

Flughafen Wien AG on the 2014 Financial Year: Significant Earnings Improvement despite Strong Crisis-Related Headwinds

Dividend of €1.65 per share, up 26.9% (from €1.30 in 2013) – Positive outlook for 2015

- **REVENUE in 2014 up only slightly to €630.2 million (+1.3%), EBITDA at €250.2 million (+3.6%)**
- **NET PROFIT FOR THE PERIOD ¹⁾ rose substantially to €82.5 million (+12.5%)**
- **NET DEBT declined sharply to €506.2 million (down €127.1 million from 2013)**
- **DIVIDEND increase proposed to €1.65 per share (+26.9% from €1.30 in 2013)**
- **INVESTMENTS at €75.1 million in 2014, €95 million planned for 2015**
- **POSITIVE OUTLOOK for 2015: revenue improvement to over €645 million, net profit for the period to surpass €85 million**

In spite of strong headwinds related to numerous crises and strikes, Flughafen Wien AG achieved a considerable increase in earnings. In addition to a slight rise in revenue and EBITDA, the net profit for the period (after non-controlling interests) could be significantly improved in the 2014 financial year. Moreover, it was possible to achieve a sharp reduction in net debt as well as an increase in the dividend to be distributed of €1.65 per share (+26.9%).

The outlook for the year 2015 is positive. In spite of a painful drop in passenger volume in the first quarter of the year, Flughafen Wien AG expects passenger growth between 0% and 2%. Accordingly, revenue should climb above the € 645 million mark, and EBITDA should rise above € 250 million. The consolidated net profit for the period is expected to surpass €85 million, and net debt should fall below €500 million.

“Flughafen Wien AG is once again on a healthy economic footing. In spite of global economic and industry-related challenges, the 2014 financial year developed gratifyingly, and the company succeeded in achieving a perceptible improvement in all relevant financial indicators. We expect growth in revenue and earnings in 2015, although negative effects are likely to arise from the capacity reductions of the airlines and the crisis situations in Russia, Ukraine and the Middle East in the first quarter of the current year. Consistent productivity increases and high quality has considerably improved the company's competitive situation, which will enable further growth on our path to becoming an Airport City”, says Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“In terms of traffic development, the past year went very well, featuring a new passenger record of 22.5 million travelers using Vienna Airport. We achieved strong growth in the long-haul segment of 27.8% to North America and 12.5% to the Far East. Cargo volume was also up, rising by 8.3%”, explains Julian Jäger, Member of the Management Board of Flughafen Wien AG. “We are slightly optimistic with respect to the current year, and new flight offerings have already been announced. Although decreases in flight traffic are still likely to occur in the first months of 2015, we expect an increase in passenger volume of between 0% and 2% for the entire year 2015”, he Jäger adds.

Dividend up to €1.65 per share

Thanks to the good business development in 2014, the Annual General Meeting scheduled for May 6, 2015 will be asked to approve a dividend of € 1.65 per share (2013: € 1.30) or a total dividend payout of €34.65 million. All employees of Flughafen Wien AG will also profit from the higher dividend, which is the result of their successful work, through the employee foundation that holds 10% of the shares. The dividend yield for the 2014 financial year equals 2.15% based on the share price as of December 31, 2014, and the dividend payout ratio comprises about 42% of the net profit for 2014 after non-controlling interests.

Revenue and earnings development in the segments

Revenue in the Airport Segment rose by 3.8% year-on-year to € 344.1 million. EBIT improved by 9.0% to € 45.7 million. The Handling Segment registered a 4.0% drop in revenue to € 145.7 million, which resulted primarily from the decline in de-icing services as a consequence of the very mild winter and the general decrease in the number of flight movements. Accordingly, and taking into account the higher personnel expenses and after deducting depreciation and amortization, EBIT generated by the segment amounted to € 12.1 million, a drop of 29.3%. The results also include the security services of VIAS as well as the handling services provided by Vienna Aircraft Handling (VAH). The Retail & Properties Segment developed positively in 2014, with revenue up 2.2% to € 123.8 million. This growth was mainly driven by higher income from shopping and gastronomy. EBIT rose by 41.0% to € 59.0 million. Revenue in the Other Segments fell by 5.4% to € 16.6 million, with EBIT at a level of € 2.9 million in the 2014 financial year.

Investments

Of the total investments amounting to € 75.1 million in 2014, € 10.9 million related to construction of a new maintenance hangar, and € 9.6 million was for modernization of Pier West. Investments of about €95.0 million are planned for 2014.

Good traffic development in 2014 – slightly optimistic outlook for 2015

The year 2014 proceeded well with respect to traffic development. Vienna Airport achieved a new passenger record of 22.5 million passengers, a rise of 2.2% in a year-on-year comparison. Whereas the total number of flight movements (departures and arrivals) stagnated slightly at -0.2%, the average seat occupancy (seat load factor) was up 0.2 percentage points to 75.0%. Cargo volume developed very well, rising by 8.3% to 277,532 tonnes. A total of 70 airlines regularly served Vienna Airport in 2014, flying to a total of 172 destinations in 71 countries. Flughafen Wien AG is slightly optimistic for the entire year 2015. Due to the ongoing difficult situation in the crisis regions of Russia and Ukraine as well as the Middle East, Flughafen Wien AG expects the number of passengers handled by Vienna Airport to decline in the first quarter of 2015. However, the situation should improve in the course of the year, with total passenger volume rising by between 0% and 2% compared to 2014. From today's perspective, impetus to growth will be provided by expanded frequencies and new routes added to the summer 2015 flight schedule, for example to destinations in the USA, Italy, Greece, France, Spain, Turkey, Estonia, Moldova, Montenegro and Switzerland.

1) *Net profit for the period attributable to equity holders of the parent*

Preliminary Consolidated Financial Statements*

Income Statement in € million	2014	2013	Change in %
Revenue	630.2	622.0	1.3
Other operating income	16.1	23.8	-32.2
Operating income	646.3	645.8	0.1
Consumables and services used	-38.9	-46.1	-15.7
Personnel expenses	-254.1	-245.8	3.4
Other operating expenses	-103.1	-112.3	-8.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	250.2	241.5	3.6
Depreciation and amortisation	-130.4	-124.3	4.9
Impairments	–	-5.1	n.a.
Earnings before interest and taxes (EBIT)	119.8	112.1	6.9
Income from investments excl. companies at equity	0.1	2.3	-94.1
Interest income	0.9	2.2	-58.4
Interest expense	-24.2	-25.9	-6.9
Other financial results	0.1	–	n.a.
Financial results excl. companies at equity	-23.1	-21.4	7.5
Results from sale of equity-accounted investments/companies	2.3	–	n.a.
Result from companies accounted for using the equity method	7.7	6.2	25.6
Financial results	-13.1	-15.3	-14.5
Earnings before taxes (EBT)	106.7	96.8	10.2
Income taxes	-24.8	-23.5	5.3
Net profit for the period	81.9	73.3	11.8
Thereof attributable to:			
Equity holders of the parent	82.5	73.3	12.5
Non-Controlling interests	-0.5	0.0	n.a.
Earnings per share (in €, basic = diluted)	3.93	3.49	12.5
Balance sheet Indicators in € million	2014	2013	Change in %
ASSETS:			
Non-current assets	1,803.4	1,857.6	-2.9
Current assets	88.8	96.3	-7.8
EQUITY AND LIABILITIES:			
Equity	952.5	905.9	5.1
Non-current liabilities	672.2	748.2	-10.2
Current liabilities	267.5	299.8	-10.8
Balance sheet total	1,892.2	1,953.9	-3.2
Net debt	506.2	633.4	-20.1
Gearing (in %)	53.1	69.9	-16.8%p.

Cash flow Statement in €million	2014	2013	Change in %
Cash flow from operating activities	220.6	204.4	7.9
from investing activities	-67.5	-86.4	-21.9
from financing activities	-154.8	-154.5	0.2
Free cash flow	153.1	118.0	29.8
CAPEX	75.1	72.9	3.0

* All amounts and financial indicators are related to the preliminary results of Flughafen Wien AG for 2014.

The full annual report by Flughafen Wien AG on the 2014 financial year from 1 January to 31 December 2014 will be published at the beginning of April 2015 and be available under http://www.viennaairport.com/en/company/investor_relations, menu point – Publications and reports – subpoint – Annual reports or Financial reports respectively.

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