

FLUGHAFEN WIEN AG

Q1-3/2017 Business Results



Q1-3/2017: Continuation of positive passenger development



Q1-3/2017 – Passenger growth at Vienna Airport of 5.7% (Vienna Airport Group: +8.1%) despite airberlin; strong passenger volume increase in Malta (+18.2%) and also in Kosice (+15.4%)

Revenue increase to € 568.6 million (+2.1%), EBITDA climbs 3.8% to € 266.5 million, EBIT up 5.1% to € 166.5 million

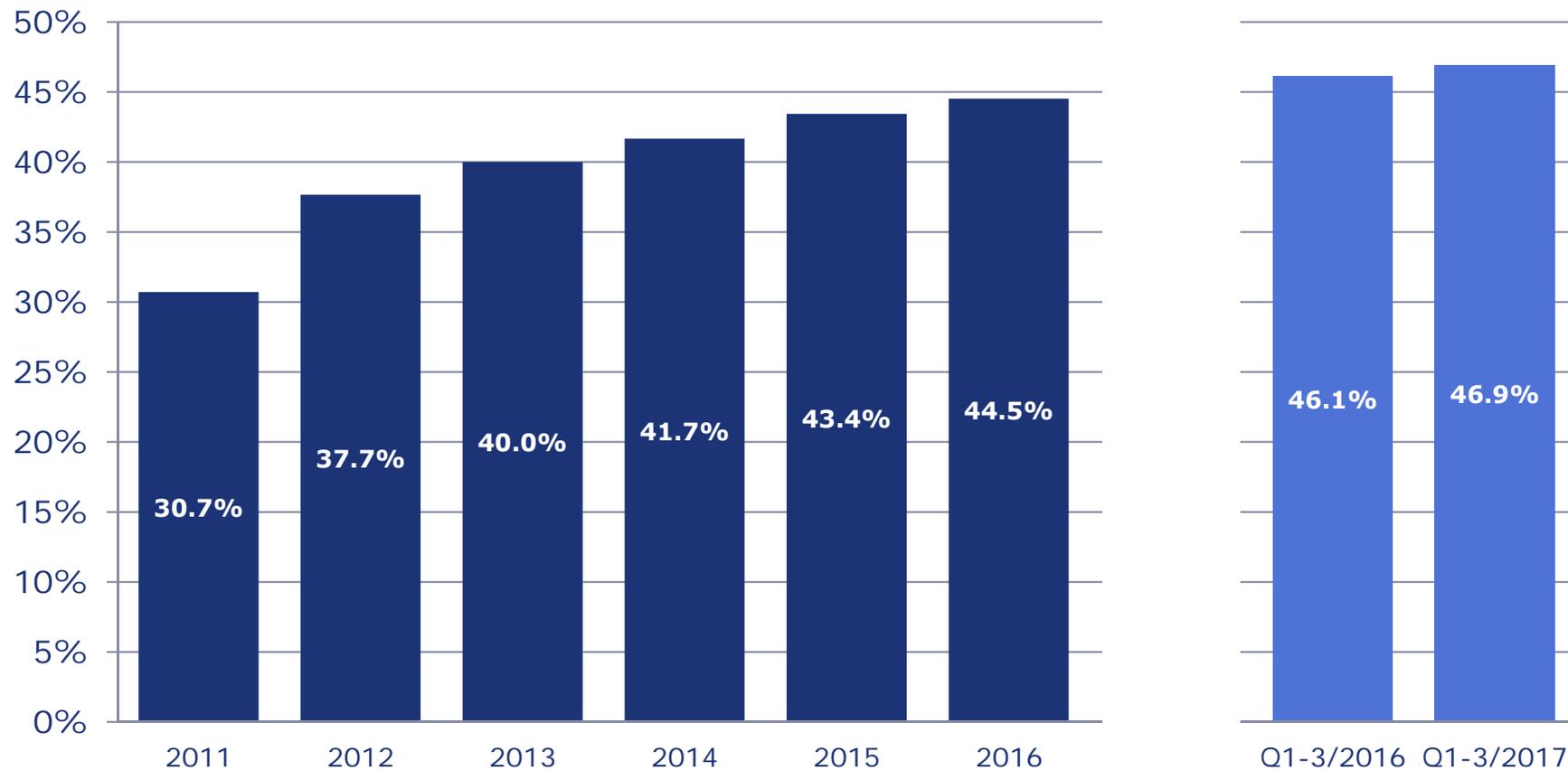
Rise in the net profit for the period¹ to € 114.1 million (+7.1%)

Net debt reduced to € 255.0 million (minus € 100.5 million from 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.

2 *Comparable figures adjusted for Q1-3/2016*
1) *Profit for the period before non-controlling interests*

Sustainably positive development of the EBITDA margin documents substantial productivity increase



Good earnings thanks to revenue development, stable cost level and improved financial results



in € million	Q1-3/2017	Q1-3/2016	Δ in %
Revenue	568.6	556.6	+2.1
Earnings before interest, tax, depreciation and amortization (EBITDA)	266.5	256.6	+3.8
Earnings before interest and taxes (EBIT)	166.5	158.5	+5.1
Financial results	-11.6	-13.6	+14.5
Earnings before tax (EBT)	154.9	144.9	+6.9
Net profit	114.1	106.6	+7.1
Net profit after non-controlling interests	103.9	98.4	+5.6

- ✈ Rise in revenue due to the positive contribution from Malta Airport as well as security fees, apron handling, passenger development and fee adjustments – in spite of partly dampening impact of incentives on revenue
- ✈ Cost level virtually unchanged:
 - ✈ higher personnel expenses after positive one-off effects in the previous year, higher costs for aircraft de-icing material and fuel due to the cold winter
 - ✈ Almost completely offset by reductions in other operating expenses (e.g. maintenance)
- ✈ Improved financial results mainly related to lower interest expense

Expenses: Cost level almost unchanged



- ✈ Expenses for consumables and services used up by € 2.3 million due to higher consumption of de-icing material, fuel and maintenance materials
- ✈ Personnel expenses up € 5.7 million
 - ✈ despite slight drop in the number of employees (4,634 vs. 4,677)
 - ✈ as the result of positive one-off effects related to changed actuarial parameters (€ 2.0 million) in Q1-3/2016 and salary increases mandated by collective wage agreements
- ✈ Other expenses down € 5.7 million
 - ✈ Significant reduction compared to high level of 2016 due to larger maintenance projects in the previous year
 - ✈ Third-party services up € 1.6 million due to externally purchased services (e.g. IT); legal, audit and consulting costs also rise by € 1.5 million year-on-year as a consequence of pending legal proceedings and higher expenses for expert reports
- ✈ Negative deviation in depreciation, amortisation, impairment reversals and impairments primarily due to reversal of impairment loss (one-off effect of € 3.9 million) in Q1-3/2016

in € million	Q1-3/2017	Q1-3/2016	Δ in %
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
Depreciation, amortisation, impairment reversals and impairment	-99.9	-98.1	+1.8

Further reduction of net debt: € 100.5 million below end of 2016



	Q1-3/2017	Q1-3/2016	Δ in %
Net debt (€ million) ¹	255.0	355.5	-28.3
Gearing (%) ¹	21.3	31.1	n.a.
Cash flow from operating activities (€ million)	237.1	212.3	+11.7
Free cash flow (€ million)	115.5	227.2	-49.2
CAPEX (€ million) ²	85.3	69.0	+23.6
Equity (€ million) ¹	1,196.8	1,144.0	+4.6
Equity ratio (%) ¹	57.9	56.7	n.a.

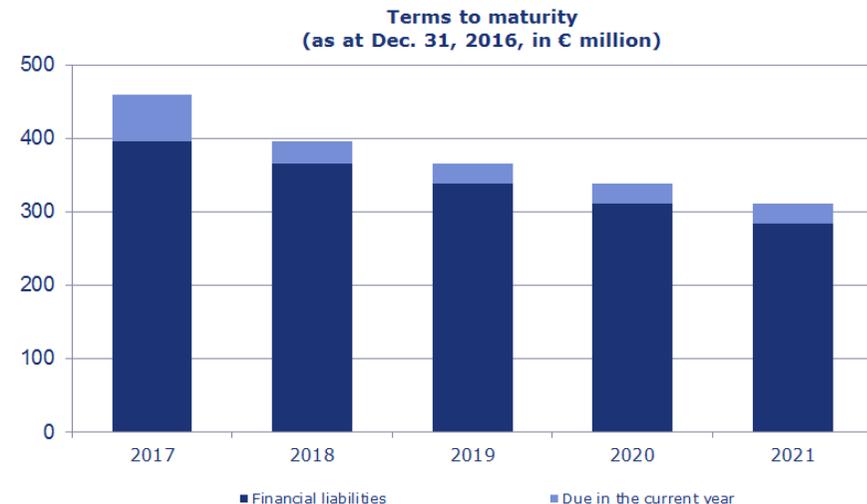
- ✈ Net debt target of under € 350 million more than exceeded
- ✈ Free cash flow decline due to development of cash flow from investing activities – one-off effect in Q1-3/2016 from advance payment by Austrian Airlines (Hermione)

Ongoing positive development of net debt and gearing



- ✈ Net debt reduced by € 100.5 million to € 255.0 million
- ✈ Slight rise in non-current assets
- ✈ Increase in current assets as a consequence of revenue growth as well as higher investments and higher level of cash and cash equivalents
- ✈ Equity rise: the good profit for the period partly offset by lower dividend payments
- ✈ Slight drop in non-current liabilities due to reclassifications according to repayment schedule
- ✈ Increase in the level of current liabilities related to higher allocations to provisions

	30.9.2017	31.12.2016	Δ in %
Net debt (€ million)	255.0	355.5	-28.3
Gearing (%)	21.3	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 (Q1-3/2016: advance payment by Austrian Airlines – Hermione)

✈ Cash flow from operating activities: increase related to improved earnings, lower tax payments and rise in liabilities and provisions at the balance sheet date

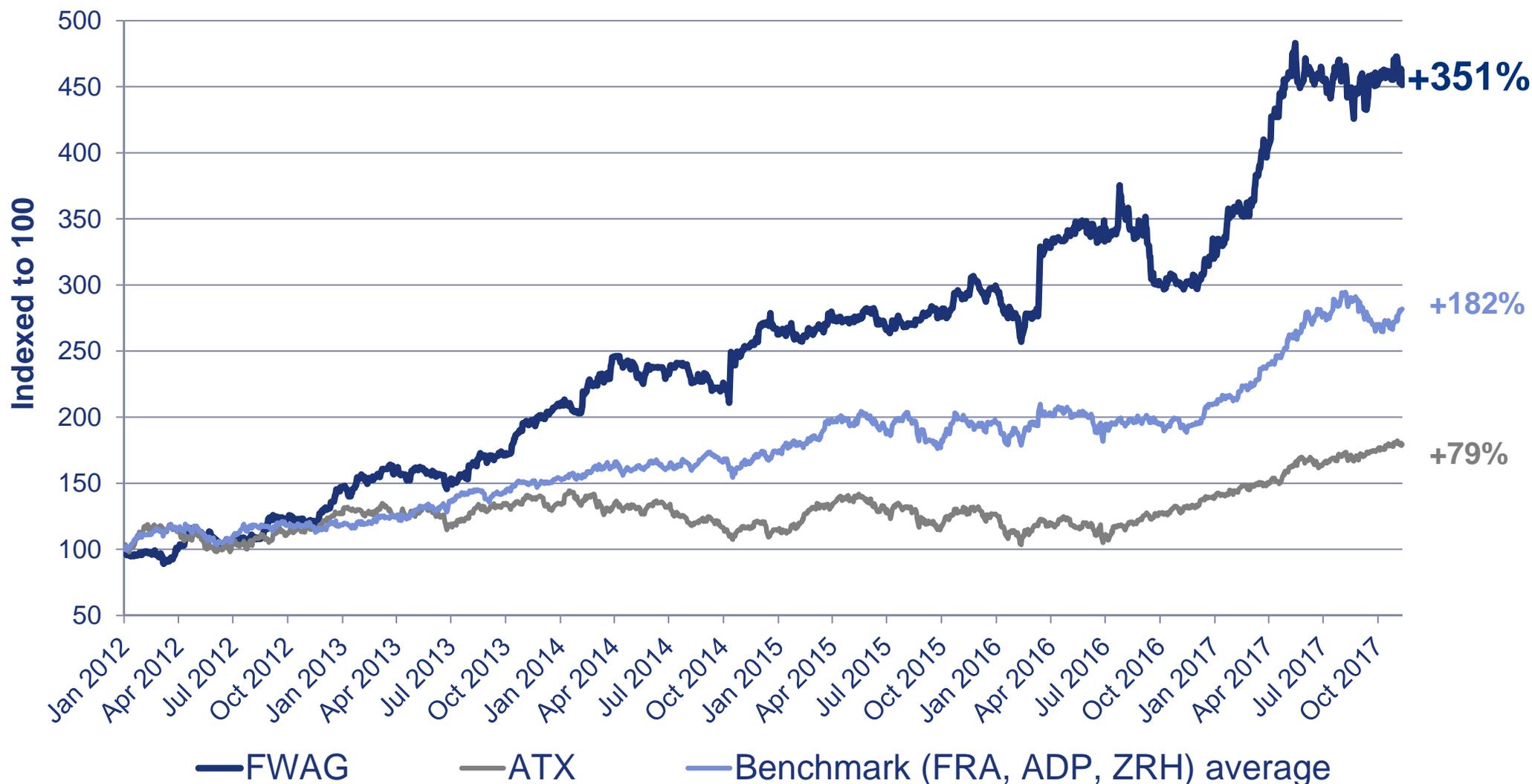
✈ Cash flow from investing activities: decline mainly due to base effect in 2016 (cash inflow from Austrian Airlines – Hermione: € 69.1 million)

✈ Cash flow from financing activities: Q1-3/2017 includes repayment of debt (€ - 89.9 million), dividend payments (€ -59.4 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 € 85.3 million (Q1-3/2016: € 69.0 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 (€ 11.1 million) and terminal renovations in Malta (€ 9.0 million)

in € million	Q1-3/2017	Q1-3/2016	Δ in%
Cash flow from operating activities	237.1	212.3	+11.7
Cash flow from investing activities	-121.6	14.9	n.a.
Cash flow from financing activities	-105.3	-199.7	-47.3
Free cash flow	115.5	227.2	-49.2

Share price development since January 2012: +351%, market capitalisation about € 2.8 bn.



Vienna Airport continues on its growth path



- ✈ Completed expansion of Air Cargo Centers by additional 15,000 m²
- ✈ Major business location projects in the Airport City as shown by DHL
- ✈ Investments of € 30 million for CO₂ reduction measures
- ✈ Planning started for Office Park 4
- ✈ Medical center in the planning stage
- ✈ Sustainable safeguarding of energy supply through photovoltaic facility at Vienna Airport and biomass in the airport region



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 Q1-3/2017

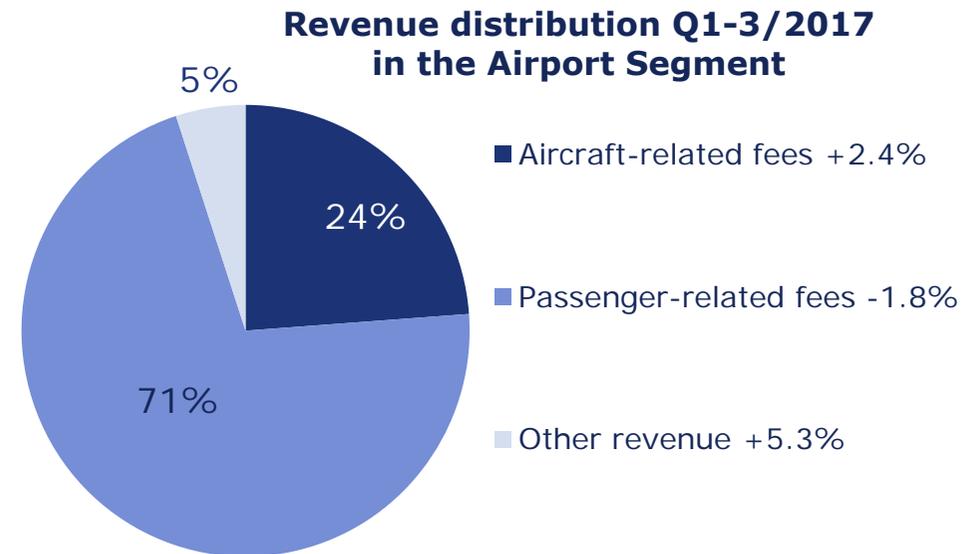


Airport: Positive traffic development continues despite airberlin bankruptcy



- ✈ Passenger volume up 5.7% to 18.7 million travellers
- ✈ Main drivers of this positive development were Austrian Airlines, Eurowings and easyJet, enabling the airport to more than compensate for the significant passenger decline at NIKI and airberlin
- ✈ Flight traffic to Eastern European destinations continued the positive trend and ranked among the growth drivers
- ✈ Strengthening of hub function related to substantial growth in the number of transfer passengers
- ✈ Positive effect of traffic growth dampened by higher incentives
 - ✈ Significant reduction in passenger-related fees due to termination of operations by airberlin and reduced offering of NIKI
 - ✈ New flight traffic to growth markets of Eastern Europe, intercontinental flights and transfer flights with lower average income per passenger. Accordingly, income did not increase in line with passenger growth
 - ✈ Transfer and growth incentives for new flight traffic have a stronger impact and lead to higher incentives
- ✈ Slight decline in revenue reflected in EBITDA and EBIT against the backdrop of stable level of expenses

in € million	Q1-3/2017	Q1-3/2016	Δin%
External revenue	280.3	281.5	-0.4
EBITDA	135.0	136.6	-1.2
EBIT	69.4	70.8	-1.9

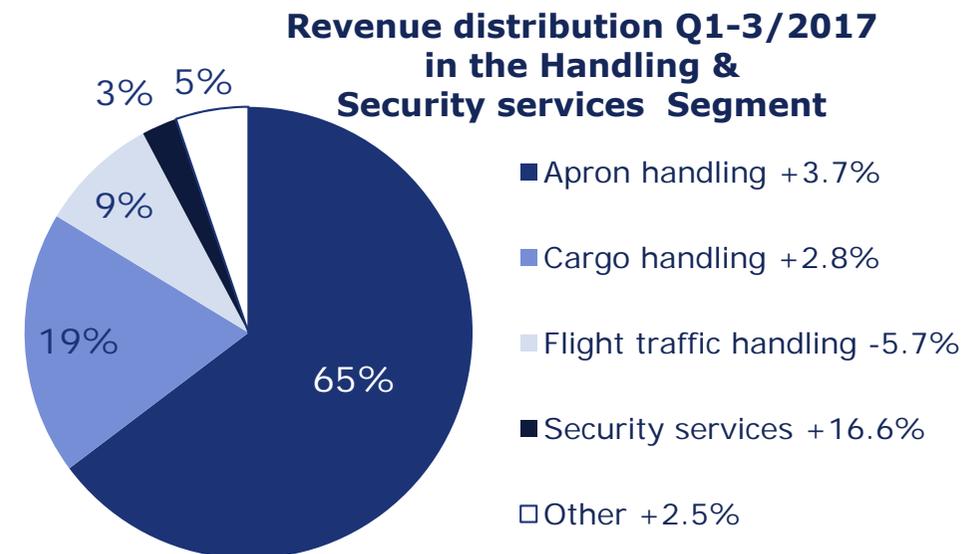


Handling & Security services: Revenue increase despite slight drop in flight movements



- ✈ 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 cost of material (de-icing) and personnel expenses, whereas other expenses remained virtually unchanged
- ✈ EBITDA up slightly: +0.8%
EBIT at the prior-year level due to slightly higher depreciation and amortisation
- ✈ Handling contracts with the Lufthansa Group could be extended

in € million	Q1-3/2017	Q1-3/2016	Δin%
External revenue	120.0	116.6	+2.9
EBITDA	16.6	16.4	+0.8
EBIT	12.4	12.4	-0.1



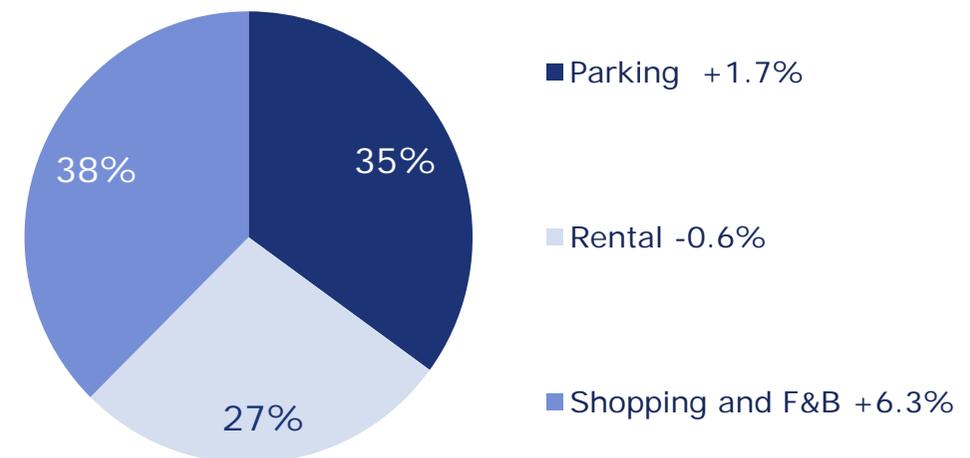
Retail & Properties: Slight rise in revenue



- ✈ Shopping and F&B: recovery due to good development of passengers from Russia and China – slightly disproportionate revenue increase of 6.3% (PRR at € 1.90 vs. € 1.89 in Q1-3/2016)
- ✈ Rental income virtually unchanged (€ -0.2 million)
- ✈ Slight increase in parking income despite pressure from modal split
- ✈ EBITDA rise related to positive revenue development and lower cost level; EBIT only up 1.5% from the previous year due to positive one-off effects in Q1-3/2016 (e.g. impairment reversal of € 3.9 million)

in € million	Q1-3/2017	Q1-3/2016	Δin%
External revenue	94.2	91.7	+2.7
EBITDA	59.6	55.3	+7.8
EBIT	46.4	45.7	+1.5

**Revenue distribution Q1-3/2017
in the Retail & Properties Segment**



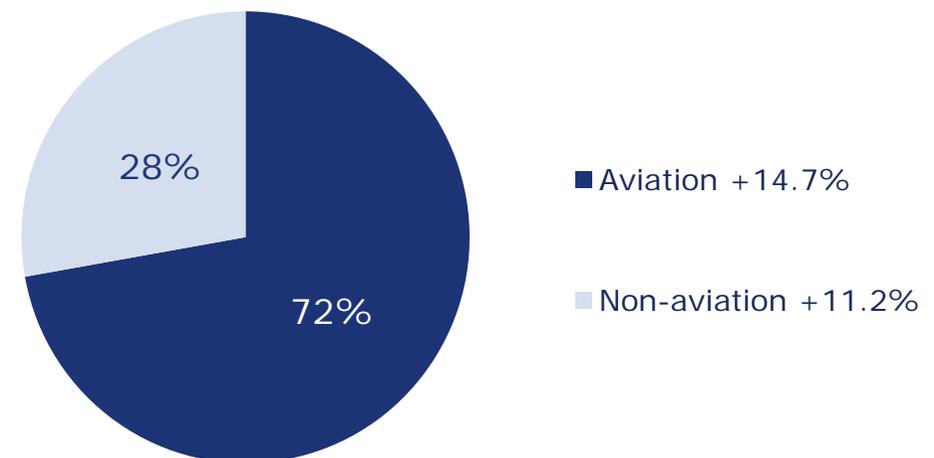
Malta: Earnings increase driven by strong passenger growth



- ✈️ +18.2% rise in passenger volume in Q1-3/2017
- ✈️ 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	Q1-3/2017	Q1-3/2016	Δin%
External revenue	63.1	55.5	+13.7
EBITDA	38.3	31.3	+22.5
EBIT	31.7	24.9	+27.1

Revenue distribution Q1-3/2017 in the Malta Segment



Results of strategic investments



Malta Int. Airport

Q1-3/2017

- ✈ About 4.6 million passengers (+18.2%)

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

Q1-3/2017

- ✈ About 0.4 million passengers (+15.4%)

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 Q1-3/2017



Traffic development Q1-3/2017

Flughafen Wien Group



Group passenger development	Q1-3/2017	Q1-3/2016	Δ in %
Vienna Airport (millions)	18.68	17.68	+5.7
Malta Airport (millions)	4.63	3.92	+18.2
Kosice Airport (millions)	0.40	0.35	+15.4
Vienna Airport and its strategic investments (VIE, MLA, KSC)	23.72	21.94	+8.1

Traffic development/Vienna Airport	Q1-3/2017	Q1-3/2016	Δ in %
Passengers (millions)	18.68	17.68	+5.7
Local passengers (millions)	13.57	12.85	+5.6
Transfer passengers (millions)	5.03	4.75	+5.9
Flight movements (in 1,000)	170.28	171.50	-0.7
MTOW (millions of tonnes)	6.71	6.52	+3.0
Seat load factor (percent)	75.0	73.6	+1.5%p
Cargo incl. trucking (in 1,000 tonnes)	212.25	208.80	+1.6

Share of scheduled carriers



Q1-3/2017	Share in %	Passengers	PAX Δ% vs Q1-3/2016
1. Austrian Airlines	48.2	9,004,132	+14.3
2. Eurowings & Germanwings	9.0	1,689,797	+86.3
3. airberlin	4.2	777,001	-22.1
4. Lufthansa	3.6	675,613	-0.8
5. easyJet Group ¹	3.2	598,558	+33.2
6. NIKI	2.9	547,511	-70.3
7. Turkish Airlines	2.0	375,415	+2.7
8. Emirates	1.9	352,749	+11.9
9. SWISS	1.9	348,017	+23.3
10. British Airways	1.8	338,405	-10.0
11. KLM Royal Dutch Airlines	1.6	291,507	+11.7
12. Aeroflot	1.3	240,369	+17.5
13. Air France	1.2	214,900	+7.3
14. Vueling Airlines	1.0	184,405	+7.6
15. TAP Air Portugal	0.9	162,177	+28.1
Other	15.4	2,883,481	+10.3
Total	100	18,684,037	+5.7
thereof Lufthansa Group ²	63.5	11,871,520	+20.1
thereof NIKI/airberlin	7.1	1,324,512	-53.4

1) easyJet Group: easyJet and easyJet Switzerland

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

Traffic development at Vienna Airport in October 2017



	Oct./2017	Oct./2016	Δ in %
Passengers (millions)	2.19	2.17	+0.9
Local passengers (millions)	1.56	1.54	+2.1
Transfer passengers (millions)	0.60	0.61	-2.2
Flight movements (in 1,000)	20.29	20.35	-0.3
MTOW (millions of tonnes)	783.85	784.06	-0.0
Seat load factor (percent)	75.0	75.1	-0.2%p
Cargo incl. trucking (in 1,000 tonnes)	25.50	27.03	-5.7

- ✈ Total of 2.19 million passengers comprises a 0.9% rise over previous year – growth by Austrian Airlines and Eurowings in contrast to significant decline caused by airberlin and NIKI
- ✈ Passenger development of strategic investments: Malta +15.4%, Kosice +9.9%

New flight offerings and discontinued flight service in 2017



✈️ Austrian Airlines



New: Los Angeles, Mahé (Seychelles), Burgas, Gothenburg, Shiraz
 Frequency increases: Berlin, Düsseldorf, Hamburg, Heraklion, Lviv, Milan, Odessa, Paris, Stockholm, Zurich
 Termination: Barcelona, Jerez, Rome
 New as of 2018: Cape Town, Tokyo

✈️ Thai Airways



New: Bangkok

✈️ NIKI



Reduction to 22 routes in the summer/
 14 routes in the winter

✈️ airberlin (terminated flight operations)



Service discontinued: Berlin, Düsseldorf, Hamburg, Hannover

✈️ UTAir



New: Moscow

✈️ SkyWork



New: Basel

✈️ Eurowings



New: Agadir, Birmingham, Brindisi, Dortmund, Ibiza, Kalamata, Kavala, Lamezia Terme, Madrid, Mytilene, Nice, Olbia, Paphos, Porto, Samos, Thira, Zadar
 Frequency increases: Barcelona, Hamburg, Hannover, Rome
 Termination: Jerez, Valencia

New as of 2018: Catania, Corfu, Funchal, Lanzarote, Larnaka, Marrakech, Tenerife

✈️ Volotea



New: Genoa, Marseille, Nantes
 New as of 2018: Bilbao

✈️ Flybe/Stobart Air



New: London Southend

✈️ S7 Airlines



New: Moscow

✈️ Condor

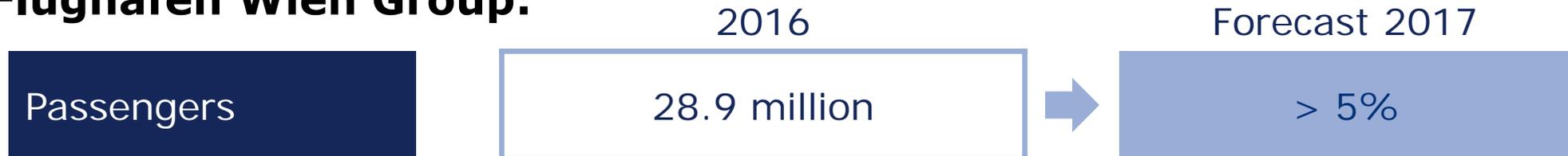


Termination: Punta Cana, Varadero

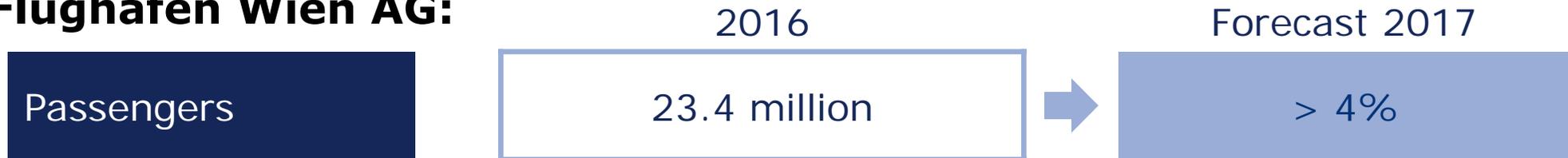
Traffic forecast for 2017:



Flughafen Wien Group:



Flughafen Wien AG:



- ✈ Recovery of flight traffic to Eastern Europe
- ✈ airberlin bankruptcy and far-reaching capacity reductions at NIKI – expected overcompensation by low-cost segment and Lufthansa Group as growth drivers in 2017
- ✈ Growth strategy focuses on expansion of low-cost segment and long-haul routes:
 - ✈ Low cost carriers +48%¹
 - ✈ Numerous long-haul expansions in 2017 and 2018
 - 2017 - New: Austrian Airlines to Los Angeles and Seychelles, Thai Airways to Bangkok; Frequency increases: Korean to Seoul
 - 2018 - New: Austrian Airlines to Tokyo and Cape Town; Frequency increases: EVA Air and China Airlines to Taipei

THANK YOU FOR YOUR ATTENTION!

