

Flughafen Wien Group Continues Upswing: Substantial Passenger Growth and Perceptible Earnings Improvement in the First Three Months of 2017

- **REVENUE** increase to € 160.6 million (+4.3%), **EBITDA** rise to € 60.7 million (+1.6%), **EBIT** improvement to € 26.0 million (+3.5%)
- **NET PROFIT FOR THE PERIOD¹** increases significantly to € 15.9 million (+9.8%)
- **NET DEBT** further reduced to € 324.6 million (down € 30.9 million from the end of 2016) – 2017 target already achieved
- **Free cash flow** of € 40.7 million (Q1/2016: € 116.2 million)
- **Strong April 2017** with passenger growth of 14.6% at Vienna Airport (even +16.8% in the Flughafen Wien Group), 6.9% rise in passenger volume at Vienna Airport in the period January to April 2017 (even higher increase of 9.7% in the Group)

“The 2017 financial year has begun very well for Vienna Airport, and with Q1/2017 we have been able to achieve substantial improvements in revenue and earnings for the sixth straight year. The Vienna Airport site is also thriving. The new Moxy Hotel was recently opened, the expansion of the cargo centre and planning for Office Park 4 are in full swing, and a logistics partner will soon begin constructing its operations centre in the immediate vicinity of the airport. This underlines the role of the airport as a vital job creator and driver of the economy in the entire region. The airport needs a third runway to ensure that this will remain the case in the future”, explains Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“Passenger volume at Vienna Airport is developing excellently. Following the good level of growth in the first quarter of 2017, we recorded a strong rise of 14.6% in april in the number of passengers, which is mainly due to the new offerings in the summer flight schedule and the Easter holidays. Flight traffic to Eastern Europe also expanded strongly, and we achieved growth of more than 35% to and from Russia in April 2017 due to the additional services offered. This good development is also reflected in rising income from the shopping and food & beverage businesses. The expected passenger growth of up to 2% in the entire year 2017 could be surpassed if the very favourable development at present continues. That is why more runway capacity on the ground will be necessary in the long term”, adds Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Traffic development in Q1/2017: Flughafen Wien Group handles 5.6 million passengers

Vienna Airport including its foreign strategic investments in Malta Airport and Kosice Airport handled 5.6 million passengers in the period January to March 2017, representing a 6.6% increase in passenger volume compared to the prior-year period.

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

Note: Q1/2016 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.

Vienna Airport: 3.7% passenger growth in the first three months of 2017

The number of passengers handled at the Vienna Airport flight hub rose by 3.7% to 4,562,824 travellers from January to March 2017 in spite of the Easter holidays in April this year. The number of local passengers was up 4.5% in the first three months of 2017, whereas the volume of transfer passengers climbed by 0.8%. Passenger traffic to Western Europe was up 3.7% compared to the 3.6% increase in people flying to Eastern European destinations. Far Eastern destinations showed a 4.4% growth in passenger volume, and the number of passengers flying to the Middle East rose by 9.8% in this period. Due to seasonal capacity decreases and the deployment of smaller aircraft, the total number of passengers flying to North America fell by 19.4%. In contrast, passenger volume to Africa developed positively, expanding by 13.6%.

The number of flight movements fell by 2.0% in the period January to March 2017 from the prior-year level to 47,864 starts and landings. The average seat occupancy (seat load factor) showed a largely stable development at 66.7% in the first three months of the year 2017 compared to 66.8% in the previous year. Cargo volume (air cargo and trucking) increased by 1.4% in the same period to 65,440 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 well. Malta Airport reported a strong rise in passenger volume of 22.2% to 981,955 passengers in the first three months of 2017. During the same period, Kosice Airport reported a considerable rise of 8.5% in a year-on-year comparison, handling a total of 76,472 passengers.

Substantial improvements in financial performance indicators in Q1/2017

Revenue of the Flughafen Wien Group in the first three months of 2017 were up 4.3% to € 160.6 million, whereas EBITDA rose 1.6% to € 60.7 million. EBIT improved by 3.5% to € 26.0 million, and the net profit for the period increased by 9.8% to € 15.9 million in Q1/2017 due to the improved financial results. Net debt was reduced once again to € 324.6 million. The free cash flow totalled € 40.7 million (Q1/2016: € 116.2 million).

Revenue and earnings development in the segments

Revenue of the Airport Segment climbed 1.4% in Q1/2017 from the prior-year period to € 75.0 million. Segment EBIT improved to € 4.7 million (Q1/2016: € 4.3 million). The Handling Segment showed a 8.9% increase in revenue to € 39.0 million, and segment EBIT was up to € 2.5 million (Q1/2016: € 0.1 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 3.2% in the first three months of 2017 to € 29.4 million. This rise can be attributed to higher shopping, F&B (food & beverage) and rental income. EBIT of the Retail & Properties Segment amounted to € 13.5 million (Q1/2016: € 15.5 million). Revenue of the Malta Segment was up 15.8% to € 13.4 million, and the segment's EBIT improved to € 3.5 million compared to € 1.8 million in the prior-year period. Revenue of the Other Segments fell 8.4% to € 3.8 million, and segment EBIT amounted to € 1.9 million (Q1/2016: € 3.3 million).

Investments

Total investments in the first three months of 2017 amounted to € 35.6 million, with the largest share or € 14.2 million for purchases of land for the development of property projects, followed by investments of € 4.3 million in the expansion of the Air Cargo Center, € 4.2 million for terminal renovations at Malta Airport and € 1.5 million relating to the expansion of a transformer station.

Traffic development in April 2017:**Strong passenger growth of the Flughafen Wien Group to 2.7 million passengers (+16.8%)**

In April 2017, the Flughafen Wien Group (Vienna Airport, Malta Airport and Kosice Airport) handled a total of 2.7 million passengers, comprising an increase of 16.8% from April 2016. The accumulated passenger volume for the Flughafen Wien Group rose 9.7% to 8.3 million passengers in the period January to April 2017. Vienna Airport also developed very well, reporting a 6.9% increase in passenger volume to 6,683,622 travellers in the months of January to April 2017.

Vienna Airport in April 2017: Sharp rise of 14.6% in passenger traffic

Vienna Airport handled 2,120,798 passengers in April 2017, representing an increase of 14.6% from April 2016. The number of local passengers was up 14.8%, and the volume of transfer passengers rose by 14.6%. The number of flight movements was down 1.7% in the month of April 2017, and cargo volume also declined year-on-year, falling by 3.6%.

The number of passengers flying from Vienna Airport to Western European was up by 11.4% in April 2017, whereas passenger traffic to Eastern European destinations showed a strong increase of 20.4%. Passenger volume to the Far East climbed 19.7% in April 2017, compared to a 25.5% increase in travellers to the Middle East. Passenger growth to North America was 22.3%, and the number of passengers flying to Africa climbed by 98.2%, due to the expanded offerings of flights to destinations in Egypt and Ethiopia.

Malta Airport reported strong growth of 26.6% in the number of passengers it handled in April 2017. Passenger volume at Kosice Airport also rose considerably, increasing by 12.5%.

Forecast for passenger development and financial guidance for 2017

Passenger development to date in 2017 increases the probability that passenger development of Flughafen Wien AG will surpass the previous maximum expected growth of 2% in the original guidance for the entire year 2017 for Flughafen Wien AG and outperform the upper range of 3% forecast for the Flughafen Wien Group. Revenue is expected to rise to more than € 740 million, and EBITDA of more than € 315 million is targeted. From today's perspective, the net profit after taxes should reach a level of at least € 120 million. The net debt of the company should be reduced below € 350 million.

Results in detail - Traffic development in April 2017:

	April 2017	Change in %	January-April 2017	Change in %
Vienna Airport (VIE)				
Passengers	2,120,798	+14.6	6,683,622	+6.9
Local passengers	1,560,450	+14.8	5,021,793	+7.5
Transfer passengers	555,650	+14.6	1,625,718	+5.1
Flight movements (arrivals and departures)	18,631	-1.7	66,495	-1.9
Cargo in tonnes (air cargo and trucking)	24,166	-3.6	89,606	-0.0
Malta Airport (MLA, fully consolidated)				
Passengers	530,576	+26.6	1,512,531	+23.7
Local passengers	528,490	+27.3	1,500,814	+23.6
Transfer passengers	2,086	+460.8	7,196	+278.3
Flight movements (arrivals and departures)	3,639	+13.0	11,321	+17.4
Cargo in tonnes (air cargo and trucking)	1,098	-6.9	4,777	+6.4
Kosice Airport (KSC, consolidated at equity)				
Passengers	30,672	+12.5	107,144	+9.6
Local passengers	30,672	+12.5	107,144	+9.6
Transfer passengers	-	-	-	-
Flight movements (arrivals and departures)	460	+3.6	1,655	+13.6
Cargo in tonnes (air cargo and trucking)	2	-82.3	14	-34.8
Vienna Airport and strategic investments (VIE, MLA, KSC)				
Passengers	2,682,046	+16.8	8,303,297	+9.7
Local passengers	2,119,612	+17.7	6,629,751	+10.8
Transfer passengers	557,736	+14.9	1,632,914	+5.5
Flight movements (arrivals and departures)	22,730	+0.5	79,471	+0.7
Cargo in tonnes (air cargo and trucking)	25,266	-3.8	94,397	+0.3

Income Statement

in € million	Q1/2017	Q1/2016 ¹	Change in %
Revenue	160.6	154.0	+4.3
Other operating income	2.3	3.6	-36.4
Operating income	162.9	157.6	+3.4
Consumables and services used	-10.6	-9.2	+16.1
Personnel expenses	-67.6	-66.8	+1.3
Other operating expenses	-24.4	-22.2	+10.1
Proportional share of income from companies recorded at equity	0.3	0.2	+71.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	60.7	59.7	+1.6
Scheduled depreciation and amortisation	-34.2	-34.5	-1.1
Impairment	-0.4	0.0	n.a.
Earnings before interest and taxes (EBIT)	26.0	25.2	+3.5
Interest income	0.1	0.4	-81.1
Interest expense	-4.6	-5.8	-21.0
Financial result	-4.5	-5.4	+16.8
Earnings before taxes (EBT)	21.5	19.7	+9.1
Income taxes	-5.6	-5.2	+7.1
Net profit for the period	15.9	14.5	+9.8
Thereof attributable to:			
Equity holders of the parent	14.9	13.9	+7.6
Non-controlling interests	1.0	0.7	+55.6
Earnings per share (in €, basic = diluted) ²	0.18	0.17	+7.6

1) Q1/2016 figures adjusted

2) Earnings per share adjusted according to IAS 33.26

Balance Sheet Indicators

in € million	31.03.2017	31.12.2016	Change in%
ASSETS:			
Non-current assets	1,838.6	1,835.9	+0.1
Current assets	170.6	182.4	-6.5
LIABILITIES:			
Equity	1,159.9	1,144.0	+1.4
Non-current liabilities	650.1	652.2	-0.3
Current liabilities	199.1	222.2	-10.4
Total equity and liabilities	2,009.2	2,018.3	-0.5
Net debt	324.6	355.5	-8.7
Gearing (in%)	28.0	31.1	n.a.

Cashflow Rechnung

in € million	Q1/2017	Q1/2016 ¹	Change in%
Net cash flow from operating activities	66.5	61.2	+8.7
investing activities	-25.8	55.0	n.a.
financing activities	-32.5	-94.2	-65.5
Free cash flow	40.7	116.2	-64.9
CAPEX ²	35.6	11.8	n.a.

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

The report by Flughafen Wien AG for the first three months of 2017, from January 1 to March 31, 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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