



my journey starts here

LUX

ANNUAL REPORT 2017



LUX-AIRPORT



AOI-201

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CALV

220

CALVIN KLEIN

SUPPLY

HOLDS LOCAL WINES PERFUMES

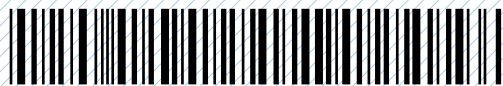


WELCOME

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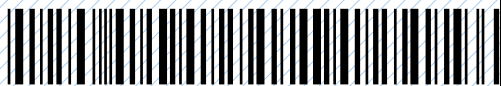


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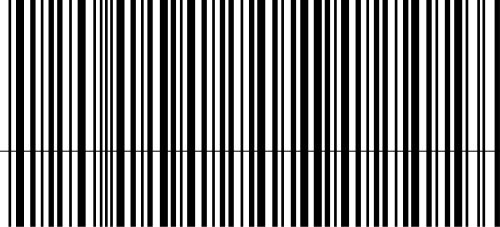
WELCOMING MESSAGES

“Welcoming our guests, facing new challenges each day and solving them with teamwork is fascinating.”

Sheryl

INFODESK REPRESENTATIVE





EACH MEMBER OF THE LUX-AIRPORT TEAM CAN BE PROUD OF OUR ACHIEVEMENTS LAST YEAR, WHERE THE MOST VISIBLE ONE IS THE RE-OPENED TERMINAL B.

→ TOM WEISGERBER / CHAIRMAN OF THE BOARD

In 2017, the sustained regional, European and global economic growth, as well as the particular attractiveness of Luxembourg, led to a continued increase of our traffic results.

For passengers, we position ourselves as a high quality, boutique airport serving the Greater Region of Luxembourg and its surroundings. We seek to combine the services available at larger airports with the convenience and pleasant user-experience of a smaller facility.

Not only do we believe this is the right commercial strategy, but we think this is beneficial for the connectivity of Luxembourg and the Greater Region. Our objective is to offer a state-of-the-art product to our travelers, whether they are visiting for business or leisure. Investments into our infrastructure are therefore vital and bringing Terminal B back into service in July was a significant step forward in this respect. Adding more gate space and allowing direct boarding of the plane without bus transport is certain to vastly improve customer satisfaction. lux-Airport maintained its place as Europe's sixth largest cargo airport, mainly thanks to the state-of-the-art all-cargo servicing capability



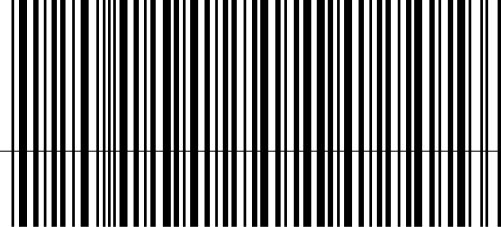
operated by Luxair Cargo. The expansion of our cargo apron from 8 to 12 aircraft stands will come on stream in autumn of 2018. This is an important move to improve the cargo serviceability.

While running an efficient, high performance airport is our number one priority, we also strive to maximize environmental sustainability. We have hired a dedicated professional to work towards these goals and we joined the Airports Council International's Green Airports Initiative in 2017 to achieve the highest standards in our industry. I would also like to pay tribute to the work of our CEO Johan Vanneste,

who left lux-Airport after 4 years of successful development. However, he couldn't have realized these achievements without contributions from all our staff members whom I would like to thank for their on-going commitment and professionalism.

Last but not least, I would also like to mention the EASA aerodrome certification, obtained on time in 2017: I remain extremely grateful for this success as well as for the ongoing efforts of all parties cooperating at our airport.

Tom Weisgerber



IT WAS EXCITING TO SEE LUX-AIRPORT DEVELOPING IN SO MANY WAYS IN 2017. THIS WAS ONLY POSSIBLE THANKS TO THE EFFORT AND PASSION OF ALL OUR STAFF

→ RENE STEINHAUS / CEO AD INTERIM

Our attractiveness for both network carriers and low-cost airlines has risen. Long-standing airline partners have increased services from Luxembourg Airport, with many investing in new generations of aircraft to serve a growing number of destinations. Network carriers who have arrived recently are also ramping up their services.

However, the largest change last year came in the low-cost sector. It's now five years since this business model arrived in the Grand Duchy, and it continues to grow. There has been a large boost in this market, with now five carriers operating in this segment from Luxembourg Airport. This includes Volotea, who we were delighted to welcome in 2017.

We worked hard to increase capacity, ensuring that passengers have the best possible experience. Reopening Terminal B added gate capacity, comfort for our passengers, and a product adapted to the requirements of our airline customers.

The new, fully equipped business center run by Regus provides meeting rooms and all the services professionals need. Our new high-speed public Wi-Fi compares favorably with other airports. At our airport, there is no time limit, and we make it easy to connect, with just two clicks and no need to enter personal details. Mo-



reover, our new interactive website, and revamped social media presence make it easier to stay in touch with us. The offering of retail and food & beverage outlets was also expanded by adding two shops in the new Terminal B. Working with our operator, we also used this opportunity to adapt the food & beverage offering in existing outlets.

Thanks to strong cooperation with all involved parties, lux-Airport obtained successfully and on time EASA aerodrome operator certification by the end of the year.

The attractiveness of Luxembourg as a cargo hub is born-out in the record-breaking figures. A new chapter in this success story is Emirates Sky-Cargo starting flights to Luxembourg as part of their global operational

partnership with Cargolux.

It has been unfortunate that some passengers have experienced delays at passport control. New electronic gates for EU-passport holders, put in place in cooperation with the Airport Police, are due to come into service over the summer of 2018. This high tech solution will speed up passenger flows and add to the smooth atmosphere at Luxembourg Airport.

On current trends, growth in both cargo and passenger traffic will continue to be strong in 2018, if not at the levels seen in 2017. Managing this success is a challenge, but we are committed to making sure lux-Airport continues to serve customers in Luxembourg, the region, and beyond, continuing to meet the high standards for which we are known.

René Steinhaus

02



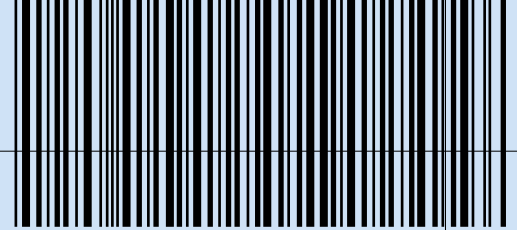
OUR YEAR IN NUMBERS

"I love seeing the huge aircraft on the airside with their engines running. They fascinate me, and give me an energy boost."

Rémy

SAFETY AND COMPLIANCE
MANAGER





2017

a year in numbers

78

direct flight destinations

3,600,000

passengers

19%

passenger number increase

68,621

aircraft movements

16

scheduled passenger airlines

362,243

passengers in the busiest month

938,000

tonnes cargo

7,400

car parking spaces

254

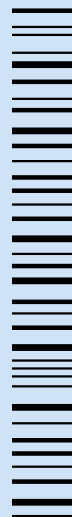
employees

13,724

passengers on the busiest day

14%

cargo increase



HIGHLIGHTS

LUXEMBOURG AIRPORT ANNOUNCES NEW WEBSITE AND APP

lux-Airport.lu gets a new, fresh, user-friendly design.
13TH JANUARY



LUXEMBOURG AIRPORT TERMINAL B WAS SUCCESSFULLY REOPENED

5TH JULY



NEW REGUS EXPRESS BUSINESS CENTER

lux-Airport and Regus together announced the opening of the new Regus Express Business Center, located at the heart of Luxembourg Airport's main terminal.
23RD MAY

VOLOTEA INAUGURATES ITS FIRST FLIGHT FROM LUXEMBOURG TO NICE

13TH APRIL

CARGOLUX AND EMIRATES SKYCARGO START PARTNERSHIP

Inaugural flight at Luxembourg Airport
12TH JUNE



TWO NEW RETAIL UNITS OPENED IN LUXEMBOURG AIRPORT'S TERMINAL B

"Lux Brewery Lounge" and "Aelia Fashion Store"
1ST AUGUST

AFTER 97 YEARS OF SHARED HISTORY, KLM ROYAL DUTCH AIRLINES PHASED OUT ITS LAST FOKKER

lux-Airport held a farewell party for the last KLM Fokker 70 flight from Luxembourg Airport to Amsterdam Schiphol.
28TH OCTOBER



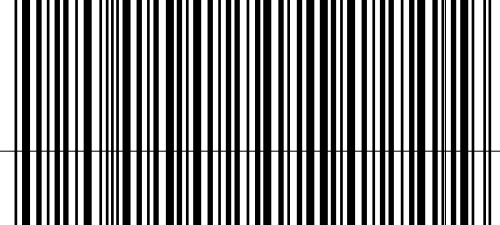
GROUNDBREAKING STARTS ON NEW CARGOLUX HEADQUARTERS BUILDING

6TH OCTOBER



AERODROME CERTIFICATION OF LUXEMBOURG AIRPORT

lux-Airport, together with the Administration de la Navigation Aérienne and the Administration des Ponts et Chaussées, successfully completed on time the final verification audit by the DAC in the framework of lux-Airport's aerodrome certification application. Obtaining aerodrome certification was the top priority this year for our company and the entire airport community.
19TH DECEMBER



TRAFFIC RESULTS

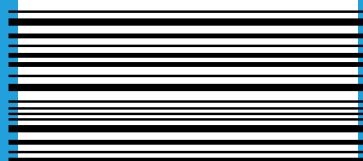
2017

LUXEMBOURG
AIRPORT ONCE
AGAIN HAD AN



EXCELLENT
YEAR

In 2017, 3.6 million passengers traveled through the Greater Region's airport. For the first time, and then on several other occasions, the airport registered more than 300,000 passengers per month, with July 2017 setting a new record of 362,243 passengers.



New destinations were introduced

- ✈ ALICANTE
- ✈ BARI
- ✈ BERLIN-SCHÖNEFELD
- ✈ BIARRITZ
- ✈ HURGHADA
- ✈ MILAN-BERGAMO
- ✈ MILAN-LINATE

The leading destinations in terms of passenger numbers

- 1 PORTO
- 2 LISBON
- 3 MUNICH
- 4 FRANKFURT
- 5 LONDON CITY

However, by taking all four of London's airports into account (Heathrow, Gatwick, Stansted and City) the capital of the UK remains the leading destination.

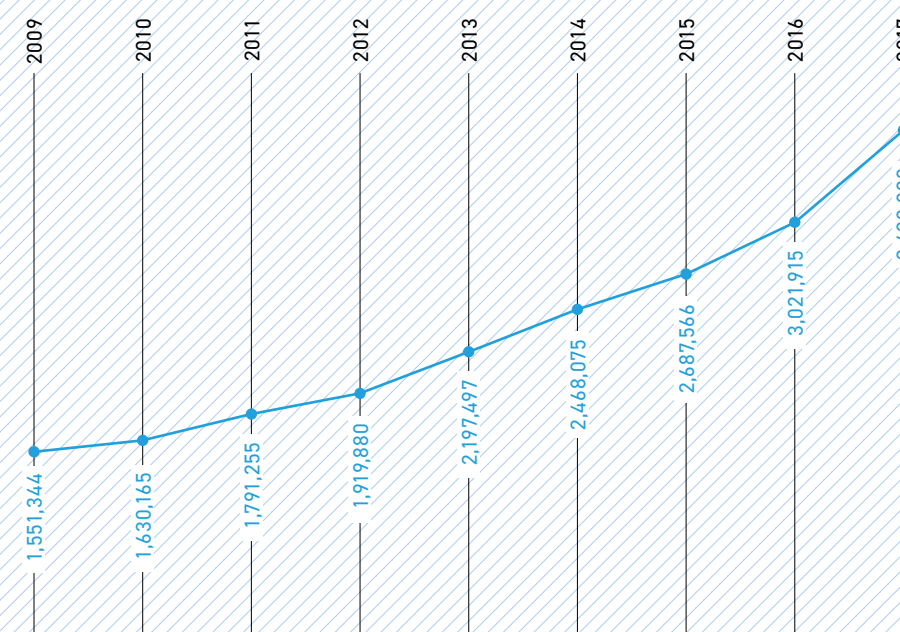
19% PASSENGER INCREASE

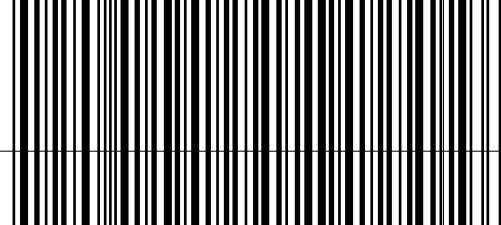
➔ 3,600,000
PASSENGERS

➔ 362,243
PASSENGERS IN THE BUSIEST MONTH

➔ 13,724
PASSENGERS IN THE BUSIEST DAY

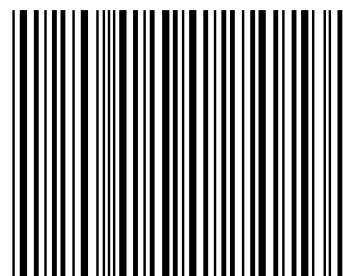
➔ ANNUAL EVOLUTION OF PASSENGER NUMBERS





CARGO

IN 2017
A TOTAL OF



938,000
TONNES OF
CARGO WAS
HANDLED

It has taken 10 years
to beat the previous record
set in 2007 of 896,000 tonnes.

The 2008 financial crisis resulted in a substantial reduction in the volume of air freight, and it wasn't until 2013 that Luxembourg Airport started to record renewed growth. The excellent results in 2017 were due to a spike in global demand for air freight, with IATA figures pointing to a 9% increase in tonne-kilometers globally and 11.8% in Europe*.

To cope with this increased volume, at the start of 2017 Luxembourg Airport began building work on an extension of its cargo aircraft parking area. This will increase capacity from 8 to 12 stands, sufficient to take cargo planes as large as the Boeing 747-8F and with one stand designed for Antonov 124s.

One of the characteristics of Luxembourg Airport's Cargo Center, operated by LuxairCARGO, is its ability to handle non-standard gauge freight that can only be carried in 747 cargo planes. This is due to these aircraft having loading doors in the nose, a unique configuration.

Another specialty is the ability to transport pharmaceuticals that require strict temperature control throughout the whole transportation cycle. In 2017, 31,000 tonnes of pharmaceutical products were carried through Luxembourg's airport.

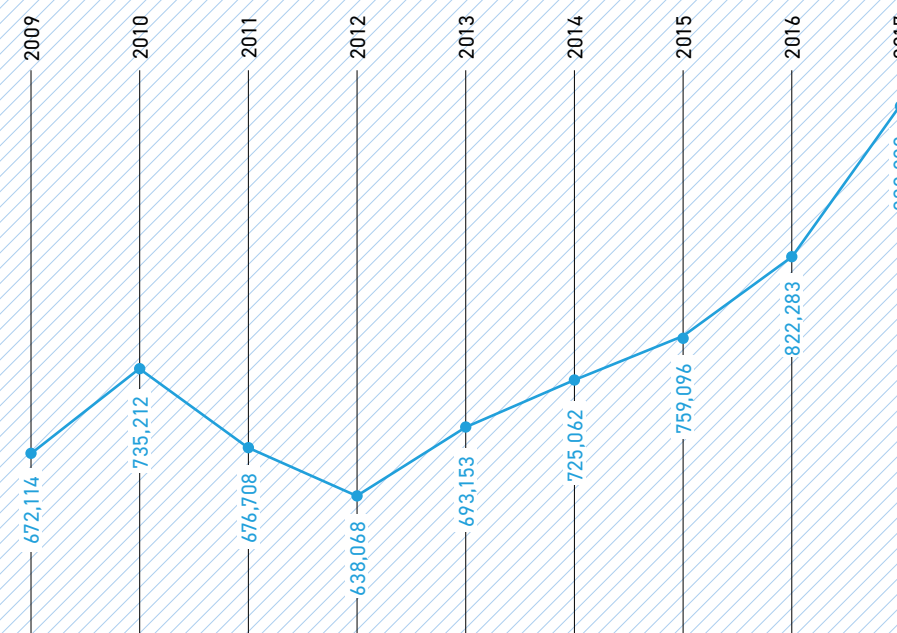
Other specialized merchandise carried included cars, helicopters and car engines. Thousands of animals were also transported safely including alpacas, bison, stags, fish, giraffes, gorillas, hamsters, horses, kangaroos, pigs, swans, tortoises and even zebras.

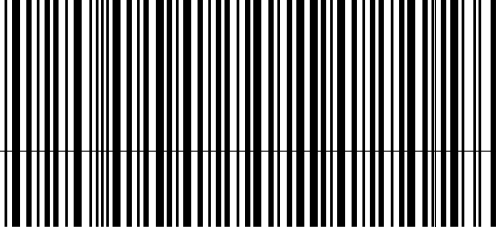
* 2017 worldwide airfreight results, released by IATA on 30 January 2018.

14% CARGO INCREASE

➔ **938,000**
TONNES CARGO

➔ ANNUAL EVOLUTION OF AIR CARGO VOLUME IN TONNES





TOP 5 AIRLINES

OPERATING AT LUXEMBOURG AIRPORT IN 2017

IN TERMS OF
PASSENGER NUMBERS

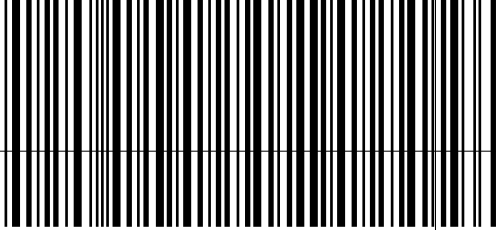
- 1 LUXAIR
- 2 RYANAIR
- 3 LUFTHANSA
- 4 EASYJET
- 5 KLM

IN TERMS OF
CARGO TONNAGE

- 1 CARGOLUX
- 2 QATAR AIRWAYS
- 3 ATLAS AIR
- 4 SILK WAY WEST AIRLINES
- 5 CHINA AIRLINES

OTHER AIRLINES

AEGEAN AIRLINES - BRITISH AIRWAYS - FLYBE - HAHN AIR - HOP ! - LOT
POLISH AIRLINES - SWISS INTERNATIONAL AIRLINES - TAP AIR PORTUGAL
TURKISH AIRLINES - VOLOTEA - VUELING



NETWORK

TOP 3 DESTINATIONS

1
PORTO

2
LISBON

3
MUNICH

78
DIRECT FLIGHT DESTINATIONS

★ NEW DESTINATIONS



TOP 20 DESTINATIONS

- | | | |
|-------------|--------------------|--------------|
| 4 FRANKFURT | 5 LONDON CITY | 6 AMSTERDAM |
| 10 MADRID | 11 LONDON STANSTED | 12 PARIS CDG |
| 16 ISTANBUL | 17 BERLIN TEGEL | 18 NICE |

- | | | |
|-------------------|----------------------|--------------|
| 7 LONDON HEATHROW | 8 MILAN MALPENSA | 9 ZURICH |
| 13 VIENNA | 14 PALMA DE MALLORCA | 15 BARCELONA |
| 19 LONDON GATWICK | 20 ROME | |

03



OUR YEAR IN REVIEW

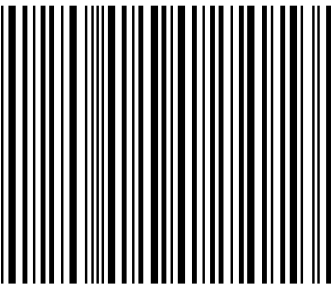
“lux-Airport has the desire
and the drive to enact an ambitious
environmental policy.”

Sandrine

ENVIRONMENT MANAGER



LUX-AIRPORT HAS
FIRMLY ORIENTED
ITS DEVELOPMENT
TOWARDS CONSTANT
IMPROVEMENT OF
THE ENVIRONMENT.



ENVIRONMENTAL
OBJECTIVES

have been set in each of
the relevant areas linked
to the environment, in line
with its role as an airport.

AIR

lux-Airport has already implemented a fleet of electric vehicles. The company also encourages its partners in their efforts to reduce the carbon footprint of their vehicle fleets. A plan to make electric vehicles available for hire in the terminal's underground car park has been approved.

ENERGY AUDIT

An energy audit of lux-Airport buildings was completed. Analyzing the current situation revealed several potential areas for improvement such as changed programming of the heating/cooling systems based on principles of energy optimization, replacement of defective meters, analysis and follow-up through the centralized technical management system, revision of lighting programming.

WATER
MANAGEMENT

A request for a new water management authorization for the airport site has been submitted to the Water Management Administration. The application details the current situation and plans for the future. At the moment water is collected and channeled, depending on the degree of pollution, and is measured by the five existing measurement stations at the airport.

De-icing accounts for around 80% of water pollution at the airport. It is processed at the Uebersyren water purification plant. Firm cooperation agreements between the different actors (SIDEST, Administration des Ponts et Chaussées, and lux-Airport) enables optimal coordination and processing.

GROUND

A survey of all ground zones in the airport began. Boreholes will be sunk in these areas and the soil analyzed in the laboratory. A land use plan of zones will be established, enabling the necessary anti-pollution measures to be taken to guarantee a healthy environment and to prevent contamination. lux-Airport intends to ban the use of glyphosate on the airport site. An alternative solution has been identified and needs testing in 2018. Then rules of good conduct must be established for all stakeholders.

WASTE

Work began on a new waste management plan. The waste depot was totally reorganized as regards containers, types of waste sorted, signage, organization, etc. A sorting at source project is currently in the approval process, in particular at the level of goods confiscation points before access to the secured area.

Thanks to these steps we hope to be awarded the SuperDrecksKäsch® fir Betreiber label in 2018.

Studies of the short circuits projects "up-cycling" and "cradle to cradle" will be on-going in 2018.

AIRPORT CARBON
ACCREDITATION

This internationally recognized ACI accreditation features a certification program specifically dedicated to airports. Based on carbon footprint management, it requires airports to become cleaner while taking into account their primary role of facilitating personal mobility. Certification is achieved through four levels of measures:

- Level 1**
Mapping: footprint measurement (this is in the process of being obtained)
- Level 2**
Reduction: carbon management towards a reduced carbon footprint
- Level 3**
Optimization: third-party engagement in carbon footprint reduction
- Level 4**
Neutrality: carbon neutrality for direct emissions by offsetting

With the energy audit finalized, lux-Airport received a full picture of its carbon footprint. These calculations are the first step towards gaining certification level 1 in 2018.





ISO 14001
CERTIFICATION

This environmental certification requires that a range of standards be adhered to when an environmental management system is being put in place. Thanks to these norms the airport is now in a position to manage the impact of its activities on the environment and to show the efficiency of its management systems. The principles behind these standards also require a process of continuous improvement, and the airport is committed to this. This process is initiated via the definition of an environmental policy for lux-Airport.

AUTHORIZATION

lux-Airport has started to compile an inventory of all authorization approvals granted by the Environmental Administration and the Inspection du Travail et des Mines. There are a substantial number of these documents, given the wide range of stakeholders working at the airport. They are being analyzed, as is the new compliance monitoring procedure.

FLORA AND FAUNA

A study of how the natural environment in a particular area will be affected by a planned building project was undertaken. It concerns a zone

where several projects are being planned. Compensatory measures for a bird habitat will be implemented.

In cooperation with the Administration de la Navigation Aérienne, lux-Airport will install beehives in suitable areas of the airport site, probably during 2018. Pest control campaigns are conducted using organic solutions, such as the use of essential oil-based repellents.

ENVIRONMENTAL
CHARTER

lux-Airport is committed to drawing-up and putting into practice an environment management charter

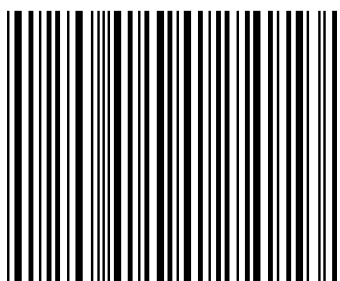
for its airport activity. This document will cover how the airport is organized and run in the interests of the natural and human environment. It will be the result of exchanges and collaboration with all stakeholders and affected entities around the airport.

This voluntary, shared code of best practice has a clear concern: the quality of the environment in and around Luxembourg's airport.

Once management of water, waste, the ground, and energy is optimized this will have defined the foundations for this charter. Certification is one of the tools used when putting this charter in place.



CONTINUOUS IMPROVEMENTS TO



LUX-AIRPORT SERVICES

AIRPORT OPERATIONS

The opening of Terminal B and the successful acquisition of EASA airport certification as aerodrome operator were the major projects in 2017. The department plays a key role by managing a range of resources and by coordinating the operation of Luxembourg Airport. To fulfill the new tasks, a reorganization has created new teams of duty managers and airside teams.

An information campaign was run at the end of the year to raise awareness amongst airport users of safety and driving rules on the tarmac.

Weekly and periodic meetings with all relevant partners and customers were introduced as part of the certification compliance process. This includes the cooperation with the Administration des Ponts et Chaussées and the Administration de la Navigation Aérienne. This reinforced the coordination of operations, airport-related publications, and work on the airport site.

The opening of Terminal B required changes to procedures, both for terminal operations, aircraft parking allocation and for operations featuring direct access to the planes by passengers.

As for baggage handling, the baggage reconciliation solution with scanners was fully implemented. This new solution enables bags to be loaded into aircraft, while being identified rapidly and efficiently.

On the tarmac, equipment storage areas have been defined and marked on the ground to improve safety, and to facilitate the flow of all traffic.

IT

The information technology department's main role is to ensure the smooth running of all IT systems in the terminal and the overall airport site.

Numerous IT projects were undertaken to meet the demand from other departments, and our partners and clients:

The opening of Terminal B was one of the larger projects handled by the teams. The entire IT network was replaced and developed, with the installation of Wi-Fi transmitters, cameras, passenger information systems and equipment at each departure gate.

Another step towards a more user-friendly Luxembourg airport has been made by upgrading the free, unlimited Wi-Fi network at the airport. Visitors and travelers can now benefit from a free Wi-Fi connection which is up to 10 times faster than previously. Free Wi-Fi is available in the public area of the terminal, at the boarding gates, in all shops, restaurants and also in the short term car park C.

We installed a new scalable infrastructure system as part of the first phase of the SAP implementation.

Two new video walls were installed in the departure hall to give flight information to passengers.

Airport management software and data received a major upgrade, with the installation of a new, more user-friendly version with new functionalities.

Regarding baggage management, the reconciliation solution was implemented featuring a scanner per station agent.

A new tarmac Wi-Fi solution managed by the airport was put in place, with the Wi-Fi signal expanded to cover the entire tarmac.

GENERAL AVIATION

There was slight growth in 2017, at around 2.1% with 13,046 passengers on an increased number of services, the latter up 16.6% to a total of 7,092.



AERODROME CERTIFICATION

The achievement of the EASA aerodrome certification and the takeover of the aerodrome operator function by December 2017 was an important milestone for lux-Airport.

New manuals and procedures were written in cooperation with our partners, while existing documents were reviewed to ensure conformity with regulations. The main manuals are the Aerodrome Manual, Airside Safety Manual, Airside Driving Rules, Standards Manual and the Positioning and Push-back Manual. All work related to obtaining certification was carried out in partnership with the Administration de la Navigation Aérienne and different teams at the airport, through the creation of a working group, and meetings dedicated to specific topics. In parallel, a Safety Management System (SMS) was put in place for the aerodrome. This SMS features an active security management system for the maneuvering area. It uses a security policy, a definition of objectives, corrective and preventative reports, and a risk analysis for changes.

As regards airport infrastructure, a Maintenance Procedures Manual was developed. Also regular exchanges were established between relevant airport bodies (Administration des Ponts et Chaussées and lux-Airport). Every part of the infrastructure was analyzed, and where possible, adapted to conform to EASA regulations:

New parking space marking in zones P1, P2, P3, and P7

Resurfacing of around 35,000 m² of concrete with tarmac in P2 and P3

Audits and bringing up to standard of marking, lighting, and durability of tarmac

For all other infrastructure, action plans were defined and are being followed up.

New manuals and procedures were written in cooperation with our partners, while existing texts were reviewed to ensure conformity with regulations. The main manuals are the Aerodrome Manual, Airside Safety Manual, Airside Driving Rules and Standards Manual and the Positioning and Push-back Manual.

All work related to obtaining certification was carried out in partnership with different teams at the airport,

COMMUNICATION AND MARKETING

lux-Airport re-launched its website www.lux-airport.lu, presenting it for the first time during the Vakanz 2017 fair. The airport decided to refresh its image, and one of the first steps was to redesign its website, and to adapt it to the needs of today's digital traveler. The goal was to create a website with a responsive design to offer users a great, more customer-centered digital experience, with an intuitive design. We also sought to help people connect with the airport by boosting our social media presence via Twitter, Facebook, Instagram and YouTube.

Besides the re-launch of the website, lux-Airport re-designed its mobile apps for iOS and Android. Many new features have been added and improved such as the parking calculator, the possibility to track flights, to find airlines serving Luxembourg Airport, and receiving e-mail notifications about a chosen flight.

A microsite was created specifically to explain the main elements of the planned Airport City real estate project.

A marketing campaign promoting the

airport's landside retail outlets was organized from October 2017 to the start of January 2018. It was run in cooperation with the retailers in the airport, the communication agency Plan K, and the smart car company. "Shop and win a car" sought to promote shops and restaurants at the airport. The prize was an electric smart forfour. Luxembourg's airport was presented at various national and international trade fairs: the "Vakanz" tourism fair, "Transport Logistics" in Munich (a fair focused on freight), as well as "Expo REAL 2017" to present the "Airport City" project to international real estate professionals.

RETAIL

The choice of catering and retail options has expanded with the opening of Terminal B. One new shop and one new restaurant have opened in Terminal B, thus extending the range of food on offer. There is also a wider choice of products on sale in the retail sales outlets to meet the requirements of travelers and visitors.

In May 2017 the new Regus Express Business Center opened in Terminal A. This gives business travelers, as well as local and international businesses, an ideal professional environment in which to meet and work. Located on the first floor of the terminal, the Regus Express Business Center has five fully equipped modern meeting rooms



with capacity for up to 50 people. The facility offers an impressive view over the airport tarmac and the terminal floor.

INFRASTRUCTURE AND TECHNICAL PROJECTS

Several operational and commercial improvements were made during the renovation of Terminal B. These included the creation of new retail space, the renovation of the old business lounge into an open comfortable room, and the installation of an ATM. As well, the orientation of the way aeroplanes park was changed, and a corridor was created to link the two terminals.

On 5th July 2017, nine years after it was closed, Luxembourg Airport Terminal B was returned to service. Extending gate capacity by renovating Terminal B had become an urgent priority due to the increase in the number of passengers in recent years. Just 11 months of intensive work were necessary to deliver a well equipped, modern Terminal Building. Terminal B is adapted to regional planes, with passengers embarking directly onto the aircraft that are parked in front of the boarding gate. No shuttles are

required to reach the planes.

At the end of the year Cargolux Airlines and lux-Airport started to build a new headquarters for the airline. The building will be located in the commune of Sandweiler, and will be next to the Cargolux maintenance hangar. These buildings will be linked by a glass passageway. As well as new offices with car parking spaces, there will be the company training center, which will include facilities for crew training including two Boeing 747 flight simulators. The new building is being built and will be owned by lux-Airport, Luxembourg airport's management company. Cargolux has taken out a long-term lease. Work started in late 2017 and should be ready for occupation in early 2020.

Work began in Terminal A on preparation for planned changes to the transit area, expansion of the non-Schengen arrival zone, and an increase in the number of passport control desks. Construction work began in January 2018.

Around 35,000 m² of surfaces in aircraft parking areas P2 and P3 were renovated with a thin layer of asphalt. All markings related to parking places were also renewed.

SECURITY

The number of SAS between the boarding gates and the baggage reclaim hall has been increased from two to three, thus facilitating the flow of arriving passengers. At the same time, we took the opportunity of replacing the SAS to increase the level of security when moving between the critical zone of the airport to the non critical zone.

At the beginning of June, Terminal B and the linking corridor were integrated into the airport's critical zone. To achieve this, full sterilization of this infrastructure was carried out by lux-Airport security services, the Airport Police, the Direction de l'Aviation Civile, and the Customs and Excise Administration.

The airport underwent a European Commission security inspection. During this inspection a group featuring representatives of the European Commission and observers from the TSA (Transport Security Administration) analyzed relevant EU legislation to check the compliance of security measures in place in the airport. lux-Airport regained responsibility for distributing airport driving licenses. Between July and December 2017 we issued 1,112 of these licenses.

A large part of the LuxairCARGO freight center was integrated into the airport's security and regulated access zone. Several doors were equipped with anti-intrusion alarms, and video surveillance cameras were also installed.

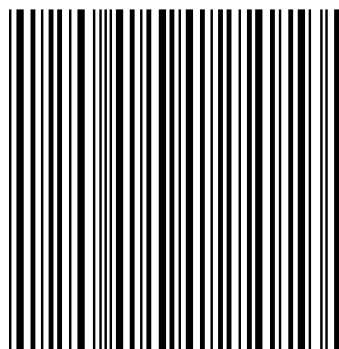
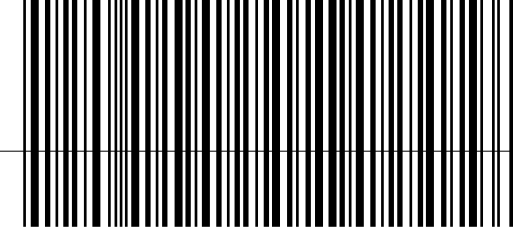
lux-Airport acted in response to a Luxembourg government directive regarding checks on traveler identity documents at access points to the airport's critical zone.

Waiting times at security checkpoints were excellent in 2017. On average, 95% of travelers waited less than five minutes, with 97% waiting less than 10 minutes.

SAFETY

With the opening of Terminal B, the security manual was adapted with an updated evacuation plan. Several training sessions were given, including courses to new staff on fire and first aid.





2018 OUTLOOK

With Luxembourgish, European and global economic growth likely to be sustained throughout 2018, we expect to report increased traffic this year in both passenger and cargo segments. Passenger number growth will probably be less strong than the increase seen in 2017. We can expect

organic growth in 2018 as airlines respond to healthy market conditions. Already in the first half of 2018 we have seen several airlines expand or add new services: Luxair to Venice, Geneva, Barcelona, Dublin, Bari, Milan-Linate, and Stockholm; Luxair Tours to Brac and Enfidha; Aegean to Athens; easyJet to Bordeaux; Ryanair to Palma de Mallorca. If current trends persist, we expect passenger numbers to approach around 4 million by year-end. Traffic on UK and Ireland routes has increased in the last years, driven particularly by growing cooperation between the three country's international financial sectors. Despite the UK's decision to leave the EU, there is no sign of an immediate diminution in this traffic. Traffic to North Africa and Turkey remains sustained. When flights from these destinations coincide, delays can occur as passport checks are conducted manually.

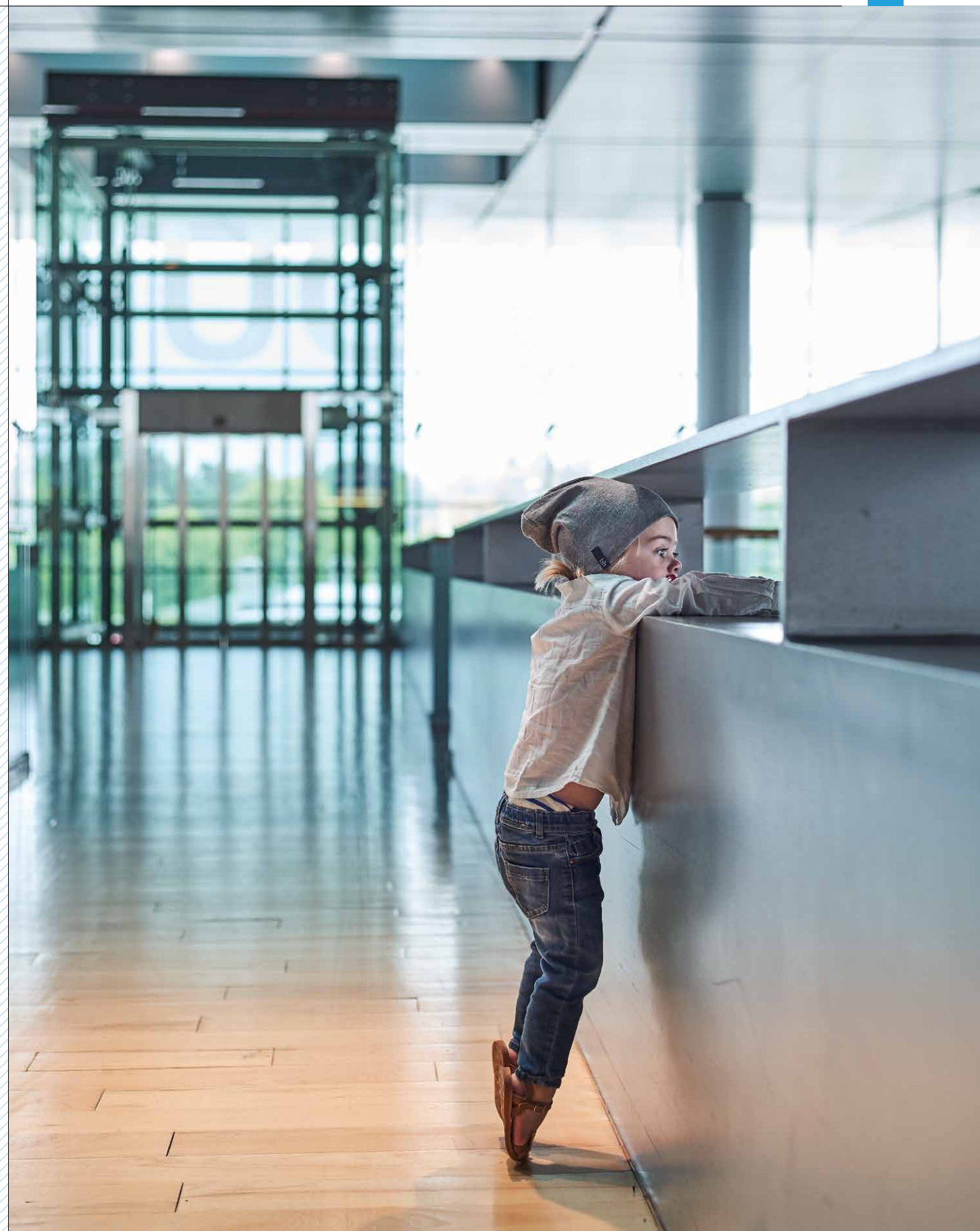
To ease this pressure, ten electronic passport scanning gates will become operational (in cooperation with the Airport Police) over the summer of 2018: five for immigration and five for emigration. These e-gates will be accessible for holders of EU passports, with manual gates maintained for processing non-EU passports.

The waiting lounge in Terminal B is being renovated in 2018, in

cooperation with the bank ING. We will continue to review our food and beverage offering to ensure it meets passenger demands.

All this work is focused on making the passenger experience as pleasant and professionally useful as possible. As part of our strategy to improve services and promote environmental sustainability, we will encourage electric vehicle use. We are planning to test electric-powered shuttle buses to serve our low-cost car park located two kilometers from the main terminal building. We will also install six electric-vehicle charging points in our car park A/B. This technology will be compatible with Luxembourg's national charging station network. Since May 2018, we are partnering with a Luxembourgish startup offering an app-based electric-car rental service "UFO Drive". As well, our work to join the Airports Council International's Green Airports Initiative will continue. Four additional cargo stands to the west of the existing ones will be completed in autumn 2018, bringing the total number to 12.

2018 will also see us start to plan for the refurbishment of the runway. We will also continue work on our planning for the landside real estate development called Airport City.



04

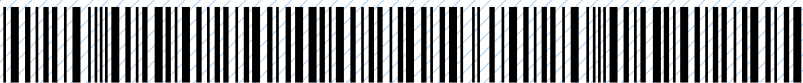
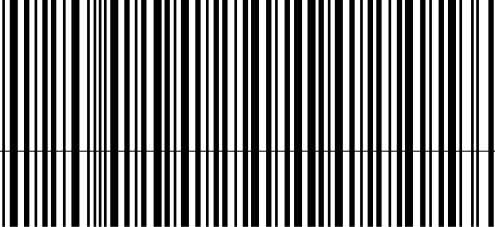


OUR PERFORMANCE

“Our staff’s passion drives
our performance”

Suzy
HR TEAM MEMBER





SHAREHOLDING

AIRPORT-ENERGY SA

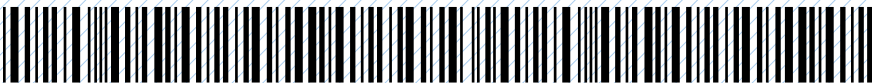
One of the tasks entrusted to lux-Airport by the State involves the construction, financing and operation of a cogeneration plant which meets the identified requirements of the airport precinct. This power plant, which was built at the same time as the new Terminal A and the underground car park, generates and supplies heat for heating applications, cooling energy for air-conditioning applications and back-up power in case of a breakdown of the main electricity supply. A second power plant was built and commissioned at the same time as the new maintenance hangar for Cargolux. Airport-Energy with 50% of its capital owned by lux-Airport, is in charge of the development and management of these power plants.

In 2017, the financial statements of Airport-Energy disclosed positive earnings of € 367,063.

LUXFUEL SA

Pursuant to the acquisition of Cargolux's shareholding in Luxfuel SA in 2011, lux-Airport now holds 30% of the shares of this company. Luxfuel SA is based at Luxembourg Airport and its mission is to operate a fuel and lubricants depot as well as to receive, store, distribute and load these products onboard aircraft. As at 31 December 2017, the three shareholders of Luxfuel SA were Luxair (40%), Skytanking (30%) and lux-Airport (30%).

In 2017, the financial statements of Luxfuel disclosed positive earnings of € 1,802,938.

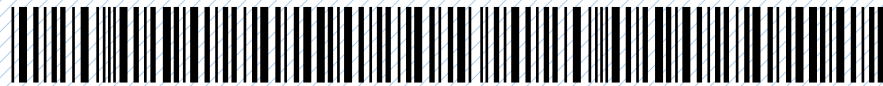


BALANCE SHEET

	2017	2016
Intangible fixed assets	914,651.83	607,857.63
Tangible fixed assets	163,737,632.46	163,673,199.78
Financial fixed assets	2,264,337.99	1,424,165
➔ TOTAL FIXED ASSETS	166,916,622.28	165,705,222.41
Receivables	12,137,752.40	13,977,594.85
Cash in bank, post office accounts, cheques and cash	75,737,455.73	74,529,295.89
➔ TOTAL CURRENT ASSETS	87,875,208.13	88,506,890.74
Prepayments and accrued income	654,207.33	363,344.33
➔ TOTAL ASSETS	255,446,037.74	254,575,457.48

Amounts are indicated in euros.

FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

	2017	2016
Subscribed capital	7,577,000.00	7,577,000.00
Share premium and similar	893.30	893.30
Legal reserve	757,700.00	757,700.00
Other reserves	55,200,000.00	42,400,000.00
Surplus brought forward	252,557.54	243,965.94
Result for the year	14,574,029.47	12,808,591.6
➔ SHAREHOLDER'S EQUITY	78,362,180.31	63,788,150.84
Provisions	14,536,600.52	13,960,861.34
Non-subordinated debt	159,170,475.56	173,315,442.59
Accruals and deferred income	3,376,781.35	3,511,002.71
➔ TOTAL LIABILITIES	255,446,037.74	254,575,457.48

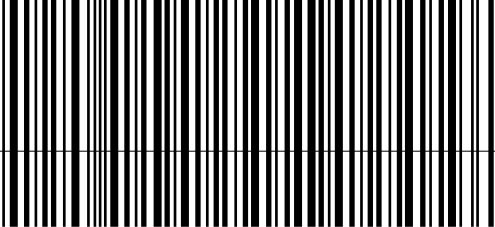
Amounts are indicated in euros.

The balance sheet shown here is an abridged version of the balance sheet included in the annual accounts at 31 December 2017, which were audited by the certified auditor PwC, which issued an unqualified audit report without any reservation on 26 May 2018.

	2017	2016
Net turnover	54,557,867.72	51,794,171.02
Other operating income	21,485,484.43	17,670,062.32
Raw materials and consumables	-3,399,728.31	-3,295,258.60
Other external expenses	-21,812,407.28	-17,346,539.03
Staff costs	-13,068,120.98	-11,833,890.82
Value adjustments	-17,403,690.85	-15,256,875.63
Other operating expenses	-2,089,385.43	-4,479,470.55
Income from participating interests	800,000.00	225,000.00
Other interest receivable and similar income	275,478.97	122,691.47
Value adjustments in respect of financial assets and of investments held as current assets	840,172.99	479,350.25
Interest payable and similar expenses	-43,718.04	-37,782.46
Tax on profit or loss	-5,567,923.75	-5,232,866.37
➔ PROFIT FOR THE FINANCIAL YEAR	14,574,029.47	12,808,591.60

Amounts are indicated in euros.

The profit and loss account shown here is an abridged version of the balance sheet included in the annual accounts at 31 December 2017, which were audited by the certified auditor PwC, which issued an unqualified audit report without any reservation on 26 May 2018.



SHARE-HOLDING



LUX-AIRPORT



The share capital as
at 1st January 2012 stood at
€ 7,577,000

represented by
7,577 shares
with a nominal value of €1,000

all held by the State of the
Grand Duchy of Luxembourg.

BOARD OF DIRECTORS

Tom Weisgerber

Chairman of the Board
Premier Conseiller de Gouvernement
au Ministère du Développement
durable et des Infrastructures

Félicie Weycker

Vice Chairman of the Board
Premier Conseiller de Gouvernement
au Ministère du Développement
durable et des Infrastructures

René Biwer

Board Member until 26 May 2017
Directeur de l'Administration
des Ponts et Chaussées

Jérôme Boyer

Board Member
Staff Representative

Roland Fox

Board Member from 26 May 2017
Directeur de l'Administration
des Ponts et Chaussées

Bahrudin Halilovic

Board Member
Staff Representative

Josiane Pauly

Board Member
Premier Conseiller de Gouvernement
au Ministère du Développement
durable et des Infrastructures

Damien Seil

Board Member
Staff Representative

Jeannot Waringo

Board Member

André Weidenhaupt

Board Member
Premier Conseiller de
Gouvernement au Département
de l'Environnement

Véronique Wiot

Board Member
Attaché de Gouvernement
au Ministère du Développement
durable et des Infrastructures

EXECUTIVE COMMITTEE

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Chief Executive Officer

Alexander Flassak

Director of Finance & Real Estate
Development

David Konsbruck

Director Administration
and Human Resources

Claudine Leinenveber

Director of Operations & IT

René Steinhaus

Commercial Director



“Team spirit and professionalism
are the foundations of an efficient
security service.”

Daniel

HEAD OF AIRPORT SECURITY

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my journey starts here



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