

FLUGHAFEN WIEN AG

CORPORATE GOVERNANCE EVALUATION REPORT 2011

Report on the external examination of Flughafen Wien AG's compliance
with the rules of the Austrian Corporate Governance Code
during the financial year 2011

Vienna, March 2012

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Report on the external examination of Flughafen Wien AG's compliance with the rules of the Austrian Corporate Governance Code during the financial year 2011

Company evaluated:
Flughafen Wien AG

Period evaluated:
January 1 to December 31, 2011

Evaluating organization:
Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH

Vienna, March 2012

Summary of the findings of the external examination of Flughafen Wien's compliance with the rules set out in the Austrian Corporate Governance Code 2010 during the financial year 2011

Flughafen Wien AG („Flughafen Wien“) undertook to comply with the Austrian Corporate Governance Code (“Code”/“ÖCGK”) in March 2003.

In compliance with Rule 62 of the Code, the board of the Flughafen Wien commissioned us to independently monitor its compliance with the rules stipulated by the Austrian Working Group for Corporate Governance in 2010 during the financial year 2011.

The main aim of the external examination is to provide the public with an independent view on the company's compliance with the rules set out in the Code.

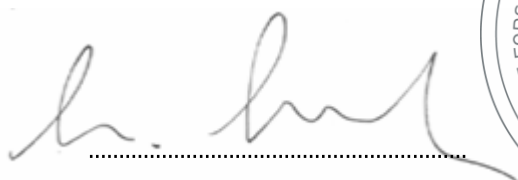
We made our examination on the basis of a questionnaire drafted by the Austrian Working Group for Corporate Governance for the external examination of compliance to the Code. Our report is primarily based on questioning company personnel and a random examination of the evidence and details provided.

Based on our examination we can state that Flughafen Wien has complied with the rules of the Code as far as they were agreed during the financial year 2011 with the exception of the report by the chairperson of the supervisory board on the principles of the remuneration system in the general meeting. Some rules were not applicable to Flughafen Wien during this year.

This evaluation is not an investment recommendation and should be passed over when making decisions about investments in or contracts with Flughafen Wien. We do not accept any liability against third parties.

Vienna, March 6th, 2012

Univ. Prof. DDR. Waldemar Jud Corporate Governance Forschung CGF GmbH



Dr. Wolfgang Graf



o. Univ. Prof. DDR. Waldemar Jud

**QUESTIONNAIRE FOR THE EXTERNAL EVALUATION OF COMPLIANCE
WITH THE AUSTRIAN CORPORATE GOVERNANCE CODE (according to Rule 62)**

This questionnaire has been prepared by the Austrian Working Group for Corporate Governance and is designed to ensure the highest level of uniformity in the external evaluation as a means to guarantee the highest degree of comparability of the evaluation results. This questionnaire will be the basis of the evaluation, except in those cases, where the designated questions exceed the content of the rule queried. This questionnaire has been designed to give investors an easy-to-understand and quick overview of a company's corporate governance practices. Therefore, the completed questionnaires may be published by the companies to meet this end.

The questionnaire is divided into one part with the questions organized to follow the comply-or-explain principle of the C-Rules of the Code, and into a second part containing the R-Rules of the Code. The L-Rules of the Code have not been included, because law mandates compliance with these rules. The field with the heading "Notes of the reviewing organization" is for the use of the reviewer, especially for explanations as to whether a company has satisfactorily explained in an understandable manner its non-compliance with a C-Rule. When selecting a reviewing organization, please ensure that it meets at least the following requirements: It must be independent of the company being reviewed; it may not pursue any own interests; it must have the necessary expert knowledge and must observe the obligation to maintain secrecy.

Company evaluated: Flughafen Wien AG

Period evaluated: January 1 – December 31, 2011 as well as events material to the annual financial statements for 2011 occurring after the balance sheet date and before March 6, 2012

Evaluating organization: Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH [FN 204548g, HG Wien]

Principles and procedure of the evaluation:

Application of the rules of the Austrian Corporate Governance Codex 2009 and analogue application of the rules issued by the International Federation of Accountants (IFAC) for projects involving an audit review of annual financial statements (ISRE 2400, former ISA 910). This Standard requires that we plan and perform the examination to obtain moderate assurance as to whether the Corporate Governance Report is free of material misstatement. Our report is primarily based on questioning company personnel and a random examination of the evidence and details provided.

Section I: "C" Rules

Chapter II: Shareholders and Annual General Meeting

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
2	1	Does the principle of "one share, one vote" apply to your company, i.e., has the company issued only shares with one voting right per share?	X			

Chapter III: Cooperation between Supervisory Board and Managing Board

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
10	1	Does a joint statement by the supervisory board and the management board exist declaring that open discussions are conducted between supervisory board members and management board members?	X			
10	2	Does a statement of the management board exist declaring that open discussions are conducted among the members of the management board?	X			
12	1	Are the documents for supervisory board meetings made available as a rule at least one week before the respective meeting?	X			

Chapter IV: Managing Board

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
16	1	Does the management board consist of several persons?	X			

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
16	2	Is there a chairperson of the management board?		X		<i>"Following the resignation of the interim chairman of the Management Board, Christoph Herbst, as of 31 August 2011, a chairman was not appointed for this corporate body in order to promote the team spirit between its members."</i>
16	3	Do the internal rules of procedure contain a clear distribution of responsibilities and rules for the mode of cooperation within the management board?	X			
16	4	Are name, date of birth, date of initial appointment and end of the current period of tenure of the members of the management board, as well as assignment of competence in the management board made public in the Corporate Governance Report?	X			
16	5	Are other supervisory board mandates or similar functions of members of the management board in other Austrian or foreign companies (unless these are included in the consolidated financial statements) disclosed in the Corporate Governance Report?	X			
17	1	Are communication tasks relating to major issues the direct responsibility of the management board?	X			
18	1	Has a separate staff unit to the management board been created for internal auditing or has this task been delegated to a competent external institution?	X			
18	2	Are the report on the internal auditing plan and any material findings presented to the accounting committee at least once a year?	X			
21	1	Has the management board taken measures to ensure that the rules of the Compliance Decree for Issuers are complied with throughout the entire company group (especially the definition of possible confidentiality areas)?	X			
26	1	Do members of the management board hold no more than four supervisory board mandates (chairperson counts double) in stock corporations that do not belong to the group?	X			

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
26	2	Is the consent of the management board required for senior staff members to assume functions in the corporate bodies of companies not belonging to the group and/or in which no interests are held?	X			
26	3	Has the company refrained from repealing non-competition clauses applicable to management board members and senior management staff?	X			
27 ¹	1	Is the remuneration of the management board oriented on the management board's scope of work, responsibility and personal performance as well as on the attainment of the corporate goals, the size and the economic situation of the company?	X			
27	2	Does the remuneration scheme for the management board contain fixed and performance-linked components?	X			
27	3	Do the variable remuneration components link to measurable, sustainable, long-term and multi-year performance criteria and do not entice persons to take unreasonable risks?	X			
27	4	Do variable components also include non-financial criteria?	X			
27	5	Are maximum limits for amounts or as percentage of the fixed remuneration components for variable remuneration components fixed in advance?	X			
27	6	Are precautions taken to ensure that the company can reclaim variable remuneration components if it becomes clear that these were paid out only on the basis of obviously false data?	X			

¹ Rule 27 in the version 2010 is to be applied on contracts concluded after December 31, 2009. For contracts concluded after January 1, 2010, rule 27 is to be applied according to the version, valid at the time the contract was concluded.

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
27a ²	1	Is taken care that severance payments in the case of a premature termination of a contract with a management board member without a material breach shall not exceed more than two years annual pay and that not more than the remaining term of the employment contract is to be remunerated?	X			
27a	2	Has it been agreed that no severance payment shall be made in case of premature termination of a management contract for a material reason for which a management board is responsible?	X			
27a	3	In the case that agreements have been reached on the occasion of the premature termination of management board activities, do these take into account the circumstances under which said management board member left the company as well as the economic situation of the company?	X			
28 ³	1	Have stock option programmes or programmes for the preferential transfer of stocks which are proposed for management board members been linked to measurable, long-term and sustainable criteria?				Not applicable, as no stock option program exists.
28	2	Is a subsequent change of the criteria ruled out?				
28	3	Shall the management board member hold an appropriate volume of shares in the own company for the duration of such programmes, but at the latest until the end of the management board member's function on the management board?				
28	4	Is a waiting and/or holding period of a total of at least three years defined?				

² Rule 27a in the version 2010 is to be applied on contracts concluded after December 31, 2009. For contracts concluded after January 1, 2010, rule 27a is to be applied according to the version, valid at the time the contract was concluded.

³ Questions 1-6 to Rule 28 should only be answered if a stock option plan or a program for preferential assignment of shares exists. Rule 28 (in the version of 2010) only applies to new programs granted after 31.12.2009. For programs granted before 1.1.2010 Rule 28 applies in the edition applicable at end of the financial year.

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
28	5	Does the general meeting pass any resolutions and/or changes to stock option schemes and stock transfer programmes for management board members?				Not applicable, as no stock option program exists.
30	1	Are the principles of the performance-linked components of the management board payments (especially to which performance criteria the variable remuneration components are linked, the methods according to which the fulfilment of the performance criteria is determined, the maximum limits determined for the variable remuneration and the shares held in the own company and periods planned) disclosed in the Corporate Governance Report as well as any major changes versus the previous year?	X			
30	2	Is the ratio between the fixed and performance-linked components of the total remuneration of the management board members published in the Corporate Governance Report?	X			
30	3	Are the principles governing the company retirement plan for management board members and its conditions published in the Corporate Governance Report?	X			
30	4	Are the principles governing any entitlements of management board members in the event of termination of their function published in the Corporate Governance Report?	X			
30	5	Is the existence of a D&O insurance mentioned in the Corporate Governance Report, if the costs are borne by the company?	X			
31	1	Are the fixed and performance-linked annual remunerations of each individual management board member disclosed in the Corporate Governance Report?	X			

Chapter V: Supervisory Board

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
34	1	Has the supervisory board adopted internal rules of procedure for its work?	X			
34	2	Do these rules of procedure contain the information and reporting obligations of the management board insofar as they are not already defined in the articles of incorporation and in the internal rules of procedure of the management board?	X			
34	3	Does the reporting obligation apply to subsidiaries as well?	X			
34	4	Do the internal rules of procedure define the establishment of committees and their scope of competence?	X			
34	5	Is the number and type of committees set up as well as their decision-making scope of competence disclosed in the Corporate Governance Report?	X			
36	1	Have, if necessary, additional supervisory board meetings been held in addition to the statutory number of meetings?	X			
36	2	Is the number of supervisory board meetings reported in the Corporate Governance Report?	X			
36	3	Does the supervisory board annually discuss the efficiency of its activities, in particular of its organisation and work procedures (self evaluation)?	X			
37	1	Does the chairperson of the supervisory board regularly communicate with the chairperson of the management board and discuss the strategy, the course of business and the risk management of the company?	X			
38	1	Does a pre-defined (structured) appointment procedure exist for the appointment of management board members? ⁴	X			

⁴ Only complete if a management board member was appointed during the reporting period.

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
38	2	Has a job specification been defined for the management board that takes into account the company's business focus and situation? ⁵	X			
38	3	Does the supervisory board or a committee pay due attention to the issue of successor planning in their deliberations?	X			
38	4	Does the supervisory board take care that no member of the management board has been convicted by law for a criminal act that would compromise the professional reliability as a management board member?	X			
39	1	Do committee chairpersons report regularly to the supervisory board?	X			
39	2	Does a committee exist that has the authorisation to take decisions in urgent cases?	X			
39	3	Does the majority of the committee members meet the criteria for independence of the Rule 53?	X			
39	4	Is the number of committee meetings disclosed in the Corporate Governance Report and are the activities of the committees discussed?	X			
39	5	Does the Corporate Governance Report state the committee members and chairperson?	X			
41	1	Has a nomination committee been set up if the supervisory board has more than six members?	X			
43	1	If the supervisory board has more than six members, has a remuneration committee been set up or have these matters been delegated to the nomination committee?	X			
43	2	Does the remuneration committee regularly review the remuneration policy?	X			

⁵ Only complete if a management board member was appointed during the reporting period.

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
43	3	Does at least one member of the remuneration committee have knowledge and experience in the area of remuneration policy?	X			
43	4	Is it ensured that if the remuneration committee uses the services of a consultant that said consultant does not at the same time provide services to the management board in matters relating to remuneration?	X			
43	5	Does the chairperson of supervisory board inform the general meeting once a year of the principles of the remuneration system?			X	A report on the principles of the remuneration system was not provided in the general meetings during the financial year 2011.
45	1	Do supervisory board members refrain from assuming functions on boards of other companies, which are competitors?	X			
46	1	Were any conflicts of interest immediately disclosed to the chairperson of the supervisory board or do other relevant provisions for such cases exist?	X			
47	1	Has the company, which has no banking license, not granted any loans (goods or cash) that are beyond the scope of routine daily business transactions?	X			
49	1	Are contracts subject to approval pursuant to the L-Rule 48 and the respective remuneration published in the Corporate Governance Report?				Not applicable, as no such contracts occurred during the financial year 2011.
51	1	Are remunerations for each member of supervisory board published in the Corporate Governance Report?	X			
51	2	Do generally no stock option plans exist for members of the supervisory boards? Have stock option plans be decided in every detail by the general meeting, if in exceptional cases stock option plans were granted to supervisory board members?	X			
52	1	Is the number of supervisory board members exclusive of works' council representatives at the maximum 10?	X			

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
52	2	Have new members of the supervisory board adequately informed themselves about the organization and activities, as well as the tasks and responsibilities of supervisory board members?	X			
53	1	Does the supervisory board (exclusive of works' council representatives) have a majority number of members independent of the company and the management board?	X			
53	2	Has the supervisory board defined criteria for the independence and published these criteria in the Corporate Governance Report?	X			
53	3	Does the Corporate Governance Report name the independent members?	X			
54	1	If the free float is over 20%: Is there at least one independent member pursuant to C-Rule 53, who is not a shareholder with a stake of more than 10% or who represents such a shareholder's interests? In the case of a free float of over 50%: Are there at least two independent members pursuant to C-Rule 53 who are not shareholders with a stake of more than 10% or who represent such a shareholder's interests?	X			
54	2	Does the Corporate Governance Report indicate which members meet these criteria?	X			
55	1	Is the chairperson of the supervisory board not a former chairperson of the management board unless a period of two years has expired between the termination of and the start of the functions?	X			
57	1	Do supervisory board members serving on the management board of a listed company hold no more than 4 positions on the supervisory board (position of chairperson counts double) of stock corporations not belonging to the group?	X			

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
58	1	Does the Corporate Governance Report state the chairperson and vice chairman as well as the name, year of birth, the year of the first appointment of every supervisory board member and the end of the current period of office?	X			
58	2	Are the other supervisory board mandates or similar functions in Austrian or foreign listed companies published in the Corporate Governance Report or on the website of the company for every supervisory board member?	X			
58	3	When a supervisory board member fails to personally attend more than half of the meetings, is this fact stated in the Corporate Governance Report? ⁶				Not applicable, as no such absences occurred during the financial year 2011.

Chapter VI: Transparency and Audit

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
61	1	Does the Corporate Governance Report contain a declaration of commitment to comply with the Austrian Code of Corporate Governance?	X			
61	2	Has the Corporate Governance Report been disclosed on the website of the company?	X			
64	1	Has the company disclosed on its website and in the annual report – if it has knowledge thereof – the current shareholder structure broken down by geographical origin and type of investor, any cross-holdings, the existence of syndicate agreements, restrictions to voting rights, registered shares and their related rights and restrictions?	X			

⁶ Only complete if such absences occurred.

Rule	Question No.	Question	COMPLY		EXPLAIN		Notes of the reviewing organization
			YES	NO	YES	NO	
64	2	Were the latest changes to voting rights disclosed on the website?					Not applicable, as there have not been any changes to voting rights.
64	3	Have the articles of incorporation of the company been disclosed on the website of the company?	X				
66	1	Were the quarterly reports prepared in accordance the International Financial Reporting Standards (IAS34)?	X				
66	2	Have material deviations in the course of the year from previously published targets been explained in the company's regular disclosures and reports ⁷ ?	X				
67	1	Has capital market relevant information from presentations and analysts conferences been made available to all shareholders at the same time?	X				
68	1	Have the reports been made available in English as well?	X				
68	2	Have the reports been made available on the company's website?	X				
68	3	Have the individual financial statements required by the Austrian Commercial Code been made available at the same time as the consolidated financial statements?	X				
70	1	Are main risk management instruments used with respect to non-financial risks described in the consolidated management report?	X				
72	1	Has a contact person for investor relations been appointed and such person's contact details published on the company's website?	X				
73	1	Are any reported director's dealing immediately disclosed on the company's website and is such information kept on the website for at least three months, or has a reference (link) been made to the corresponding website of the Financial Market Authority?					Not applicable, as there have not been any director's dealings during the financial year 2011.

⁷ Only complete if deviations of this type occurred during the reporting period.

Rule	Question No.	Question	COMPLY	EXPLAIN		Notes of the reviewing organization
			YES	YES	NO	
74	1	Has a calendar of corporate financial events for the coming business year that includes the content stipulated in the Code been prepared at the latest two months before the start of the new business year and published immediately on the company's website?	X			
77	1	Does the auditor's report on the consolidated financial statements state the application of internationally recognised auditing principles?	X			
82	1	Has the auditor submitted a management letter to the management board?	X			
82	2	Has the management letter been brought to the notice of the chairperson of the supervisory board?	X			
82	3	Was the management letter dealt with by the audit committee and reported on to the supervisory board?	X			
83	1	Has the auditor reported on the effectiveness of the company's risk management to the management board?	X			
83	2	Has this report been brought to the notice of the chairperson of the supervisory board?	X			
83	3	Was the report dealt with by the accounting committee and reported on to the supervisory board?	X			

Section II: "R" Rules

Rule	Question No.	Question	Compliance Yes	Notes of the reviewing organization
7	1	Does the company support shareholders in participating in the annual general meetings and in exercising their rights as best as possible?	X	
28a ⁸	1	Do the principles of C-Rules 27 and 28 apply accordingly also in the case of new remuneration systems for senior management staff?		Not applicable, as no new remuneration systems for senior staff management have been introduced.
42	1	In case of mandates of the supervisory board becoming free, has the nomination committee or the entire supervisory board presented proposals to the general meeting for appointments?	X	
42	2	Have especially personal and professional qualifications been taken into account in these proposals? Have the aspects of diversity of the supervisory board with respect to the international background of the members, the representation of both genders, and the age structure been taken into account	X	
62	1	Has the compliance with the C- and R-rules of the code been evaluated periodically, but at least every three years, by an external institution and has a report of the audit been published in the Corporate Governance Report?	X	
75	1	Does the company regularly organise information events, and if demand is high every quarter, for analysts and investors and does it make the documents used at these events available on its website?	X	
76	1	Does the company simultaneously make available on its website all financial information on the company that has been published through other media?	X	
76	2	Does the company follow the applicable rules for publication on the website?		No, as the publication date of the documents published on the company's website is not indicated.

⁸ Only to be answered if new remuneration systems for senior management have been introduced.