

Flughafen Wien AG in Q1/2014: lower revenue due to mild winter, but substantial improvement in earnings

- **Strong growth of 7.8% in passenger traffic during April 2014**
- **Revenue at €139.5 million (-4.4%), sound growth in EBITDA to €53.2 million (+9.4%), EBIT at €20.9 million (+15.4%) and net profit of €12.2 million (+28.0%)**
- **Further substantial reduction in net debt to €604.9 million**
- **Positive outlook for 2014 confirmed: expected increase in revenue to over €630 million and in net profit to over €75 million**

The Flughafen Wien Group (FWAG) generated revenue of € 139.5 million in the first quarter of 2014 (-4.4%). The decisive factor for this decline was the mild winter with substantially lower revenue from aircraft de-icing services, compared with the particularly severe weather in the previous year. However, lower operating expenses and sustainable reductions in administrative operating costs and personnel expenses led to a sound improvement in earnings. EBITDA rose by 9.4% to € 53.2 million (Q1/2013: € 48.6 million), EBIT by 15.4% to € 20.9 million (Q1/2013: € 18.1 million) and net profit by 28.0% to € 12.2 million for the first quarter of 2014.

Net debt was reduced by a substantial amount during the first quarter of 2014 and now equals € 604.9 million. That means FWAG is close to reaching a goal that was originally targeted for 2016, namely reducing net debt to less than 2.5-times EBITDA.

The Flughafen Wien Group remains optimistic concerning developments in 2014 and expects an increase in revenue to over € 630 million, EBITDA of more than € 240 million and net profit of at least € 75 million. This positive outlook is supported by the 7.8% increase in passenger traffic during April, whereby it should be noted that the Easter holidays fell in April this year and led to a further increase in the number of passengers.

“In spite of lower revenue due to the mild winter, we recorded a substantial increase in EBITDA, EBIT and, above all, in net profit during the first quarter of 2014. Net debt was also reduced significantly. In other words, our focus on steady productivity improvement and strict cost discipline has proven to be sustainable. The company is on a good course, and the outlook for 2014 promises further sound growth“, explained Günther Ofner, member of the Management Board of Flughafen Wien AG.

“Even though traffic development was rather flat during the first quarter, we remain very optimistic for the full year. The new additions to our summer flight plan and the increase in frequencies are already noticeable, and we recorded strong growth of 7.8% in the number of passengers during April. The new long-haul connections and new destinations should also provide good impulses for traffic growth. From the current point of view, results for 2014 should reach the upper end of our forecast for an increase of 1 to 3% in the number of passengers“, indicated Julian Jäger, member of the Management Board of Flughafen Wien AG.

Slight increase of 0.3% in passenger traffic during Q1/2014

Vienna Airport recorded only slight growth of 0.3% in the number of passengers to 4,422,644 in the first three months of 2014, not least due to the fact that the Easter holidays did not fall during the first quarter this year and as a result of the tense situation in Ukraine, Russia and the Middle East. The number of transfer passengers fell by 5.4% year-on-year, above all owing to a 3.7% drop in passenger traffic to Eastern Europe. Positive development was recorded in travel to Western Europe with plus 0.9% and to the Far East with plus 3.1%. Passenger traffic to the Middle East declined slightly by 1.6%, while travel to destinations in North America rose by a strong 25.1%.

Based on a 1.9% decline in the number of flight movements to 51,220 in the first three months of 2014 and the continuing trend toward the use of larger aircraft, the seat load factor remained relatively constant at 68.6% (Q1/2013: 69.0%). This development and a 6.8% rise in the volume of cargo to 64,107 tonnes (air cargo and trucking) supported an increase of 0.8% in maximum take-off weight (MTOW) to 1,764,230 tonnes.

Malta Airport, FWAG's most important foreign investment, recorded positive development with an increase of 8.4% in the number of passengers during Q1/2014.

Revenue development in the segments

Revenue in the Airport Segment rose by 2.2% year-on-year to € 70.3 million in the first quarter of 2014. The Handling Segment recorded a 17.4% drop in revenue to € 35.3 million due to the mild winter and the resulting lower income from de-icing services. The Retail & Properties Segment matched the prior year with revenue of € 30.0 million. Revenue in the Other Segments declined 10.7% to € 3.9 million.

Corporate spending

The € 10.1 million invested during the first quarter of 2014 included € 2.7 million for the construction of a new maintenance hangar, € 1.6 for technical noise protection and € 0.6 million for the new railway station. Investments are expected to total approx. € 110 million for the 2014 financial year.

Traffic development in April 2014: plus 7.8% in passengers

The number of passengers handled by Vienna Airport in April 2014 rose by 7.8% year-on-year to 1,937,068. Growth was also recorded in flight movements with plus 1.1%, maximum take-off weight (MTOW) with plus 5.8% and cargo with plus 9.1%.

The number of transfer passengers was 9.3% higher year-on-year in April 2014. This increase resulted, in particular, from the strikes at the air traffic hubs in Frankfurt, Munich and Düsseldorf at the beginning of April. These strikes led, in part, to flight cancellations in Vienna, but also to an increase in transfers. The number of local passengers rose by 7.2% during this same period.

Passenger traffic to Western Europe increased by 7.2% in April 2014, while Eastern Europe recorded a plus of 2.3%. The number of passengers travelling to the Middle East and the Far East was 25.7% and 21.3% higher, respectively. Passenger traffic to North America rose by a very strong 60.3% in comparison with April of the previous year, chiefly due to the start of flights by Austrian Airlines to Chicago in May 2013.

Results in Detail

	April 2014	Change in %	January to April 2014	Change in %
Passengers:	1,937,068	+7.8	6,359,712	+2.4
Local passengers:	1,363,910	+7.2	4,496,545	+4.1
Transfer passengers:	570,972	+9.3	1,855,628	-1.3
Maximum take-off weight (in tonnes):	686,424	+5.8	2,450,654	+2.1
Flight movements (arrival + departure):	19,494	+1.1	70,714	-1.1
Cargo in tonnes (air cargo and trucking):	23,332	+9.1	87,438	+7.4

(Details on the consolidated interim financial statements as of 31 March 2014 are presented on the following pages.)

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Consolidated Interim Financial Statements as of 31 March 2014

Income Statement in €million	Q1/2014	Q1/2013	Change in %
Revenue	139.5	145.9	-4.4
Other operating income	4.2	5.6	-24.9
Operating income	143.7	151.5	-5.2
Consumables and services used	-11.3	-17.4	-35.1
Personnel expenses	-60.1	-63.1	-4.8
Other operating expenses	-19.1	-22.3	-14.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	53.2	48.6	9.4
Scheduled depreciation and amortisation	-32.3	-30.5	5.8
Earnings before interest and taxes (EBIT)	20.9	18.1	15.4
Interest income	0.4	0.6	-34.7
Interest expense	-6.1	-6.8	-10.3
Financial results, excl. companies at equity	-5.8	-6.3	-8.1
Income from companies at equity	0.8	0.3	181.8
Financial results	-4.9	-6.0	-17.5
Profit before taxes (EBT)	16.0	12.1	31.6
Income taxes	-3.8	-2.6	44.9
Net profit for the period	12.2	9.5	28.0
Thereof attributable to:			
Equity holders of the parent	12.2	9.5	28.0
Non-controlling interests	0.0	0.0	48.0
Earnings per share (in €, basic = diluted)	0.58	0.45	28.0

Balance Sheet Indicators in €million	31. 3. 2014	31.12. 2013	Change in %
ASSETS:			
Non-current assets	1,836.2	1,857.6	-1.2
Current assets	85.9	96.3	-10.9
EQUITY AND LIABILITIES:			
Equity	919.2	905.9	1.5
Non-current liabilities	714.2	748.2	-4.6
Current liabilities	288.6	299.8	-3.7
Balance sheet total	1,922.0	1,953.9	-1.6
Net debt	604.9	633.4	-4.5
Gearing (in %)	65.8	69.9	-4.1%p.

Cash Flow Statement in €million	Q1/2014	Q1/2013	Change in %
Cash flow from operating activities	46.7	47.7	-2.1
from investing activities	-18.3	-17.1	6.7
from financing activities	-28.5	-68.5	-58.4
Free cash flow (in € mill.)	28.4	30.6	-7.1
CAPEX	10.1	6.5	54.7

The report by Flughafen Wien AG on the first quarter from 1 January to 31 March 2014 is available to the general public at the company's offices in 1300 Flughafen Wien and at Bank Austria, 1010 Vienna, Schottengasse 6-8. It is also available in the Internet under <http://ir.viennaairport.com>, menu point "Publications", sub-section "Quarterly Reports"..

Flughafen Wien, 20 May 2014

The Management Board