

Strong First Half-Year 2016 Leads to Significant Earnings Improvement for the Flughafen Wien Group

- **REVENUE** increase to €334.4 million (+7.3%), **EBITDA** rise to €201.5 million (+ 9.9% or €149.7 million clean i.e. adjusted for the upward revaluation of stake in Malta Airport), **EBIT** of €138.3 million (clean: +20.1% or €86.5 million)
- **NET PROFIT FOR THE PERIOD¹** up considerably to €106.4 million (clean rise of 14.7% to €54.6 million)
- **NET DEBT** further reduced to €419.0 million (down €47.0 million from the end of 2015)
- Increase in the free cash flow to €155.4 due to advance rent payment (+111.9% from €73.4 million in H1/2015)
- **Positive guidance confirmed for 2016:** increase in the clean net profit for the period before non-controlling interests, i.e. adjusted for Malta revaluation, to €115 million, reduction of net debt below €400 million
- **Traffic guidance for the Vienna Airport site for 2016 also confirmed:** passenger growth between 0% and 2%, projected development of flight movements between -1% and 0%
- **July 2016:** +2.9% passenger increase, +6.0% rise in cargo volume at Vienna Airport

“An economically strong first half of 2016 resulted in a significant improvement of all relevant financial performance indicators for the Flughafen Wien Group, featuring increases in revenue and net profit for the period and a further reduction of net debt. Accordingly, we continued on this success path for our fifth straight year. In addition, new companies with 450 employees recently located their business operations in the Airport City. Our next milestone will be about € 500 million in investments to revitalize and expand the terminal infrastructure,” emphasized Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“Passenger volume at Vienna Airport is progressing favourably. The month of July 2016 marked a new record of 2.4 million travellers at Vienna Airport, the highest number of passengers in the airport’s history. Low cost carriers such as Eurowings and easyJet are growing strongly, and long-haul flight service is also developing well. The winter flight schedule 2016/17 will feature the new long-haul destinations of Havana and Hong Kong offered by Austrian Airlines in addition to expanded short-haul and medium-haul flight service. We are optimistic concerning the entire year 2016, even if the travel industry is currently under strong pressure due to the terrorist attacks in Paris and Brussels as well as the unstable economic and political conditions in some regions”, explains Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Traffic development in H1/2016: Flughafen Wien Group handles 12.9 million passengers

Vienna Airport and its foreign strategic investments in Malta Airport and Kosice Airport showed a slight increase in passenger volume in the period January to June 2016, handling a total of 12.9 million passengers or a rise of 2.1% compared to H1/2015.

Vienna Airport: passenger growth in H1/2016 despite a difficult market environment

Vienna Airport reported a 0.4% rise in passenger volume in the period January to June 2016 to 10,500,816 passengers compared to the prior-year period. The number of local passengers increased by 2.6% in the first half of 2016, whereas the number of transfer passengers declined by 5.2%. Passenger volume to Western Europe was up by 2.2%, whereas the number of passengers flying to Eastern European destinations fell by 4.7% as a consequence of the economic situation in Russia and capacity reductions by the airlines. Far Eastern destinations showed a 1.1% growth in passenger volume compared to a drop of 0.7% in the number of travellers to the Middle East. The total number of passengers to North America was up 4.8%. In contrast, passenger volume to Africa decreased by 23.2% as a result of the politically unstable situation in North African regions.

The number of flight movements fell by 1.1% year-on-year in the period January to June 2016 to 108,809 starts and landings. The average seat occupancy (seat load factor) in the period January to June 2016 equalled 70.0%, down from the comparable level of 71.5% in H1/2015. In contrast, cargo volume (air cargo and trucking) increased by 6.3% in the same period to 138,227 tonnes.

Good traffic results and business development at Malta and Kosice airports

The foreign strategic investments of the Flughafen Wien Group in Malta and Kosice Airports continued to develop well. Malta Airport reported growth of 9.8% to reach a volume of 2,183,089 passengers in the first half of 2016. The most important markets for Malta Airport were Great Britain, Italy and Germany. Kosice Airport handled a total of 168,648 passengers, comprising a 17.5% rise in passenger volume in the first half of 2016.

Substantial improvement of financial performance indicators in H1/2016

Revenue of the Flughafen Wien Group in the first six months of 2016 climbed 7.3% to € 334.4 million. In addition to the positive passenger development, higher revenue in the Handling Segment, the increased revenue can be attributed to the full consolidation of Malta Airport as of the second quarter of 2016. With the conclusion of the transaction in which Flughafen Wien AG increased its shareholding in Malta Airport, and its formal closing on March 30, 2016, the stake was subject to an upward revaluation and fully consolidated in the consolidated financial statements of the Flughafen Wien Group starting at the end of the first quarter of 2016.

Increase of 14.7% in the adjusted net profit for the period¹ in H1/2016

EBITDA improved to €201.5 million (+48.0%), whereas EBIT climbed to €138.3 million (+92.0%) and the net profit for the period after non-controlling interests rose 123.6% from € 47.6 million to €106.4 million. Adjusted for this one-off effect relating to the upward revaluation of the stake in Malta Airport, clean EBITDA totalled €149.7 million. (+9.9% vs. the adjusted H1/2015 of €136.2 million) and EBIT amounted to €86.5 million (+20.1% vs. the adjusted H1/2015 of €72.0 million). The reversal of an impairment of an office building related to increased rental income also had a positive impact. The clean net profit for the period in H1/2016 was € 54.6 million, comprising a year-on-year rise of 14.7% adjusted for the upward revaluation of Malta Airport. Net debt was reduced once again to €419.0 million. The free cash flow rose to €155.4 million (up 111.9% from €73.4 million in H1/2015).

Revenue and earnings development in the segments: New Malta Segment

Revenue of the Airport Segment climbed 2.8% year-on-year to €171.4 million. As a result, segment EBIT improved by 28.5% to €32.1 million (H1/2015: €25.0 million). The Handling Segment showed a 2.5% increase in revenue to €75.5 million and a 63.0% improvement of EBIT to €5.1 million (H1/2015: €3.1 million). This includes the security services provided by VIAS as well as the handling services of Vienna Aircraft Handling (VAH). The Retail & Properties Segment reported a revenue decline of 6.1% in the first half-year 2016 to €59.5 million. This decrease is primarily due to the lower rental income relating to a special effect of a finance lease agreement in conjunction with the acquisition of Hermione, a positive one-off effect in the previous year and the restrained development of parking and retail revenue. EBIT of the Retail & Properties Segment amounted to €33.5 million (H1/2015:

€ 36.3 million). Revenue of the Other Segments was up 5.5% in H1/2016 to € 8.2 million (H1/2015: € 7.7 million). Segment EBIT increased to € 58.5 million as a consequence of the revaluation of the stake held in Malta Airport. With the closing of the transaction on March 30, 2016, the strategic investment in Malta Airport is now in the group of companies which are fully consolidated in the consolidated financial statements of the Flughafen Wien Group. For this reason, these business results are reported as the new Malta Segment starting in the second quarter of 2016. Revenue of the Malta Segment amounted to € 19.8 million in Q2/2016, and EBIT totalled € 9.2 million.

Investments

Of the total investments (excluding business acquisitions) amounting to € 50.5 million in the first half of 2016, € 21.8 million related to investments in the Runway System 11/29 (runway modernisation), € 5.7 million was for investments in connection with the 3rd Runway and € 2.0 million involved the renovation of an operations building. Total investments in the year 2016 are expected to be about € 95 million (excluding the special items relating to Malta Airport). The following values were added to the consolidated balance sheet as at March 30 2016 on a provisional basis from the acquisition of Group companies in connection with Malta Airport: € 61.3 million for goodwill, € 0.9 million for intangible assets and € 363.8 million for property, plant and equipment and investment property.

Traffic development in July 2016: Flughafen Wien Group handles 3.1 million passengers (+3.2% vs. July 2015), accumulated passenger growth of 2.3% in the period January to July 2016

In July 2016, Flughafen Wien AG including its strategic foreign investments in Malta and Kosice Airports handled a total of 3.1 million passengers, comprising a rise of 3.2% from July 2015. The accumulated passenger volume for the Flughafen Wien Group rose 2.3% to 15.9 million in the period January to July 2016.

Vienna Airport in July 2016: 2.9% increase in total passengers, 6.0% cargo growth

The total number of passengers handled at Vienna Airport rose by 2.9% in July 2016 compared to July 2015 to 2,431,583 passengers. The number of local passengers climbed 4.3%, whereas the number of transfer passengers fell slightly by 0.5%. The number of flight movements at Vienna Airport in July 2016 declined by 1.4% from July 2015. Vienna Airport showed a good level of growth with respect to cargo volume, which increased by 6.0% from July 2015.

The total number of passengers to Western European destinations increased by 1.3% in July 2016, whereas passenger traffic to Eastern Europe was up 2.4%. The number of passengers traveling to the Far East rose by 6.8% in July 2016, and even climbed by 15.8% to destinations in the Middle East. Passenger volume to North America was up 8.0%. The number of passengers flying to destinations in Africa fell by 8.9%.

The number of passengers handled by Malta Airport rose 5.9%, whereas passenger volume at Kosice Airport fell by 7.0%.

Presentation of traffic results

Following the increase of the stake held by Flughafen Wien AG in Malta Airport at the end of March 2016, the strategic investment is fully consolidated in the interim consolidated financial statements of the Flughafen Wien Group beginning at the end of the first quarter of 2016. For this reason, the entire traffic results for Flughafen Wien AG and its foreign strategic investments have been included in the monthly reports since April 2016. The traffic results for Vienna Airport correspond to the comparable values of the monthly announcements of traffic results up to and including the month of March 2016.

1) Profit for the period attributable to the parent company

Results in detail: Traffic development in July 2016:

	July 2016	Change in %	January-July 2016	Change in %
Vienna Airport (VIE)				
Passengers	2,431,583	+2.9	12,932,554	+0.9
Local passengers	1,708,954	+4.3	9,514,796	+2.9
Transfer passengers	712,816	-0.5	3,362,952	-4.2
Flight movements (arrivals and departures)	20,944	-1.4	129,753	-1.1
Cargo in tonnes (air cargo and trucking)	23,466.2	+6.0	161,692.7	+6.3
Malta Airport (MLA, fully consolidated)				
Passengers	580,474	+5.9	2,763,563	+9.0
Local passengers	579,574	+6.1	2,759,379	+9.1
Transfer passengers	900	-46.6	4,184	-44.1
Flight movements (arrivals and departures)	3,884	+0.0	19,962	+3.6
Cargo in tonnes (air cargo and trucking)	1,130.9	-12.4	7,931.5	-2.5
Kosice Airport (KSC, consolidated at equity)				
Passengers	66,629	-7.0	235,371	+9.4
Local passengers	66,629	-7.0	235,371	+9.4
Transfer passengers	-	-	-	-
Flight movements (arrivals and departures)	1,115	+10.0	5,311	+18.1
Cargo in tonnes (air cargo and trucking)	9.0	+114.5	56.6	-66.2
Vienna Airport and strategic investments (VIE, MLA, KSC)				
Passengers	3,078,686	+3.2	15,931,488	+2.3
Local passengers	2,355,157	+4.4	12,509,546	+4.3
Transfer passengers	713,716	-0.6	3,367,136	-4.3
Flight movements (arrivals and departures)	25,943	-0.7	155,026	+0.0
Cargo in tonnes (air cargo and trucking)	24,606.1	+5.1	169,680.8	+5.8

Consolidated Interim Financial Statements as of 30 June 2016

in €million	H1/2016	H1/2015*	Change in %
Revenue	334.4	311.5	+7.3
Other operating income	6.4	5.8	+9.1
Other operating income	340.7	317.3	+7.4
Consumables and services used	-16.6	-17.2	-3.6
Personnel expenses	-132.4	-130.3	+1.6
Other operating expenses	-44.5	-37.2	+19.6
Proportional share of income from companies recorded at equity	2.4	3.5	-30.9
Revaluation of companies recorded at equity due to company acquisitions	51.8	–	n.a.
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	201.5	136.2	+48.0
Scheduled depreciation and amortisation	-67.2	-64.2	+4.7
Reversal of impairment	3.9	–	n.a.
Earnings before interest and taxes (EBIT)	138.3	72.0	+92.0
Income from investments, excluding investments recorded at equity	0.6	0.1	n.a.
Interest income	0.8	1.3	-40.4
Interest expense	-11.0	-11.2	-1.2
Other financial result	–	-0.1	n.a.
Financial result	-9.7	-9.8	-1.3
Earnings before taxes (EBT)	128.7	62.2	+106.7
Income taxes	-19.1	-14.6	+30.6
Net profit for the period	109.5	47.6	+130.2
Thereof attributable to:			
Equity holders of the parent	106.4	47.6	+123.6
Non-controlling interests	3.1	-0.0	n.a.
Earnings per share (in €, basic = diluted)	1.27	0.57	+123.6

* adjusted for at-equity results

Balance Sheet Indicators

in €million	30.6.2016	31.12.2015	Change in %
ASSETS:			
Non-current assets	2,100.8	1,748.6	+20.1
Current assets	148.1	161.1	-8.0
LIABILITIES:			
Equity	1,211.4	1,020.0	+18.8
Non-current liabilities	699.7	579.1	+20.8
Current liabilities	337.8	310.6	+8.8
Total equity and liabilities	2,248.9	1,909.7	+17.8
Net debt	419.0	466.0	-10.1
Gearing (in%)	34.6	45.7	-11.1p%

Cash Flow Statement

in €million	H1/2016	H1/2015	Change in %
Net cash flow from operating activities	132.2	110.1	+20.1
investing activities	23.2	-36.8	n.a.
financing activities	-113.1	-69.9	+61.8
Free cash flow	155.4	73.4	+111.9
CAPEX*	50.5	24.6	105.2

* Excluding financial assets and business acquisitions

The report by Flughafen Wien AG for the first six months of 2016, from January 1 to June 30, 2016, is available to the general public at the company's offices at 1300 Flughafen Wien and at Bank Austria, 1010 Vienna, Schottengasse 6-8. It is also available on the Internet at http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports

Vienna Airport, August 22, 2016

The Management Board of Flughafen Wien AG

Contact:

Corporate Communications Flughafen Wien AG

Press Office:

Peter Kleemann (+43-1-) 7007-23000
Kathrin Hanzl (+43-1-) 7007-23399
Clemens Schleinzer (+43-1-) 7007-22399
Stefanie Tomanek (+43-1-) 7007-26939
p.kleemann@viennaairport.com
k.hanzl@viennaairport.com
c.schleinzer@viennaairport.com
s.tomanek@viennaairport.com

www.viennaairport.com

Investor Relations:

Judit Helenyi (+43-1-)7007-23126
Mario Santi (+43-1-) 7007-22826
j.helenyi@viennaairport.com
m.santi@viennaairport.com