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MAG DELIVERS FIFTH YEAR OF STRONG GROWTH

MAG, the UK's leading airport group, today reports its audited full-year results, for the period
1st April 2015 – 31st March 2016.

Highlights

- Fifth consecutive year of strong growth in EBITDA (+12.0% to £317.7m) driven by record passenger numbers (+7.0% to 51.9m) and new route development.
- MAG has experienced its most successful year ever. London Stansted Airport added more passengers year-on-year (2.3m) than any other airport in the UK, placing it amongst the fastest growing major airports in Europe. Manchester Airport further developed its role as the global gateway for the North, serving a record 23.5m passengers.
- Stansted is now handling 5.7m more passengers per year than when MAG acquired the airport in early 2013, an increase of 32.6%. The airport still has spare runway capacity and is well-placed to meet future growth in London's aviation demand, prior to any new runway being built.
- MAG now has over 100 airlines flying more than 1000 aircraft into its airports each day, including a host of exciting new destinations across the globe. A new direct link between Manchester Airport and Beijing is the latest example of the airport being the only one outside London to offer services to key long-haul destinations.
- New routes announced or started this year include from Manchester to San Francisco, Boston, Phuket, Mauritius, and from London Stansted to Orlando, Cancun and Las Vegas. Stansted also saw flights with British Airways to a range of European destinations announced for the first time.
- This year has seen the Group investing heavily in preparing for the future; at Stansted Airport, the £80m terminal improvement programme and £11m redevelopment of Satellite One were completed. Planning permission was also granted for the £1bn Manchester Airport Transformation Programme.
- An increase in commercial income has been driven by more passengers upgrading their airport experience and taking advantage of MAG's award-winning Escape Lounges, Premium 'Meet and Greet' valet parking offers and fast track security clearance.
- Creation of a new 'MAG on-line' division, headed by former MD of Stansted, Andrew Harrison, to focus on improving customer service and airport efficiency, and deliver a range of innovative e-commerce products that will advance MAG's offer to passengers.
- Cargo income has grown strongly, up 7.0% year-on-year at £22.7m, benefitting from the continued growth in internet shopping and new route launches. Cargo volumes across the group are up 4.8% year on year.

- MAG USA has had a productive first year of operation and been successful in winning contracts for three ‘Escape Lounges’; the lounge at Minneapolis St-Paul is already open and Oakland Airport lounge will open this summer. The third, at Bradley Airport in Hartford, Connecticut, will open in the autumn.
- MAG Property has agreed a number of significant deals across our airports as occupiers seek to take advantage of the benefits that come from locating close to global connectivity, including; the unveiling of the £130m Airport City Manchester China Cluster Scheme; Amazon agreeing to occupy a 654,000sq ft fulfilment centre at Airport City Global Logistics; and construction beginning on a new high quality Hilton hotel at Stansted Airport.
- In 2015, MAG’s airports across the UK, at Manchester, London Stansted, East Midlands and Bournemouth, contributed £5.6 billion in economic activity to UK PLC. This means that for every £1 the Group earned in revenue, economic activity worth another £7.20 was generated in the wider economy as a result of the activities at our airports.
- The Group announces a final dividend of £77.2m, taking the total dividends in respect of the full year ended March 2016, to £115.8m, a 24.5% year-on-year increase.

Key Financials

	12 months ended 31 March 2016 (£m)	**12 months ended 31 March 2015 (£m)**
Passenger numbers (m)	51.9	48.5
Revenue	778.8	738.4
EBITDA*	317.7	283.6
Operating profit *	186.9	153.6
Cash flow from operations *	325.3	309.5
Total dividends paid in the year	115.8	93.0

*Before significant items

Passengers	**12 months ended 31 March 2016 (m)**	**12 months ended 31 March 2015 (m)**
Manchester	23.5	22.3
London Stansted	23.2	20.9
East Midlands	4.5	4.6
Bournemouth	0.7	0.7
Total	**51.9**	**48.5**

Charlie Cornish, Chief Executive of MAG, said:

“This has been the fifth consecutive year of growth for the Group and we have continued to outperform our challenging financial targets and seen record numbers of passengers using our airports.

“We have also made significant progress with our long term investment programme, made an important contribution to the economies in which we operate and generated increased returns for our shareholders.

“Our airports have been able to outperform their competitors over the last year largely because they still have the capacity to grow. In the coming years, as this country continues to see an increase in air travel, Government must ensure that aviation policy makes best use of capacity at airports where it already exists, such as London Stansted and Manchester.

“MAG’s business strategy has a long-term focus with resilient foundations. This will stand us in good stead to respond to any adverse consequences that may be felt by the UK economy following the country’s decision to the leave the EU. Our strategy to drive top-line growth, improve efficiency and broaden our mix of business will continue and in the coming year we will ensure that we remain focussed on delivering further profitable growth.

“As the country enters a new era, we will be working closely with the rest of our industry to ensure that once we leave the EU the UK remains a member of the European single aviation market. At no point have the excellent international air links that this country’s airports provide been more vital to the nation’s future prosperity and economic growth.”

Business Review

MAG has delivered its fifth year of growth, improving both passenger numbers and EBITDA. The increase in EBITDA (+12% to £317.7m) was driven by both aviation and non-aviation revenues.

For the first time in the Group’s history, passenger volumes exceeded 50 million, at 51.9 million, with increased capacity and load factors driving numbers 7% higher than in the previous year.

London Stansted remains the UK’s fastest growing airport in terms of passenger volumes and has played a key role in providing runway capacity in the South East as other airports fill up. Manchester Airport, meanwhile, has seen a record breaking year. August was the busiest month in the airport’s 77 year history and its success has driven up aviation income across the Group by 2.3% to £387.4m.

MAG notes another year of delay in deciding where a new runway should be built in the South East. MAG believes that this decision should be dictated by competitive market forces rather than Government, and that it is vital that existing runway capacity at Manchester and London Stansted is fully utilised, including improving rail links to Stansted and encouraging new long haul connectivity across the country.

Manchester Airport is the only airport outside London to offer services to many key long-haul destinations and new long haul routes to destinations such as Miami, New York and Hong Kong have contributed to passenger growth at the airport in the past 12 months. In addition, significant capacity has also been added from existing carriers such as Ryanair, Jet2.com, Thomas Cook and TUI. The airport has the runway capacity for continued growth, being the only airport in the UK apart from Heathrow with two runways.

In March 2016 planning consent was granted on the ten year, £1 billion Manchester Airport Transformation Programme (MANTP). MANTP is a modular programme that enables MAG to maintain flexibility in timing of build to account for business performance and customer demand.

EBITDA at Manchester Airport was driven by success across all main revenue streams of aviation, retail and car-parking and increased by 6.3% to £146.5m.

London Stansted Airport has delivered a very strong performance, with passenger numbers growing by 2.3 million in the period and EBITDA increasing 16.2% to £133.0m. This has ensured that Stansted remains the fastest growing major airport in the UK and places it amongst the best performing airports in Europe. The growth has been driven by low cost carriers such as Ryanair, but also by expanding the range of other carriers at the airport, such as the introduction of long haul routes to Las Vegas, Orlando and Cancun.

It is now three years since MAG acquired London Stansted and in that time we have not only grown passenger volumes by six million but we have also transformed the terminal facilities and worked hard to change external stakeholders' perceptions of the airport and the economic contribution it makes to the region in which it operates. Enhancements have included an upgrade of the departures area 'Satellite 1' to transform it into a premium facility able to support further growth in full scheduled services, including long haul. In addition, we have transformed the retail and food and beverage offering at the airport.

For the first time in its history, British Airways has begun flights from London Stansted Airport with its range of European summer sun destinations already proving to be extremely popular with passengers.

East Midlands Airport has a very important dual role as both the biggest airport for dedicated cargo traffic in the UK and a key hub for passenger traffic for the cities of Nottingham, Derby and Leicester. Performance on the passenger side has been ahead of expectations in the year to March 2016, with increased flights and improved load factors with Ryanair and Jet2.com partially mitigating the withdrawal of Monarch from the airport. EBITDA increased 7.1% to £21.0m.

Cargo income has increased by £0.8m as a greater volume of express freight traffic, in particular with DHL, takes advantage of the airport's freight facilities and central location.

Bournemouth Airport's passenger levels were broadly in line with the prior year at 0.7m, with revenue of £11.3m being 1.8% ahead of last year.

The Group has continued to use its passenger growth to drive **non-aviation revenues**. The increasing competitiveness of our pre-booked parking products have proven popular and retail revenues have remained strong despite challenging conditions. This has allowed the Group to invest in laying successful foundations for future expansion.

Elsewhere, **MAG Property** has agreed a number of significant deals across our airports as occupiers seek to take advantage of the benefits that come from locating close to global connectivity. The President of The People's Republic of China, Xi Jinping, joined Prime Minister David Cameron in October to unveil the £130m Airport City Manchester China Cluster scheme, which alongside the new Beijing flight with Hainan Airlines, will reinforce Airport City's credentials as China's Gateway to the Northern economy.

Also at Airport City, Amazon agreed to occupy a 654,000 sq ft fulfilment centre, a facility that upon completion will generate up to 1,500 jobs. This, combined with other deals through the year, generated a total profit on disposal of £10.6m and led EBITDA in MAG Property to rise 57.5% to £26.3m.

Looking overseas, **MAG-USA** has had a productive first year of operation. During that time it has been successful in bidding for the construction and operation of three 'Escape Lounges'; one at Minneapolis-St Paul is already open, one at Oakland Airport in California will open in the next few months and one at Bradley Airport in Connecticut will open later this year.

Our **Corporate Social Responsibility** (CSR) strategy recognises the importance of responsible growth and our desire to be a trusted neighbour and corporate citizen. Our strategy is founded on long-term sustained engagement with the whole community. To this end, community engagement volunteer hours have increased 19% across MAG, while noise complaints have reduced by 41% and CO_2 emissions by 14.6%.

The Group announces a final dividend of £77.2m, taking the total dividends in respect of the full year ended March 2016, to £115.8m, a 24.5% year-on-year increase.

Ends