**Statement of the Management Board**

**of**

# Flughafen Wien Aktiengesellschaft

**on the**

**voluntary public offer pursuant to sections 4 et seqq of the Austrian Takeover Act**

**by**

**Airports Group Europe S.à r.l.**

**(also referred to as: the “Bidder”)**

*non-certified translation*

**CONTENTS**

# 1 Background

## 1.1 About the Target

Flughafen Wien Aktiengesellschaft (hereinafter “Flughafen Wien AG”, “FWAG” or the “Target”) is a stock corporation under Austrian law with its corporate seat in Schwechat and business address at 1300 Wien Flughafen, Postfach 1, registered with the Commercial Register of the Commercial Court of Korneuburg under FN 42984m. Its registered share capital (*Grundkapital*) amounts to EUR 152,670,000.-- and is divided into 21,000,000 ordinary bearer shares. The shares of Flughafen Wien AG are admitted for trading on the Vienna Stock Exchange and also on the regulated unofficial markets of the Berlin, Munich, Stuttgart, Frankfurt and Hamburg stock exchanges. The shares are also traded internationally on the London SEAQ over-the-counter market. In addition, American Depository Receipts (ADR) programme has been established in the USA, where one share of Flughafen Wien AG corresponds to four ADRs.

Flughafen Wien AG is the general operator of Vienna-Schwechat Airport. As an important hub between East and West, Vienna-Schwechat is one of the leading airports in Europe. Vienna-Schwechat Airport provided connections to 177 destinations in 69 countries in the 2013 financial year. Its catchment area within two hours' travel time covers not only Austria, but also parts of the Czech Republic, Slovakia, Hungary and Slovenia, an area encompassing around 11.8 million people. Within 3 hours, Vienna-Schwechat Airport is accessible to 23.4 million people. Nearly 22 million persons used Vienna-Schwechat Airport in the financial year 2013.

## 1.2 About the Bidder

The Bidder is Airports Group Europe S.à r.l., a limited liability company established under the laws of the Grand Duchy of Luxembourg, with its corporate seat in Luxembourg and its business address at 6C, rue Gabriel Lippmann, L-5365

Munsbach, registered in the Trade and Companies Register of the Grand Duchy of Luxembourg under B 167449 (the "*Bidder*"). The registered share capital of the Bidder amounts to EUR 45,000. The business purpose of the Bidder includes the holding of participations, in particular the acquisition, establishment, holding and managing of undertakings, shareholdings and financial instruments. The Bidder holds no direct or indirect shareholdings in other entities.

#### 1.2.1 Direct and indirect shareholders

The Bidder is a wholly-owned subsidiary of IFM Luxembourg No. 2 S.à r.l., a limited liability company established under the laws of the Grand Duchy of Luxembourg, with its corporate seat in Luxembourg, and its business address at 6C, rue Gabriel Lippmann, L-5365 Munsbach, registered in the Trade and Companies Register of the Grand Duchy of Luxembourg under B 151630 ("*IFM Luxembourg*").

The sole legal owner of IFM Luxembourg is Codan Trust Company (Cayman) Limited, a company established under the laws of the Cayman Islands, with its corporate seat in the Cayman Islands, and its registered office at PO Box 2681, Cricket Square, Hutchins Drive, Grand Cayman KY1-1111, Cayman Islands registered in the Registrar of Companies of the Cayman Islands under company number 55233 ("*Codan Trust*").

Codan Trust holds all shares in IFM Luxembourg as trustee for IFM Global Infrastructure Fund, a multi-series unit trust organised under the Mutual Funds Law of the Cayman Islands under Licence Number 611295 with its seat in the Cayman Islands and its business address at 2nd Floor, Cricket Square, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands ("*IFM GIF").*

#### 1.2.2 About IFM Investors

IFM Investors Pty Limited is the principal advisor of IFM GIF pursuant to an advisory agreement. IFM Investors is a global investment manager and advisor with EUR 35 billion in assets under advisory and management across four main asset classes.

IFM Investors is a wholly-owned subsidiary of IFM Holdings Pty Limited. IFM Holdings Pty Limited is a wholly-owned subsidiary of Industry Super Holdings Pty Limited. Industry Super Holdings Pty Limited is wholly-owned by 30 Australian not-for-profit pension funds who are regulated by the Australian Prudential Regulation Authority. Many of these funds are also investors in IFM Investors' managed assets, ensuring strong alignment of interest between IFM Investors and those funds as well as their ultimate beneficiaries. None of the 30 Australian not-for-profit pension funds holds a controlling interest in Industry Super Holdings Pty Limited.

Since 1995, IFM Investors – in each case through its managed or advised funds – has made numerous acquisitions in the infrastructure sector providing its investors with exposure to a portfolio of diversified infrastructure investments. Today, IFM Investors is one of the largest infrastructure investors in the infrastructure sector with investments totalling over EUR 10 billion in critical infrastructure around the world.

IFM Investors also has long-standing investments in the airport industry with investments in 13 airports handling 120 million passengers and 1.1 million air traffic movements per year.

For further details, please see section 2 of the Bidder's offer document.

### 1.2.3 Parties acting in concert

The Bidder names the parties acting in concert below (2.3 of the offer document):

Pursuant to section 1 (6) of the Austrian Takeover Act (Übernahmegesetz – hereinafter: “Act”) parties acting in concert are natural or legal entities who, on the basis of an arrangement, cooperate with the Bidder in an attempt to obtain control of or exercise control over the target, especially by coordinating the way in which they exercise their voting rights. If a party directly or indirectly holds a controlling interest (section 22 (2) and (3) of the Act) in one or more other entities, it will be assumed (rebuttable presumption) that all of these parties are acting in concert with each other. According to this definition,

- IFM Luxembourg

- IFM GIF

- Codan Trust (solely in its capacity as trustee of IFM GIF)

- Eurogrid International CVBA

- Eurogrid GmbH

- 50Hertz Transmission GmbH

- IFM Investors (solely in its capacity as advisor to IFM GIF)

- IFM Holdings Pty Limited

- Industry Super Holdings Pty Limited

are deemed to be parties acting in concert with the Bidder. Due to the fact that IFM GIF holds additional participations in entities, there may be further parties acting in concert with the Bidder within the meaning of section 1 (6) of the Act. In addition, for the sake of prudence, IFM investors, as “principal advisor”, shall also be considered to qualify as a party acting in concert within the meaning of section 1 (6) of the Act for the purposes of this offer.

### 1.2.4 Shareholding of the Bidder in the Target

At the time of publication of the offer, the Bidder, including its managing directors, and the parties acting in concert with the Bidder hold no shares in the Target.

## 1.3 Offer/Statement by the Target

On 7 November 2014, the Bidder published a voluntary public offer pursuant to sections 4 et seqq of the Act for the acquisition of a minority stake of up to 29.9% of the share capital of Flughafen Wien AG. The offer is subject to conditions precedent that must be satisfied during the acceptance period for the offer to complete (see section 2).

Pursuant to section 14 (1) of the Act, the Management Board and the Supervisory Board of Flughafen Wien AG are required to prepare reasoned statements on the offer immediately after publication of the offer document and to publish this within ten trading days of publication of the offer document, but no later than five trading days before the end of the acceptance period. In particular, these statements must include an assessment of whether the consideration offered and the other content of the takeover offer adequately take account of all shareholders' interests and the impact the takeover offer is expected to have on Flughafen Wien AG, particularly its employees (jobs, employment conditions and changes to sites), creditors and the public interest, based on the Bidder's strategic plan for Flughafen Wien AG. In the absence of a recommendation, the Management Board and Supervisory Board must at least present the arguments for accepting the offer and those for rejecting the offer, while emphasising the key points of view.

With the statement provided here, the Management Board of Flughafen Wien AG is fulfilling this legal obligation.

Assessments in this statement by the Management Board related to the offer price or future development of Flughafen Wien AG depend to a considerable extent on assessments of the future and are based on forecasts that, by their nature, are highly uncertain. In connection with legal issues, it should be noted that the Austrian Takeover Commission and other decision-making bodies may later come to differing assessments. The Management Board of Flughafen Wien AG is not aware of any circumstance that gives reason to doubt the accuracy and completeness of the information provided by the Bidder. In this statement, therefore, the Management Board assumes the accuracy and completeness of such information from the Bidder.

## 1.4 Syndication agreement

50% of Flughafen Wien AG's shares are in free float. Of the remaining 50%, the two key syndicated shareholders – the province of Lower Austria (through NÖ Landes-Beteiligungsholding GmbH) and the City of Vienna (through Wien Holding GmbH) – each hold 20% of the shares. The remaining 10% is held by Flughafen Wien Mitarbeiterbeteiligung Privatstiftung, a private foundation whose beneficiaries comprise all the active employees of FWAG.

**Syndicate agreement**

40% of the shares are held under a syndication agreement by two key shareholders: the federal province of Lower Austria (4.2 million no-par value shares) and the City of Vienna (4.2 million no-par value shares). The voting agreement, which was concluded in 1999 and has not been amended since, calls for the joint exercise of voting rights on the syndicated shares at the annual general meeting. Amendments to the syndication agreement, dissolution of the syndicate and resolutions to admit new partners to the syndicate require unanimous agreement. The syndication agreement provides for reciprocal rights of purchase if one party intends to sell its syndicated shares to a buyer outside the syndicate (third party) through a legal transaction in exchange for return compensation. This reciprocal right of purchase does not apply if the syndicated shares are transferred to a holding company in which the transferring syndicate partner owns at least a majority stake. The company is not aware of any other limitations on voting rights or the transfer of shares.

# 2 Financial performance of the Target

## 2.1 Key figures

The consolidated financial performance of the Target in accordance with IFRS was as follows in the 2013, 2012 and 2011 financial years:

| in EUR million (unless stated otherwise) | **2013** | **2012** | **2011** |
|---|---|---|---|
| Total revenue | 622.0 | 607.4 | 582.0 |
| thereof Airport* | 331.4 | 315.3 | 294.6 |
| thereof Handling* | 151.9 | 155.9 | 160.5 |
| thereof Retail & Properties* | 121.2 | 119.5 | 110.6 |
| thereof Other Segments* | 17.5 | 16.6 | 16.1 |
| EBITDA | 241.5 | 221.4 | 189.0 |
| EBITDA margin (in %)[1] | 38.8 | 36.5 | 32.5 |
| EBIT | 112.1 | 108.0 | 67.2 |
| EBIT margin (in %)[2] | 18.0 | 17.8 | 11.5 |
| ROCE (in %)[3] | 5.1 | 4.9 | 3.2 |
| Net profit after non-controlling interests | 73.3 | 71.9 | 31.6 |
| Cash flow from operating activities | 204.4 | 179.7 | 178.9 |
| Equity | 905.9 | 851.6 | 811.4 |
| Equity ratio (in %) | 46.4 | 41.3 | 37.7 |
| Net debt | 633.4 | 719.6 | 751.7 |
| Total assets | 1,953.9 | 2,061.8 | 2,150.2 |
| Gearing (in %) | 69.9 | 84.5 | 92.6 |
| Capital expenditure[4] | 72.8 | 101.2 | 260.2 |
| Income taxes | 23.5 | 21.4 | 13.5 |

| | | | |
|---|---|---|---|
| Average number of employees[5] | 4,399 | 4,475 | 4,525 |
| Number of employees on 31/12 | 4,247 | 4,306 | 4,500 |
| Number of shares issued (in million) | 21 | 21 | 21 |
| P/E ratio (as of 31/12) | 17.5 | 12.6 | 19.4 |
| Earnings per share (in EUR) | 3.49 | 3.42 | 1.50 |
| Dividend per share (in EUR) | 1.30 | 1.05 | 1.00 |
| Dividend yield (as of 31/12 in %) | 2.1 | 2.4 | 3.4 |
| Pay-out ratio (as a % of net profit) | 37.3 | 30.5 | 66.5 |
| Market capitalisation (as of 31/12) | 1,281.0 | 902.8 | 614.3 |
| Stock price: High (in EUR) | 61.43 | 42.99 | 51.98 |
| Stock price: Low (in EUR) | 41.00 | 26.04 | 25.70 |
| Stock price: Price as of 31/12 (in EUR) | 61.00 | 42.99 | 29.25 |
| Carrying amount per share (in EUR) | 43.14 | 40.55 | 38.64 |
| Market weighting ATX/ATX Prime[6] | 1.4 | 1.1 | 1.0 |

Source: Flughafen Wien AG 2013 annual report

* 2012 adjusted to the new segment presentation, 2010 and 2011 old presentation; 1) EBITDA margin = earnings before interest, taxes, depreciation and amortisation/revenue; 2) EBIT margin = earnings before interest and taxes/revenue; 3) ROCE (return on capital employed after tax) = (EBIT less allocated taxes)/Average capital employed; 4) Capital expenditure: Intangible assets and property, plant and equipment including corrections to invoices from previous years; 5) Average number of employees for the year weighted by level of employment, including apprentices, excluding employees on official non-paying leave (maternity, military etc.), and excluding members of the Management Board and managing directors; 6) ATX Prime: reclassification of the VIE share from the ATX to the ATX Prime as of March 2011.

## 2.2 Analysis of carrying amount of equity

| Key financial figures | 2013 | 2012 | 2011 |
|---|---|---|---|
| Net debt in EUR million[1] | 633.4 | 719.6 | 751.7 |
| Equity ratio in % | 46.4 | 41.3 | 37.7 |
| Gearing in %[2] | 69.9 | 84.5 | 92.6 |
| Carrying amount of equity in EUR million | 905.9 | 851.6 | 811.4 |
| Working capital in EUR million | -80.1 | -77.5 | -111.3 |
| Fixed assets/balance sheet total in %[3] | 95.1 | 92.7 | 89.5 |
| Asset coverage in %[4] | 89.0 | 88.2 | 94.3 |

Source: Flughafen Wien AG 2013 annual report

1) Net debt = Interest-bearing liabilities – cash and cash equivalents; 2) Gearing = (Interest-bearing liabilities – cash and cash equivalents)/Equity; 3) Fixed assets/balance sheet total in % = Non-current assets/total assets in %; 4) Asset coverage in % = (Equity + non-current liabilities)/Non-current assets

Based on the Company's consolidated annual financial statements for the year ended 31 December 2013, the carrying amount per share is around EUR 43.1. The offer price is thus around EUR 36.9 higher than the carrying amount per share based on the annual financial statements for the year ended 31 December 2013 (i.e. around 86% higher).

Equity rose by 2.1% between 31 December 2013 and the end of the second quarter of 2014 due to the first half net profit of EUR 44.0 million, the change in other reserves (EUR 1.9 million) and the dividend pay-out (EUR 27.3 million) to EUR 924.6 million (31 December 2013: EUR 905.9 million). This represents a carrying amount per share of around EUR 44. Thus, based on the financial statements for the six months ended 30 June 2014, the offer price is around EUR 36 higher than the carrying amount per share, i.e. around 82% higher.

The equity ratio improved to 48.2% as a result of the net income for the period and of the decline in total assets due to the repayment of debt and the reduction of carrying amounts as result of scheduled depreciation and amortisation (year-end 2013: 46.4%).

## 2.3 Risk and opportunities analysis

### Geographic position & catchment area

Benefitting from its geographic position, Vienna Airport regards itself as an important hub to destinations in Central and Eastern Europe and the Middle East. Vienna currently provides an extensive offering of 177 destinations in 69 countries (as of year-end 2013).

Vienna-Schwechat Airport's catchment area within two hours' travel time covers not only Austria, but also parts of the Czech Republic, Slovakia, Hungary and Slovenia. Around 11.8 million people live within this travel time to the airport, and within three hours it is accessible to 23.4 million people. The increasing expansion of infrastructure in bordering countries is generating an expansion of the relevant catchment area for Vienna Airport.

Vienna Airport's catchment area is one of the fastest-growing regions in Europe. The economic catch-up process in these regions is also creating a growing willingness to travel.

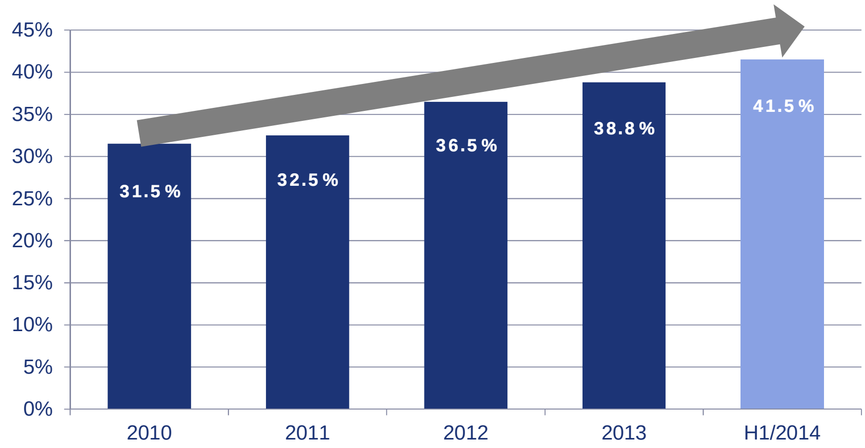
Once the new train station at Vienna Airport begins operation, and in cooperation with Austrian Federal Railways (ÖBB), intercity trains from the west will be able to travel directly to Vienna Airport via Vienna Central Station. This will reduce the Linz - Vienna/Airport travel time to around 1 hour 40 minutes and the Salzburg - Vienna/Airport travel time to around 2 hours 45 minutes.

### Productivity increase

Flughafen Wien Group is implementing a large number of strategic measures to increase productivity, streamline processes and sustainably improve cost efficiency.

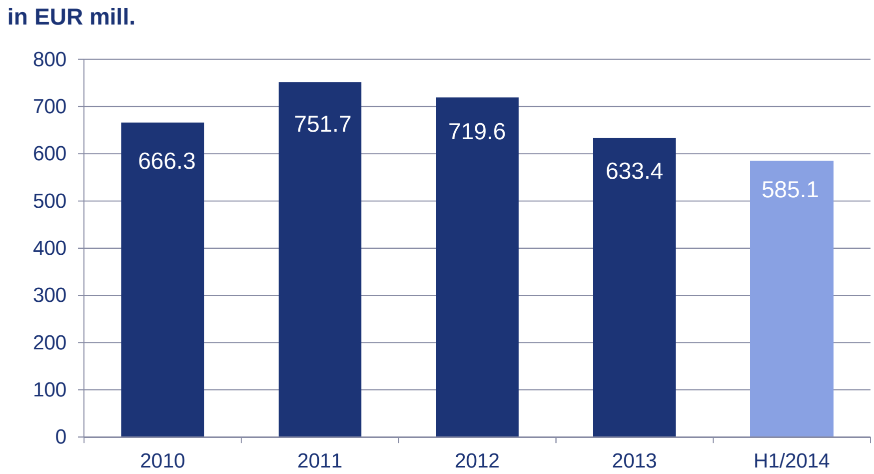
Flughafen Wien AG's EBITDA margin documents a clear gain in productivity.

Changes in the EBITDA margin 2010 – 2014:




FWAG has also successfully reduced its net debt. This provides financial leeway for future corporate spending:

Changes in net debt 2010 – 2014:



**Quality**

Vienna Airport boasts high service quality as a result of short transfer times, excellent baggage reliability and a punctuality rate that is consistently amongst the best in Europe.

In addition to providing terminal areas, aircraft parking and an improved taxiway system, runway capacity is also an important requirement for reaping the benefits of the expected growth in air traffic in future. The environmental impact assessment for the construction of a third runway brought a positive decision in the first instance. A ruling issued on 10 July 2012 approved the construction and operation of “Parallel runway 11R/29L” by FWAG. This first-instance decision lists 460 requirements to protect residents and the environment. The appeal period ended on 24 August 2012 and objections were filed by 28 parties. The jurisdiction for the appeals was transferred to the new federal administrative court at the end of 2013 following a change in legal regulations. In view of the present circumstances, FWAG expects a decision next year. It is possible that the further course of action will involve the supreme courts or potentially even the European Court of Justice.

**Non-aviation services**

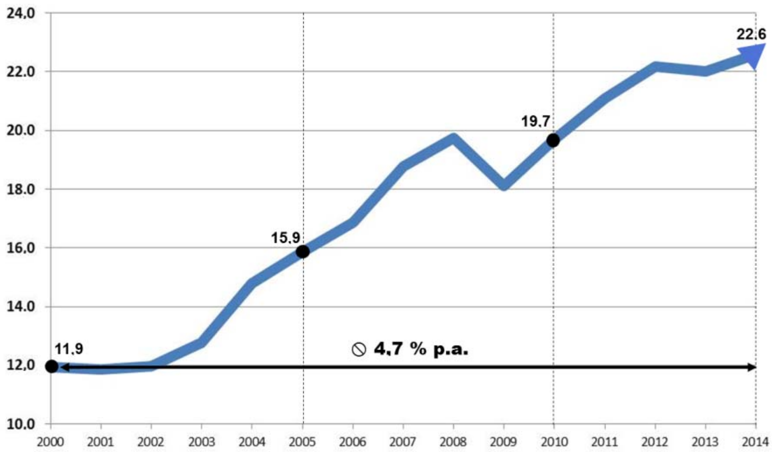
FWAG sees particular growth potential in shopping and gastronomy. A bundle of various measures is planned specifically to increase the attractiveness of the offering in this area in the next few years and close the gap with the leading international airports. This includes optimising the shop mix, expanding the offering with new brands, making shopping areas more attractive and redesigning passenger flow in the terminal (e.g. walk-through concepts).

In the area of real estate, FWAG is pursuing a balanced development strategy towards “Airport City Vienna”. The product segments with an attractive risk/return profile will be aggressively expanded in next few years. This particularly includes the areas of hotel operations, meeting & conferencing, offices and freight real estate. FWAG will be involved in the value chain to a greater or lesser extent depending on the project.

**Aviation/Third runway project**

In the past few years, Vienna Airport has recorded exceptionally strong traffic growth:

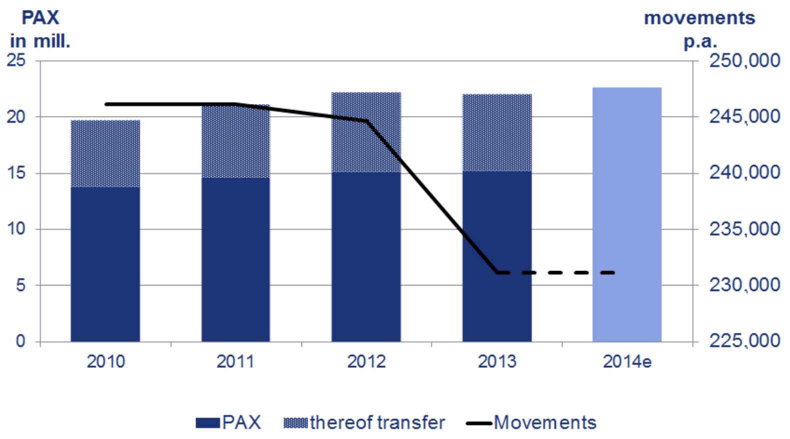
PAX performance 2000 – 2014e, in million passengers:




Air traffic remains a growth market. Traffic volume is expected to double in the next 20 years[1].

[1] Global Market Forecast 2013 (by Airbus)

Contrary trends in passenger numbers and movements:




The pressure on runway capacity has increased in parallel with the increase in passenger numbers in the last few years. A continuing trend towards larger aircraft and a rise in seat occupancy is emerging.

The parallel runway 11R/29L project (third runway) is currently seeking approval from the authorities in the second instance and aims to be able to provide airlines with long-term growth prospects at the site.

**Macroeconomic risks**

FWAG's business is primarily influenced by the global development of air traffic, which in turn largely depends on macroeconomic developments. Economic fluctuations, political crises and natural disasters can therefore have a significant influence on FWAG.

In addition, traffic is influenced by other external factors such as terrorism, war or other shocks (pandemics, airspace closures due to natural phenomena, strikes etc.). Increasing trade barriers, sanctions and political crises could adversely affect the global air-traffic supply and demand situation. Flughafen Wien AG closely monitors and evaluates these developments in order to introduce countermeasures if necessary. The trend in oil prices and the related price of kerosene can also exert a considerable influence on air traffic.

**Market risks and risks due to customer structure**

In the field of cargo, the market power of a small number of airlines and forwarding companies represents a certain risk. By constantly monitoring the airlines and acquiring new customers, FWAG intends to create broader diversification of the portfolio and thus reduce this risk. In addition, freight development is highly sensitive to economic fluctuations.

From FWAG's point of view, EU emissions directives and environmental standards mean the position of European airlines and thus European airports as transfer hubs has been significantly weakened compared to alternative sites outside of Europe.

The attractiveness of European airports as transfer hubs and the amount of transfer traffic could be affected by these developments in the medium term.

*Economic situation of our main customers (our home carriers):*

FWAG expects competition and cost pressure for airlines to remain high. It is to be assumed that airlines will continue the programmes that they have already initiated to increase efficiency and profitability (cutting costs, optimising the portfolio, slowing down fleet expansion or fleet reduction). This will further increase the cost pressure on European airports.

Austrian Airlines Group (a wholly-owned subsidiary of the Lufthansa Group) is FWAG's largest customer with a 49.1% share of the total passenger volume at Vienna Airport. Its long-term performance as a high-performing home carrier and the network strategy of Star Alliance, in which Austrian Airlines Group is a partner, have a significant influence on FWAG's business success.

The airberlin Group airlines NIKI and airberlin are FWAG's second and third largest customers with market shares of 11.0% and 6.1%, respectively. These airlines experienced a decline in passenger numbers in 2013 associated with the cancellation of their Eastern European hub.

NIKI was able to further expand its role as a hub to Greece within the airberlin Group at the Vienna site (with 19 destinations in this country at the start of 2014). Vienna thus plays an important part in airberlin Group's development plan.

Despite improving cost efficiency, and participation and support by Etihad Airways, airberlin Group's future earning situation is fraught with uncertainty.

*Pressure on earnings in handling services as a result of subdued growth in aircraft movements and deregulation in the area of handling services:*

Airlines are putting increased price pressure on handling services while at the same time asking for a higher quality of service. Service level agreements (SLA) that include penalties for not achieving quality are being agreed with greater frequency.

The number of aircraft movements essential for handling revenues has decreased due to increases in efficiency at airlines (larger aircraft and higher seat occupancy). This development and the aggressive market presence of competitors put income from handling under growing pressure.

The further deregulation of ground handling services creates a challenge for Vienna Airport. Among other changes, the new requirements call for the licensing of at least three agents (currently two) to provide ramp handling services at Vienna Airport and also give airlines the right to carry out their own handling. This would further increase competitive pressure and the risk of losing market share to other providers would rise.

*Hubs for up-and-coming carriers from the Middle East*

The emergence of new hubs in the Middle East and Turkey may lead to a shift in global (transfer) traffic flows, endangering the position of FWAG's main customer Lufthansa and Vienna Airport's position as a transfer hub.

## 2.4 Development of investments in companies accounted for under the equity method

The Flughafen Wien Group's holdings include investments in two international airports. FWAG holds a stake in Malta Airport amounting to around 33% of its shares. Flughafen Wien AG has an indirect holding of 66% of Košice Airport.

Malta Airport reported a 10.4% year-on-year increase in its passenger numbers to 4,031,376 passengers in 2013 and thus a new record result. Momentum for this exceptional growth has continued in 2014.

In the 2013 financial year, Košice Airport reported a slight year-on-year rise of 0.6% in the number of passengers to 237,165. In the period from January to September 2014, passenger growth of 54.2% was achieved through the acquisition of a new customer (Wizz Air).

# 3 Conditions of the offer

## 3.1 Conditions Precedent

The Bidder's offer is subject to the following conditions precedent:

(A) Minimum acceptance threshold

Until the end of the acceptance period, the Bidder has received declarations of acceptance for at least 4,200,000 (four million two hundred thousand) shares (the "*Minimum Acceptance Threshold*"), corresponding to 20% (twenty percent) of the total share capital of the Target.

(B) Merger control

Until the Long Stop Date, the share acquisition pursuant to this Offer has been approved by the competent competition authority in Austria without restrictions and undertakings.

If not all of the Conditions Precedent have been fulfilled or waived by the Bidder until the time periods set out herein, the conditional agreement for the purchase of the Tendered Shares concluded due to acceptance of the Offer shall not become effective

## 3.2 Waiver of conditions precedent

The Bidder reserves the right to waive the fulfilment of each of the conditions precedent, in which case it/they shall be deemed fulfilled. For details of this see section 5.2 of the Bidder's offer document.

Further, the Bidder is entitled to amend the conditions precedent to the benefit of the shareholders in accordance with section 15 of the Act.

# 4 Content of the offer

## 4.1 Offer Shares

The objective of the offer is to acquire up to 29.9% of the share capital of Flughafen Wien AG.

Based on the above paragraph, the Bidder's offer is thus aimed at the acquisition of up to 6,279,000 shares in Flughafen Wien AG (hereinafter, the “Shares under Offer”).

American Depository Shares:
Due to the custodian agreement concluded on 1 December 1994 between Flughafen Wien AG and the Bank of New York Mellon (“BNY Mellon”) as custodian bank, holders of Flughafen Wien shares may deposit their shares at BNY Mellon or UniCredit Bank Austria AG, which has been appointed as a depositary bank by BNY Mellon, in return for the issue of so-called American Depository Shares (“ADS”) (the “Custodian Agreement”). The ADSs represent the deposited Flughafen Wien shares, and the holders of the ADSs are third-party beneficiaries of the Custodian Agreement under the law of obligations. The Custodian Agreement additionally stipulates that the ADSs are represented by so-called American Depository Receipts (“ADRs”) when entered in BNY Mellon's ADS register.

Each 4 ADRs (American Depository Receipts) represent one Flughafen Wien share. As at the end of 2013, there were 34,032 (as of 30 June 2014: 15,280) ADRs in circulation. BNY Mellon passes dividend payments and other distributions made by Flughafen Wien AG on to the holders of ADSs. BNY Mellon generally makes monetary payments in US dollars after conversion of amounts received in another currency. In accordance with the terms and conditions of the custodian agreement, every ADS holder is entitled to return their ADSs to BNY Mellon at any time in return for the number of Flughafen Wien shares represented by the ADSs they have returned.

The Offer of the Bidder does not extend to ADS, irrespective of whether they are certificated in the form of ADR, or not. (See section 3.3 of the offer)

## 4.2 Offer Price

In accordance with the terms and conditions of its offer, the Bidder is making an offer to the holders of the Shares under Offer to acquire the Shares under Offer at a price of EUR 80.00 (in words: eighty point zero zero Euros) cum 2014 dividend per share (the "Offer Price"). "Cum 2014 dividend" means that accepting shareholders will not receive any dividend paid out for the 2014 financial year in addition to the Offer Price.

The Bidder has analysed the publicly available information on the Target and made a valuations based on its expertise in the airport sector. For the purpose of calculating the Offer Price, the Bidder has applied customary valuation methodologies (discounted cash flow method, trading multiples of listed companies and comparisons of reports by research analysts).

According to section 2.4 of the offer, at the time of publication of the offer, the Bidder, including its managing directors, and the parties acting in concert with the Bidder hold no shares in the Target.

The Bidder reserves the right to improve this offer after its publication, including increasing the number of shares under offer or waiving or decreasing the Minimum Acceptance Threshold. If the acceptance period is not extended, the Bidder must publish such improvement no later than 28 November 2014.

## 4.3 Fairness of the Offer Price

### 4.3.1 Relationship of the Offer Price to the historic share price

On the last trading day prior to the announcement of the intention to make the offer, 10 October 2014, the closing price of the Flughafen Wien share on the Vienna Stock Exchange was EUR 61.69. The Offer Price of EUR 80.00 thus represents a premium of EUR 18.31 (29.68%) to the share's closing price on 10 October 2014.

The Offer Price represents the following premia to the volume-weighted average price in EUR for the last 1 (one), 6 (six), 12 (twelve), 24 (twenty-four) and 36 (thirty-six) calendar months prior to the announcement of the intention to make the offer (on 13 October 2014):

| | **1 month**[1] | **6 months**[2] | **12 months**[3] | **24 months**[4] | **36 months**[5] |
|---|---|---|---|---|---|
| Average price | 64.50 | 67.50 | 64.49 | 55.94 | 47.50 |
| Premium | 24.03% | 18.52% | 24.05% | 43.01% | 68.42% |

Source: Wiener Börse AG; basis: Average share price of the Target weighted by volume

1) Calculation period: 11 September 2014 to 10 October 2014 (inclusive)

2) Calculation period: 11 April 2014 to 10 October 2014 (inclusive)

3) Calculation period: 11 October 2013 to 10 October 2014 (inclusive)

4) Calculation period: 11 October 2012 to 10 October 2014 (inclusive)

5) Calculation period: 11 October 2011 to 10 October 2014 (inclusive)

Liquidity in past years was as follows:

| | **2012** | **2013** | **2014**[1] |
|---|---|---|---|
| Average daily trading volume (number of shares) | 23,421 | 22,299 | 27,803 |

Source: Wiener Börse AG (double counting)

1) Calculation period: to and including 10 October 2014

### 4.3.2 Analyst reports/Third-party valuation

The Management Board of Flughafen Wien AG has reviewed a selection of recently published analyst reports. These depict the following:

| Institution | Date[1] | Price target (in EUR) | Rating |
|---|---|---|---|
| Nomura | 8 Sep 2014 | 66.0 | neutral |
| KeplerCheuvreux | 19 Aug 2014 | 71.0 | hold |
| JPMorgan | 20 May 2014 | 72.0 | neutral |
| Morgan Stanley | 7 Oct 2014 | 72.0 | overweight |
| Erste Bank | 23 May 2014 | 75.0 | hold |
| RCB | 22 Aug 2014 | 77.5 | buy |
| Commerzbank | 19 Aug 2014 | 78.0 | buy |
| RBC | 19 Aug 2014 | 81.0 | outperform |
| Goldman Sachs | 20 May 2014 | 82.5 | buy |
| UBS | 19 Aug 2014 | 88.0 | buy |

1) Current analyses since 20 May 2014, publication of the Q1/2014 results until the last trading day (10 October, 2014) before the announcement of the intention to make an offer

The Management Board points out that these analyst reports were not taken from the Bidder's offer document. The analyst reports were selected and examined based on which analyst reports were published most recently prior to the announcement of the intention to make an offer. In so doing, the Management Board selected the reports that were published following the publication of the 2014 first-quarter report – and thus those that take the current developments of the last six months into account.

The table shows that the Offer Price of EUR 80.0 is within the range of analyst price target recommendations of EUR 66.0 to EUR 88.0

## 4.4 Offer acceptance period and settlement

The period for accepting the offer is five (5) weeks or twenty-five (25) (US) trading days. The offer can therefore be accepted from 7 November 2014 until 3 p.m. local time in Vienna on 12 December 2014. The Bidder expressly reserves the right to extend the acceptance period. For details of the settlement of the takeover offer, see section 6 of the offer document.

## 4.5 Sell-out Period

For those shareholders who have not accepted the offer within the acceptance period, the acceptance period is extended for three months from the announcement (publication) of the result of the offer if the Minimum Acceptance Threshold has been reached by the end of the acceptance period (the sell-out period pursuant to section 19 (3) 3. of the Act).

## 4.6 Announcements and publication of the result

The result of this offer will be published on Flughafen Wien AG's website (www.viennaairport.com) and on the website of the Austrian Takeover Commission (www.takeover.at) and as an announcement in the Official Gazette of the Wiener Zeitung immediately after the end of the acceptance period. The same applies to all other statements and notifications by the Bidder prescribed by the Act in connection with the voluntary public offer.

## 4.7 Equal Treatment

The Bidder confirms in the offer document that the Offer Price is the same for all shareholders.

The Bidder (and Parties Acting in Concert with the Bidder) will not make any legal declarations, directed to the acquisition of Shares at conditions that are more favourable than those contained in this Offer, until the end of the Acceptance Period -

or, if applicable, until the end of the Sell-out Period - unless the Bidder improves this Offer accordingly or the Takeover Commission grants an exemption for important cause pursuant to Section 16 para 1 of the Act. If the Bidder (or any party acting in concert with the Bidder) declares that it will nevertheless acquire shares at conditions that are more favourable than those contained in this Offer, then such more favourable conditions also apply for all other shareholders, irrespective of whether they have already accepted the offer.

If the Bidder (or any party acting in concert with the Bidder) acquires shares within a period of nine (9) months after the end of the acceptance period or, if applicable, after the end of the sell-out period and pays or agrees a higher price than in this offer, the Bidder is obliged to pay the difference to all accepting shareholders pursuant to section 16 (7) of the Act. If subsequent payments to all Shareholders are required, the Bidder will publish an announcement without undue delay. The settlement of such subsequent payments will be organized by the Bidder at its own cost through the Receiving and Payment Agent within ten (10) trading days after the announcement of such payment.

In case no such price increase event has occurred within a period of nine (9) months of the end of the acceptance period (or the sell-out period, if applicable) the Bidder will make a respective filing with the Austrian Takeover Commission. The independent expert of the Bidder will review such filing and will confirm its content.

### 4.8 Oversubscription of the Offer

If the total number of shares tendered exceeds the number of Shares under Offer, a pro rata ratio based on the number of Shares under Offer will be applied to all duly submitted declarations of acceptances (including those received during the sell-out period) in accordance with section 20 of the Act. If this rule requires the Bidder to acquire a fractional amount of shares, the amount will, at the discretion of the receiving and payment agent, be rounded to the next whole number.

# 5 Assessment of the offer from the Bidder's point of view and presentation of the interests of stakeholders

## 5.1 Business objectives and intentions of the Bidder

### 5.1.1 Reasons for the Offer

IFM Investors manages and/or advises investments in substantial infrastructure, including airports, located across the globe. The Offer provides the Bidder with the opportunity to gain exposure to a leading airport which is based in one of its core geographies of focus in Europe. The Bidder deems the Target to be an attractive investment for a number of reasons:

(A) a strong management team with an excellent reputation a clear strategy for the future development of the airport;

(B) a strong customer base, with the Target serving a catchment area of 12 million people located within a two hour drive;

(C) a unique market position as a large and established hub airport to Eastern Europe;

(D) modern infrastructure, providing a high quality of service to passengers;

(E) sufficient capacity at the airport to support future growth in passengers at the airport; and

(F) a regulatory framework that would support such future growth at the airport.

The Bidder is strongly aware of the importance of its potential investment in an important national infrastructure asset of Austria. IFM Investors, as the principal advisor of IFM GIF, invests in substantial infrastructure projects worldwide and is a responsible owner, manager and/or advisor (as the case may be) of these assets with a demonstrated track record of investing for the long-term.

### 5.1.2 Future Business Policy

IFM GIF is a long-term investor that is supportive of the sustainable development of its investee companies. It has both the financial capacity and, through its principal advisor, IFM Investors, the industry expertise to support the Target through the Bidder in realizing its long-term objectives and working together for the benefit of all shareholders involved. In terms of its investment in the Target, the Bidder is currently not looking to exercise any influence on the day-to-day management or change the future strategy of the Company. IFM GIF and IFM Investors would, however, offer its airport investment expertise to the Target through the Bidder to the extent this is viewed as being favourable by the management of the Target and its controlling shareholders.

### 5.1.3 Regulatory Framework and Listing

A listing in the prime market segment of the Vienna Stock Exchange requires, inter alia, a certain minimum free float and market capitalisation: In case of a free float of 25% (twenty five percent) or more, the market capitalization of the free float must at least amount to EUR 20 (Euro twenty) million and, in case of a free float of below 25% (twenty five percent), the market capitalization of the free float must at least amount to EUR 40 (Euro forty) million (capitalization amounts are stated in accordance with applicable Prime Market indexation). Even if the offer is accepted in its entirety, the thresholds for remaining in the prime market segment will be satisfied by far, based on current market prices.

Delisting the Target is not the aim of the offer. A recall of the listing on the official market (amtlicher Handel) of the Vienna Stock Exchange is mandatory, if the statutory listing requirements according to Section 66a para 1 sub-para 7 of the Stock Market Act (in particular the minimum statutory free float) are no longer fulfilled. The Bidder sees no indication that this will occur as a consequence of the Offer, even in case of a high acceptance rate. A delisting from the prime market segment and potential termination of stock market trading would likely result in the liquidity of the shares being severely restricted and restrict market pricing.

## 5.2 Presentation of the interests of stakeholders

### 5.2.1 Impact on Flughafen Wien AG

There are no geographic overlaps with the Bidder or other investments held by the Bidder, meaning that it can be assumed that the activities of Vienna Airport and the Bidder or its investments are not in direct competition with each other, but will instead, where applicable, complement each other as far as the other airport investments held by the Bidder are concerned.

The Management Board assumes that the Target's corporate strategy will continue unchanged and the Bidder and parties acting in concert with it could have a positive influence on Vienna Airport's financial position in the event of a capital measure.

### 5.2.2 Impact on shareholders and listing

The concentration of voting rights in a possible range of 20.0-29.9% of the voting shares of Flughafen Wien AG – in addition to the total of 50% of FWAG's shares held by other key shareholders – may restrict the other free-float shareholders' ability to participate in decision-making. The concentration of voting rights ownership may increase through this offer process.

A reduction in the proportion of shares in free float could adversely affect the FWAG share's chances – relative to other shares listed on the Vienna Stock Exchange – of remaining in the ATX because, along with liquidity and market capitalisation, the proportion of shares in free float is a key criterion for being part of the index.

According to the Bidder, a delisting of Flughafen Wien AG is not the objective of the offer in view of current circumstances (see section 8.3 of the offer). The Management Board is not aware of the current key shareholders (two key shareholders under a syndication agreement – the province of Lower Austria and the City of Vienna) having either any intention to sell or any desire to delist the Company. The Management Board also rules out a delisting of Flughafen Wien AG in view of current circumstances.

No other immediate impact on the shareholders of Flughafen Wien AG is discernible in view of current circumstances.

### 5.2.3 Impact on employment and location

Based on the business objectives and intentions stated as well as the limited ability for a minority shareholder to participate in decision-making, no negative impact on employment or location is expected.

### 5.2.4 Impact on creditors and the public interest

No deterioration in the current position of creditors is expected as a result of the offer.

Nor are any changes that could affect the public interest discernible based on the Bidder's offer document. In the view of the Company's Management Board, accepting or rejecting the offer will therefore have no impact on the public interest.

## 6 Assessment of the offer by the Management Board

The Target's Management Board is refraining from giving an express recommendation to accept or reject the offer and instead notes the considerations that speak in favour of or against accepting the offer.

For employees (jobs, employment conditions and sites), customers and creditors, no change to the current position as a result of the offer is discernible (in particular, no deterioration).

Because the offer is a voluntary offer pursuant to sections 4 et seqq of the Act, the Bidder may freely decide the Offer Price and is not bound by the pricing rule of section 26 (1) of the Takeover Act.

The Management Board again points out that each shareholder can only assess whether the offer is advantageous or not on the basis of their individual situation (acquisition price, long or short term investment, assessment of the future development of the Company etc.), with the expected future performance of the capital market and/or the Vienna Stock Exchange also of relevance. The situation for small private investors may be different than for institutional investors.

Without giving an express recommendation, the following arguments may speak for or against accepting the offer from the perspective of the Management Board:

## 6.1 Arguments against accepting the offer

### 6.1.1 From the Management Board's perspective

The possible acceptance of the offer may lead to the creation of a blocking minority for decisions requiring a qualified majority through concentration in a small number of shareholder groups. As a result of the concentration of voting rights from 25% plus one share, the Bidder would have a blocking minority and could thwart decisions requiring a 75% majority in a general meeting that management considers strategically important, such as a capital increase (a resolution for a capital increase for cash including subscription rights could still be passed with just a simple majority). However, the Management Board notes that there are currently no plans for the Company to carry out a capital increase and no foreseeable need for one from the based on current circumstances.

### 6.1.2 From the shareholder's perspective

If the path the Management Board has taken towards sustainably increasing the value of the Company leads to increases in earnings, current shareholders would forego participating in the future potential for Flughafen Wien AG to increase in the value: the Target's growth prospects mean it is possible that further earnings potential will be realised, thus leading to an increase in the value of shares in the Target and dividends to be paid to shareholders in future. If the growth in global air traffic (particularly European air traffic) expected by the Management Board occurs or is exceeded, this could increase the value of the Target. By accepting the offer, the shareholder is foregoing the potential advantages of such a possible increase in the value of the Company.

## 6.2 Arguments for accepting the offer

### 6.2.1 From the Management Board's perspective

The fact that the Bidder is a potential minority shareholder with a financially strong background and is, by its own account, pursuing a long-term investment strategy, speaks in favour of the offer. In addition, the Bidder can act with greater economic independence because it is not tied to the development of the European economy. In future investment projects, the Bidder may be a supportive partner as a result of its expertise and experience in the infrastructure sector, and especially due to its large number of investments in airports. (From the shareholder's perspective, this outcome could be seen as an argument against accepting the offer.)

The possible acceptance of the offer may lead to decisions requiring a qualified majority being decided more quickly and easily through concentration on a small number of shareholder groups.

### 6.2.2 From the shareholder's perspective

The concentration of voting rights in a possible range of 20.0-29.9% of the voting shares of Flughafen Wien AG – in addition to the total of 50% of FWAG's shares already held by other key shareholders – severely restricts the other free-float shareholders' ability to participate in decision-making.

As the key shareholders – Wien Holding for the City of Vienna, NÖ Landes-Beteiligungsholding GmbH for the province of Lower Austria and the employee foundation – have already ruled out accepting the offer in advance, the 20.0% to 29.9% of voting shares targeted would have to be acquired from the current free float, which would significantly reduce this free float. A reduction of the proportion of shares in the float and the associated reduction in trading volume could adversely affect the FWAG share's chances – relative to other shares listed on the Vienna Stock Exchange – of remaining in the ATX because the proportion of shares in free float, together with the liquidity of the share and market capitalisation, is a key criterion for being part of the index. The share could become less attractive with a downgrade to the ATX Prime market as a result of decreased attention from international investors and analysts. As a result of the reduced free float, the share would also be more difficult to trade and entry and exit hurdles could increase for investors. These factors could adversely affect FWAG's share price in future. (From the Management Board's perspective, this effect would be considered negative.)

The Offer Price is higher than the volume weighted average prices of the last one, six, twelve, twenty-four and thirty-six months prior to the announcement of the intention to make an offer. A premium of this kind could be difficult to attain outside of the offer, due, inter alia, to the restricted liquidity of the share.

Economic fluctuations, tougher economic conditions, political crises and natural disasters could have a negative impact on future traffic and the future earnings of the Target.

## 7 Other information

For information on this statement by the Management Board of Flughafen Wien AG, please contact FWAG's Investor Relations Department by phone on +43 (0) 1 7007-0 or by e-mail at investor-relations@viennaairport.com. Further information is available on Flughafen Wien AG's website (www.viennaairport.com).

Flughafen Wien AG has appointed HHP Wirtschaftsprüfung GmbH., Am Heumarkt 13, 1030 Vienna pursuant to section 13 of the Act to advise it during the entire process and to review the statements of its administrative bodies as an independent expert.

13 November 2014