

Flughafen Wien Group Maintains Upward Trend: Passenger Growth and Strong Earnings Improvement in the First Nine Months of 2016

- **REVENUE** increase to €545.4 million (+10.2%), EBITDA rise to €306.5 million (+13.1% or €254.7 million clean i.e. adjusted for upward revaluation of stake in Malta Airport), EBIT of €208.7 million (clean: + 25.7% or €156.9 million)
- **NET PROFIT FOR THE PERIOD¹** up considerably to €150.6 million (clean rise of 17.1% to €98.8 million)
- **NET DEBT** further reduced to €370.8 million (down €95.2 million from the end of 2015) – 2016 target already achieved
- Increase in the free cash flow to €206.8 million (+48.7% from €139.1 million in Q1-3/2015)
- **Positive guidance confirmed for 2016:** increase in revenue to €725 million, EBITDA to €310 million and the net profit for the period before non-controlling interests clean i.e. adjusted for Malta revaluation to €115 million
- **Traffic guidance for 2016 for the Vienna Airport site also confirmed:** passenger growth at the upper end of the projected range between 0% and 2%
- **October 2016:** +6.5% passenger increase, +4.8% rise in cargo volume at Vienna Airport

“The Flughafen Wien Group is continuing its upward trend. All relevant financial performance indicators could be significantly improved in three economically strong quarters, featuring increases in revenue, EBITDA and the net profit for the period. Thanks to the consistent reduction of net debt, the 2016 target below the € 400 million mark has already been reached. The outlook is positive, and we expect to achieve our financial objectives for the entire year 2016. The Vienna Airport site is thriving, and the development of the Airport City is contributing greatly to this. Twelve companies have already decided to locate their operations at the flight hub, creating about 600 additional jobs”, explains Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“In spite of crisis-related challenges, 2016 has been a record year for some individual destinations. Following the month of July, the strongest in terms of passenger volume (2,431,583 passengers), and the busiest day of the year in September (89,361 passengers), the 17.7 million passengers handled by Vienna Airport in the first nine months of 2016 comprises a new passenger record in the airport’s history. The month of October, which showed a 6.5% rise in the number of passengers, also developed very well, and we expect total passenger volume in 2016 to be at the upper end of the projected range between 0% and 2%. There are already new developments in the flight offering for 2017, with the addition of Los Angeles, the Seychelles and other destinations”, states Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Traffic development in Q1-3/2016: Flughafen Wien Group handles 21.9 million passengers

Flughafen Wien Group including its foreign strategic investments in Malta Airport and Kosice Airport handled 21.9 million passengers in the period January to September 2016, representing a 2.2% increase in passenger volume compared to the previous year.

Vienna Airport: 1.1% passenger growth in the first nine months of 2016

Vienna Airport reported a new passenger record in the airport's history, handling a total of 17,677,012 travellers from January to September 2016, a rise of 1.1% from the prior-year period. The number of local passengers was up 2.9% in the first nine months of 2016, whereas the number of transfer passengers fell by 3.4%. Passenger volume to Western Europe climbed by 2.0%, in contrast to the 2.2% drop in the number of passengers flying to Eastern European destinations as a consequence of the economic situation in Russia and capacity reductions by the airlines. Far Eastern destinations showed 1.3% growth in passenger volume, and the number of passengers to the Middle East rose by 4.1%. The total number of passengers flying to North America was up 3.2%. In contrast, passenger volume to Africa decreased by 19.0% due to the politically unstable situation in North African regions.

The number of flight movements fell 0.9% in the period January to September 2016 to 171,502 starts and landings. The average seat occupancy (seat load factor) in the first nine months of 2016 equalled 73.6%, down from the comparable level of 74.7% in Q1-3 2015. In contrast, cargo volume (air cargo and trucking) increased by 5.0% in the same period to 208,830 tonnes.

Good traffic results and business development at Malta and Kosice Airports

The foreign strategic investments of the Flughafen Wien Group in Malta and Kosice Airports continued to develop well. Malta Airport reported growth of 7.5% to reach a volume of 3,894,040 passengers in the first nine months of 2016. The most important markets for Malta Airport were Great Britain, Italy and Germany. Kosice Airport handled a total of 346,563 passengers in the same period, comprising a rise of 5.5% in a year-on-year comparison.

Significant improvement of financial performance indicators in Q1-3/2016

Revenue of the Flughafen Wien Group in the first nine months of 2016 rose 10.2% to €545.4 million. In addition to the positive passenger development and higher income in the Handling Segment, the increase in revenue is mainly attributable to the full consolidation of Malta Airport as of the second quarter of 2016. With the conclusion of the transaction in which Flughafen Wien AG increased its shareholding in Malta Airport and the formal closing on March 30, 2016, the stake was subject to a revaluation and fully consolidated in the consolidated financial statements of the Flughafen Wien Group starting at the end of the first quarter of 2016.

Increase of 17.1% in clean net profit for the period¹ in Q1-3/2016

EBITDA improved to €306.5 million (+36.1%), whereas EBIT was up to €208.7 million (+67.2%) and the net profit for the period after non-controlling interests rose 78.5% to €150.6 million. Adjusted for the one-off effect relating to the upward valuation of the stake in Malta Airport, clean EBITDA totalled €254.7 million (+13.1% vs. the adjusted Q1-3/2015 of €225.2 million), and clean EBIT amounted to €156.9 million (+25.7% vs. the adjusted Q1-3/2015 of €124.8 million). Adjusted for this one-off effect, the clean net profit of the period of the parent company in Q1-3/2016 improved to €98.8 million (+17.1% vs. Q1-3/2015 of €84.4 million). Net debt was reduced once again to €370.8 million. The free cash flow rose to €206.8 million (up 48.7% from €139.1 million in Q1-3/2015).

Revenue and earnings development in the segments

Revenue of the Airport Segment climbed 3.1% in Q1-3/2016 from the prior-year period to €281.5 million. Segment EBIT improved by 34.4% to €70.8 million (Q1-3/2015: €52.7 million). The Handling Segment showed a 2.6% increase in revenue to €116.6 million, and segment EBIT was up 5.2% to €12.4 million (Q1-3/2015: €11.8 million). This includes the security services provided by VIAS as well as the handling services of Vienna Aircraft Handling (VAH). The Retail & Properties Segment reported a revenue decrease of 5.3% in the first nine months of 2016 to €91.7 million. This decline is mainly due to the lower rental income relating to a special effect of a finance lease agreement in conjunction with the acquisition of Hermione, as well as the restrained development of parking and retail revenue. EBIT of the Retail and Properties Segment amounted to €45.7 million (-2.9% from €47.1 million in Q1-3/2015). The development of revenue in the Other Segments was stable,

dropping slightly by 0.1% to € 11.7 million (Q1-3/2015: € 11.7 million). Segment EBIT showed a disproportionately high increase to € 58.0 million as a result of the revaluation of the stake held in Malta Airport. With the closing of the transaction on March 30, 2016, the strategic investment in Malta Airport now belongs to the group of companies which are fully consolidated in the consolidated financial statements of the Flughafen Wien Group. For this reason, these business results are reported as the new Malta Segment as of the second quarter of 2016. Revenue of the Malta Segment amounted to € 43.9 million in the second and third quarters of 2016, and the segment's EBIT totalled € 21.8 million.

Investments

Of the total investments (excluding business acquisitions) amounting to € 69.0 million in the first nine months of 2016, € 23.9 million related to investments in the Runway System 11/29 (runway modernisation), € 8.0 million was for investments in connection with the 3rd Runway and € 2.4 million involved the renovation of an operations building. Total investments in the year 2016 are expected to be about € 95 million (excluding the business acquisition in Malta Airport). The following values were added to the consolidated balance sheet as of March 30, 2016 on a provisional basis from the acquisition of Group companies in connection with Malta Airport: € 61.3 million for goodwill, € 0.9 million for intangible assets and € 363.8 million for property, plant and equipment and investment property.

Traffic development in October 2016:

Flughafen Wien Group reports passenger volume of 2.7 million (+7.2%), accumulated passenger growth of 2.8% in the period January to October 2016

In October 2016, Flughafen Wien AG including its strategic foreign investments in Malta and Kosice Airports handled a total of 2.7 million passengers, comprising an increase of 7.2% from October 2015. The accumulated passenger volume for the Flughafen Wien Group rose 2.8% to 24.6 million in the period January to October 2016.

Vienna Airport in October 2016: 6.5% increase in number of passengers, 4.8% rise in cargo volume

The number of passengers handled by Vienna Airport in the month of October 2016 climbed 6.5% from the previous year to 2,166,810 passengers. The number of local passengers climbed by 7.5% and the number of transfer passengers increased by 4.2%. The number of flight movements at Vienna Airport increased by 1.7% in October 2016. Vienna Airport reported a growth in cargo volume of 4.8% compared to October 2015.

The number of passengers at Vienna Airport flying to destinations in Western Europe was up 8.3% and passenger traffic to Eastern Europe rose by 6.4%. Passenger volume to the Far East climbed 1.1% in October 2016 and the number of passengers travelling to destinations in the Middle East rose by the 9.8%. Passenger volume to North America climbed 6.2% and passenger growth to Africa was 3.2%.

The number of passengers handled by Malta Airport rose 10.4% in October 2016, and passenger volume at Kosice Airport was up 6.1%.

Presentation of traffic results

Following the increase of the stake held by Flughafen Wien AG in Malta Airport at the end of March 2016, the strategic investment is fully consolidated in the interim consolidated financial statements of the Flughafen Wien Group beginning at the end of the first quarter of 2016. For this reason, the entire traffic results for Flughafen Wien AG and its foreign strategic investments have been included in the monthly reports since April 2016. The traffic results for Vienna Airport correspond to the comparable values of the monthly announcements of traffic results up to and including the month of March 2016.

1) Profit for the period attributable to the parent company

Results in detail: Traffic development in October 2016:

	October 2016	Change in %	January-October 2016	Change in %
Vienna Airport (VIE)				
Passengers	2,166,810	+6.5	19,843,778	+1.7
Local passengers	1,545,460	+7.5	14,398,502	+3.4
Transfer passengers	612,500	+4.2	5,362,546	-2.6
Flight movements (arrivals and departures)	20,349	+1.7	191,851	-0.6
Cargo in tons (air cargo and trucking)	27,029	+4.8	235,833	+4.9
Malta Airport (MLA, fully consolidated)				
Passengers	512,739	+10.4	4,406,779	+7.8
Local passengers	511,713	+10.8	4,398,379	+8.0
Transfer passengers	1,026	-63.7	8,400	-43.8
Flight movements (arrivals and departures)	3,466	+3.2	30,951	+2.5
Cargo in tons (air cargo and trucking)	1,363	-1.2	11,495	-3.8
Kosice Airport (KSC, consolidated at equity)				
Passengers	31,437	+6.1	378,000	+5.6
Local passengers	31,437	+6.1	378,000	+5.6
Transfer passengers	-	-	-	-
Flight movements (arrivals and departures)	653	-19.6	8,120	+12.4
Cargo in tons (air cargo and trucking)	5	-78.8	80	-59.7
Vienna Airport and strategic investments (VIE, MLA, KSC)				
Passengers	2,710,986	+7.2	24,628,557	+2.8
Local passengers	2,088,610	+8.3	19,174,881	+4.4
Transfer passengers	613,526	+3.9	5,370,946	-2.7
Flight movements (arrivals and departures)	24,468	+1.2	230,922	+0.2
Cargo in tons (air cargo and trucking)	28,397	+4.4	247,407	+4.4

Consolidated Interim Financial Statements as of 30 September 2016

in € million	Q1-3/2016	Q1-3/2015*	Change in %
Revenue	545.4	495.1	+10.2
Other operating income	9.0	7.0	+29.7
Other operating income	554.4	502.1	+10.4
Consumables and services used	-24.4	-25.5	-4.3
Personnel expenses	-198.4	-191.1	+3.8
Other operating expenses	-80.5	-66.9	+20.2
Proportional share of income from companies recorded at equity	3.5	6.7	-47.9
Revaluation of companies recorded at equity due to company acquisitions	51.8	–	n.a.
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	306.5	225.2	+36.1
Scheduled depreciation and amortisation	-101.7	-100.4	+1.4
Reversal of impairment	3.9	–	n.a.
Earnings before interest and taxes (EBIT)	208.7	124.8	+67.2
Income from investments, excluding investments recorded at equity	0.7	0.3	+151.1
Interest income	2.5	1.5	+71.7
Interest expense	-16.6	-16.8	-1.5
Other financial result	–	-0.1	-100.0
Financial result	-13.4	-15.2	-11.9
Earnings before taxes (EBT)	195.3	109.6	+78.2
Income taxes	-37.2	-25.3	+47.1
Net profit for the period	158.1	84.4	+87.5
Thereof attributable to:			
Equity holders of the parent	150.6	84.4	+78.5
Non-controlling interests	7.5	-0.0	n.a.
Earnings per share (in €, basic = diluted)	1.79	1.01	+78.5

* adjusted for at-equity results

Balance Sheet Indicators

in € million	30.9.016	31.12.2015	Change in %
ASSETS:			
Non-current assets	2,079.3	1,748.6	+18.9
Current assets	170.9	161.1	+6.1
LIABILITIES:			
Equity	1,254.2	1,020.0	+23.0
Non-current liabilities	702.3	579.1	+21.3
Current liabilities	293.8	310.6	-5.4
Total equity and liabilities	2,250.2	1,909.7	+17.8
Net debt	370.8	466.0	-20.4
Gearing (in%)	29.6	45.7	-16.1p%

Cash Flow Statement

in €million	Q1-3/2016	Q1-3/2015	Change in %
Net cash flow from operating activities	209.8	186.6	+12.4
investing activities	-2.9	-47.5	-93.9
financing activities	-139.3	-78.2	+78.1
Free cash flow	206.8	139.1	+48.7
CAPEX*	69.0	45.0	+53.3

* Excluding financial assets and business acquisitions

The report by Flughafen Wien AG for the first six months of 2016, from January 1 to September 30, 2016, is available to the general public at the company's offices at 1300 Flughafen Wien and at Bank Austria, 1010 Vienna, Schottengasse 6-8. It is also available on the Internet at
http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports

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