

FLUGHAFEN WIEN AG

H1/2017 Business Results



Update: airberlin & NIKI



airberlin filed for bankruptcy on August 15, 2017. According to the latest report, NIKI is expected to continue its flight operations.

The airberlin market share at Vienna Airport fell from 6.2% in H1/2016 to 5.0% in H1/2017; NIKI's share even dropped from 9.2% to 2.6% in the same period

- ✈ airberlin currently flies to three destinations, operating 127 weekly flights (take-offs and landings)¹
- ✈ NIKI flies to 19 destinations at present, with a total of 103 flights per week (take-offs and landings)¹
- ✈ VIE in comparison: 185 destinations are served, featuring 4,722 flights per week (take-offs and landings)¹

Conversion to advance payment as of August 17, 2017

The situation is being constantly monitored

Question of possible bad debt is still open

H1/2017: Ongoing positive passenger development – Guidance update



H1 passenger growth of 6.9% in Vienna (+9.2% for the Flughafen Wien Group) despite airberlin; strong passenger increase in Malta (+20.3%) and also in Kosice (+11.0%)

Revenue increase to € 357.5 million (+3.4%), EBITDA rise of 3.9% to € 157.9 million, EBIT up 2.4% to € 89.6 million

Differences also related to one-off effects in the previous year – positive one-off effects (€ 9.6 million) in H1/2016:

- ✈ € 4.9 million – mainly effects arising from updated actuarial parameters for staff-related provisions and reversals of provisions
- ✈ € 3.9 million – reversal of impairment for CGU “Real Estate Office”

Net profit for the period¹ up to € 60.1 million (+4.4%)

Net debt reduced to € 323.7 million (minus € 31.8 million from the end of 2016)

Guidance for 2017: passenger growth of over 5% expected in the Flughafen Wien Group and more than 4% for Vienna Airport due to the good traffic results up until now. For this reason, Group earnings in 2017 should be significantly higher than in 2016.

Positive operating results due to strong passenger development



in € million	H1/2017	H1/2016	Δ in %
Revenue	357.5	345.6	+3.4
Earnings before interest, tax, depreciation and amortisation (EBITDA)	157.9	152.0	+3.9
Earnings before interest and taxes (EBIT)	89.6	87.5	+2.4
Financial results	-8.4	-9.9	+15.5
Earnings before tax (EBT)	81.2	77.6	+4.7
Net profit (after taxes and before non-controlling interests)	60.1	57.6	+4.4
Net profit of the parent company	54.9	53.7	+2.3

- ✈ Rise in revenue particularly due to apron handling, passenger development, fee adjustments as well as the positive contribution from Malta Airport – in spite of partly dampening impact of incentives on revenue
- ✈ Slight rise in the cost level, mainly attributable to
 - ✈ higher personnel expenses after positive one-off effects in the previous year
 - ✈ higher costs for aircraft de-icing services and fuel due to the cold winter
- ✈ Improved financial results mainly related to lower interest expense

Expenses: slight rise in costs



- ✈ Expenses for consumables and services used up by € 1.4 million due to higher consumption of de-icing material and fuel
- ✈ Personnel expenses rise by € 2.9 million
 - ✈ despite slight drop in the number of employees (4,575 vs. 4,637)
 - ✈ as a consequence of positive one-off effects related to change of actuarial parameters (€ 2.0 million) in H1/2016
- ✈ Other operating expenses up by € 1.2 million
 - ✈ due to higher third-party services (e.g. IT services) in Malta, legal, auditing and consulting costs and increased expenditures for maintenance, repair and renovation work
- ✈ Negative deviation in depreciation, amortisation, impairment and impairment reversals primarily due to reversal of impairment loss (one-off effect of € 3.9 million) in H1/2016

in € million	H1/2017	H1/2016	Δ in %
Consumables and services used	-18.6	-17.2	+8.4
Personnel expenses	-137.3	-134.3	+2.2
Other operating expenses	-50.6	-49.3	+2.5
Depreciation, amortisation, impairment and impairment reversals	-68.3	-64.5	+5.9

Further reduction of net debt: € 31.8 million below end of 2016



	H1/2017	H1/2016	Δ in %
Net debt (€ million) ¹	323.7	355.5	-8.9
Gearing (%) ¹	28.2	31.1	n.a.
Cash flow from operating activities (€ million)	136.1	134.7	+1.0
Free cash flow (€ million)	78.7	175.8	-55.2
CAPEX (€ million) ²	61.3	50.5	+21.4
Equity (€ million) ¹	1,145.9	1,144.0	+0.2
Equity ratio (%) ¹	56.4	56.7	n.a.

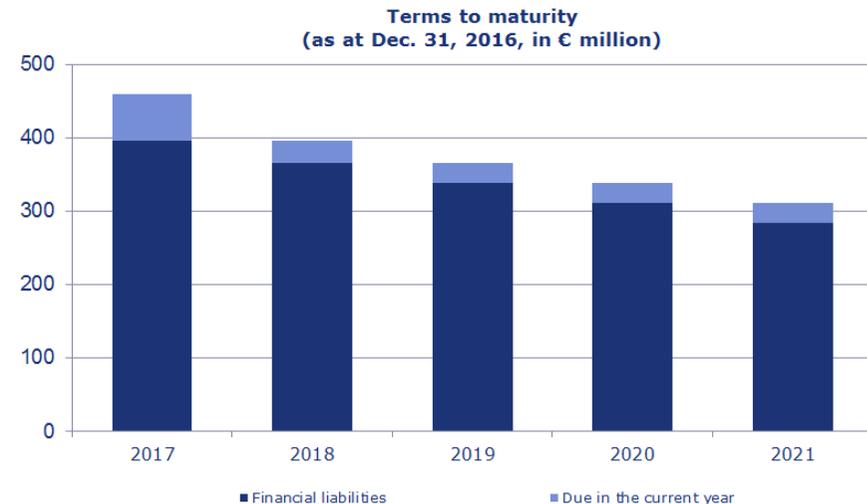
- ✈ Net debt target of under € 350 million already well secured
- ✈ Free cash flow decline due to development of cash flow from investing activities – one-off effect in H1/2016 from advance payment by Austrian Airlines (Hermione)

Ongoing positive development of net debt and gearing



- ✈ Net debt reduced by € 31.8 million to € 323.7 million
- ✈ Stable non-current assets: depreciation and amortisation offset by investments
- ✈ Slight increase in current assets
- ✈ Equity almost unchanged: profit for the period offset by dividend payments
- ✈ Slight drop in non-current liabilities due to reclassifications
- ✈ Higher level of current liabilities: repayment of debt offset by reclassifications and taking out of cash advances

	30.6.2017	31.12.2016	Δ in %
Net debt (€ million)	323.7	355.5	-8.9
Gearing (%)	28.2	31.1	n.a.



Improved operating cash flow

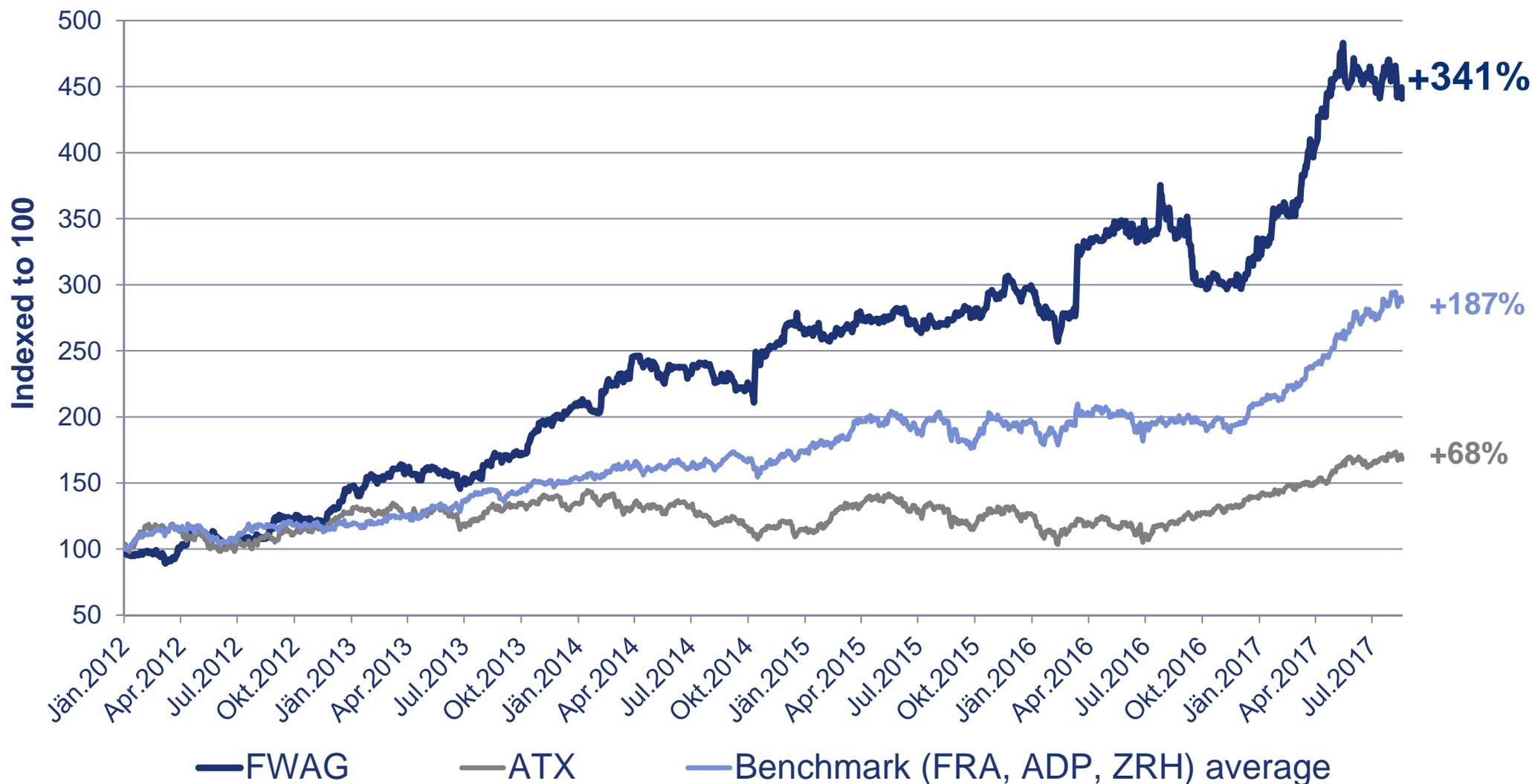


- ✈ Free cash flow considerably below the prior-year level due to development of the cash flow from investing activities (H1/2016: advance payment by Austrian Airlines – Hermione)
- ✈ Cash flow from operating activities: increase related to improved earnings, but higher tax payments
- ✈ Decrease following the positive cash flow in 2016 as a result of cash inflows of € 69.1 million from the disposal of assets held for sale relating to a new finance lease agreement (Hermione)

in € million	H1/2017	H1/2016	Δ in %
Cash flow from operating activities	136.1	134.7	+1.0
Cash flow from investing activities	-57.4	41.1	n.a.
Cash flow from financing activities	-73.8	-173.5	-57.5
Free cash flow	78.7	175.8	-55.2

- ✈ Cash flow from financing activities: H1/2017 includes repayment of debt (€ - 60.4 million), dividend payments (€ -57.4 million) and taking out of cash advances (€ 44.0 million) – 2016 included cash outflows of € 60.4 million for the acquisition of non-controlling interests (increase in Malta Airport shareholding)
- ✈ Investments (CAPEX) at € 61.3 million (H1/2016: € 50.5 million) – the largest additions included purchases of land for the development of real estate projects (€ 14.2 million), expansion of the Air Cargo Center East (€ 10.6 million), terminal renovations in Malta (€ 8.4 million), expansion of a transformer station (€ 2.2 million) and investments related to taxiways in Vienna (€ 2.0 million)

Share price development since January 2012: +341%, market capitalisation about € 2.7 bn.



Vienna Airport site continues on its growth path



- ✈ Expansion of Air Cargo Center by 15,000 m² by the end of 2017
- ✈ Significant settlement projects in the Airport City (DHL – completion of the deal Q3/2017)
- ✈ Investments of € 30 million in measures to reduce CO₂ emissions
- ✈ Planning of OP4 has started



Outlook confirmed for 2017



Outlook 2017

Revenue



> € 740 million

EBITDA



> € 315 million

Group net profit¹



> € 120 million

Net debt



< € 350 million

CAPEX



> € 100 million



SEGMENT RESULTS H1/2017



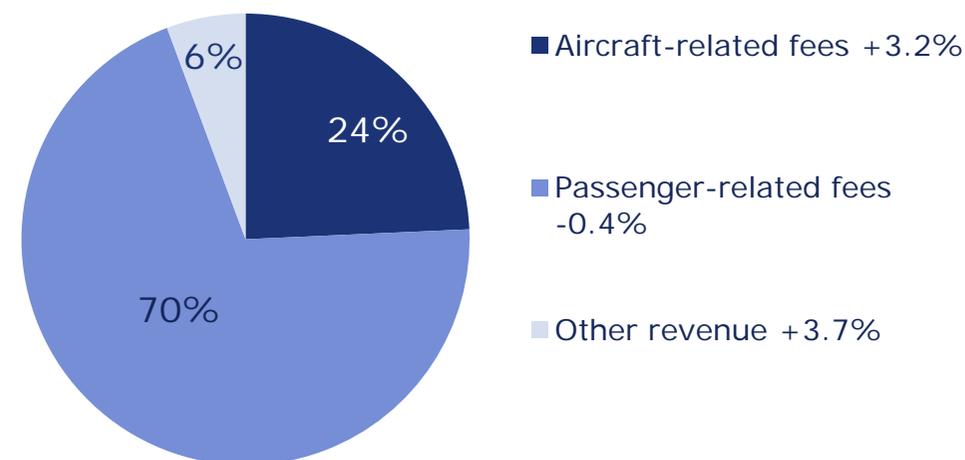
Airport: Positive development of flight traffic continues



- ✈ Passenger volume up 6.9% to 11.2 million travellers
- ✈ Main drivers of this positive development were Austrian Airlines, Eurowings and easyJet – enabling airport to compensate for restructuring-related decreases at the airberlin Group
- ✈ Flight traffic to Eastern European destinations could recover from pressure in earlier periods
- ✈ Positive effect of passenger growth dampened by incentives granted
- ✈ Further increase in productivity: rise in EBITDA (+3.5%) and EBIT (+6.2%), also higher margins

in € million	H1/2017	H1/2016	Δ in %
External revenue	172.5	171.4	+0.7
EBITDA	78.7	76.0	+3.5
EBIT	34.1	32.1	+6.2

Revenue distribution H1/2017 in the Airport Segment

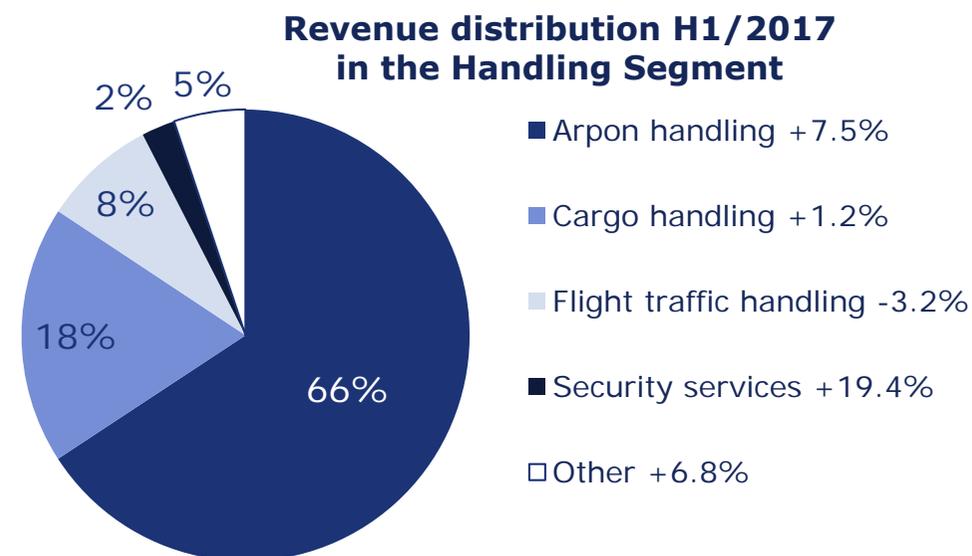


Handling: Revenue increase despite slight drop in flight movements



- ✈ Increased income despite slight drop in flight movements related to deployment of larger aircraft (higher MTOW) and new customers, price adjustments as well as higher de-icing income attributable to the cold winter
- ✈ Positive cargo development in line with cargo volumes
- ✈ Flight traffic handling below the previous year, mainly due to decrease in flights operated by NIKI/airberlin
- ✈ Higher material costs (de-icing), personnel and other expenses remained virtually unchanged
- ✈ Positive development:
EBITDA increase: +€ 2.5 million
EBIT rise: +€ 2.5 million
- ✈ Handling contracts with the Lufthansa Group could be extended

in € million	H1/2017	H1/2016	Δ in %
External revenue	79.6	75.5	+5.5
EBITDA	10.3	7.8	+31.6
EBIT	7.5	5.1	+48.2



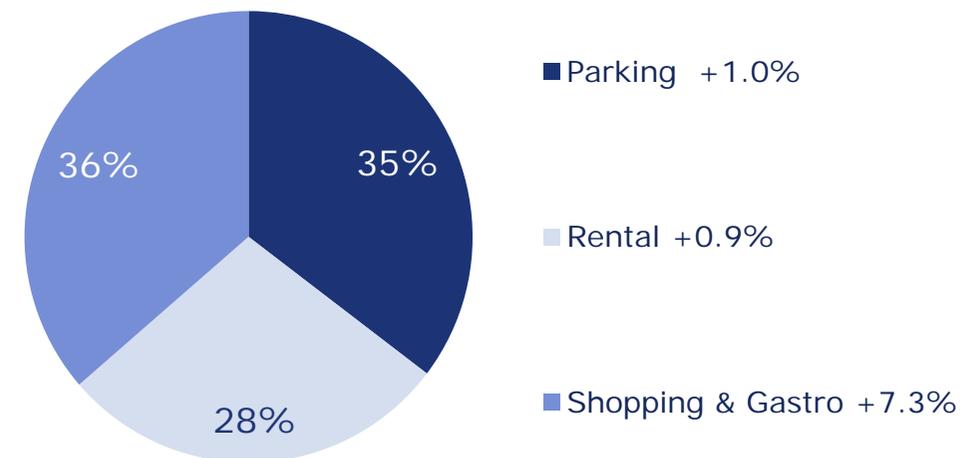
Retail & Properties: Slight rise in revenue



- ✈ Shopping & F&B: recovery on the horizon due to good development for passengers from Russia and China – slightly disproportionate revenue increase of 7.3% (PRR at € 1.99 vs. € 1.98 in H1/2016)
- ✈ New openings: Jamie Oliver Deli, Big-Daddy, Brezelmeister
- ✈ Positive development of rental income
- ✈ Increased parking income in spite of modal split
- ✈ EBITDA almost unchanged; EBIT below the previous year primarily as a result of positive one-off effect in H1/2016 (impairment reversal of € 3.9 million)

in € million	H1/2017	H1/2016	Δ in %
External revenue	61.4	59.5	+3.1
EBITDA	38.2	38.5	-0.8
EBIT	29.3	33.5	-12.6

**Revenue distribution H1/2017
in the Retail & Properties Segment**



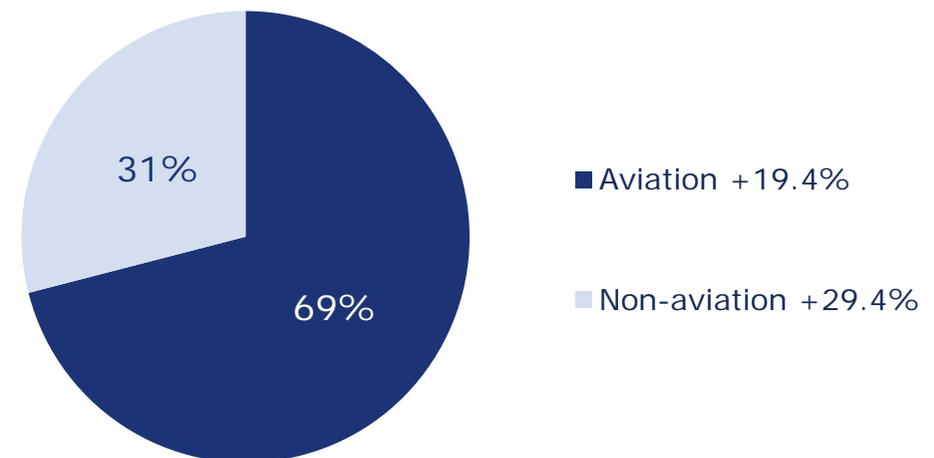
Malta: Earnings increase due to strong passenger growth



- ✈ 20.3% passenger growth in H1/2017
- ✈ Significant revenue increase reflects flight traffic development: Airport and Retail & Properties revenue benefits from higher passenger volume
- ✈ Cost level slightly above the prior-year, mainly due to rise in other operating expenses - but increase is far below passenger growth
- ✈ Excellent margin development related to disproportionately high revenue growth in comparison to costs

in € million	H1/2017	H1/2016	Δ in %
External revenue	36.7	31.4	+16.7
EBITDA	20.4	16.0	+27.7
EBIT	16.1	11.6	+38.3

Revenue distribution H1/2017 in the Malta Segment



Results of strategic investments



Malta Int. Airport

H1/2017

- ✈ About 2.6 million passengers (+20.3%)

2016

- ✈ About 5.1 million passengers (+10.0%)
- ✈ Revenue: € 73.1 million
- ✈ EBITDA: € 40.0 million
- ✈ EBITDA margin: 54.7%
- ✈ Net profit: € 21.0 million

Kosice Airport

H1/2017

- ✈ About 0.2 million passengers (+11.0%)

2016

- ✈ About 0.4 million passengers (+6.4%)
- ✈ Revenue: € 9.1 million
- ✈ EBITDA: € 2.7 million
- ✈ EBITDA margin: 29.2%
- ✈ Net profit: € 1.5 million





TRAFFIC RESULTS H1/2017



Traffic development H1/2017

Flughafen Wien Group



Group passenger development	H1/2017	H1/2016	Δ in %
Vienna Airport (millions)	11.22	10.50	+6.9
Malta Airport (millions)	2.64	2.19	+20.3
Kosice Airport (millions)	0.19	0.17	+11.0
Vienna Airport and its strategic investments (VIE, MLA, KSC)	14.05	12.86	+9.2

Traffic development/Vienna Airport	H1/2017	H1/2016	Δ in %
Passengers (millions)	11.22	10.50	+6.9
Local passengers (millions)	8.34	7.81	+6.8
Transfer passengers (millions)	2.83	2.65	+7.0
Flight movements (in 1,000)	107.42	108.81	-1.3
MTOW (millions of tonnes)	4.24	4.10	+3.6
Seat load factor (percent)	71.9	70.0	+1.9%p
Cargo incl. trucking (in 1,000 tonnes)	137.28	138.23	-0.7

Share of scheduled carriers



H1/2017	Share in %	Passengers	PAX Δ% vs. H1/2016
1. Austrian Airlines	46.8	5,256,169	+13.3
2. Eurowings & Germanwings	8.8	990,245	+77.2
3. airberlin	5.0	556,392	-14.7
4. Lufthansa	3.9	442,475	+1.8
5. easyJet Group ¹	3.6	399,529	+42.5
6. NIKI	2.6	291,742	-69.8
7. Emirates	2.0	228,072	+17.8
8. SWISS	2.0	227,403	+24.7
9. British Airways	1.9	217,990	-5.5
10. Turkish Airlines	1.9	216,017	-3.4
11. KLM Royal Dutch Airlines	1.6	184,824	+10.2
12. Aeroflot	1.4	153,091	+16.6
13. Air France	1.3	141,464	+7.0
14. Vueling Airlines	1.0	111,166	+13.4
15. Iberia	0.9	99,815	+2.7
Other	15.2	1,707,419	+12.7
Total	100.0	11,223,813	+6.9
thereof Lufthansa Group ²	62.5	7,014,225	+18.9
thereof NIKI/airberlin	7.6	848,134	-47.6

¹) easyJet Group: easyJet and easyJet Switzerland

²) Lufthansa Group: Austrian Airlines, Lufthansa, Germanwings, Eurowings, SWISS, Brussels Airlines

Traffic development at Vienna Airport in July 2017



	July 2017	July 2016	Δ in %
Passengers (millions)	2.54	2.43	+4.5
Local passengers (millions)	1.79	1.71	+4.6
Transfer passengers (millions)	0.75	0.71	+4.5
Flight movements (in 1,000)	21.14	20.94	+0.9
MTOW (millions of tonnes)	837.33	815.72	+2.6
Seat load factor (percent)	81.1	80.7	+0.4%p
Cargo incl. trucking (in 1,000 tonnes)	24.24	23.44	+3.4

- ✈ Total of 2.45 million passengers comprises 4.5% rise over previous year – PAX increase and good capacity utilisation, above all by Austrian Airlines and Eurowings, succeeded in compensating for burden caused by airberlin and NIKI
- ✈ Passenger development of strategic investments: Malta +15.5%, Kosice +19.2%

New flight offerings and discontinued flight service in 2017

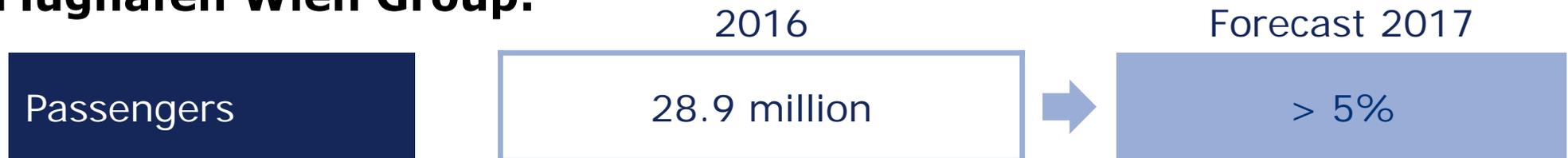


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|--|---|
| <p>✈ Austrian Airlines 
 New: Los Angeles, Mahé (Seychelles), Burgas, Gothenburg, Shiraz
 Frequency increases: Cairo, Hamburg, Heraklion, Lviv, Milan, Odessa, Paris, Stockholm, Zurich
 NEW as of 2018: Cape Town, Tokyo
 Service terminated: Barcelona, Rome, Jerez</p> | <p>✈ Eurowings 
 New: Agadir, Birmingham, Brindisi, Dortmund, Hurghada, Ibiza, Jerez, Kalamata, Kavala, Lamezia Terme, Las Palmas, Madrid, Malaga, Malta, Marsa Alam, Mytilene, Nice, Nuremberg, Olbia, Paphos, Pisa, Porto, Samos, Thira, Zadar
 Frequency increases: Barcelona, Hamburg, Hannover, Rome
 Service terminated: Valencia</p> |
| <p>✈ Thai Airways 
 New as of November 2017: Bangkok</p> | <p>✈ Volotea 
 New: Genua, Marseille, Nantes</p> |
| <p>✈ NIKI 
 Reduction to 22 holiday destinations</p> | <p>✈ Flybe/Stobart Air 
 New: London Southend</p> |
| <p>✈ airberlin 
 Frequency increase: Berlin
 Service terminated: Hamburg, Hannover</p> | <p>✈ Germania 
 New: Rostock</p> |
| <p>✈ UTair 
 New: Moscow</p> | <p>✈ S7 Airlines 
 New: Moscow</p> |
| <p>✈ SkyWork 
 New: Basel</p> | <p>✈ SunExpress 
 New: Ankara</p> |

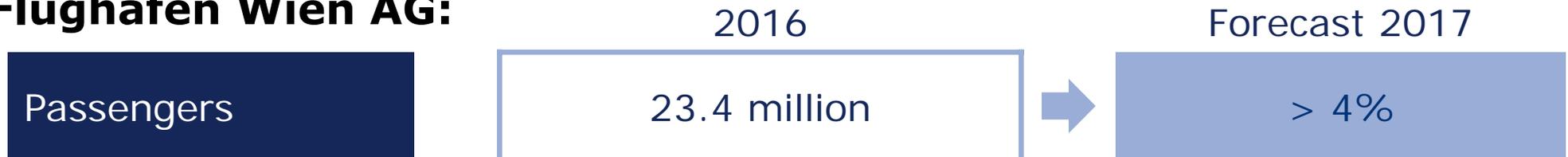
Traffic forecast for 2017: Upward revision of guidance



Flughafen Wien Group:



Flughafen Wien AG:



- ✈ Recovery of flight traffic to Eastern Europe
- ✈ Growth to all flight traffic areas
- ✈ Far-reaching capacity reductions at airberlin and NIKI – expected overcompensation by low-cost segment and Lufthansa Group as growth drivers in 2017

THANK YOU FOR YOUR ATTENTION

