

JUNGFRAUBAHN HOLDING AG

ANNUAL REPORT 2016

Part 2: Financial Report

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FINANCIAL REPORT

*Financial report***JUNGFRAU RAILWAY GROUP****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

With an annual profit of CHF 30.9 million, the Jungfrau Railway Group achieved the second-highest result in its history in 2016. As expected, the previous year's record result could not be repeated.

The Jungfrau Railway Group generated operating income of CHF 169.0 million across all segments. The most important source of income is still transport, which amounted to CHF 126.0 million in the reporting year - 6.0% below the record previous year. Operating expenses increased by 1.9%, among other things due to various measures taken to improve quality. This resulted in an EBITDA of CHF 71.1 million and a cash flow of CHF 68.5 million. Amortisations rose to CHF 34.7 million due to the strong investment activity. The operating result EBIT amounted to CHF 36.3 million and the EBIT margin was 21.5%. After a positive financial result and taxes, the annual accounts show an annual profit of CHF 30.9 million, almost 15% below the previous year.

The most important segment **Jungfraujoch – Top of Europe** booked a net income of CHF 110.9 million. Although the terrorist attacks in Europe, unrest in Turkey and the refugee situation had a significant impact on the number of visitors, especially group tours from Asia, a total of 916,500 guests travelled to the Top of Europe in 2016. This represents a decline of 9.0% on the record year of 2015. Fortunately, transport revenues per guest - contrary to the trend on the market - increased by 1.7%. Sales at the Top of Europe shops also increased. This result was possible because the company intensified its work on the Asian markets in order to strengthen the Jungfraujoch - Top of Europe brand. Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to CHF 54.2 million, accounting for 76.2% of group EBITDA.

Business activity in **winter sports** declined further. The number of ski tours in the entire Jungfrau Ski region fell to 909,000, the proportion of the Group's transport revenue by 10.9%. As a result, transport income in the winter sports segment fell below CHF 20 million. This corresponds to just under 15% of the total transport income of the Jungfrau Railway Group. With net sales of CHF 24.2 million, the segment generated EBITDA of CHF -0.2 million. The winter sports segment continues to make a significant contribution to the other divisions.

In contrast to winter sports, the **adventure mountains** continued to develop positively. The transport income increased by 16.5% to CHF 13.3 million. Efforts to provide an independent positioning for all adventure mountains with an expansive range of services are paying off. In this context, the sales increase of 65% to CHF 1.7 million in the adventure offers in the Grindelwald-First area is noteworthy. Overall, segment sales increased by 18.3% to CHF 18.4 million and led to an EBITDA increase of 42.6% to CHF 7.6 million.

Investments of CHF 50.4 million made during the reporting year 2016 were fully financed from cash flow, except for CHF 5.5 million in interest-free infrastructure loans from the public authorities for the Lauterbrunnen-Wengen route.

At CHF 11.8 million, most of the investments in the reporting year were spent on the four new low-floor trains of the Jungfrau Railway, which have been in operation since the end of August. Further investment focus points were the conversion of the track and platform systems at Lauterbrunnen, the new Mountain Cart offer on First,

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the Mürren Railway freight loading hall, the new website as well as the planning of the V-Cableway project.

At 31 December 2016, the consolidated balance sheet shows a fundamentally funded company with an equity ratio of 80.9%. It has no interest-bearing liabilities and has cash and cash equivalents of CHF 58.8 million.

The Jungfrau Railway Group is thus ready for the further implementation of the V-Railway project. To date, the company has invested exactly CHF 100 million in this generational project. In addition to the already completed rolling stock renewals of the Wengernalp and Jungfrau Railway of CHF 87.9 million and the renewal of the corresponding power supply of CHF 3.4 million, planning costs of CHF 8.5 million accrued for the sub-projects Eiger-Express, Terminal and Grund car park.

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STRATEGIC FINANCIAL TARGETS

The strategic financial objectives of the Jungfrau Railway Group reflect the orientation towards long-term goals and the policy of a value-oriented company (value stock). The profit and free cash flow targets also determine the financial planning of the group.

Key figure	Target value
Return on sales	≥ 12%
EBIT margin	≥ 15%
Investments / cash flow	< 50%
Payout ratio	33% – 50%
Cumulative free cash flow 2014–2023	≥ CHF 150 Mio.
Equity ratio	> 70%

In order to meet the objectives of self-financing and investment in relation to cash flow, the long-term average applies when it comes to the assessment. Due to the high investment requirements of the V-Cableway project, the investment / cash flow objective cannot be met temporarily.

In 2016, the Jungfrau Railway Group once again exceeded its earnings targets. The return on sales amounted to 18.3%, the EBIT margin reached 21.5%. With the proposed dividend increase to CHF 2.10 per share (previous year CHF 2.00), the payout ratio at 39.7% is within in the defined target range. Investments in the reporting year accounted for 73.6% of cash flow. For 2016, there was a free cash flow of CHF 18.1 million. As a result, the cumulative free cash flow of the target period 2014-2023 at the end of 2016 amounted to CHF 23.3 million. At the end of the reporting year, the level of self-financing was 80.9%.

*Financial report***RISK MANAGEMENT AND ICS**

In the context of risk management, Jungfrau Railways deals with possible events which could jeopardise the achievement of strategic and financial objectives. Both opportunities and risks are identified. These are discussed regularly as part of the update of the SWOT analysis (see in the management report: «Message from the company management / Opportunities and risks»).

Jungfrau Railways has an internal control system (ICS) that meets legal requirements. This tool is used to check compliance in the particularly sensitive area of finances and to ensure the correctness and reliability of the reporting.

The IT security policy of Jungfrau Railways pursues a best-practice approach. The rules are defined in the IT security policy, the IT security guidelines for employees, and the IT password guidelines / user authorisation concept. In addition, special service levels are defined for all business-relevant applications and the change process is monitored by a specialist group in a risk-based manner.

The risk management process is embedded in the existing process landscape. Process organisation regulates responsibilities and ensures that the relevant measures are planned and implemented. The risk index (risk catalogue) forms the central basis for the formal risk process. The risks are assessed according to financial impact and probability of occurrence and positioned based on their importance for the company (risk profile). The risk catalogue of Jungfrau Railways provides an overview of the operational risks and is revised annually under the direction of the Risk Manager. The Board discusses and supplements the strategic risks when necessary, but at least once a year. In addition to internal audits, which are used by management to check certain areas, Jungfrau Railways is regularly audited by the Swiss Federal Office of Transport, SUVA and the certification body for the ISO quality management.

On a recent occasion, the Board analysed the negative impact of the various terrorist attacks on customer booking behaviour at the end of 2015 and in 2016. At the same time, it was established that customers differentiate between and assess the general security situation more individually than before. This has a positive effect on the fluctuations in demand. The phenomenon of whole markets suddenly collapsing due to such events was not observed. On the other hand, it will also be more challenging to identify and analyse the factors that influence tourism demand in times of Twitter, Facebook, Instagram etc., and to influence them through traditional information channels. Jungfrau Railways is thus increasingly relying on efficient and authentic online marketing, based locally. It is primarily guests reporting their experiences that encourages new guests to book. This is also a probable counter-strategy to the general perception of the security situation, which cannot differentiate between the events in the Jungfrau region, in Paris and even in the Far East. The measures taken are to do with promoting exchange on social media by creating inspiring moments, by enabling the on-site exchange (WiFi), by activating, stimulating and supporting online activities (chats, posting, blogging etc.) In addition to adjustments in marketing, Jungfrau Railways generally pays great attention to the volatility of tourism. Great attention is paid to high self-financing and a cost structure that is as flexible as possible.

A dominant risk to a company active in the high mountains, which is also often reported in the media, is the exposure to natural hazards. While climate change makes the Jungfrau Railway's offer, especially the ascent into a world of ice and snow, ever more exclusive, the challenges arising from the dynamic weather conditions

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and thawing of the permafrost are increasing. To counter this, Jungfrau Railways has a long and proven tradition. Experiences are correspondingly vast and the precautions taken extensive. A constant assessment and documentation of the current risk situation by responsible and trained staff forms the basis of our safety arrangements. Co-ordination takes place between the specialist units within the group and collaboration with the cantonal and municipal bodies responsible for the natural hazards. This is supplemented using periodic overall assessments by external experts (geologists, glaciologists, fire experts, avalanche experts) and subsequent implementation of the required (structural) measures. The rescue and deployment concepts are checked in regular exercises. Jungfrau Railways has its own fire brigade. Taking out insurance also protects investors against the effects of an event occurring despite all safety measures.

*Financial report***CONSOLIDATED BALANCE SHEET****At 31 December**

CHF (thousands)	Note	2016	%	2015	%
Assets					
Current assets					
Liquid funds		58,841		49,088	
Receivables from deliveries and services	1	7,705		9,149	
Other current receivables		4,517		2,388	
Inventories		1,373		1,359	
Accrued income	2	7,177		8,097	
Total current assets		79,613	12.7%	70,081	11.7%
Fixed assets					
Financial assets	3	9,464		6,333	
Tangible assets	4	527,609		515,486	
Intangible assets	5	8,618		6,229	
Total fixed assets		545,691	87.3%	528,048	88.3%
Total Assets		625,304	100.0%	598,129	100.0%
Liabilities					
Outside capital					
Liabilities from deliveries and services	6	23,766		15,304	
Current financial liabilities	7	740		740	
Other current liabilities	8	4,683		3,430	
Current provisions	9	1,299		1,113	
Deferred income	10	12,633		18,857	
Total current borrowed capital		43,121	6.9%	39,444	6.6%
Non-current financial liabilities	7	33,003		28,234	
Non-current provisions	9	43,063		42,980	
Total non-current borrowed capital		76,066	12.2%	71,214	11.9%
Total borrowed capital		119,187	19.1%	110,658	18.5%
Equity					
Share capital	22	8,753		8,753	
Capital reserves		-1,850		-1,797	
Treasury shares	22	-442		-1,380	
Retained earnings		464,638		440,081	
Minority interests		4,116		5,603	
Annual profit		30,902		36,211	
Total equity		506,117	80.9%	487,471	81.5%
Total liabilities		625,304	100.0%	598,129	100.0%

*Financial report***CONSOLIDATED INCOME STATEMENT****1 January to 31 December**

CHF (thousands)	Note	2016	2015
Operating income			
Transportation revenues	11	125,984	133,969
Compensation	12	9,060	8,460
Sale of energy		9,528	10,290
Souvenir shops		5,981	5,642
Service income		5,779	5,742
Rental income	13	6,538	6,550
Other income	14	6,160	4,835
Total operating income		169,030	175,488
Operating expenses			
Cost of goods	15	-2,733	-2,561
Purchase of energy		-3,040	-3,475
Personnel expenses	16	-53,402	-53,440
Other operating expenses	19	-38,776	-36,617
Total operating expenses		-97,951	-96,093
EBITDA		71,079	79,395
Depreciation and amortisation			
Depreciation of tangible assets	4	-33,833	-31,459
Amortisation of intangible assets	5	-914	-936
Total depreciation and amortisation		-34,747	-32,395
EBIT		36,332	47,000
Financial result			
Financial expenses		-174	-302
Results from associated companies		-3	-3
Financial income	20	2,722	149
Total financial result		2,545	-156
Profit before tax		38,877	46,844
Income taxes	21	-7,913	-10,359
Annual profit before minority interests		30,964	36,485
Minority interests		-62	-274
Annual profit		30,902	36,211
Result per share			
Shares issued		5,835,000	5,835,000
Average balance of time-weighted treasury shares		-10,736	-23,071
Average number of time-weighted outstanding shares		5,824,264	5,811,929
Undiluted and diluted result per share	CHF	5.31	6.23

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CONSOLIDATED CASH FLOW STATEMENT

1 January to 31 December

CHF (thousands)	Note	2016	2015
Annual profit		30,902	36,211
Minority interests		62	274
Depreciation of tangible assets	4	33,833	31,459
Amortisation of intangible assets	5	914	936
Change of provisions	9	269	-472
Use of provisions	9	0	-2
Book profits from the sale of fixed assets		-28	-31
Results from associated companies		3	3
Badwill from the acquisition of subsidiary shares	20	-2,440	0
Value adjustment of financial assets	3	3	1
Other non-cash items [1]		1,289	1,425
Cash flow before change in net current assets		64,807	69,804
Increase / decrease in receivables from deliveries and services		1,444	-1,239
Increase in other current receivables		-2,129	-2,214
Increase in inventories		-14	-91
Increase / decrease in accrued income		920	-289
Increase / decrease in liabilities from deliveries and services		8,462	-3,200
Increase / decrease in other short-term liabilities		1,253	-3,292
Decrease/increase in deferred income		-6,224	3,777
Cash flow from operating activities		68,519	63,256
Investments in tangible assets	4	-44,610	-55,189
Investments in financial assets	3	-3,980	-2,032
Investments in intangible assets	5	-3,303	-1,347
Divestment of tangible assets		642	721
Divestment of financial assets		843	34
Cash flow from investing activities		-50,408	-57,813
Free cash flow		18,111	5,443
Increase in financial liabilities		5,509	5,952
Repayment of financial liabilities		-740	-740
Founding of Grindelwald Grund Infrastruktur AG		40	0
Purchase of minority shares		-418	0
Investment in own shares incl. transaction costs		-1,954	-1,518
Divestment of own shares		886	739
Transaction costs for divestment of own shares		-4	-3
Profit distribution to minority interests		-23	-21
Profit distribution to Jungfraubahn Holding AG		-11,654	-10,461
Cash flow from financing activities		-8,358	-6,052
Change in liquid assets		9,753	-609
Liquid funds 1 January		49,088	49,697
Liquid funds 31 December		58,841	49,088
Change in liquid assets		9,753	-609

[1] Equity compensation programme for administration board, management and employees

*Financial report***CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY****At 31 December**

CHF (thousands)	Note	Share capital	Capital reserves	Treasury shares	Retained earnings	Total excluding Minority shares	Minority shares	Total incl. Minority shares
Equity at 01/01/2015		8,753	-2,259	-1,561	450,542	455,475	5,350	460,825
Acquisition of own shares	22		-1	-1,517		-1,518		-1,518
Sale of treasury shares	22		463	1,698		2,161		2,161
Annual profit					36,211	36,211	274	36,485
Dividends					-10,461	-10,461	-21	-10,482
Equity at 31/12/2015		8,753	-1,797	-1,380	476,292	481,868	5,603	487,471
Acquisition of own shares	22		-11	-1,943		-1,954		-1,954
Sale of treasury shares	22		-42	2,881		2,839		2,839
Annual profit					30,902	30,902	62	30,964
Dividends					-11,654	-11,654	-23	-11,677
Purchase of subsidiary shares	23					0	-3,526	-3,526
Founding of Grindelwald Grund Infrastruktur AG	23					0	2,000	2,000
Equity at 31/12/2016		8,753	-1,850	-442	495,540	502,001	4,116	506,117

*Financial report***ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS****ACCOUNTING PRINCIPLES****General information**

The consolidated financial statements are prepared on the basis of commercial operating values and in accordance with accounting recommendations (Swiss GAAP FER) and the Swiss Stock Corporation Act. They provide a true and fair view of the Group's net assets, financial position and results of operations. Consolidation is based on audited and unified financial statements prepared by the Group companies.

The financial statements of Jungfraubahn Holding AG and the consolidated financial statements of the Jungfraubahn Group were approved by the Board of Directors on 27 March 2017.

Deviations from continuity

In the reporting period, the adjustments to Swiss GAAP FER standards 3 and 6, which were implemented on 1 January 2016, were applied. With revenue recognition from brokerage transactions, only the value of the internally generated service is recorded as net proceeds. The previous year's figures for the income statement have been adjusted accordingly, which means that the operating income and the operating expenses of the previous year are kCHF 3,208 lower. The annual result remained unchanged.

Closing date

The uniform closing date for all companies included in the consolidation is 31 December. The associated company Skilift Bumps AG is an exception to this rule (30 June). As in previous years, Skilift Bumps AG due to the lesser importance of the company does not have to prepare interim financial statements as at 31 December.

Scope of consolidation

The consolidated financial statements include the financial statements of Jungfraubahn Holding AG and its holdings. The holdings of the Group can be seen in the Notes to the individual financial statements of Jungfraubahn Holding AG. The holdings are broken down as follows:

Group companies

Group companies are companies in which Jungfraubahn Holding AG has a direct or indirect share of more than 50 per cent.

Associated companies

Associated companies are companies in which Jungfraubahn Holding AG holds 20 to 50 per cent and has a significant influence.

Non-consolidated holdings

Non-consolidated holdings (up to 20 per cent) are reported under «financial assets».

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Consolidation method

Group companies

Assets and liabilities, as well as expenses and income, are 100 per cent accounted for according to the full consolidation method. Capital consolidation is carried out according to the Anglo-Saxon method (purchase method). Goodwill paid in connection with a share acquisition is usually depreciated over 5 years, in justified cases over 20 years. A passive difference (badwill) is credited to the income statement in the financial year.

The minority interests in equity and income are shown separately on the balance sheet and the income statement. Receivables, liabilities as well as deliveries and services between group companies, including resulting profits, are eliminated.

Associated companies

These companies are included in the consolidated financial statements using the equity method less value adjustments necessary for economic reasons.

Non-consolidated holdings

The non-consolidated participations reported in the «financial investments» are valued at the acquisition cost less value adjustments necessary for economic reasons.

Valuation principles

Balance sheet items are valued according to uniform guidelines. The valuation is based on the acquisition or production costs (principle of historical costs). The most important rules for the various items are set out below:

Foreign currencies

The conversion of positions in foreign currencies is carried out according to the closing rate method. The effects from foreign currency adjustments are recorded in the period result.

Receivables

Receivables are stated at the nominal value less value adjustments necessary for economic reasons.

Inventories

In particular, articles sold in souvenir shops are included in this item. The valuation is carried out at acquisition cost or - if this is lower - at the realisable disposal value. Any discounts are recorded as a reduction in acquisition costs. Consumables and operating materials are reported as «deferred accruals» in the sense of prepaid expenses.

Tangible assets

Property, plant and equipment and spare parts are recognised at acquisition or production values and amortised using the straight-line method over the estimated period of their use (spare parts corresponding to the period of the related property, plant and equipment). Land is not amortised. The planned useful lives for:

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Investment item	Years
Railway stations	50
Depots and workshops	50
Railway substructure and superstructure	25 – 80
Gondola lift, chairlift and ski lift stations	20 – 50
Ski slopes and fixed snowmaking equipment	10 – 25
Hiking trails and climbing routes	20 – 30
Power plant and technical water buildings	50 – 80
Restaurants and accommodation	10 – 50
Car parks and parking spaces	20 – 40
Residential buildings	50
Administration buildings	50
Other buildings	50
Railway installations	15 – 40
Gondola lifts	30
Chairlifts and ski lifts	10 – 30
Snowmakers	6 – 10
Power plant and technical water facilities	10 – 40
Other facilities	4 – 20
Rail vehicles	30
Slope vehicles	6
Cars	4 – 10
Other vehicles	4 – 10
Office equipment	5 – 8
Devices and tools	5 – 10
IT equipment	5 – 20
Communication equipment	5 – 20

Impairment

On each balance sheet date, an assessment is made as to whether there are any signs of impairment of the book values of the Jungfraubahn Group's assets. If there are any signs, the recoverable value of the assets is determined. An impairment loss is recognised in profit or loss.

Financial assets

Financial assets are stated at acquisition costs, less value adjustments necessary for economic reasons.

Intangible assets

Intangible assets (software, concessions and rights as well as goodwill) are recognised at cost and depreciated over the estimated or contractually determined useful lives. The planned useful lives for:

Investment item	Years
Software	5 – 10
Concessions and rights	15 – 100
Goodwill	5

Liabilities

Liabilities are stated at their nominal value.

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Provisions

Provisions are probable obligations that are based on events in the past, the amount and / or maturity of which is uncertain but can be estimated. The valuation is based on uniform business management criteria.

Sales realisation

The revenues of the Jungfraubahn Group stem mainly from the sale of travel tickets (transport income). Transport income is realised with the completion of the sales transaction in the sales system and posted in the corresponding period. Proceeds from long-term travel tickets are deferred on a monthly basis and are settled over the entire duration of the travel tickets.

Taxes

Current taxes on profits are deferred on the basis of the business results reported in the reporting year according to the principle of current-year measurement.

For deferred taxes, all differences between tax rates and group values are measured at full tax rates and reported in the balance sheet (comprehensive liability method). To calculate the deferred tax burden, the future expected tax rate is applied to each company at the time of dissolution. Deferred tax assets on tax-deductible losses carried forward are not capitalised but shown in the Notes.

Employee pension funds

All employees of the Jungfraubahn Group are insured by the legally independent personnel pension fund of Jungfrau Railways. The purpose of the fund is to insure the employees against the economic consequences of age, death and disability. All workers aged over 17 are insured.

The assets of the foundation are not included in the consolidated financial statements. In the statement of income, the contributions demarcated for the period are presented as personnel expenses. The balance sheet includes the corresponding deferred tax assets or liabilities as well as liabilities arising from contractual, regulatory or legal principles. It is assessed annually whether there is an economic benefit or an economic obligation from the organisation's perspective. The annual accounts of the pension fund, which are prepared in Switzerland in accordance with Swiss GAAP FER 26, and other calculations which represent the financial situation, the existing excess cover or shortfall under the actual circumstances, serve as a basis.

Transactions with related parties

Business relationships with related parties are settled under market conditions. This applies in particular to business transactions with BEKB | BCBE, Gebäudeversicherung Bern, Garaventa AG, Graf AG, Hoch- & Tiefbau, Holzbau, as well as with associated companies and personnel services.

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SEGMENT INFORMATION

CHF (thousands)	2016	2015	Change	in %
Segment sales				
Net sales Jungfraujoch - Top of Europe	110,855	117,569	-6,714	-5.7%
Net sales Adventure mountain	18,431	15,580	2,851	18.3%
Net sales Winter Sports	24,187	26,808	-2,621	-9.8%
Net sales other segments [1]	42,130	41,228	902	2.2%
Elimination group-internal sales	-26,573	-25,697	-876	3.4%
Total operating income according to profit and loss account	169,030	175,488	-6,458	-3.7%
Segment results EBITDA				
EBITDA Jungfraujoch – Top of Europe	54,169	62,481	-8,312	-13.3%
EBITDA Adventure mountain	7,627	5,348	2,279	42.6%
EBITDA Winter sports	-202	2,139	-2,341	-109.4%
EBITDA other segments [1]	9,483	9,434	49	0.5%
Group eliminations	2	-7	9	-128.6%
Total EBITDA according to the income statement	71,079	79,395	-8,316	-10.5%

[1] Other segments include, in particular, the Jungfraubahn power station, Jungfraubahnen Management AG and the Lauterbrunnen car park

COMMENTS

0 Scope of consolidation

In the reporting year, the newly founded companies Grindelwald Grund Infrastruktur AG, Grindelwald (80% holding), and Mürrenbahn AG, Lauterbrunnen (100% holding) were included in the scope of consolidation. They were recognised in the consolidated financial statements using the fully consolidated method.

1 Receivables from deliveries and services

CHF (thousands)	2016	2015
Receivables from third parties	7,582	9,321
Receivables from associated companies	172	59
Value adjustments	-49	-231
Net value	7,705	9,149
Change	-1,444	

2 Accrued income

CHF (thousands)	2016	2015
Operating material and consumables, printed matter, service clothing	2,309	2,279
Credit refund of tax payments	1,255	36
Credit from energy supplies	687	727
Prepaid insurance premiums	1,337	1,374
Miscellaneous	1,589	3,681
Total	7,177	8,097
Change	-920	

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3 Financial investments

Acquisition values	CHF (thousands)	Balance sheet value 01/01/2016	Inventory 01/01/2016	Additions	Disposals	Inventory 31/12/2016
Associated companies		3,136	4,076	2,382	-35	6,423
Non-consolidated holdings		526	576			576
Loans		68	68	1,574	-811	831
Securities		578	1,271	24		1,295
Fixed deposits		2,025	2,025			2,025
Total acquisition values		6,333	8,016	3,980	-846	11,150

Depreciation and amortisations	CHF (thousands)	Inventory 01/01/2016	Additions	Disposals	Inventory 31/12/2016	Balance sheet value 31/12/2016
Associated companies		940			940	5,483
Non-consolidated holdings		50			50	526
Loans		0			0	831
Securities		693	3		696	599
Fixed deposits		0			0	2,025
Total depreciation and amortisations		1,683	3	0	1,686	9,464

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4 Tangible assets - acquisition values 2016

Investment item	CHF (thousands)	Balance sheet value 01/01/2016	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016
Undeveloped land		1,484	1,945	0	0	0	1,945
Developed land		9,185	10,342	1,960	673	-308	12,667
Railway stations		27,309	53,281	1,154	1		54,436
Depots and workshops		13,573	23,257				23,257
Railway substructure and superstructure		75,881	103,202	4,001	687	-1,965	105,925
Gondola lift, chair lift and ski lift stations		18,657	36,355				36,355
Ski slopes and fixed snowmaking equipment		19,034	33,352		-44	-11	33,297
Hiking trails / climbing routes		484	940	187			1,127
Power station		13,272	18,242	789			19,031
Restaurants and accommodation		15,350	29,847				29,847
Car parks and parking spaces		3,283	16,519	95	-673	-49	15,892
Residential buildings		3,699	5,287			-35	5,252
Administration buildings		1,190	2,497				2,497
Other buildings		54,930	101,155	41	1	-16	101,181
Total land and buildings		255,847	434,276	8,227	645	-2,384	440,764
Railway installations		34,552	80,753	4,043	34	-716	84,114
Gondola lifts		14,412	27,802	1	67		27,870
Chairlifts and ski lifts		24,158	52,710	232			52,942
Snowmaking equipment		1,801	4,760	197		-386	4,571
Power stations		20,860	33,075	2,765	276	-16	36,100
Other facilities		10,281	17,882	689	10	-186	18,395
Total facilities		106,064	216,982	7,927	387	-1,304	223,992
Rail vehicles		108,623	207,684	12,953	19,642	-6,385	233,894
Slope vehicles		3,713	8,202	54		-19	8,237
Cars		355	955	240		-44	1,151
Other vehicles		393	1,161	113			1,274
Total vehicles		113,084	218,002	13,360	19,642	-6,448	244,556
Office equipment		0	1,403			-10	1,393
Devices and tools		2,105	8,610	1,179	3	-162	9,630
IT equipment		1,511	2,981	15		-67	2,929
Communication equipment		262	336				336
Total other property, plant and equipment		3,878	13,330	1,194	3	-239	14,288
Installations under construction		27,767	27,767	14,873	-20,677	0	21,963
Spare parts / material supplies		7,362	13,169	989	0	-651	13,507
Total		515,486	925,471	46,570	0	-11,026	961,015

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4 Property, plant and equipment - depreciation and impairments 2016

Investment item	CHF (thousands)	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016	Balance sheet value 31/12/2016
Undeveloped land		461	0	0	0	461	1,484
Developed land		1,157		295	-308	1,144	11,523
Railway stations		25,972	1,067			27,039	27,397
Depots and workshops		9,684	441			10,125	13,132
Railway substructure and superstructure		27,321	3,312		-1,965	28,668	77,257
Gondola lift, chair lift and ski lift stations		17,698	1,233			18,931	17,424
Ski slopes and fixed snowmaking equipment		14,318	1,469		-11	15,776	17,521
Hiking trails / climbing routes		456	104			560	567
Power station		4,970	405			5,375	13,656
Restaurants and accommodation		14,497	552			15,049	14,798
Car parks and parking spaces		13,236	472	-295	-48	13,365	2,527
Residential buildings		1,588	198		-35	1,751	3,501
Administration buildings		1,307	43			1,350	1,147
Other buildings		46,225	2,164		-16	48,373	52,808
Total land and buildings		178,429	11,460	0	-2,383	187,506	253,258
Railway installations		46,201	3,457	-90	-716	48,852	35,262
Gondola lifts		13,390	2,027			15,417	12,453
Chairlifts and ski lifts		28,552	2,036			30,588	22,354
Snowmaking equipment		2,959	360		-386	2,933	1,638
Power stations		12,215	1,444	90	-16	13,733	22,367
Other facilities		7,601	1,515		-186	8,930	9,465
Total facilities		110,918	10,839	0	-1,304	120,453	103,539
Rail vehicles		99,061	8,527		-6,385	101,203	132,691
Slope vehicles		4,489	1,113		-19	5,583	2,654
Cars		600	79		-44	635	516
Other vehicles		768	80			848	426
Total vehicles		104,918	9,799	0	-6,448	108,269	136,287
Office equipment		1,403			-10	1,393	0
Devices and tools		6,505	391		-162	6,734	2,896
IT equipment		1,470	291		-67	1,694	1,235
Communication equipment		74	37			111	225
Total other property, plant and equipment		9,452	719	0	-239	9,932	4,356
Installations under construction		0	0	0	0	0	21,963
Spare parts / material supplies		5,807	1,016	0	-38	6,785	6,722
Total		409,985	33,833	0	-10,412	433,406	527,609

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4 Tangible assets - acquisition values 2015

Investment item	CHF (thousands)	Balance sheet value 01/01/2015	Inventory 01/01/2015	Additions	Reclassification	Disposals	Inventory 31/12/2015
Undeveloped land		1,484	1,659	263	23	0	1,945
Developed land		9,163	10,217	125			10,342
Railway stations		28,223	53,165	165		-49	53,281
Depots and workshops		13,889	23,133	124			23,257
Railway substructure and superstructure		72,313	97,699	5,682	1,002	-1,181	103,202
Gondola lift, chair lift and ski lift stations		19,968	36,305	50			36,355
Ski slopes and fixed snowmaking equipment		19,404	32,345	945	114	-52	33,352
Hiking trails / climbing routes		573	940				940
Power station		13,441	18,068	174			18,242
Restaurants and accommodation		15,355	29,357	556	24	-90	29,847
Car parks and parking spaces		3,774	16,519				16,519
Residential buildings		3,901	5,304			-17	5,287
Administration buildings		1,232	2,497				2,497
Other buildings		54,733	98,878	2,286	8	-17	101,155
Total land and buildings		255,969	424,427	10,107	1,148	-1,406	434,276
Railway installations		31,058	77,266	4,697	1,744	-2,954	80,753
Gondola lifts		15,397	27,605	285		-88	27,802
Chairlifts and ski lifts		25,553	52,098	673		-61	52,710
Snowmaking equipment		1,913	4,528	232			4,760
Power stations		18,648	30,038	2,820	642	-425	33,075
Other facilities		10,638	16,852	1,058	6	-34	17,882
Total facilities		103,207	208,387	9,765	2,392	-3,562	216,982
Rail vehicles		84,410	182,696	13,199	18,595	-6,806	207,684
Slope vehicles		3,676	7,598	1,058	3	-457	8,202
Cars		352	928	94		-67	955
Other vehicles		484	1,161				1,161
Total vehicles		88,922	192,383	14,351	18,598	-7,330	218,002
Office equipment		0	1,403				1,403
Devices and tools		2,026	8,316	431		-137	8,610
IT equipment		1,135	2,674	599		-292	2,981
Communication equipment		301	336				336
Total other property, plant and equipment		3,462	12,729	1,030	0	-429	13,330
Installations under construction		30,814	30,814	19,114	-22,161	0	27,767
Spare parts / material supplies		8,588	13,838	559	0	-1,228	13,169
Total		492,446	884,237	55,189	0	-13,955	925,471

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4 Property, plant and equipment - depreciation and impairments 2015

Investment item	CHF (thousands)	Inventory 01/01/2015	Additions	Reclassification	Disposals	Inventory 31/12/2015	Balance sheet value 31/12/2015
Undeveloped land		175	286	0	0	461	1,484
Developed land		1,054	103			1,157	9,185
Railway stations		24,942	1,079		-49	25,972	27,309
Depots and workshops		9,244	440			9,684	13,573
Railway substructure and superstructure		25,386	3,116		-1,181	27,321	75,881
Gondola lift, chair lift and ski lift stations		16,337	1,361			17,698	18,657
Ski slopes and fixed snowmaking equipment		12,941	1,429		-52	14,318	19,034
Hiking trails / climbing routes		367	89			456	484
Power station		4,627	343			4,970	13,272
Restaurants and accommodation		14,002	585		-90	14,497	15,350
Car parks and parking spaces		12,745	491			13,236	3,283
Residential buildings		1,403	202		-17	1,588	3,699
Administration buildings		1,265	42			1,307	1,190
Other buildings		44,145	2,097		-17	46,225	54,930
Total land and buildings		168,458	11,377	0	-1,406	178,429	255,847
Railway installations		46,208	2,953	-6	-2,954	46,201	34,552
Gondola lifts		12,208	1,270		-88	13,390	14,412
Chairlifts and ski lifts		26,545	2,068		-61	28,552	24,158
Snowmaking equipment		2,615	344			2,959	1,801
Power stations		11,390	1,244	6	-425	12,215	20,860
Other facilities		6,214	1,421		-34	7,601	10,281
Total facilities		105,180	9,300	0	-3,562	110,918	106,064
Rail vehicles		98,286	7,581		-6,806	99,061	108,623
Slope vehicles		3,922	1,024		-457	4,489	3,713
Cars		576	90		-66	600	355
Other vehicles		677	91			768	393
Total vehicles		103,461	8,786	0	-7,329	104,918	113,084
Office equipment		1,403				1,403	0
Devices and tools		6,290	345		-130	6,505	2,105
IT equipment		1,539	223		-292	1,470	1,511
Communication equipment		35	39			74	262
Total other property, plant and equipment		9,267	607	0	-422	9,452	3,878
Installations under construction		0	0	0	0	0	27,767
Spare parts / material supplies		5,250	1,103	0	-546	5,807	7,362
Total		391,791	31,459	0	-13,265	409,985	515,486

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5 Intangible assets

Acquisition values	CHF (thousands)	Balance sheet value 01/01/2016	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016
Concessions and rights		2,688	4,700				4,700
Software		3,541	6,948	3,303		-698	9,553
Goodwill		0	428				428
Total acquisition values		6,229	12,076	3,303	0	-698	14,681

Depreciation and impairments	CHF (thousands)	Inventory 01/01/2016	Additions	Reclassification	Disposals	Inventory 31/12/2016	Balance sheet value 31/12/2016
Concessions and rights		2,012	130			2,142	2,558
Software		3,407	784		-698	3,493	6,060
Goodwill		428				428	0
Total depreciation and impairments		5,847	914	0	-698	6,063	8,618

6 Liabilities from deliveries and services

CHF (thousands)	2016	2015
Liabilities from deliveries and services owed to third parties	23,666	15,020
Liabilities from deliveries and services owed to related parties	38	258
Liabilities from deliveries and services owed to associated companies	62	26
Total	23,766	15,304
Change	8,462	

7 Financial liabilities / net financial assets

CHF (thousands)	2016	Maturity less than 1 year	Maturity more than 1 year	Conditionally repayable	Unused limits	2015
Confederation and canton loan under Art. 56 Railway Conveyance Act (non-interest-bearing)	33,743	740		33,003		28,974
Bank liabilities	0				95,000	
Total financial liabilities	33,743	740	0	33,003	95,000	28,974
Liquid funds	58,841					49,088
Net financial assets	25,098					20,114
Change on previous year	4,984					

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8 Other current liabilities

CHF (thousands)	2016	2015
VAT	764	923
Direct tax	2,868	2,303
Social security liabilities	724	19
Clearing balance Jungfrau Ski Region and SBB	105	0
Various other liabilities	56	25
Liabilities to shareholders	166	160
Total	4,683	3,430
Change	1,253	

Among liabilities to shareholders, unpaid dividends are recognised on exchange shares. Exchange shares are non-swapped shares from the mergers of the Jungfrau Holding AG with Wengernalpbahn AG and Jungfrau AG in 1994, with Sesselbahn Innerwengen-Allmend AG in 2002 as well as Bergbahnen Grindelwald-First AG in 2003.

9 Provisions

CHF (thousands)	Holidays / overtime	Various	Demolition Ostgrat building	Deferred taxes	Total provisions
Book value at 01/01/2015	917	2	0	43,648	44,567
Formation	220				220
Use		-2			-2
Dissolution	-24			-668	-692
Book value at 31/12/2015	1,113	0	0	42,980	44,093
of which short-term	1,113	0	0	0	1,113
Book value at 01/01/2016	1,113	0	0	42,980	44,093
Formation	235		950	9	1,194
Dissolution	-49			-876	-925
Book value at 31/12/2016	1,299	0	950	42,113	44,362
of which short-term	1,299	0	0	0	1,299

10 Deferred income

CHF (thousands)	2016	2015
Demarcation of transport income from subscriptions	4,606	5,893
Direct tax	2,999	5,708
Profit sharing	651	1,291
Other demarcations	4,377	5,965
Total	12,633	18,857
Change	-6,224	

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11 Transport income

CHF (thousands)	2016	2015
Jungfraujoch – Top of Europe	100,274	108,483
Adventure mountains	13,281	11,396
Winter sports	19,591	21,986
Gross transport earnings	133,146	141,865
Reductions in revenue	-7,162	-7,896
Total	125,984	133,969
Change	-7,985	

12 Compensation received from government

CHF (thousands)	2016	2015
Lauterbrunnen–Wengen infrastructure	3,511	3,163
Regional passenger transport Lauterbrunnen–Wengen	1,488	1,400
Freight transport Lauterbrunnen–Wengen	1,810	1,732
Regional passenger transport Lauterbrunnen–Mürren	2,251	2,165
Total	9,060	8,460
Change	600	

The uncovered costs of the transport service ordered by the public authorities (Federation and Canton of Bern) on the routes Lauterbrunnen–Mürren and Lauterbrunnen–Wengen are paid by the purchaser. The corresponding compensation must be negotiated in advance.

13 Rental income

CHF (thousands)	2016	2015
Catering rental rates	2,076	2,096
Renting of parking spaces	2,120	2,121
Renting of residential and commercial spaces	1,039	1,087
Other renting	1,303	1,246
Total	6,538	6,550
Change	-12	

14 Other income

CHF (thousands)	2016	2015
Experience offers	1,700	1,032
Events	1,161	764
Income from package offers	232	178
Various income	1,902	1,755
Capitalised costs	1,137	1,075
Income from sales of assets	28	31
Total	6,160	4,835
Change	1,325	

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15 Cost of goods

CHF (thousands)	2016	2015
Souvenir shops	-2,673	-2,512
Dining and accommodation	-60	-49
Total	-2,733	-2,561
Change	-172	

16 Personnel expenses

CHF (thousands)	2016	2015
Salaries and wages	-39,652	-39,018
Allowances, uniforms and other benefits	-5,105	-5,742
Social expenditure	-7,667	-7,521
remaining personnel expenses	-1,354	-1,546
Insurance payments	376	387
Total	-53,402	-53,440
Change	38	
Employees (full-time positions)	536	525
Change	11	

The compensation paid to the Management booked under personnel expenses is shown in the remuneration report of Jungfraubahn Holding AG.

17 Employee benefit plans

Number of people	2016	2015
Active insured persons	562	563
Pensioners	241	227
Total persons	803	790
Change	13	
Expenditure for employee benefit plans in thousands of CHF (included in social expenses)	-3,375	-3,318
Change	-57	

18 Pension plans

Economic benefit / economic commitment	Tausend CHF	Surplus cover / shortfall at 31/12/2015	Surplus cover / shortfall at 31/12/2014	Economic part of the organisation at 31/12/2015	Economic part of the organisation at 31/12/2014
Pension plan with surplus cover					
Jungfrau Railways pension fund [1]		704	7,516	0	0
Change		-6,812		0	

[1] The degree of coverage of the Jungfrau Railways pension fund amounts to 116.8% as of 31/12/2015 in the last published financial statements.

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Pension expenses in personnel expenses	CHF (thousands)	2016	2015
Jungfrau Railways pension fund		-3,165	-3,155
Change		-10	

Management insurance is maintained for members of management and extended management. Expenses for the companies amounted to kCHF 210 in 2016 and kCHF 163 in 2015.

19 Other operating expenses

CHF (thousands)	2016	2015
Costs for services	-7,896	-7,903
Rent expenses	-413	-391
Maintenance, renovation and demolition	-9,049	-8,418
Insurance and compensation	-1,604	-1,708
Energy and consumables	-2,407	-2,236
General expenses	-8,041	-7,303
IT	-2,781	-2,193
Marketing	-5,571	-5,386
Events	-1,014	-1,079
Total	-38,776	-36,617
Change	-2,159	

General expenses mainly include administrative costs, fees and duties as well as various sponsorship and cost contributions. The compensation paid to Board members as a general expense is disclosed in the remuneration report of Jungfraubahn Holding AG.

20 Financial income

Financial income for 2016 includes a goodwill of kCHF 2,440, which resulted from the purchase of shares in subsidiaries. There was no goodwill in 2015.

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21 Taxes on profits

CHF (thousands)	2016	2015
Distribution by tax type		
Income taxes	-8,780	-11,027
Deferred taxes on profits	867	668
Total	-7,913	-10,359
Change	2,446	
Analysis of taxes on profits		
Ordinary earnings before taxes on profits	38,877	46,844
Average applicable tax rate before taking account of losses carried forward	21.1%	22.4%
Expected taxes on profits related to the ordinary result	-8,203	-10,474
Effect of changes in non-capitalised losses carried forward	220	-2
Effect of tax-free company parts	37	188
Other effects	33	-71
Total	-7,913	-10,359
Effective tax rate	20.4%	22.1%

The Group's average income tax rate is based on the weighted average tax rate resulting from the profit or loss before tax as well as the tax rate of each individual company.

With the companies Firstbahn AG, Bergbahn Lauterbrunnen-Mürren AG, Grindelwald Grund Infrastruktur AG as well as Mürrenbahn AG there are tax-deductible losses carried forward totalling kCHF 4,583 (previous year kCHF 5,633). The resulting non-capitalised deferred tax claim is kCHF 1,013 (previous year kCHF 1,233).

22 Equity

Share capital

The share capital of Jungfraubahn Holding AG is fully paid up, amounting to CHF 8,752,500 at 31 December 2016 and is divided into 5,835,000 registered shares with a nominal value of CHF 1.50. Rights and restrictions related to the shares are explained in Section 6 of the Corporate Governance report.

Treasury shares

At 31 December 2016, the company held 4,704 registered treasury shares with a nominal value of CHF 1.50 each (previous year 14,737 registered treasury shares).

In the reporting year, 20,476 (previous year: 16,138) of the Company's registered treasury shares were purchased at an average price of CHF 94.89 (previous year: CHF 93.97) and 30,509 (previous year 23,271) registered treasury shares were sold at an average price of CHF 93.15 (previous year CHF 93.05).

Since 2005, the employees of the Jungfrau Railway Group as well as the administrative boards of Jungfraubahn Holding AG have been given the option of voluntarily purchasing a limited number of registered shares of Jungfraubahn Holding AG at a preferential price. In the reporting year, this price was CHF 32.00 per registered share (previous year CHF 25.00). The difference between the preferential price and the average acquisition price

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was recognised in the income statement under personnel expenses. In this way 20,970 registered treasury shares were sold in the reporting year (previous year 20,990).

The share ownership of the Board members and management is shown in the annexe to the financial statements of Jungfraubahn Holding AG.

Reserves

The non-distributable, statutory or legal reserves amounted to kCHF 24,392 at 31 December 2016 (previous year kCHF 24,524).

23 Significant non-cash transactions

CHF (thousands)	2016	2015
Sale of treasury shares from acquisition of shares in Bergbahn Lauterbrunnen-Mürren AG and Harderbahn AG (7,364 shares, excluding transaction costs kCHF 1)	667	0
Contribution in kind by third-party shareholder upon founding of Grindelwald Grundinfrastruktur AG (land)	1,960	0
Total	2,627	0
Change	2,627	

24 Other information

CHF (thousands)	2016	2015
Sureties, guarantees and pledges in favour of third parties		
Investment obligations	14,363	23,649
Assets pledged to secure building lease charges	51	33
Guarantee obligations	26	26
Joint and several liability for all value-added tax liabilities of the Jungfraubahn Group (including Berner Oberland-Bahnen AG)	p.m.	p.m.
Joint and several liability for the obligations of the simple partnership Jungfrau Ski Region	p.m.	p.m.
Other obligations not to be recognised		
Lease obligations from long-term leases	12,143	12,494
• of which due within 1 year	454	450
• of which due in 1-5 years	1,437	1,412
• of which due in more than 5 years	10,252	10,632

25 Events after the balance sheet date

Since the balance sheet date of 31 December 2016, no events have occurred which affect the meaningfulness of the consolidated financial statements for 2016.

*Financial report***AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

The object of the official annual report of Jungfraubahn Holding AG is the management report (with segment reporting) and the financial report, which contains the consolidated financial statements for 2016 and the financial statements for 2016 of the holding company. The auditor's reports are also included in this part of the annual report. The printout of the annual report in German, available at the registered offices of the company during the invitation period to the General Meeting of Jungfraubahn Holding AG, is binding and has been audited. Thus no audit reports were drawn up in English. You can download a PDF document with the same content from the online annual report Download Centre. The accompanying report and the download file also contain the 2016 remuneration report and corporate governance information.

*Financial report***DEVELOPMENT****KEY FIGURES 2012 TO 2016**

CHF (thousands)	2016	2015	2014	2013	2012
Balance sheet					
Current assets	79,613	70,081	66,857	77,876	57,048
Fixed assets	545,691	528,048	502,603	474,188	473,197
Outside capital	119,187	110,658	108,635	111,789	108,908
Equity	506,117	487,471	460,825	440,275	421,337
Balance sheet total	625,304	598,129	569,460	552,064	530,245
Income statement					
Operating income	169,030	175,488	162,491	161,732	156,118
Transportation revenues	125,984	133,969	121,497	121,547	115,125
Operating expenses	97,951	96,093	94,968	95,228	95,483
Personnel expenses	53,402	53,440	52,045	51,740	50,655
EBITDA	71,079	79,395	67,523	66,504	60,635
Depreciation and amortisation	34,747	32,395	28,889	28,128	26,554
EBIT (operating profit)	36,332	47,000	38,634	38,376	34,081
Group profit after third-party shareholders	30,902	36,211	30,352	30,165	25,998
Cash flow statement					
Cash flow from operating activities	68,519	63,256	56,696	64,892	49,743
Cash flow from investing activities	-50,408	-57,813	-56,931	-29,314	-30,386
Cash flow from financing activities	-8,358	-6,052	-8,736	-14,844	-2,810
Free cash flow	18,111	5,443	-235	35,578	19,357
Key figures					
Equity ratio	80.9%	81.5%	80.9%	79.7%	79.4%
EBITDA in relation to operating income	42.1%	45.2%	41.6%	41.1%	38.8%
EBIT in relation to operating income	21.5%	26.8%	23.8%	23.7%	21.8%
Return on sales (ROS)	18.3%	20.6%	18.7%	18.7%	16.7%
Number of personnel	536	525	519	510	513
Earnings per employee	315	334	313	317	304
Personnel expenses in relation to operating income	31.6%	30.5%	32.0%	32.0%	32.4%

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INFORMATION FOR SHAREHOLDERS

Information per share [1] in CHF	2016	2015	2014	2013	2012
Nominal value	1.50	1.50	1.50	1.50	1.50
Voting rights	1	1	1	1	1
Net profit	5.30	6.21	5.20	5.17	4.46
Dividends (2016: proposal) [2]	2.10	2.00	1.80	1.80	1.80
Equity	86.74	83.54	78.98	75.45	72.21

Stock market price

High	110.50	100.80	82.80	69.15	65.55
Low	88.80	70.70	65.65	61.00	54.11
Year-end price	97.50	94.85	75.50	65.20	63.15

Key data [1]

Price/earnings ratio	18.41	15.27	14.51	12.61	14.17
Price/equity	112.4%	113.5%	95.6%	86.4%	87.5%
Payout ratio	39.7%	32.2%	34.6%	34.8%	40.4%
Dividend yield [2]	2.2%	2.1%	2.4%	2.8%	2.9%
Stock return [2]	4.9%	27.7%	18.2%	6.0%	16.3%

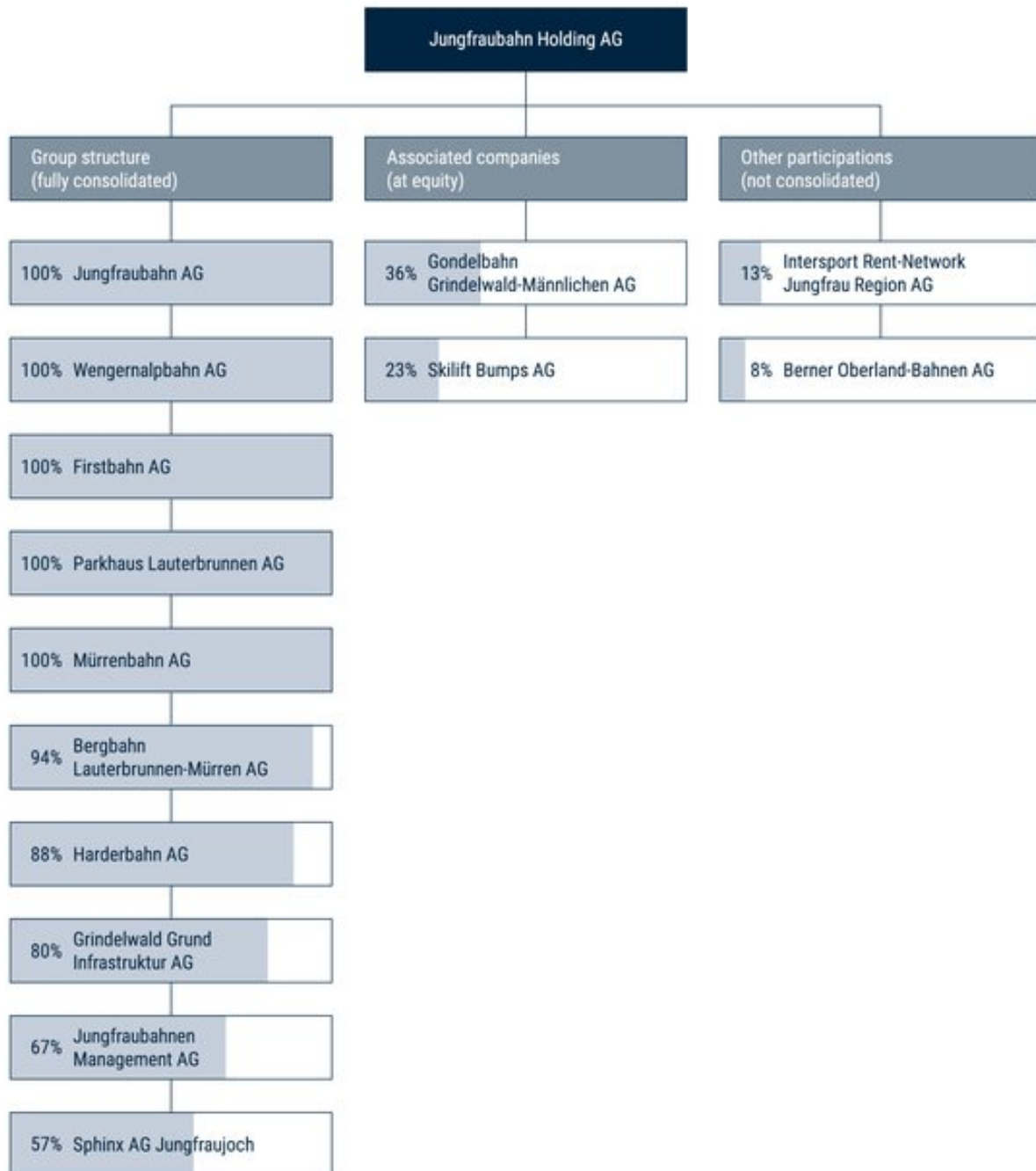
[1] Based on year-end prices, calculated from the total portfolio of 5,835,000 issued shares. [2] Basis of updated appropriation of retained earnings.

Share price (closing price) Jungfraubahn Holding AG, January to December 2016



Financial report

GROUP STRUCTURE



As of 31 December 2016

*Financial report***JUNGFRAUBAHN HOLDING AG****BALANCE SHEET****At 31 December**

CHF (thousands)	2016	%	2015	%
Assets				
Current assets				
Liquid funds	34,048		20,206	
Other receivables from third parties	151		291	
Other receivables from participating interests	6,424		10,928	
Accrued income	40		7	
Total current assets	40,663	24.8%	31,432	19.9%
Fixed assets				
Financial assets	2,025		2,025	
Loans to group companies	100,790		115,980	
Participating interests	20,136		8,600	
Total fixed assets	122,951	75.2%	126,605	80.1%
Total Assets	163,614	100.0%	158,037	100.0%
Liabilities				
Outside capital				
Liabilities from deliveries and services owed to third parties	0		9	
Current interest-bearing liabilities owed to third parties	464		0	
Current interest-bearing liabilities for participating interests	11,825		11,806	
Other current liabilities owed to third parties	4		3	
Other current liabilities owed to shareholders	166		160	
Deferred income	456		535	
Total current borrowed capital	12,915		12,513	
Total non-current borrowed capital	0		0	
Total borrowed capital	12,915	7.9%	12,513	7.9%
Equity				
Share capital	8,753		8,753	
Statutory retained earnings	25,612		25,612	
• Profit carried forward	67,964		63,197	
• Statutory and final reserves	32,920		32,920	
Voluntary retained earnings	100,884		96,117	
Own capital shares	-442		-1,379	
Annual result	15,892		16,421	
Total equity	150,699	92.1%	145,524	92.1%
Total liabilities	163,614	100.0%	158,037	100.0%

*Financial report***INCOME STATEMENT****1 January to 31 December**

CHF (thousands)	2016	2015
Operating income		
Service income	795	826
Total operating income	795	826
Operating expenses		
Administration expenses	-1,470	-1,476
Total operating expenses	-1,470	-1,476
Financial result		
Financial expenses	-273	-80
Investment income	15,447	15,342
Other financial income	1,481	1,913
Total financial result	16,655	17,175
Direct tax	-88	-104
Annual profit	15,892	16,421

*Financial report***PROFIT SHARING****Application concerning the use of balance sheet profits**

	CHF	CHF
Annual profit 2016		15,892,173
Profit balance carried forward according to AGM resolution of 23 May 2016	67,948,395	
Undistributed dividends from own shares	15,480	
Profit balance carried forward according to annual financial statement	67,963,875	67,963,875
Balance sheet profit available to the AGM		83,856,048
Executive Board proposal:		
Distribution of a dividend of CHF 2.10 per share on 5,835,000 registered shares. CHF 1.50		-12,253,500
Amount to be carried forward		71,602,548

*Financial report***NOTES TO THE FINANCIAL STATEMENTS****Basis**

The 2016 annual accounts of Jungfraubahn Holding AG, Interlaken, have been prepared in accordance with the provisions of Swiss Accounting Law (Section 32 of the Swiss Code of Obligations).

Various information

Jungfraubahn Holding AG did not employ any staff in the reporting year nor in the previous year. Since the balance sheet date of 31 As of December 2016, no events have occurred which affect the validity of the 2016 annual accounts of Jungfraubahn Holding AG.

Treasury shares

CHF (thousands)		2016	2015
Inventory on 1st January	(2016: 14,737 shares, 2015: 21,870 shares)	1,379	1,560
Purchases	(2016: 20,476 shares, 2015: 16,138 shares)	1,943	1,517
Sales	(2016: 30,509 shares, 2015: 23,271 shares)	-2,842	-2,165
Success		-38	467
Inventory on 31st December	(2016: 4,704 shares, 2015: 14,737 shares)	442	1,379
Average price of purchased treasury shares (CHF)		94.89	93.97
Average price of treasury shares sold (CHF)		93.15	93.05

Financial report

Holdings / voting rights in per cent

	Share capital CHF (thousands)	2016	2015
Group companies			
Jungfrau AG, Interlaken; operation of a rack railway from Kleine Scheidegg to Jungfrauoch	10,000	100.0%	100.0%
Wengernalpbahn AG, Interlaken; operation of a rack railway, chair lifts and ski lifts	10,000	100.0%	100.0%
Firstbahn AG, Grindelwald; operation of the First Railway as well as chairlifts and ski lifts, hotels and restaurants	10,000	100.0%	100.0%
Parkhaus Lauterbrunnen AG, Lauterbrunnen; construction and operation of Lauterbrunnen car park	1,000	100.0%	100.0%
Mürrenbahn AG, Lauterbrunnen; operation of cable car and narrow gauge railway from Lauterbrunnen to Mürren [1]	100	100.0%	0.0%
Bergbahn Lauterbrunnen-Mürren AG; operation of cable car and narrow gauge railway from Lauterbrunnen to Mürren	1,800	94.0%	80.0%
Harderbahn AG, Interlaken; Interlaken-Harder cable car and Harder Kulm restaurant	705	88.2%	69.0%
Grindelwald Grund Infrastruktur AG, Grindelwald; creating, maintaining and managing the infrastructure of railway stations, terminal, car park [1]	10,000	80.0%	0.0%
Jungfrau Bahnen Management AG, Interlaken; management / company consultancy, provision of services	100	67.0%	67.0%
Sphinx AG Jungfrauoch, Fieschertal VS; ownership and management of Sphinx buildings, Jungfrauoch	53	57.1%	57.1%
Associated companies			
Gondelbahn Grindelwald-Männlichen AG, Grindelwald; operation of gondola lift and ski lifts in the Männlichen area	11,000	35.5%	28.3%
Skilift Bumps AG, Wengen; creation, operation and maintenance of a ski lift on the Wickibort	220	22.7%	22.7%
Deviating voting rights in holdings as a percentage			
Gondelbahn Grindelwald-Männlichen AG, Grindelwald		34.8%	27.2%
Other significant holdings			
Intersport Rent-Network Jungfrau Region AG, Grindelwald	400	12.5%	8.3%
Berner Oberland-Bahnen AG, Interlaken	12,341	8.1%	8.1%

[1] Company founded in 2016

Shareholder structure

	2016	2015
Significant shareholders		
BEKB BCBE (Berner Kantonalbank), Bern	14.3%	14.3%
Gebäudeversicherung Bern, Bern	7.7%	7.7%
Securitas Investment AG, Zollikofen	4.7%	4.7%
Martin Haefner, Horw	4.0%	4.0%
Montalto Holding AG, Zug	3.2%	3.2%

Financial report

Further information

CHF (thousands)	2016	2015
Sureties, guarantees and pledges in favour of third parties		
Joint and several liability for all value-added tax liabilities of the Jungfraubahn Group (including Berner Oberland-Bahnen AG)	p.m.	p.m.
Net release of silent reserves	0	90

Holding relationships of directors and management board members

Disclosure under Art. 663c OR	Number of shares 2016	Number of shares 2015	Voting rights share 2016
Board of Directors			
Prof. Thomas Bieger, Board Chairman	9,450	8,700	0.16%
Dr. Jürg Rieben, Board Vice-Chairman	8,554	7,804	0.15%
Peter Baumann, Board of Directors	4,950	4,200	0.08%
Nils Graf, Board of Directors	4,163	3,413	0.07%
Bruno Hofweber, Board of Directors	5,340	5,965	0.09%
Ueli Winzenried, Board of Directors	4,500	3,750	0.08%
Total Board of Directors	36,957	33,832	0.63%
Company Management			
Urs Kessler, Chairman of the Executive Board	30,000	27,908	0.51%
Jürg Lauper, Head of Infrastructure	9,197	10,497	0.16%
Christoph Schläppi, Head of Corporate Services	8,849	10,613	0.15%
Christoph Seiler, Head of Finances and Controlling	16,608	15,926	0.28%
Total management	64,654	64,944	1.10%

The relationships between the largest shareholders and individual members of the Board of Directors are disclosed in Figure 3.1 of the Corporate Governance Report. This connection is classified as "not related". There is no attribution of the shareholding held by the major shareholders to individual Board members.

*Financial report***AUDITOR'S REPORT**

The object of the official annual report of Jungfraubahn Holding AG is the management report (with segment reporting) and the financial report, which contains the consolidated financial statements for 2016 and the financial statements for 2016 of the holding company. The auditor's reports are also included in this part of the annual report. The printout of the annual report in German, available at the registered offices of the company during the invitation period to the General Meeting of Jungfraubahn Holding AG, is binding and has been audited. Thus no audit reports were drawn up in English. You can download a PDF document with the same content from the online annual report Download Centre. The accompanying report and the download file also contain the 2016 remuneration report and corporate governance information.

*Financial report***SUBSIDIARIES****JUNGFRAUBAHN AG**

From Kleine Scheidegg, the Jungfrau Railway opens up the world-famous excursion destination of Jungfrauoch - Top of Europe. Every year, the Jungfrau Railway transports guests from all over the world to Europe's highest railway station in eternal snow and ice. On the Jungfrauoch and on the Eiger glacier, guests are catered for in various, leased gastronomic establishments. In the Top of Europe Shops, on the Jungfrauoch, Kleine Scheidegg and on First, the company sells typical Swiss souvenirs, clothing and accessories. Since its founding, Jungfraubahn AG has been producing electricity in its own hydroelectric power plant in Lütschental and provides services in energy supplies.

Company data

Route	Route length (all rack)	9.3 km
	Length of tunnel	7.6 km
	Altitude difference	1,393 m
Most important rolling stock	Double carriage	8
	Low-floor control cars	4
Conveying capacity per hour	Seats	1,060
Jungfrauoch catering (leased)	Restaurant (elevated)	1
	Bar	1
	Self-service	1
	Group restaurants	2
	Total seats	730
Eiger glacier catering (leased)	Restaurant	1
	Ski bar	1
	Seats	320
Shopping area Top of Europe Shops	Jungfrauoch	140 m2
	Kleine Scheidegg	40 m2
	First	60 m2

Financial report

Key figures

Operating values, in thousands of CHF	2016	2015
Employees (full-time positions)	147	141
• of which learners	4	5
Holdings of Jungfraubahn Holding AG	100.0%	100.0%
Operating income	80,639	86,076
Transportation revenues	57,718	62,875
Goods income from shops	5,987	5,658
Goods expenditure shops	-2,673	-2,513
Sale of energy	14,346	14,629
Purchase of energy	-3,041	-3,477
EBIT	30,297	38,013
Annual profit	23,543	29,286

Financial report

WENGERNALPBAHN AG

The Wengernalp Railway, with the longest racked railway in the world, opens up the excursion and winter sports area of Kleine Scheidegg and serves as a feeder to the world-famous destination of Jungfrauoch - Top of Europe. In the area of public transport, Wengernalpbahn AG supplies the car-free residential and holiday resort of Wengen. Wengernalpbahn AG also owns the winter sports facilities around Kleine Scheidegg with a total of 8 chairlifts. In addition, the company leases catering facilities at Grindelwald Grund and Kleine Scheidegg.

Company data

Route	Route length (all rack)	19.2 km
	Stations	10
Most important rolling stock	Panorama trains	10
	Double carriage	4
	Railcars	18
	Articulated driving units	7
	Passenger cars and control cars	13
	Freight cars	47
	Freight locomotives	7
Conveying capacity per hour	Lauterbrunnen (seats/standing places)	1,076 / 444
	Grindelwald (seating / standing)	784 / 420
	Total	2,866
Winter sports	Chairlifts	8
	Slope vehicles	11
Catering, accommodation (leased)	2 restaurants (number of seats)	550
	Dormitory (number of beds)	90

Key figures

Operating values, in thousands of CHF	2016	2015
Employees (full-time positions)	220	222
• of which learners	4	5
Holdings of Jungfraubahn Holding AG	100.0%	100.0%
Operating income	61,730	65,037
Transportation revenues	49,655	53,928
Compensation	6,809	6,295
EBIT	4,676	7,872
Annual profit	3,121	5,478

Financial report

FIRSTBAHN AG

On the Grindelwald-First - Top of Adventure excursion mountain you can take a trip into the mountains with a spectacular tour on the "First Cliff Walk by Tissot", a fast-paced ride with the First Flyer (Tyrolienne), an adventurous ride in the "Mountain Cart" and a downhill ride with the Trottibike scooter. The sunniest ski area of the Jungfrau Region, with its five service facilities, half-pipe and the "White Elements Park", is popular in winter with locals, freestylers and holidaymakers from all over the world. First Railway leases the Berghaus on First with a dormitory.

Company data

Gondola lift	Gondola lift (sections)	1 (3)
	Gondola lift carrying capacity	1,200 p/h
	Carrying capacity 3rd section	1,800 p/h
Winter sports	Chairlifts	3
	Ski lifts	2
	Carrying capacity chairlifts and ski lifts	8,190 p/h
	Slope vehicles	7
Experience offers	First Flyer (Tyroliennes)	4
	Mountain Carts (vehicles)	100
	Trotti-Bikes (vehicles)	120
Catering, accommodation (leased)	2 restaurants (number of seats)	790
	Dormitory (number of beds)	90

Key figures

Operating values, in thousands of CHF	2016	2015
Employees (full-time positions)	52	47
• of which learners	5	5
Holdings of Jungfraubahn Holding AG	100.0%	100.0%
Operating income	14,416	12,753
Transportation revenues	11,746	10,861
EBIT	1,523	-115
Annual result	1,298	-379

Financial report

BERGBAHN LAUTERBRUNNEN-MÜRREN AG

The Mürren Railway is part of the public transport network financed by the canton of Bern. It connects the car-free health resort of Mürren, the "Winteregg - Top of Family" excursion destination and the Mürren-Schilthorn winter sports area. On Winteregg, the company leases the restaurant of the same name.

Company data

Lauterbrunnen-Grütschalp funicular	Track length	1,432 m
	Altitude difference	686 m
	Cable car cabins (number of persons / tonnes of goods)	100 / 6
Grütschalp-Mürren adhesion railway	Track length	4.3 km
	Railcars	5
Catering (leased)	Restaurant Winteregg (number of seats)	430

Key figures

Operating values, in thousands of CHF	2016	2015
Employees (full-time positions)	31	31
Holdings of Jungfraubahn Holding AG	94.0%	80.0%
Operating income	6,754	6,498
Transportation revenues	4,073	3,966
Compensation	2,251	2,165
EBIT	-784	381
Annual result	-756	448

Financial report

HARDERBAHN AG

With "Harder Kulm - Top of Interlaken", the funicular is positioned as an excursion to Interlaken's own mountain. The short journey, the breathtaking view from an exposed viewing platform on Lake Brienz and Lake Thun as well as the three peaks of the Eiger, Mönch and Jungfrau contribute to the special experience. A wide range of dishes in the leased "Harder Kulm" restaurant rounds off the offer.

Company data

Funicular	Track length	1,449 m
	Altitude difference	754 m
	Carrying capacity	500 p/h
Catering (leased)	Restaurant Harder Kulm (seats)	560

Key figures

Operating values, in thousands of CHF	2016	2015
Employees (full-time positions)	4	4
Holdings of Jungfraubahn Holding AG	88.2%	69.0%
Operating income	3,328	2,797
Transportation revenues	2,832	2,410
EBIT	1,309	908
Annual profit	1,030	718

*Financial report***PARKHAUS LAUTERBRUNNEN AG**

The Lauterbrunnen car park with its 940 parking spaces and bus terminal is the central transfer point between private transport and the car-free resorts of Mürren and Wengen.

Key figures

Operating values, in thousands of CHF	2016	2015
Employees (full-time positions)	4	4
Holdings of Jungfraubahn Holding AG	100.0%	100.0%
Operating income	1,963	1,949
EBIT	703	671
Annual profit	553	527

*Financial report***GRINDELWALD GRUND INFRASTRUKTUR AG**

The company was founded in 2016 as the central element of the V-Cableway project, with the aim of providing the Grindelwald-Männlichen valley stations, the multifunctional terminal and connected car park with more than 1,000 parking spaces and a bus terminal.

Key figures

Operating values, in thousands of CHF	2016
Staff	0
Holdings of Jungfraubahn Holding AG	80.0%
Operating income	1
EBIT	-259
Annual result	-253

*Financial report***JUNGFRAUBAHNEN MANAGEMENT AG**

The main activity of Jungfraubahnen Management AG is the provision of IT infrastructure and the performance of central, group-wide services for the companies of the Jungfrau Railway Group and Berner Oberland-Bahnen AG.

Key figures

Operating values, in thousands of CHF	2016	2015
Employees (full-time positions)	78	76
• of which learners	12	12
Holdings of Jungfraubahn Holding AG	67.0%	67.0%
Operating income	24,744	23,843
Income from management services	19,413	19,031
EBIT	217	43
Annual profit	109	-117

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