

## **Flughafen Wien Group Continues its Success Path: Substantial Growth in Passenger Volume, Revenue and Net Earnings in the First Half of 2017**

- **REVENUE** increase to €357.5 million (+3.4%), **EBITDA** rise to €157.9 million (+3.9%)
- **NET PROFIT FOR THE PERIOD<sup>1</sup>** up significantly to €60.1 million (+4.4%)
- **NET DEBT** further reduced to €323.7 million (down €31.8 million from the end of 2016)
- **Passenger growth of 9.2% for the Flughafen Wien Group in the first half-year (+6.9% for Vienna Airport)**
- **6.9% increase in passenger volume of the Flughafen Wien Group in July 2017 and 4.5% rise at Vienna Airport**
- **Upward revision of guidance for 2017: Passenger growth exceeding 5% expected for the Flughafen Wien Group and more than 4% for Vienna Airport despite bankruptcy of airberlin – Consolidated net profit for the period clearly above the prior-year level**
- **New incentive programme starting in 2018**

“Flughafen Wien AG continued its positive business development in the first half of 2017 - generating substantial increases in revenue and earnings – and thus its 25-year success story. Since the IPO of the Flughafen Wien AG share on June 15, 1992, the share price and enterprise value have increased five-fold”, states Günther Ofner, Member of the Management Board of Flughafen Wien AG. “The Vienna Airport site is also growing. The new Office Park 4, for which planning work is already underway, will offer more than 20,000 m<sup>2</sup> of new office space in the Airport City. The expansion of the Air Cargo Center featuring one of Austria’s largest photovoltaic facilities will be concluded by the end of 2017. Moreover, three new business sites are being established, with makita, Cargo Partner and DHL creating hundreds of jobs in the region”.

“In spite of the turbulence surrounding airberlin, the year 2017 is proceeding positively for Vienna Airport. Passenger volume is steadily rising. In particular, flight traffic is increasing to the regions of Eastern Europe including the Russian market along with the Middle East and Africa with several tourist destinations. Long-haul routes are also developing well. For example, Thai Airways will offer direct flight service to Bangkok as of November 2017. Even if current developments involving the airberlin Group are not gratifying, we expect this to have no significant negative effects on total passenger volumes at Vienna Airport. In particular, Austrian Airlines, Eurowings and easyJet are the growth drivers this year, more than compensating for capacity reductions of the airberlin Group. Due to the good passenger development, we have revised our forecasts upwards for the year 2017, and now expect an increase of more than 5% in passenger volume of the Flughafen Wien Group, and more than 4% for Vienna Airport”, summarizes Julian Jäger, Member of the Management Board of Flughafen Wien AG.

## **Traffic development in H1/2017: Flughafen Wien Group handles 14.0 million passengers**

Vienna Airport including its foreign strategic investments in Malta Airport and Kosice Airport handled a total of 14.0 million passengers in the first six months of January to June 2017, representing a 9.2% increase in passenger volume compared to the prior-year period.

### **Vienna Airport: 6.9% passenger growth in the first six months of 2017**

The number of passengers handled at Vienna Airport rose by 6.9% to 11,223,813 travellers from January to June 2017. The number of local passengers was up 6.8% in the first six months of 2017, whereas the volume of transfer passengers climbed by 7.0%. Passenger traffic to Western Europe was up 5.4% compared to the 11.3% increase in people flying to Eastern European destinations. Far Eastern destinations showed an 8.0% growth in passenger volume in the first half of 2017, and the number of passengers flying to the Middle East rose by 10.8% in this period. Due to seasonal capacity decreases and the deployment of smaller aircraft, the total number of passengers flying to North America fell by 2.2%. In contrast, passenger volume to Africa developed positively, expanding by 32.1%.

The number of flight movements fell by 1.3% in the period January to June 2017 from the prior-year level to 107,421 starts and landings. The average seat occupancy (seat load factor) increased considerably, climbing to 71.9% in the first six months of 2017 compared to 70.0% in the previous year. Cargo volume (air cargo and trucking) dropped slightly by 0.7% in the same period to 137,279 tonnes.

### **Good traffic and business development at Malta and Kosice airports**

The foreign strategic investments of the Flughafen Wien Group in Malta and Kosice Airports are also developing very favourably. Malta Airport reported a strong rise in passenger volume of 20.3% to 2,639,712 passengers in the first six months of 2017. During the same period, Kosice Airport showed a considerable rise of 11.0% in a year-on-year comparison, handling a total of 186,224 passengers.

### **Substantial improvements in financial performance indicators in H1/2017**

Revenue of the Flughafen Wien Group in the first six months of 2017 was up 3.4% to € 357.5 million, whereas EBITDA rose 3.9% to € 157.9 million (EBITDA in H1/2016 included positive one-off effects totalling € 4.9 million). EBIT improved by 2.4% to € 89.6 million and the net profit for the first half of 2017 increased by 4.4% to € 60.1 due to the improved financial results. Net debt was reduced once again to € 323.7 million (December 31, 2016: € 355.5 million). The free cash flow totalled € 78.7 million (H1/2016: € 175.8 million).

### **New incentive programme starting in 2018**

A new incentive programme designed to improve growth perspectives for airlines at the Vienna Airport site and safeguard the future of the flight hub will be introduced starting in 2018, pending approval of the Supervisory Board. Details will be announced following the September meeting of the Supervisory Board.

### **Revenue and earnings development in the segments**

Revenue of the Airport Segment climbed 0.7% in H1/2017 from the prior-year period to € 172.5 million. Incentives granted as a means of providing impetus for growth will have a somewhat dampening effect on the segment's revenue growth in the short-term, but should support a sustainable increase in earnings in the medium to long-term. Segment EBIT improved to € 34.1 million (H1/2016: € 32.1 million). The Handling Segment showed a 5.5% increase in revenue to € 79.6 million, and segment EBIT was up to € 7.5 million (H1/2016: € 5.1 million). This includes the security services provided by VIAS as well as the handling services of Vienna Aircraft Handling (VAH) and Vienna Passenger Handling Services (VPHS). The Retail & Properties Segment reported a revenue increase of 3.1% in the first six months of 2017 to € 61.4 million. This rise can be attributed to higher shopping, gastronomy and rental income. EBIT of the Retail and Properties Segment amounted to € 29.3 million (H1/2016: € 33.5 million). Revenue of the Malta Segment was up 16.7% to € 36.7 million,

and the segment's EBIT improved to € 16.1 million compared to € 11.6 million in the prior-year period. Revenue of the Other Segments fell by 6.5% to € 7.3 million, whereas segment EBIT amounted to € 2.6 million (H1/2016: € 5.2 million).

### **Investments**

Total investments in the first six months of 2017 amounted to € 61.3 million, with the largest share or € 14.2 million for purchases of land. This was followed by investments of € 10.6 million for the expansion of the Air Cargo Center, € 8.4 million for terminal renovations at Malta Airport, € 2.2 million relating to the expansion of a transformer station and € 2.0 million in investments relating to taxiways at Vienna Airport.

### **Traffic development in July 2017:**

#### **Flughafen Wien Group handled 3.3 million passengers (+6.9%) in July 2017, accumulated passenger growth of 8.8% in the period January to July 2017**

In July 2017, the Flughafen Wien Group consisting of Vienna Airport and the strategic foreign investments in Malta Airport and Kosice Airport handled a total of 3.3 million passengers, comprising an increase of 6.9% from July 2016. The accumulated passenger volume for the Flughafen Wien Group rose 8.8% to 17.3 million passengers in the period January to June 2017. Vienna Airport also developed very well, reporting a 6.4% increase in passenger volume to 13,765,971 travellers in the months of January to July 2017.

#### **Vienna Airport in July 2017: 4.5% rise in passenger traffic**

Vienna Airport handled 2,542,158 passengers in July 2017, representing an increase of 4.5% from July 2016. The number of local passengers was up 4.6%, and the volume of transfer passengers rose by 4.5%. The number of flight movements climbed 0.9% year-on-year, and good growth in cargo volume was reported, showing a 3.4% increase from the prior-year level.

The number of passengers flying from Vienna Airport to Western European was up by 2.9% in July 2017, whereas passenger traffic to Eastern European destinations showed an increase of 10.6%. Passenger volume to the Far East climbed 2.4% in July 2017, compared to a 2.2% drop in travellers to the Middle East. Passenger growth to North America was 5.7%, and passenger development to African destinations was also positive, showing a rise of 31.3%.

Malta Airport also reported a strong increase of 15.5% in the number of passengers it handled in July 2017. Similarly, passenger volume at Kosice Airport also rose considerably, increasing by 19.2% compared to July 2016.

1) *Net profit for the period before non-controlling interests*

## Results in detail - Traffic development in July 2017:

	July 2017	Change in %	January-July 2017	Change in %
<b>Vienna Airport (VIE)</b>				
Passengers	2,542,158	+4.5	13,765,971	+6.4
Local passengers	1,786,006	+4.6	10,123,279	+6.4
Transfer passengers	746,120	+4.5	3,580,752	+6.4
Flight movements (arrivals and departures)	21,137	+0.9	128,558	-0.9
Cargo in tonnes (air cargo and trucking)	24,235	+3.4	161,514	-0.1
<b>Malta Airport (MLA, fully consolidated)</b>				
Passengers	675,111	+15.5	3,314,823	+19.3
Local passengers	671,568	+15.9	3,295,101	+19.4
Transfer passengers	3,010	+234.4	13,784	+229.6
Flight movements (arrivals and departures)	4,562	+13.6	23,957	+14.8
Cargo in tonnes (air cargo and trucking)	1,161	+2.6	8,369	+5.5
<b>Flughafen Kosice (KSC, consolidated at equity)</b>				
Passengers	79,411	+19.2	265,635	+13.3
Local passengers	78,861	+19.4	258,218	+14.3
Transfer passengers	-	-	-	-
Flight movements (arrivals and departures)	782	+17.2	3,526	+12.4
Cargo in tonnes (air cargo and trucking)	6	-33.0	28	-50.2
<b>Vienna Airport and strategic investments (VIE, MLA, KSC)</b>				
Passengers	3,296,680	+6.9	17,346,429	+8.8
Local passengers	2,536,435	+7.8	13,676,598	+9.4
Transfer passengers	749,130	+4.8	3,594,536	+6.7
Flight movements (arrivals and departures)	26,481	+3.3	156,041	+1.5
Cargo in tonnes (air cargo and trucking)	25,402	+3.3	169,912	+0.2

Note: Total number of passengers includes local, transfer and transit passengers.  
Retroactive adjustment of comparative values for 2016 and transit figures in Kosice

## Income Statement

in € million	H1/2017	H1/2016 <sup>1</sup>	Change in %
<b>Revenue</b>	<b>357.5</b>	<b>345.6</b>	<b>+3.4</b>
Other operating income	5.6	6.3	-11.3
<b>Operating income</b>	<b>363.1</b>	<b>351.9</b>	<b>+3.2</b>
Expenses for consumables and services used	-18.6	-17.2	+8.4
Personnel expenses	-137.3	-134.3	+2.2
Other operating expenses	-50.6	-49.3	+2.5
Proportional share of income from companies recorded at equity	1.2	0.9	+37.5
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>157.9</b>	<b>152.0</b>	<b>+3.9</b>
Depreciation and amortisation	-67.6	-68.5	-1.3
Reversal of impairment	-	3.9	-100.0
Impairment	-0.7	-	n.a.
<b>Earnings before interest and taxes (EBIT)</b>	<b>89.6</b>	<b>87.5</b>	<b>+2.4</b>
Income from investments, excluding companies recorded at equity	0.5	0.6	-17.0
Interest income	0.4	1.1	-64.9
Interest expense	-9.3	-11.6	-19.4
Other financial result	0.1	-	n.a.
<b>Financial result</b>	<b>-8.4</b>	<b>-9.9</b>	<b>+15.5</b>
<b>Earnings before taxes (EBT)</b>	<b>81.2</b>	<b>77.6</b>	<b>+4.7</b>
Income taxes	-21.1	-20.0	+5.6
<b>Net profit for the period</b>	<b>60.1</b>	<b>57.6</b>	<b>+4.4</b>
<b>Thereof attributable to:</b>			
<b>Equity holders of the parent</b>	<b>54.9</b>	<b>53.7</b>	<b>+2.3</b>
Non-controlling interests	5.2	3.9	+34.0
Earnings per share (in €, basic = diluted)	0.65	0.64	+2.3

1) H1/2016 figures adjusted

## Balance Sheet Indicators

in €million	30.06.2017	31.12.2016	Change in %
<b>ASSETS:</b>			
Non-current assets	1,829.2	1,835.9	-0.4
Current assets	202.0	182.4	+10.7
<b>LIABILITIES:</b>			
Equity	1,145.9	1,144.0	+0.2
Non-current liabilities	623.1	652.2	-4.5
Current liabilities	262.2	222.2	+18.0
Total assets	2,031.2	2,018.3	+0.6
Net debt	323.7	355.5	-8.9
Gearing (in%)	28.2	31.1	n.a.

## Cash flow

in €million	H1/2017	H1/2016 <sup>1</sup>	Change in %
Net cash flow from operating activities	136.1	134.7	+1.0
investing activities	-57.4	41.1	n.a.
financing activities	-73.8	-173.5	-57.5
Free cash flow	78.7	175.8	-55.2
CAPEX <sup>2</sup>	61.3	50.5	21.4

1) H1/2016 figures adjusted; 2) excluding financial assets

The report by Flughafen Wien AG for the first six months of 2017, from January 1 to June 30, 2017, 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](http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports).

Flughafen Wien AG, August 22, 2017

The Management Board

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