



Annual Financial Report 2010

in accordance with § 82 (4) of the Austrian Stock Exchange Act

VIE Vienna International Airport
Open For New Horizons.

Individual Financial Statements of Flughafen Wien AG

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Management Report of Flughafen Wien AG

Information on the Company

Flughafen Wien Aktiengesellschaft (AG) and its subsidiaries are service companies that are active in the construction and operation of civil airports and related facilities. As a civil airport operator, the Company manages Vienna International Airport and Vöslau-Kottingbrunn Airport. The headquarters of the Company are located in Schwechat, Austria. The address of the Company is: Flughafen Wien AG, P.O. Box 1, A-1300 Wien-Flughafen. Flughafen Wien AG is listed in the company register of the provincial and commercial court of Korneuburg under number FN 42984 m.

The Economic Environment

The success of an airport is significantly influenced by external factors that include the development of the economy and the purchasing power of private households which, in turn, have an effect on travel behaviour. After the severe global recession caused by the international financial crisis, the first signs of a turnaround appeared in mid-2009. Economic growth has since been driven by strong exports and, not least, by expansive monetary and fiscal policies. According to statistics published by the International Monetary Fund, the global economy grew by approx. 5.0% in 2010. A Eurostat report shows GDP growth of 1.7% for the euro zone, while the Austrian economy generated a plus of 2.0%.

Forecasts for 2011

Economic forecasters expect a continuation of this upward trend in 2011, but global growth will most likely be paralleled by weakness in the Austrian economy through mid-year. In the euro zone, the slowing momentum in worldwide trade and the consolidation of government budgets have had a subduing effect on recovery. Market developments reflect two speeds: Germany and countries closely related to the German economy – like Austria – will continue to expand as a result of worldwide growth, while the outlook for Southern Europe and Ireland is less optimistic due to drastic government austerity programmes and lower competitive ability. Consequently, the upturn in the euro zone should be less dynamic than the rest of the world over the coming years. Only the EU member states in Central-East Europe are expected to generate significant growth.

According to the economic research institute WIFO, growth in Austria should reach 2.2% in 2011 and 2.0% in 2012. The economic stimulus measures implemented during 2009 and 2010 (tax reform, increase in transfer incomes, short-time work) provided support for real disposable personal income and stabilised the overall development of the economy through an increase in private consumption. Consumer spending is expected to rise by an average of 1.2% annually from 2011 to 2015. The global economy – above all the economies in the largest emerging markets of Asia and South America – mastered the consequences of the crisis faster than expected and should generate average growth of 4.5% per year during the period from 2011 to 2015.

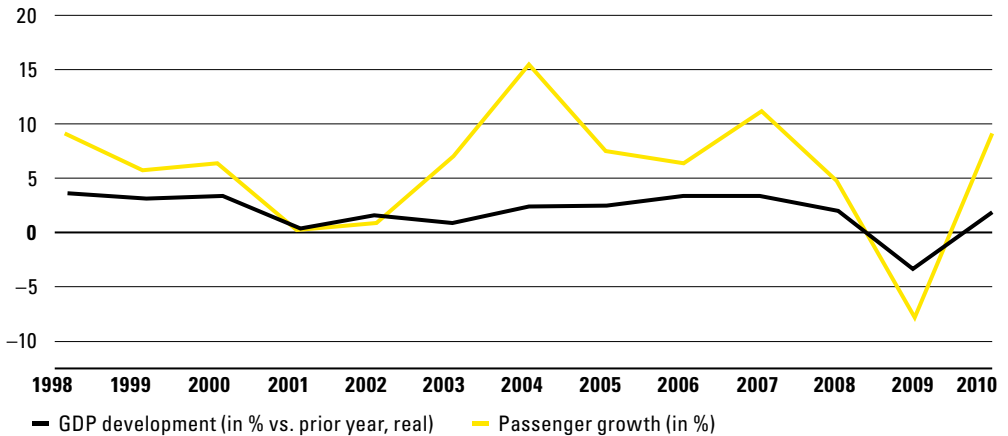
Tourism in Austria

The decline in overnight stays during 2009 was followed by a slight increase in the reporting year. According to Statistik Austria, the number of overnight stays rose by 0.4% year-on-year to 124.8 million in 2010 (2009: 124.3 million). Vienna set a new record with a plus of 10.3% to 10.86 million overnight stays. An analysis of the key countries of origin for visitors to Vienna shows the strongest increase in the number of overnight stays from Russia at 35%, followed by Austria (+14%), Italy and France (each +12%), Germany and the USA (each +11%). Sound growth was also recorded in overnight stays by guests from Turkey (+34%), the Arabian countries in Asia and Brazil (each +21%) as well as China (+28%).

Economic growth and air travel

Numerous studies confirm the close correlation between the economic success of a country and the demand for air travel, whereby passenger volumes tend to fluctuate significantly more than economic growth. Experts are forecasting an average increase in air traffic above the mean increase in global GDP by 2030. However, this development differs substantially by region, with China and India representing the largest growth markets. The following graph shows the development of passenger volumes at Vienna International Airport compared with GDP growth in Austria and illustrates this correlation. With the exception of 2001 and 2002, when the pulmonary disease SARS led to a sharp drop in the number of passengers and the “crisis year” 2009, the increase in the number of passengers has always outpaced the Austrian economy.

Correlation between the economy and passenger volume



Traffic at Vienna International Airport

Vienna International Airport in European Comparison

2010 was a period of significant recovery for the European aviation industry. However, the year was influenced by the effects of the volcanic ash cloud and severe winter weather that, in both cases, led to numerous flight cancellations. The European airports recorded an average increase of 4.2%¹⁾ in passengers for the year, but the growth in Vienna was more than double this level with a plus of 8.7%. With a total of 19,691,206 passengers, Vienna International Airport nearly reached the pre-crisis level and missed the 9.0% traffic forecast by only a slight margin. In spite of the strong growth in passenger volume, Vienna remains one of the most punctual airports in Europe, ahead of the other Star Alliance hubs in Munich, Zurich and Frankfurt. Many European airports reported a decline in flight movements for 2010 due to the numerous cancellations. The European average, with a decline of 1.1% in flight movements for the year, is contrasted by a 1.1% increase in flight movements to 246,146 at Vienna International Airport. Maximum take-off weight (MTOW) rose by 9.9% to 7,975,333 tonnes, in comparison with a forecast of 10.0%. The average seat occupancy equalled 68.9% versus 68.7% in the previous year. For 2011, Flughafen Wien is forecasting growth of 5.0% in the number of passengers and 2.0% in flight movements.

1) Source: ACI Airport Traffic Report, December 2010 – full year

Traffic at Comparable European Airports

	Passengers in thous.	Change vs. 2009 in %	Flight movements	Change vs. 2009 in %
London ¹⁾	115,837.0	-2.2	826,207	-4.1
Paris ²⁾	83,369.3	0.4	707,578	-4.2
Frankfurt	53,009.2	4.1	453,228	0.2
Madrid	49,768.2	2.8	432,430	-0.3
Amsterdam	45,211.7	3.8	386,316	-1.3
Rome	36,228.5	7.4	323,326	1.4
Munich	34,721.6	6.2	367,760	-2.4
Zurich	22,826.9	4.3	227,819	2.0
Vienna	19,691.2	8.7	246,146	1.1
Milan	18,947.8	8.0	189,580	3.5
Prague	11,556.9	-0.7	152,805	-4.8
Budapest	8,179.4	1.2	100,408	-3.6

1) London Heathrow, Gatwick and Stansted

2) Paris Charles de Gaulle, Paris Orly

Source: ACI Europe Traffic Report December 2010

The Development of Traffic in Detail

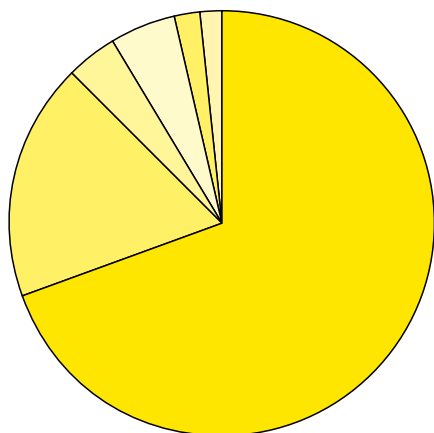
Cargo turnover at Vienna International Airport rose by 16.5% to 295,989 tonnes. This strong development resulted, above all, from increased air cargo traffic to and from the Far East and Middle East as well as the rapid economic recovery. Air cargo was 18.1% higher at 219,334 tonnes, while trucking grew 12.3% to 76,655 tonnes.

Vienna International Airport offered flights to a total of 172 destinations in 2010, including 40 cities in Eastern Europe. This extensive flight plan allowed Vienna to maintain its standing as the leading east-west hub in European comparison. Traffic to Eastern Europe increased by an above-average 13.6% in 2010, after a sharp 14.6% drop in the previous year. Travel to the Middle East also grew by a sound 10.0%, while the Far East increased 3.6%.

There were no major year-on-year shifts in the regional distribution of scheduled passenger traffic during 2010. Western Europe remained the most popular destination with 69.6%, with Frankfurt, London, Zurich and Paris as the strongest destinations.

Passenger traffic – scheduled flights

Departing passengers (change vs. prior year in percentage points)

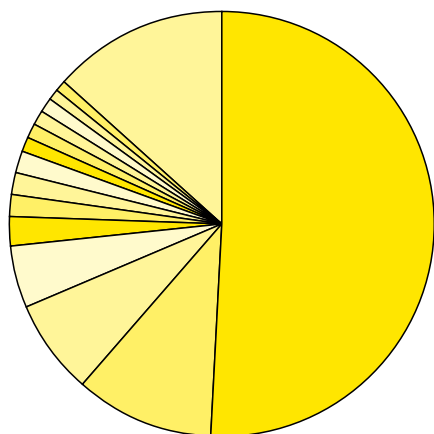


69.6% Western Europe (-0.2)
17.9% Eastern Europe (+0.7)
5.0% Middle East (+0.0)
4.0% Far East (-0.2)
2.1% North America (-0.2)
1.4% Africa (+0.0)

The Major Airlines at Vienna International Airport

The Austrian Airlines Group, as the home carrier at Vienna International Airport, recorded 12.0% growth in the number of passengers handled during 2010, which raised its share of the total passenger volume from 49.5% in the previous year to 50.9%. With an increase of 27.7% in passengers and a share of 10.8% (2009: 9.2%), the low-cost carrier NIKI was able to expand its position as Vienna's second largest carrier. Seven other low-cost carriers also served Vienna on a regular basis during 2010 (2009: 11). The termination of flights by SkyEurope, Tuifly.com and Myair.com reduced the market share of the low-cost carriers by one percentage point to 22.1%. The low-cost carriers handled 4,356,707 passengers during the reporting year, for a plus of 4.0% (2009: -9.0%). Four new airlines (Alitalia, British Midland, China Southern Airlines and Wataniya Airlines) added Vienna International Airport to their flight schedules in 2010, while four airlines terminated services to and from Vienna.

Passengers in 2010 by Airline



50.9% Austrian Airlines Group
10.8% NIKI
7.1% Air Berlin
4.8% Lufthansa
2.3% Germanwings
1.6% Swiss Intl.
1.6% British Airways
1.6% Air France
1.2% Turkish Airlines
1.2% KLM Royal Dutch Airlines
1.1% Emirates
0.9% Iberia
0.9% Brussels Airlines
0.8% easy Jet
13.2% Other

Tariff and Incentive Policy

The tariff adjustments implemented by Flughafen Wien as of 1 January 2010 (landing, passenger, parking and infrastructure tariffs) were determined using the index formula that has been in effect for many years. Accordingly, these tariffs were increased by the consumer price index of 0.5%. Revenue-neutral changes involved a 13.0% reduction in the landing tariff and a 7.3% increase in the passenger tariff. These adjustments still give Flughafen Wien a highly competitive tariff structure. Applications for tariff changes are subject to the approval of the Austrian civil aviation authority, which has authorised the use of the index-based formula for adjustments up to the end of 2011.

Revenue

Revenue growth outpaces traffic development

Flughafen Wien AG generated revenue of € 522.5 million in 2010. This 12.3% increase was higher than the 8.7% growth in traffic, above all due to the strong growth in non-aviation revenue. The lower growth in aviation revenue resulted above all from higher revenue deductions, among others from the extension of the increase in the transfer incentive and the agreements concluded with NIKI and the Austrian Airlines Group.

Airport revenue rose by 1.9% to € 197.6 million. This growth was supported by the positive development of traffic, but limited by the higher revenue deductions.

Vienna International Airport handled 19.7 million passengers in 2010. This represents a year-on-year increase of 8.7% or 1.6 million passengers. Maximum take-off weight rose by 9.9% and flight movements by 1.1%. Cargo turnover (incl. trucking) was 16.5% higher than 2009. As in the previous year, the low-cost carriers handled a major share of the passenger volume. The share of the Austrian Airlines Group – based on the number of passengers – increased slightly from 49.5% in 2009 to 50.9% for the reporting year. The average seat occupancy (scheduled and charter flights) equalled 68.9% versus 68.7% in the previous year.

Airport activities generated revenue of € 197.6 million (2009: € 193.9). The development of the landing tariff (-5.1%), which is dependent on MTOW, and the passenger tariff (+16.8%) is explained as follows: a reduction of 13.0% in the landing tariff and increase of 7.3% in the passenger tariff led to a neutral shift in revenue. With a share of 37.8% (2009: 41.7%) airport activities generated the largest share of total revenue.

Handling activities produced revenue of € 155.3 million in 2010. The strong 14.2% increase resulted, above all, from the positive development of cargo turnover (+29.6%) and higher revenue from individual services (+19.9%). Ramp handling increased 9.4% to € 97.5 million and traffic handling 6.1% to € 11.5 million.

Cargo turnover amounted to 295,989 tonnes in 2010, for an increase of 16.5% over the prior year. Pure air cargo grew by 18.1%. The total volume of trucking cargo was also higher than 2009.

Non-aviation revenue totalled € 169.6 million (2009: € 135.3 million). Revenue from rentals and concessions amounted to € 104.9 million, compared with € 96.6 million in the previous year. The strongest growth was recorded by parking revenue with a plus of 14.3% to € 28.3 million. Revenue from security services, which result from the collection of a fixed fee in accordance with § 4a (3) of the Austrian Aviation Safety Act, rose from € 2.0 million to € 29.4 million. This amount represents compensation for the provision of security services. Primary revenue from the retail and gastronomy operations totalled € 153.6 million, compared with € 144.8 million in 2009.

Seasonality of the Airport Business

Flughafen Wien AG generally records the highest revenues during the second and third quarters of the year because of the vacation season in Europe. The largest share of revenue in 2010 was recorded during the third quarter with 27.1%. In contrast to the usual pattern, this was followed by the fourth quarter with 25.5% of annual revenue due to strong growth in passenger traffic. The second and first quarters were responsible for 24.4% and 23.0% of annual revenue, respectively.

Earnings

The development of earnings in Flughafen Wien AG during 2010 can be summarised as follows:

- Revenue: plus 12.3% to € 522.5 million
- Operating income: plus 12.5 % to € 536.7 million
- Cost of consumable and services: increase of 91.4% to € 66.4 million
- Personnel expenses: increase of € 26.0 million to € 210.6 million
- Operating expenses, excluding depreciation and amortisation: plus € 62.7 million to € 402.4 million
- Earnings before interest, taxes, depreciation and amortisation (EBITDA): minus 2.3% to € 134.3 million
- Depreciation and amortisation: minus 2.4% to € 60.7 million
- Earnings before interest and taxes (EBIT): plus 2.2% to € 73.6 million
- Financial results: minus € 3.8 million to minus € 15.4 million
- Earnings before taxes (EBT): minus 8.5% to € 58.2 million
- Net profit for the year: minus 12.0% to € 45.2 million
- Retained earnings: minus 4.8% to € 42.0 million

Other operating income rose by € 2.1 million to € 9.5 million in 2010, chiefly due to the reversal of provisions. Operating income increased to € 536.7 million (2009: € 477.2 million).

Operating expenses

Amounts in € million	2010	2009
Consumables and services	66.4	34.7
Personnel	210.6	184.6
Other operating expenses	125.4	120.4
Depreciation and amortisation	60.7	62.2
Total	463.1	401.9

The cost of consumables and services rose by € 31.7 million or 91.4% to € 66.4 million. This development resulted, above all, from the first-time inclusion of the costs for security controls provided by VIAS (€ 27.3 million).

The average number of employees increased 1.5% to a total of 3,283. Personnel expenses rose by € 26.0 million or 14.1% to € 210.6 million. This increase resulted chiefly from higher expenses for severance compensation and pensions (plus € 12.2 million).

Other operating expenses rose by € 5.0 million to € 125.4 million, whereby the primary causes were higher expenses for marketing (€ 6.9 million), legal, audit and consulting fees (€ 3.2 million), maintenance (€ 3.0 million), temporary personnel (€ 1.3 million) and rentals and leasing. Declines were recorded in miscellaneous operating expenses (€ 8.5 million) and additions to the valuation adjustments to receivables (€ 4.0 million)

Earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded by Flughafen Wien AG fell by 2.3% to € 134.3 million in 2010 (2009: € 137.5 million).

Depreciation and amortisation, and investments (excl. financial assets)

Amounts in € million	2010	2009
Depreciation and amortisation	60.7	62.2
Investments	140.1	206.6

The decline in EBITDA led to a 2.2% decrease in EBIT to € 73.6 million for the reporting year (2009: € 75.3 million).

Financial results deteriorated by € 3.8 million or 32.6% to minus € 15.4 million. This negative development resulted chiefly from a € 5.3 million rise in expenses from subsidiaries as well as an increase of € 2.8 million in interest and similar expenses. These items were in part offset by a € 3.5 million increase in income from investments in other companies.

The tax rate equalled 22.3% for 2010, compared with 19.2% in the previous year. Net profit of € 45.2 million represents a year-on-year decline of € 6.2 million.

Information on Management Policies

The financial management of Flughafen Wien AG The financial management of the Flughafen Wien Group is supported by a system of indicators, which utilises selected and closely synchronised ratios. These indicators define the scope of development, profitability and financial security within which Flughafen Wien AG moves in the pursuit of its primary goal to realise profitable growth.

Depreciation, which will rise over the coming years due to the high level of capital expenditure at the airport, has a significant influence on the earnings indicators used by Flughafen Wien AG. In order to permit an independent evaluation of the operating strength and performance of the individual business segments, EBITDA – which equals operating profit plus depreciation and amortisation – is defined as the key indicator. The company also uses the EBITDA margin, which shows the relationship of EBITDA to revenue. The EBITDA margin equalled 25.7% in 2010, compared with 29.5% in the prior year. The defence of high profitability is a stated goal of management.

In addition to the EBIT margin, the after-tax return on equity (ROE) is also used to evaluate the company's profitability. The ROE compares net profit for the period with the average capital employed during the financial year. It is the objective of Flughafen Wien AG to exceed the return required by investors and lenders on the capital market. The standard for this return is the cost of capital, which represents a weighted average of the cost of equity and debt (weighted average cost of capital; WACC).

Income Statement, summary

Amounts in € million	2010	Change in %	2009
Revenue	522.5	12.3	465.3
Other operating income (incl. own work capitalised)	14.2	20.3	11.8
Operating income	536.7	12.5	477.1
Operating income excl. depreciation and amortisation	-402.4	18.5	-339.6
EBITDA	134.3	-2.3	137.5
Depreciation and amortisation	-60.7	2.4	-62.2
EBIT	73.6	-2.2	75.3
Financial results	-15.4	32.6	-11.7
EBT	58.2	-8.5	63.6
Income taxes	-13.0	5.9	-12.2
Net profit	45.2	-12.0	51.4

Financial, Asset and Capital Structure

Assets

Total assets rose by 7.5% to € 1,872.2 million as of 31 December 2010 (2009: € 1,742.2 million). The ongoing extensive capital expenditure programme led to an increase of 3.7% in non-current assets to € 1,680.2 million (2009: € 1,620.0 million). Current securities remained unchanged in comparison with the previous year, while deposits with financial institutions and cash on hand increased € 57.8 million to € 59.9 million. Trade receivables were € 12.6 million higher at € 44.4 million, and represented the main reason for the increase in current assets from € 120.4 million to € 189.6 million.

Equity and liabilities

Equity fell by 0.1% to € 678.3 million due to the decline in earnings. An addition of € 1.6 million was made to voluntary reserves, which consequently grew to € 363.4 million. Provisions rose by 19.0% from € 171.6 million to € 204.1 million, chiefly due to an increase of € 11.7 million in the provisions for outstanding invoices and € 13.9 million in other provisions. Increases were also recorded in the provision for severance compensation (plus € 7.5 million) and the provision for service anniversary bonuses (plus € 2.2 million). As in the prior year, no provisions for taxes were created in 2010 because of the high prepayments made during the year. Liabilities rose by € 97.8 million to € 950.0 million, primarily due to a € 216.5 million rise in amounts due to subsidiaries as of 31 December 2010. Amounts due to financial institutions declined € 87.6 million to € 491.1 million because of a decrease in short-term financing, and trade payables were € 39.3 million lower at € 57.2 million.

Cash Flow

in T€

2010

2009

Net cash flow from operating activities

+/-	Profit/loss for the year	45,243.6	51,394.0
+	Depreciation and amortisation	60,704.6	62,212.4
+	Write-downs to financial assets and current securities	0.0	1,109.1
-	Write-ups to financial assets	-1,027.3	-786.4
+	Untaxed reserves	-1,024.0	-1,354.8
+/-	Change in employee-related provisions	6,225.5	3,887.6
+/-	Change in other non-current provisions	1,667.7	885.3
-/+	Gains(-)/losses(+) on the disposal of non-current assets	13,863.8	399.4
-/+	Gains(-)/losses(+) on the disposal of financial assets	-30.2	0.0
+	Results from the disposal of current securities	0.0	-158.2
	Gross cash flow	125,623.7	117,588.5
-/+	Increase/decrease in inventories	-1,173.6	411.3
-/+	Increase/decrease in receivables due from customers	-12,647.4	7,127.3
-/+	Increase/decrease in receivables due from group companies (excl. financing)	-4,401.8	-1,435.7
-/+	Increase/decrease in other receivables and assets(excl. financing) as well as prepaid expenses and deferred charges	6,113.1	-4,370.9
+/-	Increase/decrease in trade payables	-22,974.2	27,671.1
+/-	Increase/decrease in amounts due to group companies (excl. financing)	15,089.3	11,155.2
+/-	Increase/decrease in other provisions	24,681.4	-19,433.5
+/-	Increase/decrease in other liabilities (excl. financing) and deferred income	9,045.7	-550.3
		13,732.6	20,574.4
	Operating cash flow	139,356.3	138,162.9

Net cash flow from investing activities

-	Payments made for investments in intangible assets and property, plant and equipment	-156,263.1	-192,223.5
+	Disposal of intangible assets and property, plant and equipment	52.3	5,845.9
-	Investments in financial assets	-244.7	-6,840.4
+	Disposal of financial assets and current securities	6,623.4	34,760.1
		-149,832.1	-158,457.9

Net cash flow from financing activities

-	Dividend/repayment of shareholder contributions	-44,100.0	-54,600.0
+/-	Change in medium-term and short-term financial liabilities	112,401.8	73,892.8
		68,301.8	19,292.8
	Change in cash and cash equivalents	57,826.0	-1,002.2

Profitability indicators

	2010	2009
EBIT in T€	73,638.8	75,279.0
EBITDA in T€	134,343.4	137,491.4
EBIT margin in %	13.7	15.8
EBITDA margin in %	25.0	28.8
ROE in %	6.6	7.4

Balance sheet structure

Assets

Non-current assets in %	89.7	93.0
Current assets in %	10.3	7.0
Total assets in T€	1,872,211.2	1,742,154.4

Equity and liabilities

Equity in %	36.9	39.6
Liabilities in %	63.1	60.4
Total equity and liabilities in T€	1,872,211.2	1,742,154.4

Definition of indicators:

EBIT margin

EBIT (Earnings before Interest and Taxes)

Formula: $\text{EBIT} / \text{Operating income}$

EBITDA margin

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation)

Formula: $(\text{EBIT} + \text{depreciation and amortisation}) / \text{Operating income}$

ROE

(Return on Equity after Tax)

Formula: $\text{Net profit for the period} / \text{Average equity (including untaxed reserves and investment subsidies)}$

Average equity: $(\text{Equity in the prior year} + \text{equity in the current year}) / 2$

Corporate Spending

Investments in intangible assets, property, plant and equipment and financial assets fell by 34.2% to € 140.3 million in 2010. These expenditures include € 139.0 million for property, plant and equipment, € 1.1 million for intangible assets and € 0.2 million for financial assets.

Terminal extension VIE-Skylink

Investments for the reporting year focused primarily on the terminal extension VIE-Skylink at € 81.7 million. The VIE-Skylink will include the construction of a pier with 17 aircraft positions (so-called “fingers”) close to the building and a new terminal with additional check-in counters and modern baggage sorting equipment as well as generous and attractive shopping and gastronomy areas. The passenger flow concept over three levels with vertical connections will reduce transfer routes to manageable distances and safeguard Vienna’s competitive 25-minute minimum connecting time in the future. It will also separate departing and arriving passengers. In accordance with the one-roof concept, the terminal extension VIE-Skylink is connected directly to the existing facilities and will be accompanied by a new large centre with access to railway connections and car parks.

After the refocusing of the VIE-Skylink project and the interruption of construction, work was resumed during February 2010. Since the summer all firms have directed their full attention to completing construction on schedule, and the pace and scope of work have increased steadily. The progress of work at the construction site is satisfactory.

Parallel to construction, preparations are underway for the opening of the new terminal extension. Start-up concepts were developed and the required organisation is in place. Regular workshops to prepare for the opening have been held since last summer. Flughafen Wien is supported in these activities by international experts, who have had experience with the construction and start-up of terminals at other international airports. A number of functional responsibilities were defined and working groups established to prepare for the start of operations, whereby the continuous exchange of information with the construction team is designed to ensure compliance with the agreed schedule. Test operations are planned for the fourth quarter of 2011.

Following the reorganisation of the project, all prerequisites are now in place to complete the terminal extension on schedule and within budget. The process timeline prepared by project management confirms the overall schedule with the completion of construction as planned in 2011 and also guarantees the start of operations during the first half of 2012. Projections by the new project management also indicate that the project can be finalised within the forecasted budget of € 830 million. This amount includes provisions for risk, reserves and the possible commissioning of a general contractor for the entire project. However, the goal is to hold the total costs below the upper limit.

The tender to select a general contractor for the entire project proceeded at full speed during the reporting year. The final decision to award the contract will be based on the economic benefits for Flughafen Wien.

With respect to the shop and gastronomy areas, discussions with the top-ranked candidates from the 2007/2008 tender were resumed in the second half of 2010. The contracts for the commercial space were signed by the major operators, and reflect the centre mix and quality criteria defined by Flughafen Wien.

Other investments

Other major investments during the reporting year included technical noise protection and the environmental fund (€ 10.5 million), security systems (€ 6.2 million), infrastructure extensions for the west expansion (€ 2.6 million), security control lines (€ 2.1 million) and the revitalisation of the bus gates (€ 2.1 million). A total of € 1.8 million was invested in advertising space and € 3.3 million in special, towing and loading vehicles.

Major additions

in € million	2010
Property, plant and equipment	
Terminal extension VIE-Skylink	81.7
Third runway	10.5
Security systems	6.2
Special, towing and loading vehicles	3.3
Infrastructure extensions for west expansion	2.6
Security control lines	2.1
Revitalisation of B-bus gates	2.1
Advertising space	1.8
Land	1.0
Plaza in front of the terminal building	0.5

Branch offices

As in the prior year, the company had no branch offices during 2010.

Financial instruments

A financial instrument is a contract that simultaneously creates a financial asset in one entity and a financial liability or equity instrument in another entity. In particular, financial assets include financial investments such as non-consolidated and other holdings, securities, trade receivables, originated loans and other receivables, non-derivative and derivative financial assets held for trading, and cash and cash equivalents. Financial liabilities generally represent an obligation to deliver cash or other financial assets to a creditor, and are comprised above all of amounts due to financial institutions, trade payables and derivative financial liabilities. Financial assets and financial liabilities are normally not offset for presentation, except in cases where there is a legally enforceable right to offset the amounts and settlement will take place on a net basis.

In 2008 Flughafen Wien concluded an interest rate swap (receive variable – pay fixed) to hedge the cash flows on a variable interest financial liability. This variable interest financial liability was designated as the hedged item at an amount reflecting the nominal value of the interest rate swap. Further details are provided in the notes to the financial statements.

Risks of Future Development

Risk management

A specific guideline defines and regulates risk management in the Flughafen Wien Group. The risk management process is designed to systematically identify and assess the risks to which the company is exposed and to take appropriate measures to minimise these risks. The related procedures cover all operating and strategic business processes. Responsibility lies with the individual business unit managers or subsidiary directors. The risk management group in the general secretariat of Flughafen Wien supports this process as a consulting and coordination partner. The investment management and controlling departments are also involved in risk management.

The identified risks are documented in a separate database as a risk environment. This application is regularly optimised to ensure effective and efficient utilisation. Appropriate steps to strengthen the integration of the risk environment in the database are currently under evaluation.

The company has concluded insurance policies to cover specific damages and liability risks, which allow for the minimisation of possible financial losses. In addition to various control systems and instruments, Flughafen Wien has established an internal audit department that regularly evaluates business practices and organisational processes for compliance with group guidelines, security and efficiency. The Management Board has therefore created the necessary instruments and structures to identify risks at an early point in time and to subsequently implement appropriate countermeasures or otherwise minimise these risks. The existing systems will be further developed and evaluated as part of projects that are currently in progress.

Economic risks

The development of business at Flughafen Wien is significantly influenced by global trends in air travel which, in turn, are heavily dependent on general economic conditions. External factors such as terror, war or other external shocks (e.g. the pulmonary disease SARS or the volcanic ash cloud) trigger a decline in traffic, but are extremely difficult for an individual company to control. In addition to emergency plans, Vienna International Airport works to counter the effects of such shocks, above all with high demands on the quality of security and proactive public relations. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specially designed security measures for customers. Flughafen Wien AG can also react to the intensity and impact of such events with flexible cost and price structures as well as the modification of its capital expenditure programme.

Branch risks

A key success factor for the Flughafen Wien Group is the positioning of Vienna International Airport as an east-west hub, whereby this function is used above all by the Austrian Airlines Group as Vienna's largest airline customer. In 2010 this carrier recorded a 12.0% increase in the number of passengers handled and a 15.8% increase in passenger traffic to Eastern Europe. The future role of the Austrian Airlines Group within the Lufthansa organisation is therefore a significant factor for the future development of Flughafen Wien. The route

adjustments resulting from the corporate integration were largely completed in 2010. Since the East European destinations flown by Lufthansa, Swiss and the Austrian Airlines Group overlap to only a limited extent, Flughafen Wien assumes the Austrian Airlines Group will continue its growth strategy with a focus on Eastern Europe. Vienna International Airport also intends to increase its positioning as a leading east-west hub for travel to the emerging economic regions of Central and Eastern Europe over the coming years.

Under the name “Austrian Next Generation”, the Austrian Airlines Group is implementing a concept that will refocus and restructure the company. This concept comprises three elements: 1) A new active market strategy with a concentration on top quality service and a larger offering of flights at lower costs; 2) Cost reduction through leaner corporate structures; and 3) Synergies with the Lufthansa Group in sales and marketing.

Flughafen Wien works to strengthen the financial position of Vienna International Airport by creating sustainable incentives for airlines that generate long-term growth in Vienna and thereby improve the hub system. One of the measures implemented by Flughafen Wien to achieve this goal is the conclusion of agreements with Austrian Airlines and NIKI to further improve the existing system partnerships.

The costs to Flughafen Wien AG arising from these agreements will amount to approx. € 17.0 million per year during the period from 2010 to 2012. However, payment is contingent on the achievement of the agreed growth targets.

The new agreements are designed to support the development of joint growth perspectives. They extend the increase in the transfer incentive, which was raised to € 10.21 per passenger in 2009 and would have expired at the end of June 2010. The agreement with the Austrian Airlines Group also includes measures to optimise the space in the AUA base at Vienna International Airport. Cooperation within the framework of the system partnership will be strengthened to improve joint core processes, with the goal of sharing the resulting cost and performance benefits.

In connection with the enactment of the 2011 Austrian budget law (“Budgetbegleitgesetz 2011”), a new charge for airline passengers will take effect on 31 March 2011 (“Flugabgabegesetz”). The airlines will be required to collect this additional duty for passengers departing from Austrian airports on behalf of the Austrian Finance Ministry. The amount of the duty is dependent on the destination, and equals € 8 for domestic and short-haul flights, € 20 for mid-haul flights and € 35 for long-haul flights. The possible effects of this duty on the development of passenger volumes are to be monitored.

Market and customer structure risks

Mergers and takeovers as well as the growing concentration in aviation alliances are strengthening the power of the airlines.

The Austrian Airlines Group is the largest customer of Flughafen Wien with a 50.9% share of passenger volume. The long-term development of this airline as a strong and independent home carrier and the network strategy of the Star Alliance, in which the Austrian Airlines Group is a partner, represent key factors for the success of the Flughafen Wien Group. Therefore, developments in this area are monitored on a continuous basis. The strategic positioning of Austrian Airlines within the Lufthansa Group and the implementation of the "Austrian Next Generation" strategy will create interesting growth opportunities for AUA, but are also connected with incalculable factors and uncertainty that could have an effect on Vienna's hub function.

The low-cost carriers are a further growth driver for Flughafen Wien. However, past events have shown that these airlines are not always solid financial partners. The share of the low-cost carriers in the total passenger volume at Vienna rose by 4.0% in 2010, with NIKI recording the strongest growth at 27.7%. These above-average growth rates increase the cost pressure on traditional carriers.

Flughafen Wien AG counters market risk with marketing programmes as well as attractive tariff and incentive models that benefit all airlines. A key goal of these measures is to share the airlines' occupancy risk and also support key intercontinental flights as well as destinations throughout Eastern and Central Europe. Including the incentives offered by Flughafen Wien AG, the duties charged by Vienna International Airport are below the European average.

The handling services provided by Flughafen Wien are the subject of growing pressure on prices as well as demands for higher quality services from the airlines. Service level agreements that include penalties for the failure to reach specific targets are becoming standard practice. Flughafen Wien counters competition from other service providers with individualised service offers and high quality standards. That minimises the risk of losing market shares to competing firms like Fraport (ramp handling) or Swissport (cargo). The ability to meet these quality demands is dependent on sufficient capacity and, consequently, on the continuous expansion of the airport's infrastructure. The loss of key customers in the handling segment would have a negative effect on earnings. The limited number of airlines and forward agents operating in the cargo area, above all the Asian carriers Korean and Asiana as well as ALC (Austrian Lufthansa Cargo), also represent a risk through their collective market power. This risk is reduced as far as possible through the continuous monitoring of the airlines and the acquisition of new customers.

Development risks for international business

The foreign airport investments of Flughafen Wien (Malta, Košice and Friedrichshafen) are basically exposed to the above-mentioned risks. A bankruptcy or other far-reaching developments involving the respective home carrier as well as a change in external factors could have a negative influence on traffic growth at the respective airport. Political and regulatory risks are monitored continuously, e.g. the taxation of air travel, air traffic restrictions by public authorities, changes in applicable laws and requirements by public authorities that

result in additional costs. These types of factors can influence medium-term planning and create a risk that a specific investment may become impaired.

Financial risks

The capital expenditure programme of the Flughafen Wien Group is financed primarily by operating cash flow as well as long-term, fixed interest or variable interest borrowings. In order to protect liquidity and to cover the peaks of the investment programme, the Flughafen Wien Group arranged for additional borrowings of € 200.0 million during 2010 in accordance with an Austrian law for the protection of liquidity (“Unternehmensliquiditätsstärkungsgesetz”). A further € 100.0 million were transferred in January 2011. This, in connection with the issue of a € 103.5 million multi-tranche promissory note in 2009, will ensure sufficient medium-term financing for future expansion and possible airport acquisitions at favourable conditions.

Investment risk

The expansion projects carried out by the Flughafen Wien Group are defined in a master plan, which is modified regularly to meet actual developments. These projects are exposed to a variety of risks – including the loss of suppliers, higher construction costs or changes in planning – that could increase the planned expenditures. A special analysis procedure is therefore used to evaluate the potential risk associated with investment projects in the planning stage, while regular risk monitoring is based on an analysis and evaluation process that is part of project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations.

Expansion projects are developed in close coordination with the airlines based on the expected development of traffic. Expert forecasts for the growth in passenger volumes over the medium- and long-term reduce the financial risk of these investments, which will ensure that sufficient capacity is available to meet the forecasted demand.

The expansion of airport capacity is connected with risks, above all in connection with the terminal extension VIE-Skylink. Work on the terminal extension VIE-Skylink was resumed in mid-February 2010, and operations in this facility are scheduled to start during the first half of 2012. If this start-up is delayed, capacity in the existing terminal buildings may not be sufficient to handle traffic and growth in Vienna may stagnate. A delay in the start-up of the VIE-Skylink may also cause delays in other investment projects.

Another challenge is formed by the environmental impact study for the construction of a third runway. Flughafen Wien AG filed an application with the responsible authorities in the provincial government of the province of Lower Austria for the approval of the project “parallel runway 11R/29L (third runway)” in accordance with the Austrian environmental impact assessment act. A decision on the start of construction will be made after receipt of the final ruling and an extensive analysis of the airport’s long-range requirements. A negative ruling on this application would have far-reaching consequences for Flughafen Wien because previously incurred and capitalised costs, including the noise protection programme, would have to be expensed immediately as impairment charges.

The valuation of all assets reflects the assumption that Vienna International Airport will continue to operate as an east-west hub that is focused on the east.

Legal risks

The requirements of public authorities, above all in the area of environmental protection (e.g. noise and emissions) can create legal risks. Flughafen Wien AG works to counter these risks, above all, with information and the involvement of local citizens in the mediation process (e.g. third runway) or through neighbourhood advisory boards.

The tariffs charged by Vienna International Airport are subject to approval by the Austrian civil aviation authority. Flughafen Wien AG and this agency have agreed to an index model that covers tariffs up to the end of 2011. If this agreement is not extended, the provisions of the Austrian Civil Aviation Act will take effect.

The implementation of EU Directive 2009/12/EC dated 11 March 2009 on airport charges into national law should be completed during the first months of 2011.

This directive permits, among others, the inclusion of non-aviation revenues in the calculation of tariffs, the recognition of users as parties to tariff approval procedures and the implementation of a new price-cap rule.

The implementation of this directive could have a lasting effect on the tariff system currently used by Flughafen Wien.

Flughafen Wien AG has refused to recognise certain invoices for work on the terminal extension VIE-Skylink. Due to the cancellation of contracts for the VIE-Skylink project and based on current information, the initiation of court proceedings by individual suppliers against Flughafen Wien cannot be excluded. However, these claims cannot be quantified at the present time.

Flughafen Wien AG has commissioned a legal evaluation of the possibility to file claims against the respective contracting firms for damages in connection with the terminal extension and an assessment of the possible consequences.

Personnel risks

Motivated and committed employees play an important role in the success of the Flughafen Wien Group. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee ties. Steps have also been taken to increase occupational safety and to minimise illness-related absences.

The short-term expansion of security controls to keep pace with the strong development of traffic could lead to bottlenecks, since the required employees must first be recruited and trained.

Operating risks

The major operating risks in the area of information and communications technology are considered to lie in the possible breakdown of a core system or service (e.g. network infrastructure) that would directly interfere with flight operations or lead to flight delays or cancellations if a restart does not take place within the tolerance period. Flughafen Wien uses redundant in systems, infrastructure and staff as the primary measures to prevent breakdowns

wherever possible. The company has also implemented an effective second-level data backup concept that will permit the fast recovery of data and systems in an emergency. Both scenarios are rehearsed regularly in training programmes and the related activities are continuously improved. For example, the redundancy and system stability of the network and data storage units was strengthened in 2010.

A widespread system breakdown could also be caused by physical impairment or the destruction of the central IT infrastructure, for example due to vandalism, environmental damage or terrorism. Special security measures for the building infrastructure, access controls and monitoring support the prevention or early identification of intentional or unplanned failure in critical system rooms as well as damage by external environmental factors and allow for the timely implementation of emergency measures. Activities in 2010 included the installation of access control equipment in the IT centres and other system and engineering areas and the implementation of stricter access procedures for external persons (maintenance) through a dual-control process as well as emergency training.

The failure to comply with legal regulations for the operation of information and communications infrastructure could lead to the suspension of operations or costly requirements by the responsible authorities that could also result in the short-term interruption or cancellation of services. Flughafen Wien addresses this risk through the use of a specially audited internal control system in the IT area, which ensures compliance with all relevant legal requirements. The internal control system was expanded horizontally in 2010 to include new information and communications services and vertically through the implementation of additional controls.

Damage risks

The risk of damages includes fire and other events that could result from natural disasters, accidents or terror as well as the theft of property. In addition to appropriate safety and fire protection measures and emergency plans that are rehearsed on a regular basis, these risks are covered by insurance.

General risk assessment

A general evaluation of the risk situation concluded that the continued existence of the Flughafen Wien Group is protected for the foreseeable future and did not identify any risks that could endanger this continued existence. The Flughafen Wien Group has sufficient liquidity reserves to pursue the airport expansion without delay.

Report on the Key Features of the Internal Control and Risk Management Systems for Accounting Processes

In accordance with § 82 of the Austrian Stock Corporation Act, the Management Board is responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the company's requirements. The following section explains the organisation of the internal controls related to accounting processes at Flughafen Wien AG.

Introduction

The objective of the internal control system (ICS) is to support management in implementing – and continuously improving – effective internal controls for accounting. The internal control system is designed to ensure compliance with guidelines and directives, and to also create favourable conditions for specific control activities in key accounting processes.

The description of the major features of these internal controls is based on the structure defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The internal control system comprises the control environment, risk assessment, control activities, information and communication and monitoring. The relevant processes involve the identification and assessment of the financial and accounting risks to which the company is exposed as well as the implementation of appropriate controls. These controls are recorded in an ICS database, which – in addition to other analyses – supports group-wide inquiries on the effectiveness of all ICS controls in the company. The internal audit department carries out independent and regular reviews of compliance with corporate policies for the accounting area. This department reports directly to the Management Board.

Control environment

The corporate culture within which management and employees operate has a significant influence on the control environment. Flughafen Wien works actively to improve communications and to convey its principal values as a means of anchoring moral standards, ethics and integrity in the company and in interaction with other parties.

The implementation of the internal control system for accounting processes is regulated in internal guidelines and directives. The related responsibilities were adjusted to meet the needs of the company and thereby create a satisfactory control environment.

Risk assessment

The risks associated with accounting processes are identified by management and monitored by the Supervisory Board. Attention is focused on risks that are normally considered to be material. The annual financial statements form the main criterion for the identification of the major ICS risks. A change in the volume of business processes or the underlying accounts can lead to changes in the identifiable ICS risks and controls. A risk-oriented model is used to evaluate the internal control activities carried out by the relevant Flughafen Wien functions. The risk arising from erroneous financial reporting is assessed according to different criteria. For example, complex accounting policies can lead to an increased risk of error. Different principles for the valuation of assets and a complex or changing business environment can also

lead to material errors in financial reporting. The continuous evaluation of risks and reporting to the Supervisory Board are based on a risk management database that was created especially for this purpose.

The preparation of the annual financial statements involves the use of estimates, which carry an inherent risk of deviation from actual future developments. In particular, the following circumstances or positions in the annual financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables and the valuation of investments in other companies and property, plant and equipment. The company draws on external experts or publicly available sources whenever necessary, in order to minimise the risk of inaccurate estimates.

Control activities

In addition to the Supervisory Board and Management Board, mid-level management (e.g. department heads and senior managers) carry out control activities for ongoing business processes to ensure that potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the review of results for the various accounting periods by management and the controlling department to the specific transition of accounts and the analysis of routine accounting processes.

The Management Board is responsible for defining hierarchy levels to ensure that activities are not carried out and controlled by the same person.

Control activities to guarantee IT security represent an integral part of the internal control system. Access to sensitive functions and data is restricted. SAP and PC Konsol enterprise reporting software are used for accounting and financial reporting purposes. The functionality of the accounting system is guaranteed, among others, by automated IT controls.

The further development of the internal control system involves the systematic recording of the required controls, which are subsequently entered in the ICS database where they are classified under various categories and characteristics. Each risk is recorded, among others, in accordance with a definition of the controls, the type of controls, the frequency of controls, the control criterion and the control effectiveness.

Information and communications

The guidelines and directives for financial reporting are updated regularly by management, and communicated to all involved employees via the Intranet or internal announcements. Moreover, financial reporting and the related guidelines and directives are regularly discussed by various corporate bodies, e.g. at meetings of the department heads, senior managers and management. These corporate bodies include management as well as department heads and key accounting managers. The work of these corporate bodies is intended to ensure compliance with all accounting guidelines and directives, and to also identify and communicate weak points and opportunities for the improvement of accounting processes. The accounting staff also attends regular training courses that cover changes in international accounting policies and practices, in order to minimise the risk of unintended errors.

Monitoring

Management, the controlling department and the Supervisory Board are responsible for monitoring internal control systems throughout the group. In addition, the individual department heads and senior managers are responsible for monitoring activities in their individual areas. Controls and plausibility checks are carried out at regular intervals, and the internal control system is also reviewed by the internal audit department. In addition, the internal control system includes a self-monitoring and supervisory function.

The results of monitoring activities are reported to management and the Supervisory Board. Top management receives regular financial reports, e.g. monthly reports on the development of revenue and earnings in the individual segments of business as well as reports on the development of net debt and receivables. The Supervisory Board is also provided with regular information on the financing of the Flughafen Wien Group. Financial statements intended for publication are reviewed by key accounting employees and the Management Board, and then by the Audit Committee of the Supervisory Board, before they are passed on to the responsible corporate bodies.

Research and Development

Flughafen Wien is a service provider and, as such, does not carry out traditional research activities. However, the aviation services unit was involved in a research project during 2010. The AsaP (Airport Security and Productivity) project was initiated to further optimize productivity without endangering security levels. It was carried out jointly by Institut für empirische Sozialforschung GmbH (IFES), Alcatel-Lucent Austria AG and the Austrian Institute of Technology GmbH (AIT).

In addition, the Flughafen Wien IT department started work on the CDM-ISP (Collaboration Decision Making-Information Sharing Platform) project in 2010. CDM-ISP involves the development of an information sharing platform that will create the basis for introducing the CDM process in the Flughafen Wien Group. This tool will allow for more exact planning, better analysis and the optimisation of resources in a large number of cases. In summary, CDM will improve the coordination and joint data collection between Austro Control AG, the various airlines (e.g. Austrian Airlines AG) and Flughafen Wien as well as the handling agents. Costs of € 0.3 million were associated with this project in 2010. Other investments focused on the improvement of individual programme modules for the airport operating software that was developed by Flughafen Wien.

Environmental and Labour Issues

The Environment

Flughafen Wien AG is committed to careful and conscious interaction with the environment as well as sustainable management. A total of T€ 913.3 was invested in environmental protection during the reporting year (2009: T€ 799.3). Activities focused on the reduction of pollutant and noise emissions in order to minimise the impact of the airport on its surrounding environment – and above all on neighbouring residents. The noise protection programme defined in the mediation contract also continued during 2010. Nearly 11,000 households are entitled to participate in this programme, and the preparation of expert opinions and renovations are currently in process. The noise protection programme is intended to improve the quality of life for neighbouring residents under both the current two-runway system and a possible three-runway system.

Environmental indicators for Flughafen Wien AG

	2010	2009
Number of passengers	19,691,206	18,114,103
Electricity consumption per year in kWh	128,187,468	129,536,376
Electricity consumption in kWh per year and passenger	6.51	7.15
Heat consumption per year in MWh	131,218,40	117,943,00
Heat consumption in MWh per year and passenger	0.0067	0.0065
Water consumption per year in m ³	745,771	604,650
Water consumption in m ³ per year and passenger	0.038	0.033
Waste water disposal per year in m ³	683,876	581,434
Waste water disposal in m ³ per year and passenger	0.035	0.032
Residual waste aircraft in kg	999,990	1,012,540
Residual waste aircraft in kg per passenger	0.051	0.056
Waste paper VIE in kg	1,782,280	1,881,560
Waste paper VIE in kg per passenger	0.09	0.10
Aluminium/cans/metal VIE in kg	5,630	9,646
Aluminium/cans/metal VIE in kg per passenger	0.0003	0.0005
Biogenic waste VIE in kg	195,160	202,440
Biogenic waste VIE in kg per passenger	0.010	0.011
Glass VIE in kg	85,364	78,794
Glass VIE in kg per passenger	0.004	0.004
Plastic packaging VIE in kg	160,540	168,895
Plastic packaging VIE in kg per passenger	0.008	0.009
Hazardous waste VIE in kg	118,733	186,079
Hazardous waste VIE in kg per passenger	0.006	0.010
Share recycled in %	88.6	90.0

Workforce issues

Traffic growth during the reporting year led to additional hiring by the Flughafen Wien Group. The average number of employees rose by 169 to 3,247, which generally reflects the 2008 level. The Handling Segment reported the largest increase, where added personnel were required to deal with higher volumes, peak hour shifts and the increased work connected with larger aircraft. Personnel were also added in the technical area, information systems and the VIE-Skylink.

As a result of the strong development of traffic, the number of traffic units per employee increased 7.9% to 6,686 units.

Employees

	2010	Change in %	2009	2008
Apprentices	52	20.1	43	36
Traffic units per employee	6,686	7.9	6,194	6,624
Average age in years	39.2	0.0	39.2	38.6
Length of service in years	10.3	-1.0	10.4	9.8
Share of women in %	12.3	-5.4	13.0	12.7
Training expenditures in €	1,055,000	8.4	973,000	1,072,000
Reportable accidents	165	34.1	123	149
Accidents per 1,000 employees	49.6	32.3	37.5	44.9

Motivation and Corporate Identification

Flughafen Wien provides a variety of voluntary benefits for its workforce to strengthen identification with the company and to increase motivation. As a supplement to legal pension schemes and private pension planning, the company transfers 2.5% of monthly salaries and wages for its employees to a company pension fund and gives employees the option of making a matching contribution. Flughafen Wien also provides financial assistance for supplementary accident, health and pension insurance.

Employees may also utilise free-of-charge transportation to their workplaces at the airport with the City Airport Train (CAT) or bus connections to the neighbouring communities. A total of € 785,000 was invested in these benefits during 2010. The company also provides meal subsidies of € 1 per employee and working day, for a total of € 544,000 in the past year. Recreational and sporting activities with selected partners are also supported by the company's cultural and sport association.

The creativity of employees is an important factor for Flughafen Wien, and a continuous improvement programme was therefore started as a platform for the evaluation of ideas and suggestions for change. A special commission grants an award for every implemented suggestion. Information for employees on developments and news from the company is provided in the quarterly magazine "Blockzeit". Information on job openings, airport-related topics and special offers for employees are also published in the Intranet.

Performance-based Compensation

The compensation system for the members of the Management Board and the first two levels of management includes a performance-based component. This variable compensation is based on the fulfilment of financial and qualitative goals – for example, variable payments to the department heads are also dependent on the results of the customer survey. Flughafen Wien does not have a stock option programme.

Labour Trust

Flughafen Wien has been a member of the Steyr labour trust since 2009. This organisation was founded in 1993 and comprises well-known Austrian companies. This public trust provides goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times. Flughafen Wien views this participation not only as a strategic personnel measure, but also as an expression of its responsibility toward former employees. Five employees entered the Steyr labour trust in 2010.

Employee Foundation

An independent private foundation was established in 2000 to give Flughafen Wien employees an opportunity to participate in the success of the company. This foundation holds 10% of the shares in Flughafen Wien AG and distributes the dividends received on these shares to company employees. A total of € 4.41 million was dispersed during the reporting year – which represents the dividend payment for 2009 – and corresponds to 60.72% of the average monthly salary or wage per employee. Distributions to employees are based on the individual annual gross salary or wage. The administration of the employee foundation is completely independent of Flughafen Wien AG and includes a managing board, supervisory board and auditor.

Workplace Safety and Health

The preventive services unit, which is part of the airport services department, deals with industrial medicine and workplace safety. Its responsibilities include providing advice and support for the prevention of work accidents, job-related illnesses and work-related disorders. Specific measures include regular workplace inspections as well as discussions with individual employees and/or groups. Activities in 2010 focused on the successful safety campaign “Sicherheit an 1. Stelle – Safety Karl”, mobile beverage supplies, a “healthy back” seminar and programmes to help employees stop smoking. Preventive health examinations, basic and refresher courses for first aid and vaccination campaigns were also well received.

Despite the many initiatives launched by Flughafen Wien, 2010 was not a good year from the viewpoint of workplace safety. The number of reportable accidents rose for the first time since 2000. This increase was triggered by various factors that included working conditions during the extremely high temperatures in July as well as the early start of winter at the end of November/beginning of December. Flughafen Wien takes this development very seriously and is undertaking all possible measures to prevent or reduce accidents. The causes of all accidents are analysed in detail by area to permit the implementation of the necessary technical, organisational and personnel improvement measures.

Work accidents

	2010	Change in %	2009	2008	2007
Reportable accidents	165	+34.1	123	149	161
Per 1,000 employees	49.6	+32.3	37.5	44.9	50.6

Disclosures required by § 243a of the Austrian Commercial Code

1. Share capital and shares

The share capital of Flughafen Wien AG totals € 152,670,000 and is fully paid in. It is divided into 21,000,000 shares of bearer stock. All shares carry the same rights and obligations (“one share – one vote”).

2. Syndication agreement

Two core shareholders – the province of Lower Austria (4.2 million shares) and the city of Vienna (4.2 million shares) – hold 40% of the company’s shares in a syndicate. The syndication agreement was concluded in 1999 and has remained unchanged since that time. It calls for the joint exercise of voting rights on the syndicated shares at the annual general meeting. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval. 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.

3. Investments of over 10% in the company

The city of Vienna and the province of Lower Austria each hold an investment of 20% in Flughafen Wien AG. In addition, Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) holds 10% of the share capital of Flughafen Wien AG. The company is not aware of any other shareholders with a stake of 10% or more in share capital.

4. Shares with special control rights

The company is not aware of any special control rights on the part of shareholders.

5. Control of voting rights for the shares held by the employee foundation

The voting rights for the shares held by the Flughafen Wien employee foundation are exercised by the managing board of this entity. The appointment to or dismissal of members from the fund’s managing board requires the approval of the advisory board of the Flughafen Wien employee fund, whereby a simple majority is required for such decisions. The advisory board is comprised of five members, with two members each delegated by employees and the employer. These four members unanimously elect a fifth person to serve as the chairman of the advisory board.

6. Appointment and dismissal of members of the Management and Supervisory Boards

In accordance with the Austrian Corporate Governance Code, the company's articles of association permit the appointment of a person to the Management Board for the last time in the calendar year in which the candidate reaches his/her 65th birthday. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches his/her 70th birthday. There are no other provisions governing the appointment and dismissal of members of the Managing Board or Supervisory Board or the amendment of the company's articles of association that are not derived directly from Austrian law.

7. Share buyback and authorised capital

The Management Board has been granted no explicit rights that are not derived directly from Austrian law, in particular with respect to the issue or repurchase of shares in the company. The company has no authorised capital at the present time.

8. Change of control

Change of control clauses are included in the agreements for the € 400 million EIB (European Investment Bank) loan, the € 103.5 million promissory note and the € 300 million loan concluded pursuant to an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz"). These financing agreements with a total volume of € 803.5 million were concluded with Austrian and international financial institutions. In the event of an actual, impending or justifiably assumed change of control (in accordance with the following definition), these financial liabilities could be called prematurely and related collateral may be cancelled if there are reasons to assume the change will or could have a negative impact on the future fulfilment of the financial liability and Flughafen Wien AG does not take actions within a certain period of time to provide this contract partner with collateral that is deemed acceptable. A change of control is defined as an event that leads to (i) a direct or indirect reduction in the investment held jointly by the province of Lower Austria and the city of Vienna in Flughafen Wien AG to less than 40% of the total number of voting shares or (ii) a natural person or legal entity that currently does not exercise control over Flughafen Wien AG gains control over Flughafen Wien AG (e.g. either directly or indirectly, through the ownership of shares, economic circumstances or in another manner, and either alone or together with third parties (i) acquires more than 50% of the voting shares in Flughafen Wien AG or (ii) the right to nominate the majority of members to the decision-making bodies of Flughafen Wien AG or exercises a controlling influence over these persons). For financing of € 653.5 million, a change of control does not include the direct or indirect reduction in the joint investment held by the province of Lower Austria and the city of Vienna to less than 40% but more than 30% of the voting shares in Flughafen AG in conjunction with a capital increase by the company without the full or partial exercise of subscription rights by these two shareholders, unless a natural person or legal entity that does not currently exercise control over Flughafen Wien AG gains control over the company at the same time.

9. Compensation agreements in the event of a public takeover bid

There are no agreements for compensation between the company and the members of its Management Board, Supervisory Board or employees that would take effect if a public takeover bid is made.

Outlook

Economic researchers are forecasting a continuation of the upward trend in 2011. However, the various markets are expected to develop at different speeds and recovery in the euro zone is likely to lag behind the rest of the world. Average GDP growth per year is predicted to reach 2.2% in Austria, 3.7% in the "new" EU states and 4.5% for the global economy by 2015. This economic development should also support further growth in air travel, but at a slower pace than 2010. Experts are expecting an annual increase of 4.2% in the number of passengers up to 2020.

For 2011 Flughafen Wien is forecasting an increase of 5.0% in the number of passengers, 3.0% in maximum take-off weight (MTOW) and 2.0% in flight movements.

The project plan of the Flughafen Wien Group calls for a total investment volume of € 344.6 million in 2011. This amount also includes € 14.9 million of expenses that cannot be capitalised and, accordingly, the pure investment volume totals € 329.7 million (excluding borrowing costs during construction).

Subsequent Events

The positive development of traffic continued during January 2011. The number of passengers rose by 6.7% year-on-year to 1,282,574. Increases were also recorded in flight movements with plus 0.7%, maximum take-off weight (MTOW) with plus 12.8% and cargo with plus 0.6%. The number of transfer passengers was 4.6% higher.

As of 1 January 2011, the tariffs were adjusted as follows based on the tariff formula:

- Landing tariff, infrastructure tariff airside, parking tariff: +1.29%
- Passenger tariff, infrastructure tariff landside: +1.68%
- Infrastructure tariff fuelling: +1.80%

The tariff structure of Flughafen Wien remains competitive, even with these adjustments.

In January 2011 € 100 million were transferred to Flughafen Wien from the financing concluded in 2010 pursuant to the Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz").

Schwechat, 28 February 2011

The Management Board




Ernest Gabmann
Member of the Board



Christoph Herbst
Chairman and Speaker
of the Board



Gerhard Schmid
Member of the Board



Individual Financial Statements of Flughafen Wien AG

Balance Sheet

as of 31 December 2010

Assets	31.12.2010 in €	31.12.2009 in T€
A) Non-current assets		
I. Intangible assets		
1. Concessions and rights	6,752,037.78	7,107.0
II. Property, plant and equipment		
1. Land and buildings	452,403,963.23	467,030.5
2. Machinery and equipment	187,416,482.80	210,243.2
3. Other equipment, furniture, fixtures and office equipment	40,816,584.35	43,431.1
4. Prepayments made and construction in progress	734,092,498.14	628,227.3
Total II	1,414,729,528.52	1,348,932.1
III. Financial assets		
1. Shares in subsidiaries	191,895,660.40	191,825.7
2. Loans granted to subsidiaries	51,778,523.73	55,886.9
3. Investments in other companies	9,121,723.50	9,053.3
4. Loans granted to companies in which an investment is held	450,000.00	500.0
5. Non-current securities (rights)	4,372,237.97	5,722.1
6. Other loans granted	1,051,319.97	1,002.7
Total III	258,669,465.57	263,990.7
Total A)	1,680,151,031.87	1,620,029.8
B) Current assets		
I. Inventories		
1. Supplies	4,298,220.95	3,124.6
II. Receivables and other assets		
1. Trade receivables	44,376,688.06	31,729.3
2. Receivables due from subsidiaries	8,065,902.74	3,652.0
3. Receivables due from companies in which an investment is held	127,343.62	139.4
4. Other receivables and assets	11,383,505.85	18,226.9
Total II	63,953,440.27	53,747.6
III. Securities and shares		
1. Miscellaneous securities and shares	61,392,133.76	61,392.1
Total III	61,392,133.76	61,392.1
IV. Cash on hand and deposits with financial institutions	59,939,394.01	2,113.4
Total B)	189,583,188.99	120,377.8
C) Prepaid expenses and deferred charges		
	2,476,980.74	1,746.7
Total Assets	1,872,211,201.60	1,742,154.4

Equity and Liabilities	31.12.2010 in €	31.12.2009 in T€
A) Equity		
I. Share capital	152,670,000.00	152,670.0
II. Share premium (appropriated)	117,657,318.52	117,657.3
III. Reserves		
1. Statutory reserve	2,579,158.88	2,579.2
2. Other reserves (voluntary reserves)	363,400,888.90	361,800.9
Total III	365,980,047.78	364,380.0
IV. Retained earnings, Thereof profit carried forward: € 4,992.94; 2009: T€ 9.9	42,004,250.90	44,105.0
Total A)	678,311,617.20	678,812.4
B) Untaxed reserves		
1. Valuation reserve based on special depreciation	9,671,383.52	8,027.0
2. Other untaxed reserves	170,602.10	170.6
Total B)	9,841,985.62	8,197.6
C) Government grants		
	2,450,985.15	3,475.0
D) Provisions		
1. Provisions for severance compensation	58,102,501.00	50,563.1
2. Provisions for pensions	19,254,835.34	22,735.6
3. Other provisions	126,768,235.55	98,252.2
Total D)	204,125,571.89	171,551.0
E) Liabilities		
1. Amounts due to financial institutions	491,124,989.16	578,723.2
2. Prepayments received on orders	526,345.35	364.7
3. Trade payables	57,194,157.77	96,530.0
4. Amounts due to subsidiaries	356,334,370.28	139,834.7
5. Amounts due to companies in which an investment is held	4,424,837.47	5,835.2
6. Other liabilities, Thereof from taxes: € 0.0; 2009: T€ 0.0 Thereof from social security: € 6,084,617.73; 2009: T€ 3,811.2	40,443,162.04	30,969.8
Total E)	950,047,862.07	852,257.6
F) Deferred income		
	27,433,179.67	27,860.8
Total Equity and Liabilities	1,872,211,201.60	1,742,154.4
Contingent liabilities	92,147,945.68	87,620.5

Income Statement

for the period from 1 January to 31 December 2010

	1.1.–31.12.2010	1.1.–31.12.2009
	in €	in T€
1. Revenue	522,545,634.17	465,312.4
2. Own work capitalised	4,634,157.82	4,471.6
3. Other operating income		
a) Income from the disposal of non-current assets, with the exception of financial assets	46,686.67	62.0
b) Income from the reversal of provisions	5,163,925.14	3,736.8
c) Income from the reversal of government grants	1,024,001.44	1,354.8
d) Miscellaneous	3,303,431.91	2,214.9
Total 3.	9,538,045.16	7,368.5
Operating income (subtotal of No. 1 to 3)	536,717,837.15	477,152.4
4. Cost of consumables and services		
a) Cost of materials	37,313,621.71	32,925.6
b) Cost of services	29,059,585,03	1,747.3
Total 4.	66,373,206,74	34,673.0
5. Personnel expenses		
a) Wages	82,618,874.23	74,207.8
b) Salaries	61,851,945.58	58,987.5
c) Expenses for severance compensation and contributions to employee severance compensation fund	16,207,672.56	8,546.7
d) Expenses for pensions	8,039,384.94	3,461.7
e) Expenses for legally required social security and payroll-related duties and mandatory contributions	39,780,715.15	37,384.4
f) Other employee benefits	2,112,399.41	2,049.3
Total 5.	210,610,991.87	184,637.4
6. Depreciation and amortisation	60,704,554.61	62,212.4

(continued)	1.1.–31.12.2010	1.1.–31.12.2009
	in €	in T€
7. Other operating expenses		
a) Non-income based taxes	303,437.21	355.3
b) Miscellaneous	125,086,819.09	119,995.3
Total 7.	125,390,256.30	120,350.6
Total 4.–7.	463,079,009.52	401,873.4
8. Operating profit (subtotal of No. 1 to 7)	73,638,827.63	75,279.0
9. Income from investments in other companies		
Thereof from subsidiaries: € 13,632,913.77		
2009: T€ 10,130.1	13,712,353.77	10,169.3
10. Income from other securities and loans granted		
Thereof from subsidiaries: € 1,702,593.64		
2009: T€ 2,265.4	1,707,587.94	2,302.3
11. Interest and similar income		
Thereof from subsidiaries: € 732,366.80		
2009: T€ 384.2	3,973,102.62	3,856.3
12. Income from the disposal and write-up of financial assets	1,057,461.42	982.6
13. Expenses arising from financial assets and current securities		
Thereof write-downs: € 0.0; 2009: T€ 1,109.1	5,562,420.29	1,457.6
14. Interest and similar expenses		
Thereof to subsidiaries: € 6,512,454.52		
2009: T€ 3,259.0	30,320,786.69	27,495.3
15. Financial results (subtotal of No. 9 to 14)	-15,432,701.23	-11,642.5
16. Profit on ordinary activities	58,206,126.40	63,636.5
17. Income taxes	-12,962,500.00	-12,242.5
18. Net profit for the year	45,243,626.40	51,394.0
19. Reversal of untaxed reserves	1,453.19	2.6
20. Addition to untaxed reserves	1,645,821.63	1,790.4
21. Addition to reserves	1,600,000.00	5,511.2
22. Profit carried forward from the prior year	4,992.94	9.9
23. Retained earnings	42,004,250.90	44,105.0

Notes to the 2010 Annual Financial Statements of Flughafen Wien AG

General Information on the 2010 Annual Financial Statements of Flughafen Wien AG

General Information

These annual financial statements are based on the prevailing provisions of Austrian commercial law. They were prepared in accordance with the principles of correct bookkeeping and accounting. In particular, the principle of prudence was observed and impending losses were recognised but unrealised gains were not recorded. All assets, provisions and obligations were recorded and individually measured, whereby valuation was free of arbitrariness.

The income statement was prepared in accordance with the nature of expense method under which "total costs" are shown.

It should be noted that rounding differences can result from the use of rounded amounts in the annual financial statements.

Legal Relationships

As of 31 December 2010 Flughafen Wien AG had a contract for the transfer of profit and loss with the subsidiary Vienna Aircraft Handling Gesellschaft m.b.H.

Classification

The company is classified as a large corporation under the provisions of § 221 (3) of the Austrian Commercial Code.

Structure and Accounting Methods

The balance sheet was structured in accordance with the provisions of §§ 224 ff of the Austrian Commercial Code. The income statement was prepared in accordance with the nature of expense method under which "total costs" are shown pursuant to § 231 (2) of the Austrian Commercial Code.

Valuation Methods

Purchased intangible assets and property, plant and equipment are carried at acquisition or production cost, less scheduled amortisation and depreciation as well as any necessary impairment charges. Production costs also include an appropriate part of material and production overheads, but exclude interest.

The company's assets have the following useful lives: intangible assets: 4 to 20 years; facilities installed on property: 10 to 20 years; buildings: 10 to 50 years; machinery and equipment: 10 to 20 years; and other equipment, furniture, fixtures and office equipment: 4 to 15 years. Low-value assets are written off completely in the year of purchase.

The determination of the acquisition and production cost of construction in progress is connected with uncertainty because of the ongoing construction activity and associated examination requirements. This uncertainty reflects the fact that the services provided by third parties for construction in progress were still under examination when these financial statements were prepared. Any disputes over the services performed could lead to an adjustment of the capitalised amounts.

Non-interest bearing loans granted by the company are discounted, while interest-bearing loans are carried at the nominal value as of the balance sheet date.

In accordance with § 206 of the Austrian Commercial Code, current assets are carried at acquisition or production cost that reflects loss-free valuation.

Identifiable risks related to receivables are reflected in valuation adjustments.

Foreign currency assets are measured using the exchange rate (FX-bid rate) in effect on the date of acquisition or the lower rate on the balance sheet date. Foreign currency liabilities are measured using the exchange rate (FX-offer rate) in effect on the date of acquisition or the higher rate on the balance sheet date.

Revaluations permitted by § 208 (1) of the Austrian Commercial Code were not recorded in accordance with § 208 (2) of the Austrian Commercial Code, when a lower value could be retained for the determination of taxable profit under the condition that this amount can also be used in the annual financial statements.

The company did not elect to use the option provided by § 198 (10) of the Austrian Commercial Code for the capitalisation of deferred taxes.

Provisions were recorded at the amount considered necessary by reasonable judgment.

Liabilities were recorded at their repayment amount.

Derivative Financial Instruments

Interest rate and foreign exchange hedges are included in the valuation of primary financial instruments. Losses arising from changes in the present value of derivative financial instruments that do not qualify for hedge accounting are expensed as incurred.

Interest Rate Swap

A fixed interest rate swap with a nominal value of T€ 10,000.0 and a term of five years was concluded in 2008 as a hedge against future increases in interest rates. The market value was negative as of 31 December 2010, and a provision was therefore created for impending losses.

The valuation of the interest rate swap was based on recognised mathematical methods and market data available at the time of calculation.

	Book value	Market value	Book value	Market value
in T€	2010	2010	2009	2009
EUR	-457.4	-457.4	-573.8	-573.8

Notes to the Balance Sheet

Assets

Non-current assets

The development of the individual positions of non-current assets is shown on the attached schedule of non-current assets.

The value of land included under land and buildings is T€ 91,508.8 (2009: T€ 90,469.4).

The following write-ups were recorded to loans granted to subsidiaries: T€ 730.6 (2009: T€ 786.4) to reflect the reversal of the discount from a shareholder loan (IVW) and T€ 253.6 (2009: T€ 0.0) to a shareholder loan (KSC-Holding). Of the total loans granted, T€ 2,607.0 (2009: T€ 2,610.9) are due and payable within one year.

Non-Current Securities and Similar Rights

Non-current securities are comprised of the following:

in T€	Book value	Book value
	2010	2009
Shares	494.9	494.9
Other	3,877.3	5,227.2
	4,372.2	5,722.1

The position "Other" is comprised primarily of the repurchase value of reinsurance for pensions (T€ 3,739.6). Of this amount, T€ 2,506.4 are pledged.

Current assets

Inventories were valued using the weighted average price method or, in certain cases, the fixed price method. In individual cases, write-downs were recorded to reflect low turnover.

Valuation adjustments of T€ 4,108.9 (2009: T€ 10,248.7) had been recorded to trade receivables as of the balance sheet date.

As in the prior year, receivables due from subsidiaries resulted primarily from invoices for the provision of goods and services as well as a contract for the transfer of profit and loss.

The following table shows the terms of receivables and other assets:

Remaining term up to one year Flughafen Wien AG

Amounts in T€	2010	2009
Trade receivables	44,376.7	31,729.3
Receivables due from subsidiaries	8,065.9	3,652.0
Receivables due from associates	127.3	139.4
Other receivables and assets	11,276.7	18,115.6
Total	63,846.6	53,636.3

Remaining term over one year Flughafen Wien AG

Amounts in T€	2010	2009
Other receivables and assets	106.8	111.3
Total	106.8	111.3

Other receivables and assets include T€ 1,437.2 of credit card settlements and T€ 920.7 of accrued interest, which will only become due and payable after the balance sheet date.

The major components of other receivables are as follows:

Flughafen Wien AG

Amounts in T€	2010	2009
Receivables from taxes	7,790.4	13,351.6
Receivables from credit card companies	1,437.2	1,552.4
Accrued interest	920.7	916.4
Receivables from salary/wage advances	453.9	454.6
Miscellaneous receivables	781.3	1,951.8
Total	11,383.5	18,226.9

Treasury shares

The company held no treasury shares as of 31 December 2010.

Current securities

Current securities are comprised of the following:

Current securities

in T€	Book value	Market value	Book value	Market value
	2010	2010	2009	2009
GF 7 Fund	32,492.1	34,401.0	32,492.1	33,984.7
RZB bond (subordinated)	8,900.0	9,950.0	8,900.0	8,900.0
RLB NÖ supplementary capital	20,000.0	21,066.0	20,000.0	21,050.0
	61,392.1	65,417.0	61,392.1	63,934.7

Write-ups of T€ 2,958.9 to current securities would have been possible in 2010 (2009: write-ups not recorded T€ 1,492.6).

GF 7 Fund shares totalling T€ 34,401.0 (2009: T€ 33,984.7) were pledged to Bank Austria to receive more favourable conditions on short-term lines of credit.

Prepaid expenses and deferred charges

The Company did not elect to use the option provided by § 198 (10) of the Austrian Commercial Code for the capitalisation of deferred taxes. Deferred tax assets totalled T€ 7,858.2 (2009: T€ 6,858.5).

The deferred tax assets are related primarily to employee-related provisions.

Equity and Liabilities

Equity

Share capital totalled € 152,670,000.00 as of 31 December 2010. It is divided into 21,000,000 shares of bearer common stock.

The stock issue in 1992 generated a premium of T€ 92,221.8, while the capital increase in 1995 generated a premium of T€ 25,435.5. These two amounts comprise the appropriated share premium. The statutory reserve remains unchanged at the prior year level of T€ 2,579.2.

Voluntary reserves rose from T€ 361,800.9 to T€ 363,400.9, or by T€ 1,600.0.

Retained earnings total T€ 42,004.3 (2009: T€ 44,105.0).

The following table shows the development of retained earnings:

in T€

Retained earnings as of 31.12.2009	44,105.0
– Distribution of profit	-44,100.0
+ Net profit for the year	45,243.6
+ Release of untaxed reserves	1.5
– Addition to untaxed reserves	-1,645.8
– Addition to reserves	-1,600.0
Retained earnings as of 31.12.2010	42,004.3

Untaxed reserves

The composition and development of untaxed reserves is shown in the attached appendices 2, 3 and 4.

Government grants

The company received investment subsidies from public authorities during the period from 1977 to 1985. These grants are shown separately after “untaxed reserves” as an extension to the legal structure of the balance sheet. The classification and development of this position are shown in the attached listing.

Provisions

The calculation of the provision for severance compensation at Flughafen Wien AG as of 31 December 2010 was based on an actuarial expert opinion, which was prepared in accordance with IFRS (IAS 19). An interest rate of 4.5% (2009: 5.3%) and the projected unit credit method were used for the calculation. The retirement age represents the first possible date for (early) retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for male and female employees. An assumed increase of 3.77% (2009: 3.7%) was applied to salaries. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.25%). Any actuarial gains and losses are recognised immediately.

The provisions for pensions were determined in accordance with actuarial principles based on IFRS (IAS 19). An interest rate of 4.5% (2009: 5.3%) and the projected unit credit method were used for the calculation. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for salaried employees. The retirement age represents the first possible date for (early) retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. An assumed increase of 3.77% (2009: 3.7%) was applied to salaries and a retirement trend of 2.14% (2009: 2.12%) was assumed. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.25%). Any actuarial gains and losses are recognised immediately.

Other provisions consist mainly of the following: provisions for service anniversary bonuses: T€ 12,869.1 (2009: T€ 10,702.2), provisions for part-time work for older employees: T€ 12,840.5 (2009: T€ 11,172.8), unused vacation: T€ 8,337.5 (2009: T€ 9,362.7), bonuses for the reporting year: T€ 2,203.0 (2009: T€ 1,949.7), deliveries and services not yet invoiced: T€ 56,523.8 (2009: T€ 44,774.7), provisions for discounts: T€ 17,812.3 (2009: T€ 7,588.1) and a provision for an impending loss from a put option of T€ 5,562.4 granted by Vienna Aircraft Handling Ges.m.b.H. for the acquisition of Flugplatz Vöslau BetriebsGmbH.

The provisions for service anniversary bonuses were computed in accordance with actuarial principles based on IFRS (IAS 19). An interest rate of 4.5% (2009: 5.3%) and the projected unit credit method were used for the calculation. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for male and female employees. The retirement age represents the first possible date for (early) retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. An assumed increase of 3.77% (2009: 3.7%) was applied to salaries. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.50%). Any actuarial gains and losses are recognised immediately.

Liabilities

The following table shows the terms of liabilities:

Remaining term up to one year

Amounts in T€	2010	2009
Amounts due to financial institutions	204.0	95,151.6
Prepayments received	526.3	364.7
Trade payables	57,194.2	96,530.0
Amounts due to subsidiaries	52,834.4	36,334.7
Amounts due to companies in which an investment is held	4,424.8	5,835.2
Other liabilities	28,901.6	11,507.5
Total	144,085.3	245,723.7

Remaining term from one to five years

Amounts in T€	2010	2009
Amounts due to financial institutions	31,170.0	5,400.6
Amounts due to subsidiaries	303,500.0	103,500.0
Other liabilities	11,541.5	19,462.3
Total	346,211.5	128,362.9

Remaining term over five years

Amounts in T€	2010	2009
Amounts due to financial institutions	459,751.0	478,171.0
Total	459,751.0	478,171.0

Of the total amounts due to subsidiaries, T€ 303,500.00 are related to financing and the investment of liquid funds by the subsidiaries with the parent company.

Amounts due to companies in which an investment is held are comprised primarily of bank deposits invested for City Air Terminal Betriebsgesellschaft m.b.H.

Other liabilities include wages and salaries totalling T€ 7,280.5 (2009: T€ 5,149.5) from December 2010 (and 2009), customer credits of T€ 2,379.0 (2009: T€ 1,181.4), amounts of T€ 6,084.6 (2009: T€ 3,811.2) due to social security carriers and accrued interest of T€ 232.6 (2009: T€ 237.2) that will only become due and payable after the balance sheet date.

Deferred income

Deferred income is comprised chiefly of T€ 26,090.6 (2009: T€ 27,045.1) in rental payments for the air traffic control tower.

Contingent Liabilities

In accordance with § 7 Par. 4 of the charter of the Schwechat Waste Water Association dated 10 December 2003, Flughafen Wien AG is liable as a member of this organisation for T€ 4,316.2 of loans related to the construction and expansion of sewage treatment facilities.

Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H., a wholly owned subsidiary of the Flughafen Wien Group, concluded a lease with HERMIONE Raiffeisen-Immobilien-Leasing GmbH in December 2005 for hangar buildings at Vienna International Airport. Flughafen Wien AG has provided a guarantee for payment of the variable leasing fees, which currently equal approximately T€ 411.0 and T€ 35.5 per month over a remaining term of 15, respectively 18 years and for annual payments of T€ 427.3 on borrowing costs for construction financing over a period of 15 years. A total liability of T€ 87,831.7 was recorded below the balance sheet up to the end of these terms.

Other Financial Obligations

The company entered into purchase obligations for intangible assets and property, plant and equipment totalling € 188.0 million during the reporting year. (2009: € 104.4 million).

Flughafen Wien AG is required to carry the costs of the Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) through subsequent contributions to the fund. These costs are comprised primarily of corporate income tax.

The following table shows the obligations to third parties arising from the use of property, plant and equipment not shown on the balance sheet:

Remaining term from one to five years

Amounts in T€	2011	2011–2015
Liabilities arising from operating leases	2,790.8	9,036.9
Total	2,790.8	9,036.9

Flughafen Wien AG has provided Landesbank Baden-Württemberg with a guarantee for the correct and timely payment of principal and interest related to the T€ 103,500.0 promissory note issued by the subsidiary VIE Malta Finance Ltd.

Flughafen Wien AG has provided BAWAG/PSK, Hypo NOE Gruppe Bank AG, Raiffeisen Landesbank Oberösterreich, Raiffeisen Landesbank Niederösterreich, Raiffeisenbank International and Unicredit Bank Austria with guarantees totalling a maximum of T€ 300,000.0 for the correct and timely payment of all principal and interest payments related to the financing program contracted by the subsidiary VIE Malta Finance Ltd in accordance with an Austrian law to strengthen liquidity (“Unternehmensliquiditätsstärkungsgesetz”).

Notes to the Income Statement

Revenue Flughafen Wien AG

Amounts in T€	2010	2009
Airport revenue	197,637.6	193,947.3
Handling revenue	155,349.3	136,063.5
Aviation revenue	352,986.9	330,010.8
Lease, rental and usage revenue, parking revenue	100,156.1	92,329.4
Other revenue	69,402.6	42,972.1
Non-aviation revenue	169,558.7	135,301.6
Total revenue	522,545.6	465,312.4
Thereof with subsidiaries	13,410.3	13,098.9

Aviation revenue comprises airport and handling revenues. Non-aviation revenue consists of revenues generated by energy supply and waste disposal services, IT services, rentals and concessions, passenger services, security services and other services.

All revenues are generated in Austria.

Aviation revenue rose by 7.0% (T€ 22,976.1) year-on-year following an increase in both airport and handling revenue.

Non-aviation revenue recorded by Flughafen Wien AG rose by 25.3% (T€ 34,257.2) over the prior year. This development was supported by higher revenue from security services, which increased T€ 27,385.1 to T€ 29,412.9, as well as higher revenue from lease, rental and usage agreements as well as parking.

Income from the release of government grants reflected the write-down or disposal of the relevant assets, which were carried at full acquisition cost less depreciation. This position also includes a release of T€ 766.1 (2009: T€ 766.1) from the investment allowance created during earlier years in accordance with § 108e of the Austrian Income Tax Act.

Flughafen Wien AG recorded a year-on-year increase of 14.1% in personnel expenses to T€ 210,611.0 (2009: T€ 184,637.4). This development resulted primarily from an increase of T€ 8,411.0 in wages to T€ 82,618.9 and an increase of T€ 5,714.5 in severance compensation and pensions to T€ 10,389.8. The higher expenses reflected additional hiring during the reporting year, wage and salary raises mandated by collective bargaining agreements and lower reversals to the provision for unused vacation. Salaries increased 4.9%, or T€ 2,864.5, to T€ 61,851.9. Expenses for severance compensation and pensions were T€ 6,524.1 higher at T€ 13,857.3.

Severance compensation expenses are classified as follows:

Severance compensation expenses Flughafen Wien AG

Amounts in T€	2010	2009
Addition to provision for severance compensation	7,539.4	2,539.6
Severance payments	7,723.9	5,236.5
Contributions to employee severance compensation funds	944.4	770.7
Total	16,207.7	8,546.7

Depreciation and amortisation were 2.4% lower than in the prior year.

Other operating expenses are comprised of the following:

Other operating expenses Flughafen Wien AG

Amounts in T€	2010	2009
Services provided by subsidiaries	40,302.5	39,715.6
Marketing and market communication	26,138.8	19,195.9
Maintenance	18,565.2	15,473.2
Third party services	12,207.3	10,841.3
Legal, audit and consulting fees	11,617.8	8,460.5
Rentals and leasing	3,642.4	2,449.0
Insurance	3,372.7	2,931.3
Miscellaneous operating costs	2,071.5	10,594.1
Travel and training costs	1,726.5	1,588.1
Postage and telecommunications expenses	1,474.8	1,576.3
Addition to valuation adjustments to receivables	703.7	4,679.6
Transportation	701.8	206.3
Miscellaneous expenses	2,865.2	2,639.2
Total	125,390.3	120,350.6

Expenses for the auditor of the annual financial statements, KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, amounted to T€ 374.3 (2009: T€ 215.3), whereby T€ 90.0 are related to the audit of the annual financial statements (2009: T€ 88.3) and T€ 284.3 (2009: T€ 127.0) to other assurance services.

Financial results totalled T€ -15,432.7 (2009: T€ -11,642.5) and consist of the following:

Financial results Flughafen Wien AG

Amounts in T€	2010	2009
Income from investments in other companies	13,712.4	10,169.3
Thereof from subsidiaries	13,632.9	10,130.1
Income from securities and loans granted	1,707.6	2,302.3
Thereof from subsidiaries	1,702.6	2,265.4
Interest and similar income	3,973.1	3,856.3
Thereof from subsidiaries	732.4	384.2
Income from the disposal and write-up of financial assets	1,057.5	982.6
Thereof from the write-up of loans granted to subsidiaries	1,027.3	786.4
Expenses arising from financial assets and current securities	-5,562.4	-1,457.6
Thereof from subsidiaries	-5,562.4	-310.5
Interest and similar expenses	-30,320.8	-27,495.3
Thereof due to subsidiaries	-6,512.5	-3,259.0
Total	-15,432.7	-11,642.5

Income from investments in other companies includes income T€ 1,632.8 (2009: T€ 1,430.1) from contracts for the transfer of profit and loss.

Expenses arising from financial assets and current securities amounted to T€ 5,562.4 (2009: T€ 1,457.6). The reporting year expenses resulted from a provision for an impending loss for an impending loss on a put option granted by Vienna Aircraft Handling Ges.m.b.H. for the acquisition of Flugplatz Vöslau BetriebsGmbH.

Income tax expenses rose by T€ 720.0 to T€ 12,962.5.

The theoretical income tax expenses attributable to profit on ordinary activities amounted to T€ 14,551.5. The actual tax rate was 22.3% in 2010, compared with 19.2% in the previous year.

Tax expense declined T€ 2,190.0 during the reporting year because of the tax settlement in the corporate group.

As in the prior year, tax accruals that could have been capitalised in accordance with § 198 (10) of the Austrian Commercial Code were not recorded in 2010.

Other Information

Corporate Bodies and Employees

The members of the Supervisory Board in 2010 are listed below:

Johannes CORETH, Member of the Board (ret.) of Niederösterreichische Versicherung
Christoph HERBST, Attorney-at-law (function suspended as of 1 January 2011)
Franz LAUER, General Director (ret.) of Wiener Städtische Versicherung
Hans-Jörgen MANSTEIN, Manstein Zeitschriftenverlag GesmbH
Alfons METZGER, Metzger Realitäten Group
Alfred REITER, Chairman of the Board (ret.) of Investkredit Bank AG
Karl SAMSTAG, (former) General Director of Bank Austria Creditanstalt AG
Karl SKYBA, (former) General Director of Wiener Stadtwerke Holding AG
Burkhard HOFER, General Director of EVN AG

Delegated by the Works' Committee:

Manfred BIEGLER, Chairman of the Salaried Employees' Works Committee
Thomas SCHÄFFER, Vice-Chairman of the Salaried Employees' Works Committee
Dieter ROZBORIL, Chairman of the Waged Employees' Works Committee
Karl HROMADKA, Vice-Chairman of the Waged Employees' Works Committee
Heinz WESSELY, Waged Employees' Works Committee

Chairman of the Supervisory Board:

Christoph HERBST (function suspended as of 1 January 2011)

His Deputies:

Karl SAMSTAG (Deputy as of 1 January 2011)
Alfred REITER

Representatives of the Supervisory Authorities:

Rolf A. NEIDHART (up to 31 December 2010)

Christine ROSE (as of 1 January 2011)

The members of the Management Board in 2010 were:

Herbert KAUFMANN, Member of the Board and Speaker (up to 31 December 2010)

Gerhard SCHMID, Member of the Board

Ernest GABMANN, Member of the Board

Christoph HERBST, Chairman of the Board (as of 1 January 2011)

The following persons were joint signatories in 2010:

Ernest EISNER

Franz IMLINGER

Johannes FREILER (up to 31 December 2010)

Werner HACKENBERG

Michael HÖFERER

Friedrich LEHR

Karl SCHLEINZER

Michael TMEJ

Michael KOCHWALTER (up to 18 February 2010)

Norbert STEINER

Christoph LEHR

Andreas SCHADENHOFER (as of 29 June 2010)

The average number of employees was as follows:

Flughafen Wien AG¹⁾	2010	2009
Wage employees	2,222	2,165
Salaried employees	1,061	1,071
Total	3,283	3,236

1) Excluding the members of the Management Board

The members of the Management Board of Flughafen Wien AG received the following remuneration for their work in 2010 and 2009:

	2010	2010	2010	2010	2009
	Performance based compensation		Non-cash remuneration	Total remuneration	Total remuneration
in T€	Fixed compensation	compensation	remuneration	remuneration	remuneration
Herbert Kaufmann	254.1	84.6	7.5	346.2	406.4
Gerhard Schmid	254.1	84.6	7.5	346.2	406.4
Ernest Gabmann	254.1	70.5	7.2	331.9	217.2
Christian Domany	0.0	0.0	0.0	0.0	340.8
	762.4	239.8	22.1	1,024.3	1,370.7

The performance-based compensation represents bonuses for the 2009 financial year, which were paid out during 2010.

Pension obligations of € 4.0 million were transferred to a pension fund during the reporting year.

Compensation paid to former members of the Management Board totalled T€ 630.8 (2009: T€ 675.6).

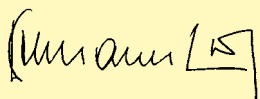
The total expenses for severance compensation and pensions, excluding former members of the Management Board, amounted to T€ 2,932.4 (2009: T€ 791.4) for the members of the Management Board and key employees. The comparable amount for other employees was T€ 21,314.6 (2009: T€ 10,541.5).

The members of the Supervisory Board received attendance fees and remuneration of T€ 121.6 in 2010 (2009: T€ 160.4).

As of 31 December 2010, there were no outstanding receivables from advances or loans granted to the members of the Supervisory Board or Management Board.

Schwechat, 28 February 2011

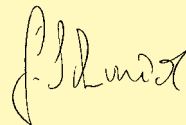
The Management Board



Ernest Gabmann
Member of the Board



Christoph Herbst
Chairman of the
Board and Speaker



Gerhard Schmid
Member of the Board

Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of

**Flughafen Wien Aktiengesellschaft,
Schwechat, Austria,**

for the **fiscal year from 1 January 2010 to 31 December 2010**. These financial statements comprise the balance sheet as of 31 December 2010, the income statement for the fiscal year ended 31 December 2010, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility and Description of Type and Scope of the statutory audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance for the year from 1 January 2010 to 31 December 2010 in accordance with Austrian Generally Accepted Accounting Principles.

Report on Other Legal Requirements (Management Report)

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 28 February 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Walter Reiffenstuhl
Wirtschaftsprüfer

Martin Wagner
Wirtschaftsprüfer

(Austrian Chartered Accountants)

Appendix to the Notes

Development of Non-Current Assets from 1 January 2010 to 31 December 2010

Appendix 1 to the Notes

Development of acquisition and production cost

Non-current assets in €	Balance on 1.1.2010	Direct additions	Reclassification
I. Intangible assets			
1. Concessions and rights	26,632,005.13	1,109,635.91	191,034.78
2. Goodwill	0.00	0.00	0.00
3. Prepayments made	0.00	0.00	0.00
Subtotal	26,632,005.13	1,109,635.91	191,034.78
II. Property, plant and equipment			
1. Land and buildings, including buildings on land owned by third parties	656,821,232.36	3,039,230.32	727,543.32
2. Machinery and equipment	650,771,671.94	5,377,998.08	1,763,568.07
3. Other equipment, furniture, fittings and office equipment	173,435,867.08	10,603,128.72	66,394.80
4. Prepayments made and construction in progress	628,227,328.67	119,933,082.49	-2,748,540.97
Subtotal	2,109,256,100.05	138,953,439.61	-191,034.78
III. Financial assets			
1. Shares in subsidiaries	194,495,660.40	70,000.00	0.00
2. Loans granted to subsidiaries	60,862,545.41	0.00	0.00
3. Investments in other companies	9,052,943.50	68,400.00	0.00
4. Other investments	380.00	0.00	0.00
5. Loans granted to companies in which an investment is held	500,000.00	0.00	0.00
6. Non-current securities (rights)	5,722,139.47	86,568.77	0.00
7. Other loans granted	1,271,796.34	19,728.28	0.00
Subtotal	271,905,465.12	244,697.05	0.00
Total	2,407,793,570.30	140,307,772.57	0.00

Disposals	Balance on 31.12.2010	Accumulated depr./amort. 31.12.2010	Book values		Depr./amort. for current financial year	Write-ups for current financial year
			Balance on 31.12.2010	Balance on 1.1.2010		
1,359,314.85	26,573,360.97	19,821,323.19	6,752,037.78	7,106,971.49	1,653,989.75	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,359,314.85	26,573,360.97	19,821,323.19	6,752,037.78	7,106,971.49	1,653,989.75	0.00
3,614,150.84	656,973,855.16	204,569,891.93	452,403,963.23	467,030,528.02	18,087,970.27	0.00
6,004,002.14	651,909,235.95	464,492,753.15	187,416,482.80	210,243,161.23	27,777,275.48	0.00
9,592,690.61	174,512,699.99	133,696,115.64	40,816,584.35	43,431,109.95	13,185,319.11	0.00
11,319,372.05	734,092,498.14	0.00	734,092,498.14	628,227,328.67	0.00	0.00
30,530,215.64	2,217,488,289.24	802,758,760.72	1,414,729,528.52	1,348,932,127.87	59,050,564.86	0.00
0.00	194,565,660.40	2,670,000.00	191,895,660.40	191,825,660.40	0.00	0.00
5,092,556.35	55,769,989.06	3,991,465.33	51,778,523.73	55,886,895.96	0.00	-984,184.12
0.00	9,121,343.50	0.00	9,121,343.50	9,052,943.50	0.00	0.00
0.00	380.00	0.00	380.00	380.00	0.00	0.00
50,000.00	450,000.00	0.00	450,000.00	500,000.00	0.00	0.00
1,436,470.27	4,372,237.97	0.00	4,372,237.97	5,722,139.47	0.00	0.00
14,208.69	1,277,315.93	225,995.96	1,051,319.97	1,002,688.96	0.00	-43,111.42
6,593,235.31	265,556,926.86	6,887,461.29	258,669,465.57	263,990,708.29	0.00	-1,027,295.54
38,482,765.80	2,509,618,577.07	829,467,545.20	1,680,151,031.87	1,620,029,807.65	60,704,554.61	-1,027,295.54

Development of Valuation Reserve based on Special Depreciation

Appendix 2 to the Notes

in €	Balance on 1.1.2010	Use to cover direct depreciation	Reversal to disposed assets	Addition	Balance on 31.12.2010
I. Property, plant and equipment					
1. Land and buildings	1,216,157.01	0.00	0.00	11,675.99	1,227,833.00
2. Machinery and equipment	823,191.14	0.00	0.00	271,783.52	1,094,974.66
3. Other equipment, furniture, fixtures and office equipment	962,460.56	0.00	0.00	1,362,362.11	2,324,822.67
Subtotal	3,001,808.71	0.00	0.00	1,645,821.62	4,647,630.33
Total	3,001,808.71	0.00	0.00	1,645,821.62	4,647,630.33

Development of Valuation Reserve based on Transfer of Undisclosed Reserves in acc. with § 12 Austrian Income Tax Act

Appendix 3 to the Notes

in €	Balance on 1.1.2010	Use to cover direct depreciation	Addition	Balance on 31.12.2010
I. Property, plant and equipment				
1. Land and buildings	5,025,206.37	1,453.18	0.00	5,023,753.19
Total	5,025,206.37	1,453.18	0.00	5,023,753.19

Development of Other Untaxed Reserves

Appendix 4 to the Notes

in €	Balance on 1.1.2010	Reversal	Addition	Balance on 31.12.2010
Investment allowance in acc. with § 10 of the Austrian Income Tax Act				
1994	5,412.31	0.00	0.00	5,412.31
1996	4,647.35	0.00	0.00	4,647.35
1997	452.57	0.00	0.00	452.57
1998	886.72	0.00	0.00	886.72
2000	159,203.15	0.00	0.00	159,203.15
Total	170,602.10	0.00	0.00	170,602.10

Development of Government Grants

Appendix 5 to the Notes

in €	Balance on 1.1.2010	Disposal	Reversal	Addition	Balance on 31.12.2010
I. Property, plant and equipment					
1. Land and buildings	2,113,401.40	0.00	232,645.97	0.00	1,880,755.43
2. Machinery and equipment	480,098.43	0.00	242,160.56	0.00	237,937.87
Total	2,593,499.83	0.00	474,806.53	0.00	2,118,693.30

Development of Investment Allowance

Appendix 6 to the Notes

in €	Balance on 1.1.2010	Disposal	Reversal	Balance on 31.12.2010
Investment allowance in acc. with § 108e of the Austrian Income Tax Act				
2003	216,902.67	0.00	216,902.67	0.00
2004	664,584.09	0.00	332,292.24	332,291.85
Total	881,486.76	0.00	549,194.91	332,291.85

Subsidiaries and Investments of Flughafen Wien AG

Appendix 7 to the Notes

Flughafen Wien Immobilienverwertungsgesellschaft m.b.H. (IVW)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

The commercial leasing of assets, in particular real estate, as well as the acquisition of property and buildings at Vienna International Airport.

in T€	2010	2009	Change	Change in %
Equity	84,967.5	84,808.8	158.6	0.2
Revenue	15,774.3	15,748.5	25.8	0.2
Net profit for the period	7,654.6	7,495.8	158.9	2.1

Vienna Aircraft Handling Gesellschaft m.b.H. (VAH)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Provision of a full range of services for general aviation and, in particular, for business aviation; major revenue generators are private aircraft handling and aircraft handling services provided on behalf of Flughafen Wien AG in the general aviation sector (incl. fuelling and the provision of hangar space).

in T€	2010	2009	Change	Change in %
Equity	5,583.4	5,583.4	0.0	0.0
Revenue	11,354.9	11,260.0	94.9	0.8
Net profit for the period	1,645.7	1,432.1	213.7	14.9

Vienna Airport Infrastruktur Maintenance GmbH (VAI)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Provision of services for electrical facilities and equipment as well as the construction of electrical and supply facilities, in particular technical equipment for airports, and the installation of electrical infrastructure.

in T€	2010	2009	Change	Change in %
Equity	2,346.8	1,798.6	548.2	30.5
Revenue	10,993.8	9,913.3	1,080.5	10.9
Net profit for the period	1,048.4	495.4	553.0	111.6

Vienna International Airport Security Services Ges.m.b.H. (VIAS)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Provision of security services (persons and hand luggage) on behalf of the Austrian Ministry of the Interior, and various other services for aviation customers (wheelchair transport, control of oversize baggage, document control etc.); the company also participates in tenders for the provision of security services at other airports through its Austrian and foreign subsidiaries.

in T€	2010	2009	Change	Change in %
Equity	8,673.6	8,963.2	-289.6	-3.2
Revenue	34,533.8	32,748.0	1,785.8	5.5
Net profit for the period	1,207.1	1,453.3	-246.2	-16.9

VIE Liegenschaftsbeteiligungsgesellschaft m.b.H. (VIEL)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Holding company for the BPIB, VOPE, MAZUR and VWTC subsidiaries, which are active in the purchase, development and marketing of property under their ownership.

in T€	2010	2009	Change	Change in %
Equity	49,941.3	48,819.2	1,122.1	2.3
Revenue	0.0	0.0	0.0	n.a.
Net profit for the period	1,122.1	775.4	346.7	44.7

Vienna International Airport Beteiligungsholding GmbH (VIAB)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Acquisition and investment in international subsidiaries and other companies; participation in international airport privatisation programmes; this company serves as the holding company for the VINT subsidiary.

in T€	2010	2009	Change	Change in %
Equity	57,547.4	57,467.8	79.5	0.1
Revenue	0.0	0.0	0.0	n.a.
Net profit for the period	2,092.5	2,006.7	85.9	4.3

**Flughafen Wien / Berlin-Brandenburg International
Entwicklungsbeteiligungsgesellschaft m.b.H. (VIE-BBI), in liquidation**

Headquarters: 12529 Schönefeld, Germany

Share owned: 100% VIE

Holding company for an investment in BBIP Berlin-Brandenburg International Partner GmbH & CoKG, which was to develop the Berlin Airport project; the company has been in liquidation since September 2008.

in T€	2009
Equity	1,340.0
Revenue	0.0
Loss for the period	-0.5

VIE Shops Entwicklungs- und Betriebsgesellschaft m.b.H (VIE-Shops)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Planning, development, marketing and operation of shops at airports in Austria and other countries.

in T€	2010	2009	Change	Change in %
Equity	12.3	17.8	-5.6	-31.3
Revenue	0.0	0.0	0.0	n.a.
Loss for the period	-5.6	-3.1	-2.5	-82.0

City Air Terminal Betriebsgesellschaft m.b.H. (CAT)

Headquarters: 1300 Flughafen Wien

Share owned: 50.1% VIE

Operation of the City Airport Express as a railway operator from the "Wien-Mitte" transit centre to and from Vienna International Airport; operation of check-in facilities at the "Wien-Mitte" transit centre combined with baggage logistics for airport passengers; consulting for third parties on the organisation and development of traffic connections between airports and cities.

in T€	2010	2009	Change	Change in %
Equity	11,904.3	11,617.4	286.8	2.5
Revenue	9,309.6	9,052.6	257.0	2.8
Net profit for the period	289.3	89.1	200.1	224.5

Austro Port Boden- und Flugzeugabfertigungsges.m.b.H. (APBF)

Headquarters: 1300 Flughafen Wien

Share owned: 25% + 1 share VIE

Provision of ground handling services at Vienna International Airport.

in T€	2010¹⁾	2009²⁾	Change	Change in %
Equity	-157.1	-510.5	353.4	69.2
Revenue	6,184.5	5,298.8	885.7	16.7
Net profit for the period	353.9	132.7	221.2	166.7

1) Preliminary values, 2) Adjusted to reflect final values

SCA Schedule Coordination Austria GmbH (SCA)

Headquarters: 1300 Flughafen Wien

Share owned: 49% VIE

Schedule coordinator for airports in Austria, e.g. the company allocates time slots to aircraft in accordance with EU law, principles defined by the IATA and applicable legal regulations, and also carries out other activities that are directly or indirectly related to the business of the company.

in T€	2010	2009¹⁾	Change	Change in %
Equity	693.6	665.2	28.4	4.3
Revenue	874.5	966.5	-92.0	-9.5
Net profit for the period	52.0	164.7	-112.6	-68.4

1) Adjusted to reflect final values

BTS Holding a.s. (BTSH)

Headquarters: 811 03 Bratislava, Slovakia

Share owned: 47.7% VIE

Provision of services and consulting for airports; plans also call for the company to hold the intended investment in Bratislava Airport.

IFRS values in T€	2010	2009	Change	Change in %
Equity	1,222.0	1,383.6	-161.6	-11.7
Revenue	0.0	0.0	0.0	n.a.
Loss for the period	-161.6	-73.1	-88.6	-121.2

KSC Holding a.s. (KSCH)

Headquarters: 811 03 Bratislava, Slovakia

Share owned: 47.7% VIE

Holding company for the 66% investment in Košice Airport as well as the provision of consulting services.

IFRS values in T€	2010	2009	Change	Change in %
Equity	42,293.9	41,521.5	772.4	1.9
Revenue	0.0	0.0	0.0	n.a.
Net profit for the period	772.4	1,228.2	-455.8	-37.1

Indien Airports Holding GmbH (VIND)

Headquarters: 1300 Flughafen Wien

Share owned: 26% VIE

Acquisition of international subsidiaries and investments in airport projects, above all in India.

in T€	2010	2009	Change	Change in %
Equity	41.6	68.5	-26.9	-39.2
Revenue	0.0	68.2	-68.2	-100.0
Loss/profit for the period	-3.3	31.4	-34.7	-110.6

VIE ÖBA GmbH (OEBA)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Provision of all types of construction and construction-related services, among others for construction projects realised by Flughafen Wien AG or other companies.

in T€	2010¹⁾
Equity	-22.5
Revenue	1.870.0
Loss for the period	-45.1

1) Abbreviated financial year – founded in 2010

Vienna Auslands Projektentwicklung und Beteiligung GmbH (VAPB)

Headquarters: 1300 Flughafen Wien

Share owned: 100% VIE

Acquisition of international subsidiaries and investments in other companies.

in T€	2010¹⁾
Equity	33.4
Revenue	353.3
Loss for the period	-1.6

1) Abbreviated financial year – founded in 2010

VIE Malta Finance Holding Ltd. (VIE MFH)Headquarters: MaltaShare owned: 99.95% VIE 0.05% VIAB

Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS values in T€	2010	2009¹⁾	Change	Change in %
Assets	978.9	10.9	957.3	8,754.0
Liabilities	0.0	32.5	-43.2	-132.9
Equity	978.9	-21.6	1,000.4	-4,642.0
Revenue	0.0	0.0	0.0	n.a.
Net profit/loss for the period	1,575.4	-23.6	1,599.0	-6,789.2

1) Abbreviated financial year – founded in 2009

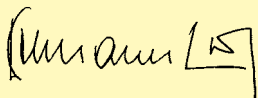
Statement of all Members of the Management Board

In accordance with § 82 of the Austrian Stock Corporation Act

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Schwechat, 28 February 2011

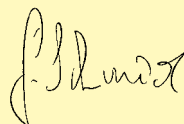
The Management Board



Ernest Gabmann
Member of the Board



Christoph Herbst
Chairman of the Board
and speaker



Gerhard Schmid
Member of the Board

Imprint

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The Flughafen Wien Group provides the following information in the Internet:

Flughafen Wien AG website: www.viennaairport.com

Noise protection programme at Vienna International

Airport: www.laermschutzprogramm.at

The environment and aviation: www.vie-umwelt.at

Facts & figures on the third runway:

www.drittepiste.viennaairport.com

Dialogue forum at Vienna International Airport:

www.dialogforum.at

Mediation process (archive): www.viemediation.at

This is a Mensalia report.



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