

Flughafen Wien Group Successfully Defies Headwinds: Substantial Rise in Passenger Volume, Revenue and Earnings in the First Nine Months of 2017

- **REVENUE** increase to €568.6 million (+2.1%), **EBITDA** rise to €266.5 million (+3.8%)
- **NET PROFIT FOR THE PERIOD¹** up significantly to €114.1 million (+7.1%)
- **NET DEBT** further reduced to €255.0 million (down €100.5 million from the end of 2016)
- **Good passenger development in Q1-3/2017: 8.1% increase of the Flughafen Wien Group and 5.7% for Vienna Airport**
- **October 2017: 3.7% rise in passenger volume for the Flughafen Wien Group and 0.9% at Vienna Airport**
- **Passenger and earnings guidance confirmed for 2017: passenger growth exceeding 5% for the Flughafen Wien Group and more than 4% for Vienna Airport expected – Consolidated net profit in 2017 considerably above the prior-year level**

“Vienna Airport continued along its success path in 2017 despite the challenges posed by the bankruptcy of airberlin. Following a third-quarter increase of 7.1%, we also expect earnings in the entire year 2017 to be significantly higher than in 2016. Important expansion projects are well on track. Extension work on the Air Cargo Center has been completed, good progress has been made on planning for Office Park 4, and a healthcare centre with a multifaceted offering is being created,” explains Günther Ofner, Member of the Management Board of Flughafen Wien AG. “The new photovoltaic facility covering an area of 8,000 m² and the planned biomass-fired power plant will contribute to a sustainable energy supply. Our declared goal is to become the most energy-efficient airport of our size in the world.”

“At Vienna Airport, the effects of the airberlin bankruptcy are more than offset by the positive developments of other airlines, especially Austrian Airlines, Eurowings and easyJet. For this reason, we expect a new passenger record at Vienna Airport in 2017”, states Julian Jäger, Member of the Management Board of Flughafen Wien AG. “The summer travel season went very well. In particular, tourist destinations in Africa once again posted growth in addition to Eastern Europe and the Middle East. The long-haul segment is also developing favourably. Austrian Airlines is launching flight service to the Seychelles and Eva Air to Taipei, and a new carrier at Vienna Airport, Thai Airways, is commencing flight service to Bangkok. We are also expanding our culinary offering for passengers. The British celebrity chef Jamie Oliver is opening a new restaurant at the airport in the middle of December 2017.”

Traffic development in Q1-3/2017: Flughafen Wien Group handles 23.7 million passengers

The Flughafen Wien Group including Vienna Airport and the foreign strategic investments in Malta Airport and Kosice Airport handled a total of 23.7 million passengers in the first nine-month period from January to September 2017, representing a 8.1% increase in passenger volume from the prior-year period.

Vienna Airport: 5.7 passenger growth in the first nine months of 2017

The number of passengers handled at Vienna Airport rose by 5.7% to 18,684,037 travellers from January to September 2017. The number of local passengers was up 5.6% in the first nine months of 2017, whereas the volume of transfer passengers climbed by 5.9%. Passenger traffic to Western Europe was up 4.2% compared to the 11.0% increase in the number of people flying to Eastern European destinations. Far Eastern destinations showed a growth rate of 5.8% in Q1-3/2017, and the number of passengers flying to the Middle East rose by 4.2% in this period. Total passenger volume to North America was up slightly by 0.6%, and passenger traffic to Africa also developed positively, expanding by 35.1%.

The average seat occupancy (seat load factor) increased considerably to 75.0% in the first nine months of 2017 compared to 73.6% in the previous year. The number of flight movements fell by 0.7% in the period January to September 2017 from the prior-year figure to 170,280 starts and landings. Cargo volume (air cargo and trucking) was up 1.6% to 212,246 tonnes.

Good traffic and business development at Malta and Kosice airports

The foreign strategic investments of the Flughafen Wien Group in Malta and Kosice Airports are also developing very favourably. Malta Airport reported a strong rise in passenger volume of 18.2% to 4,634,628 passengers in the first nine months of 2017. During the same period, Kosice Airport showed a considerable increase of 15.4% in a year-on-year comparison to 398,319 travellers.

Substantial improvements in financial performance indicators in Q1-3/2017: net profit for the period up 7.1%

Revenue of the Flughafen Wien Group rose 2.1% in the first nine months of 2017 to € 568.6 million, and EBITDA increased by 3.8% to € 266.5 million. EBIT climbed 5.1% to € 166.5 million, and the improved financial results helped push up the net profit for the period by 7.1% in Q1-3/2017 to € 114.1 million. Net debt was reduced once again to € 255.0 million (December 31, 2016: € 355.5 million). The free cash flow totalled € 115.5 million (Q1-3/2016: € 227.2 million).

Revenue and earnings development in the segments

Revenue of the Airport Segment fell slightly by 0.4% in Q1-3/2017 from the prior-year period to € 280.3 million. The underlying reason is the bankruptcy of airberlin and the reduced flight offering on the part of NIKI. This development was more than compensated by the higher passenger volume arising from flight service on existing routes taken over by other airlines. However, it also led to a stronger impact of the existing growth and transfer incentives, which in turn negatively affected average revenue per passenger. Segment EBIT dropped to € 69.4 million (Q1-3/2016: € 70.8 million). The Handling & Security services Segment showed a 2.9% increase in revenue to € 120.0 million, and segment EBIT reached a level of € 12.4 million, matching the prior-year results (Q1-3/2016: € 12.4 million). This includes the security services provided by VIAS as well as the handling services of Vienna Aircraft Handling (VAH) and Vienna Passenger Handling Services (VPHS). The Retail & Properties Segment reported a revenue increase of 2.7% in the first nine months of 2017 to € 94.2 million. This rise can be attributed to higher shopping, and F&B (food and beverage) as well as parking income. EBIT of the Retail and Properties Segment improved to € 46.4 million (Q1-3/2016: € 45.7 million). Revenue of the Malta Segment was up 13.7% to € 63.1 million, and the segment's EBIT improved to € 31.7 million compared to € 24.9 million in the previous year. Revenue of the Other Segments fell by 2.7% to € 11.0 million, whereas segment EBIT amounted to € 6.6 million (Q1-3/2016: € 4.7 million).

Investments

Total investments in the first nine months of 2017 amounted to € 85.3 million, with the largest share or € 14.2 million for purchases of land. This was followed by investments of € 11.1 million for the expansion of the Air Cargo Center East, € 9.0 million for terminal renovations at Malta Airport, € 2.6 million for the acquisition of a hangar and administrative

building at the Bad Voslau site, €2.3 million relating to the expansion of a transformer station and €2.1 million in investments for taxiways at Vienna Airport.

Traffic development in October 2017:

Flughafen Wien Group handled 2.8 million passengers (+3.7%) in October 2017, accumulated passenger growth of 7.6% in the period January to October 2017

In October 2017, the Flughafen Wien Group consisting of Vienna Airport and the strategic foreign investments in Malta Airport and Kosice Airport handled a total of 2.8 million passengers, comprising an increase of 3.7% from October 2016. The accumulated passenger volume for the entire Flughafen Wien Group rose 7.6% to 26.5 million passengers in the period January to October 2017. Vienna Airport also developed very well, reporting a 5.2% increase in passenger volume to 20,869,615 travellers in the months of January to October 2017.

Vienna Airport in October 2017: 0.9% rise in passenger traffic

Vienna Airport handled 2,185,578 passengers in October 2017, comprising a year-on-year increase of 0.9% from October 2016. The number of local passengers was up 2.1% in contrast to the 2.2% drop in transfer passenger volume. The number of flight movements declined by 0.3% from the prior-year level, and cargo volume was also down, falling by 5.7% compared to the previous year.

The number of passengers flying from Vienna Airport to Eastern Europe was up by 5.7% in October 2017, whereas passenger traffic to Western European destinations showed a decrease of 1.4%. Passenger volume to the Far East climbed 11.6% in October 2017, and the number of travellers flying to the Middle East was also up, rising by 4.8%. Passenger growth to North America declined by 16.2%, in contrast to the very positive development of passenger traffic to African destinations, which increased by 37.5%.

Malta Airport also reported a strong increase of 15.4% in the number of passengers it handled in October 2017. Similarly, passenger volume at Kosice Airport also increased and was up 9.9% in October 2017 from the prior-year level.

1) *Net profit for the period before non-controlling interests*

Results in detail - Traffic development in October 2017:

	October 2017	Change in %	January-October 2017	Change in %
Vienna Airport (VIE)				
Passengers	2,185,578	+0.9	20,869,615	+5.2
Local passengers	1,575,623	+2.1	15,149,254	+5.2
Transfer passengers	600,592	-2.2	5,631,654	+5.0
Flight movements (arrivals and departures)	20,291	-0.3	190,571	-0.7
Cargo in tonnes (air cargo and trucking)	25,500	-5.7	237,746	+0.8
Malta Airport (MLA, fully consolidated)				
Passengers	596,648	+15.4	5,231,276	+17.9
Local passengers	594,147	+16.1	5,199,288	+18.2
Transfer passengers	2,272	+121.0	25,172	+199.6
Flight movements (arrivals and departures)	4,121	+14.7	36,942	+14.5
Cargo in tonnes (air cargo and trucking)	1,364	+1.4	12,099	+5.4
Flughafen Kosice (KSC, consolidated at equity)				
Passengers	34,285	+9.9	432,604	+14.9
Local passengers	33,324	+10.0	422,681	+15.5
Transfer passengers	-	-	-	-
Flight movements (arrivals and departures)	483	+5.9	5,441	+12.0
Cargo in tonnes (air cargo and trucking)	4	-22.0	38	-52.5
Vienna Airport and strategic investments (VIE, MLA, KSC)				
Passengers	2,816,511	+3.7	26,533,495	+7.6
Local passengers	2,203,094	+5.6	20,771,223	+8.4
Transfer passengers	602,864	-2.0	5,656,826	+5.3
Flight movements (arrivals and departures)	24,895	+2.0	232,954	+1.7
Cargo in tonnes (air cargo and trucking)	26,868	-5.3	249,883	+1.0

*Note: Total number of passengers includes local, transfer and transit passengers.
Retroactive adjustment of comparative values for 2016 and transit figures in Kosice*

Income Statement

in € million	Q1-3/2017	Q1-3/2016 ¹	Change in %
Revenue	568.6	556.6	+2.1
Other operating income	8.2	8.9	-8.8
Operating income	576.7	565.6	+2.0
Expenses for consumables and services used	-27.2	-24.9	+9.1
Personnel expenses	-206.0	-200.4	+2.8
Other operating expenses	-79.9	-85.6	-6.7
Proportional share of income from companies recorded at equity	2.8	1.9	+45.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	266.5	256.6	+3.8
Depreciation and amortisation	-99.0	-102.1	-3.0
Reversal of impairment	-	3.9	n.a.
Impairment	-0.9	-	n.a.
Earnings before interest and taxes (EBIT)	166.5	158.5	+5.1
Income from investments, excluding companies recorded at equity	0.5	0.7	-19.0
Interest income	1.5	2.8	-45.4
Interest expense	-13.8	-17.1	-19.2
Other financial result	0.1	-	n.a.
Financial result	-11.6	-13.6	+14.5
Earnings before taxes (EBT)	154.9	144.9	+6.9
Income taxes	-40.8	-38.3	+6.5
Net profit for the period	114.1	106.6	+7.1
Thereof attributable to:			
Equity holders of the parent	103.9	98.4	+5.6
Non-controlling interests	10.2	8.2	+24.8
Earnings per share (in €, basic = diluted)	1.24	1.17	+5.6

1) Q1-3/2016 figures adjusted; in accordance with an assessment of the Austrian Financial Market Authority regarding the consolidation of Malta Airport, the consolidated financial statements and consolidated interim financial statements of Flughafen Wien AG for 2016 were restated as if Malta Airport had been consolidated from 2006.

Balance Sheet Indicators

in €million	30.09.2017	31.12.2016	Change in %
ASSETS:			
Non-current assets	1,857.5	1,835.9	+1.2
Current assets	208.1	182.4	+14.0
LIABILITIES:			
Equity	1,196.8	1,144.0	+4.6
Non-current liabilities	622.7	652.2	-4.5
Current liabilities	246.1	222.2	+10.8
Total assets	2,065.6	2,018.3	+2.3
Net debt	255.0	355.5	-28.3
Gearing (in%)	21.3	31.1	n.a.

Cash flow

in €million	Q1-3/2017	Q1-3/2016 ¹	Change in %
Net cash flow from operating activities	237.1	212.3	+11.7
investing activities	-121.6	14.9	n.a.
financing activities	-105.3	-199.7	-47.3
Free cash flow	115.5	227.2	-49.2
CAPEX ²	85.3	69.0	+23.6

1) Q1-3/2016 figures adjusted; 2) excluding financial assets

The report by Flughafen Wien AG for the first nine months of 2017, from January 1 to September 30, 2017, 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.

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