Prozentbereich liegen wird.

Die Umsätze aus Entwicklungsleistungen werden in naher Zukunft das Niveau der Jahre 2011/12 und 2012/13 nicht mehr erreichen. Wie bereits erwähnt, wird sowohl Airbus als auch Boeing kurzfristig keine neuen Großprojekte auf den Markt bringen. Stattdessen werden kontinuierliche Verbesserungen an bestehenden Flugzeugtypen erforderlich sein, die hinsichtlich ihres technischen Aufwands risikoärmer und gleichzeitig vom finanziellen Aufwand her überschaubarer sein dürften.

Mit der erfolgreichen Inbetriebnahme des neuen FACC-Standorts in Wichita, USA, und den damit verbundenen Modifikationsaktivitäten der Winglets für die B737 wurden wertvolle Erfahrungen im Tätigkeitsfeld MRO (Maintenance, Repair, Overhaul – MRO) und der direkten Zusammenarbeit mit den Airlines als Endverbraucher gewonnen. Der MRO-Markt – allen voran die Instandhaltung von Composite-Systemen – wird durch den steigenden Anteil an Composite-Strukturen bei neuen Flugzeugen ein stark wachsendes Geschäftsfeld bilden. Unterstützt durch die weitreichenden Erfahrungen von FACC bei der Entwicklung und Herstellung von Composite-Systemen verfolgt das Unternehmen das Ziel, neben seinem Kerngeschäft vermehrt Leistungen aus dem Bereich Instandhaltung und Reparatur für Airlines anzubieten und zu verkaufen.

Im Rahmen der „FACC Vision 2020“ wurden zur Verbesserung der Wirtschaftlichkeit und zur Stärkung der Ertragskraft spezielle „Operational-Excellence-Projekte“ lanciert. Diese Projekte zielen darauf ab, den Automatisierungsgrad zu steigern, die Produktivität zu erhöhen und die Prozesskosten bei Produkten zu senken sowie durch das Outsourcing der Produktion von einfachen Composite-Teilen die Margen zu stärken. Diese Projekte zeigen Wirkung, und auch im Geschäftsjahr 2016/17 wird die verstärkte Automatisierung einen Fokus bilden – mit dem

Ziel, die Effizienz von FACC weiter zu erhöhen. Eine generelle Steigerung der Produktivität um 7 bis 10 % (je nach Produktmix) als Ergebnis dieser Aktivitäten bleibt als Ziel unverändert aufrecht.

Das Outsourcing von definierten Produktfamilien zu strategischen Supply-Chain-Partnern in Wachstumsmärkten (UAE, Indien und China) wird weiter forciert. Durch die Qualifizierung des von FACC geplanten Werks in China im Geschäftsjahr 2014 kann das Produkt-Outsourcing aus den Bereichen Interiors, Engine Composites sowie Aerostructures weiter forciert werden. Einhergehend mit diesen Verlagerungen wird die Abhängigkeit vom US-Dollar weiter verringert, Produktionsflächen werden für die Herstellung hochtechnischer Produkte freigegeben und das globale Fertigungsnetzwerk wird entsprechend erweitert.

Zusammenfassend wird der FACC-Konzern seine Aktivitäten von der Entwicklung über die Herstellung bis hin zum globalen Supply Chain Management weiter stärken können und damit seine Position als bevorzugter Partner der Luftfahrtindustrie ausbauen. Die Umsetzung der Konzernstrategie „FACC Vision 2020“ im Hinblick auf die Stärkung und den Ausbau des Rangs eines Tier-1-Lieferanten bei den Kunden Airbus, Boeing, Bombardier, Embraer und allen namhaften Triebwerksherstellern ist und bleibt oberste Priorität.

Ried im Innkreis, am 20. Mai 2016

Walter Stephan e. h.

Vorstandsvorsitzender

Robert Machtlinger e. h.

Mitglied des Vorstands

Yongsheng Wang

Mitglied des Vorstands

Bestätigungsvermerk

Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der FACC AG, Ried im Innkreis, bestehend aus der Bilanz zum 29. Februar 2016, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr sowie dem Anhang, geprüft.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung und sachgerechte Gesamtdarstellung dieses Jahresabschlusses in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und für die internen Kontrollen, die die gesetzlichen Vertreter als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Verantwortung des Abschlussprüfers

Unsere Aufgabe ist es, auf der Grundlage unserer Prüfung ein Urteil zu diesem Jahresabschluss abzugeben. Wir haben unsere Abschlussprüfung in Übereinstimmung mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der internationalen Prüfungsstandards (International Standards on Auditing). Nach diesen Grundsätzen haben wir die beruflichen Verhaltensanforderungen einzuhalten und die Abschlussprüfung so zu planen und durchzuführen, dass hinreichende Sicherheit darüber erlangt wird, ob der Jahresabschluss frei von wesentlichen falschen Darstellungen ist.

Eine Abschlussprüfung beinhaltet die Durchführung von Prüfungshandlungen, um Prüfungsnachweise für die im Jahresabschluss enthaltenen Wertansätze und sonstigen Angaben zu erlangen. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers. Dies schließt die Beurteilung der Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Jahresabschluss ein. Bei der Beurteilung dieser Risiken berücksichtigt der Abschlussprüfer das für die Aufstellung und sachgerechte Gesamtdarstellung des Jahresabschlusses durch die Gesellschaft relevante interne 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. Eine Abschlussprüfung umfasst auch die Beurteilung der Angemessenheit der angewandten Rechnungslegungsgrundsätze und der Vertretbarkeit der von den gesetzlichen Vertretern ermittelten geschätzten Werte in der Rechnungslegung sowie die Beurteilung der Gesamtdarstellung des Jahresabschlusses.

Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Nach unserer Beurteilung entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Gesellschaft zum 29. Februar 2016 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben nach § 243a UGB sind zutreffend.

Linz, den 20. Mai 2016

PwC Oberösterreich
Wirtschaftsprüfung und
Steuerberatung GmbH

gez.:

Mag. Friedrich Baumgartner
Wirtschaftsprüfer

Eine von den gesetzlichen Vorschriften abweichende Offenlegung, Veröffentlichung und Vervielfältigung im Sinne des § 281 Abs. 2 UGB in einer von der bestätigten Fassung abweichenden Form unter Beifügung unseres Bestätigungsvermerks ist nicht zulässig. Im Fall des bloßen Hinweises auf unsere Prüfung bedarf dies unserer vorherigen schriftlichen Zustimmung.

Erklärung der gesetzlichen Vertreter

Wir bestätigen nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Jahresabschluss des Mutterunternehmens ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens vermittelt.

Ebenso bestätigen wir nach bestem Wissen, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Ried im Innkreis, am 20. Mai 2016

Walter Stephan e. h.	Robert Machtlinger e. h.	Yongsheng Wang
Vorstandsvorsitzender	Mitglied des Vorstands	Mitglied des Vorstands