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Quarterly Report  
**2/2016**  
**Flughafen Wien AG**

# Key Data on the Flughafen Wien Group

## › Financial Indicators (in € million, excluding employees)

	H1/2016	Change in %	H1/2015 <sup>1</sup>
Total revenue	334.4	7.3	311.5
Thereof Airport	171.4	2.8	166.7
Thereof Handling	75.5	2.5	73.6
Thereof Retail & Properties	59.5	-6.1	63.4
Thereof Malta	19.8	n.a.	0.0
Thereof Other Segments	8.2	5.5	7.7
EBITDA / clean <sup>2</sup> EBITDA	201.5 / 149.7	48.0 / 9.9	136.2
EBITDA margin / clean <sup>2</sup> EBITDA margin (in %) <sup>3</sup>	60.3 / 44.8	n.a.	43.7
EBIT / clean <sup>2</sup> EBIT	138.3 / 86.5	92.0 / 20.1	72.0
EBIT margin / clean <sup>2</sup> EBIT margin (in %) <sup>4</sup>	41.4 / 25.9	n.a.	23.1
Net profit / clean <sup>2</sup> Net profit	109.5 / 57.7	130.2 / 21.3	47.6
Net profit parent company / clean <sup>2</sup>	106.4 / 54.6	123.6 / 14.7	47.6
Cash flow from operating activities	132.2	20.1	110.1
Capital expenditure <sup>5</sup>	50.5	105.2	24.6
Income taxes	19.1	30.6	14.6
Average number of employees <sup>6</sup>	4,487	3.7	4,326
	<b>30.6.2016</b>	<b>Change in %</b>	<b>31.12.2015</b>
Equity	1,211.4	18.8	1,020.0
Equity ratio (in %)	53.9	n.a.	53.4
Net debt	419.0	-10.1	466.0
Balance sheet total	2,248.9	17.8	1,909.7
Gearing (in %)	34.6	n.a.	45.7
Number of employees (end of period)	4,671	6.6	4,380

## › Industry Indicators

	H1/2016	Change in %	H1/2015 <sup>7</sup>
<b>Passenger development of the Group</b>			
Vienna Airport (in mill.)	10.5	0.4	10.5
Malta Airport (in mill.)	2.2	9.8	2.0
Kosice Airport (in mill.)	0.2	17.5	0.1
Vienna Airport and strat. investments (VIE, MIA, KSC)	12.9	2.1	12.6
<b>Traffic development Vienna Airport</b>			
Passengers (in mill.)	10.5	0.4	10.5
Thereof transfer passengers (in mill.)	2.7	-5.2	2.8
Flight movements	108,809	-1.1	109,980
MTOW (in mill. tonnes) <sup>8</sup>	4.1	2.0	4.0
Cargo (air cargo and trucking; in tonnes)	138,227	6.3	130,015
Seat load factor (in %) <sup>9</sup>	70.0	n.a.	71.5

## › Stock Market Indicators<sup>10</sup>

Market capitalisation (as of 30.6. 2016; in € mill.)	2,046.2
Stock price: high (29.6.2016; in €)	25.51
Stock price: low (11.2.2016 in €)	18.80
Stock price as of 30.6.2016 (in €)	24.36
Stock price as of 31.12.2015 (in €)	21.90

## › Ticker Symbols

Reuters	VIE.VI
Bloomberg	FLU:AV
Datastream	O:FLU
ISIN <sup>10</sup>	AT00000VIE62
WBAG	FLU
ADR	VIAAY

### Definitions:

1) adjusted for at equity results 2) clean: adjusted for the non-recurring effect of the revaluation of the existing at-equity investment due to company acquisition (€ 51.8 mill.) 3) EBITDA margin (Earnings before Interest, Taxes, Depreciation and Amortisation) = EBITDA / Revenue 4) EBIT margin (Earnings before Interest and Taxes) = EBIT / Revenue 5) Capital expenditure: intangible assets, property, plant and equipment and prepayments including corrections to invoices from previous years, excluding financial assets, excluding company acquisitions 6) Average number of employees: Weighted average number of employees including apprentices, excluding employees on official non-paying leave (maternity, military, etc.) and the Management Board and managing directors 7) retroactive adjustment of the 2015 traffic data 8) MTOW: Maximum take-off weight for aircraft 9) Seat load factor: Number of passengers / Available number of seats 10) Stock split in the ratio of 1:4 effective as of 27.6.2016 - historical figures adjusted accordingly; old ISIN AT0000911805 replaced by the new ISIN AT00000VIE62

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# Dear Shareholders,

The Flughafen Wien Group closed the first half of 2016 with a very good financial result despite the very difficult political and economic environment. The positive development of our service quality for passengers was also impressively emphasised: Skytrax named us the “Best Airport Staff in Europe” for the second time. The most important factor for our performance as a service company is of course a team of well trained, committed employees who put their heart and soul into catering to our customers’ needs. We are therefore particularly pleased that our employees were named the “Best Airport Staff in Europe” by the aviation rating agency Skytrax for the second straight year. We congratulate all colleagues who contributed to this success in their daily work and express our warmest thanks for their exemplary dedication! In no less of an achievement, this high professional quality also contributed to Skytrax rating our airport as a “4-Star Airport” – a rating achieved by only ten airports in Europe. The most obvious new fact that will strike you as you read this report is the full consolidation of our investment in Malta Airport, which we topped up from 32.9% to 48.4%. Malta Airport is a fast-growing and high-margin business and thus an important and profitable asset of the Flughafen Wien Group. This transaction resulted in an increase in the balance sheet value of the existing stake, which is reflected by a positive non-recurring effect of € 51.8 million. In order to correctly compare the results of 2015 with those of 2016, this one-off effect must therefore be subtracted out and the effect of the different consolidation method (previously at equity, now full consolidation) must be accounted for (see management report p. 10 ff).

Another important milestone was the decision made in the spring to radically modernise Terminal 2 and Pier East and to extend the terminal network to the south. These measures will markedly improve the sense of space, convenience and service for passengers. Additional shopping, lounge and gastronomy space also opens up additional sources of income for our company, which shall further increase the profitability of Flughafen Wien AG. The measures will be completed by 2023; the budget for the entire project is limited to a maximum of € 500 million. In the long term, this improvement and expansion of our infrastructure will make a crucial contribution to making our company fit to meet the challenges of the future and thus lay the foundation for our continued business success.

The number of passengers that the Flughafen Wien Group (FWAG) – including Malta and Košice – catered for increased again in the first half of 2016. 12.9 million passengers were counted in total – up 2.1%.

At Vienna Airport, growth was weaker at 0.4% to 10,500,816 travellers, but this is entirely satisfactory in light of the increasing fear of terror and political crises in major holiday destinations such as Turkey, Egypt and Greece. As in the previous quarters, the number of local passengers increased by a palpable 2.6% to 7,806,676, while the negative trend in transfer passengers persisted with a drop of 5.2% to 2,649,302.

With respect to destinations, the number of passengers flying to Western Europe rose by 2.2% in the first half of 2016, whereas Eastern Europe attracted 4.7% fewer passengers, not least due to the difficult economic situation in Russia. The average capacity utilisation (seat load factor) of the aircraft fell to 70.0% (H1/2015: 71.5%) and the number of aircraft movements was down by 1.1% to 108,809 (H1/2015: 109,980). In contrast, cargo traffic climbed 6.3% to 138,227 tonnes.

In spite of the challenging business environment, the Flughafen Wien Group (FWAG) increased revenue by 7.3% in the first half of the year to € 334.4 million (H1/2015: € 311.5 million). The upward revaluation of our existing stake in Malta Airport led to a positive one-off effect of € 51.8 million. In turn, this increased EBITDA to € 201.5 million (H1/2015 adjusted: € 136.2 million). The clean EBITDA increase was 9.9%, and the clean EBITDA margin equalled 44.8% (H1/2015 adjusted: 43.7%). EBIT rose to € 138.3 million, and the clean increase was 20.1% to € 86.5 million (H1/2015 adjusted: € 72.0 million). Net profit after non-controlling interests rose to € 106.4 million due to the above one-off items and, clean of these items, achieved a satisfying increase of 14.7% to € 54.6 million (H1/2015: € 47.6 million).

The balance sheet structure of FWAG as at 30 June 2016 also improved further compared to the year-end figure. The equity ratio was up by 0.5 percentage points to 53.9% from the comparable figure on 31 December 2015, and net debt showed a further decline of € 47.0 million to the current level of € 419.0 million.

We are adhering to our projections for the rest of the year, especially as a strong July with passenger growth of 2.9% at Vienna Airport confirmed our expectations for the year as a whole. Our guidance for traffic results therefore remains unchanged. Passenger volume should rise by between 0% and 2% in 2016, whereas the number of aircraft movements is expected to show a largely stable development of between minus 1% and 0%.

We confirm our financial guidance: EBITDA should surpass the figure of € 310 million and the Group net profit (before non-controlling interests, excluding the revaluation of Malta) is expected to be over € 115 million. Net debt should be further reduced and decline below the threshold of € 400 million. Revenue will be above € 725 million instead of the previously projected € 740 million, mainly due to reclassifications and the acquisition of Hermione.

Finally, we would like to sincerely thank you as our shareholders as well as the Supervisory Board for the trust you have placed in us!

Schwechat, 11. August 2016

**The Management Board**



Dr. Günther Ofner  
**Member, CFO**



Mag. Julian Jäger  
**Member, COO**



# Interim Group Management Report

## › Flughafen Wien Group traffic: 12.9 million passengers (+2.1%) in the first half of 2016

Vienna Airport, including its foreign investments in Malta Airport and Košice Airport, handled 12.9 million passengers in the first half of 2016, comprising a 2.1% increase in passenger volume compared to H1/2015. The number of local passengers increased to 10.2 million (+4.3%), while the number of transfer passengers fell 5.2% to 2.6 million.

### **Vienna Airport: 0.4% passenger growth in the first half of 2016**

From January to June 2016, Vienna Airport counted 10,500,816 passengers, growth of 0.4% (H1/2015: 10,456,630<sup>1</sup> passengers). This result was positively influenced by the leap day in February and the strong growth of low cost carriers. The development was inhibited by the restraint in bookings also observed by tourism boards, particularly affecting destinations in Turkey, Egypt and Greece.

The number of local passengers increased by 2.6% to 7,806,676 in the first half of 2016. In contrast, the volume of transfer passengers continued to decline to 2,649,302, equating to a drop of 5.2%, which is due primarily to reductions and discontinuations of routes with a high proportion of transfer passengers.

The number of departing passengers developed differently according to region: Western European destinations grew by 2.2% to 3,716,891 due to expansions of easyJet and Eurowings. In contrast, the number of passengers to Eastern Europe continued to be negatively influenced by the economic situation in Russia, and fell by 4.7% year on year to 850,188. An extended range of offerings to the Far East ensured growth of 1.1% to 186,722 passengers, while the Middle East attracted 0.7% fewer passengers, with 261,534 in the first six months. The number of passengers departing to North America increased by 4.8% to 146,591 due to the start of flights to Miami in Q4/2015. Because of the unstable political situation in North Africa, African destinations, especially the holiday destinations in Egypt, posted a decline of 23.2% to 64,616 passengers.

The average seat load factor (capacity utilisation) on the flights fell from 71.5% in the comparative period to 70.0% in the first half of 2016.

1) Retroactive adjustment of traffic data

The largest customer, Austrian Airlines, flew 2.4% fewer passengers in the first six months due to the sharp decline in the seat load factor. This reduced its share of total passenger volume at Vienna Airport to 44.2% (H1/2015: 45.4%). From January to June, NIKI/airberlin posted a 7.6% decline in passengers due to the significantly reduced offer. Its share of total passenger volume fell to 15.4% (H1/2015: 16.7%).

The number of flight movements fell by 1.1% in the first half of 2016 to 108,809 take-offs and landings (H1/2015: 109,980). In contrast, the maximum take-off weight (MTOW) rose by 2.0% to 4,095,861 tonnes, mainly because of the increased use of larger aircraft (H1/2015: 4,014,756 tonnes). Cargo volume grew by 6.3% to 138,227 tonnes.

### **Malta with passenger growth of 9.8% in the first half of 2016**

In the first six months, Malta Airport posted a 9.8% increase in passenger numbers to over 2,183,089, which is attributable both to the increase in the number of seats (+7.4%) and to a higher seat load factor of 80.0% (H1/2015: 78.2%).

The most important markets for Malta Airport in H1/2016 were Great Britain (612,413 passengers), Italy (459,657 passengers) and Germany (284,889 passengers). But other European destinations have also developed positively in recent months with the addition of new routes.

The largest customer, Ryanair, flew 37.4% more passengers (744,391) in the first half of the year, while the home carrier Air Malta posted an 8.1% passenger decline and flew a total of 707,656 passengers in the first half of the year. The third largest customer, easyJet, fell 14.2% short of the previous year's figure with 126,560 passengers in the first half of the year.

Overall, the low cost carriers counted 23.0% more passengers (1,045,894) in the first half of 2016, while the legacy carriers declined slightly year on year (-0.7%) with 1,066,856 passengers.

### **Košice with passenger growth in the first half of 2016**

Košice Airport also increased its passenger numbers in the same period by 17.5% to 168,648, continuing uninterrupted the positive development of the preceding quarters.



## › Earnings in the first half of 2016

### Revenue growth of 7.3% to € 334.4 million

The Flughafen Wien Group (FWAG) generated revenues of € 334.4 million in the first six months of 2016 (H1/2015: € 311.5 million), which represents an increase of 7.3%. This is attributable largely to the full consolidation of Malta Airport (Malta International Airport plc (MIA) and its subsidiaries) from the second quarter of 2016, which posted revenues of € 19.8 million in the months from April to June. Within Flughafen Wien AG, fee adjustments and passenger growth resulted in an increase in passenger-related revenues by € 4.0 million compared to the same period of the previous year to € 116.6 million (H1/2015: € 112.6 million). The Handling Segment also generated growth (up € 1.8 million). In contrast, rental revenues amounted to € 17.3 million, € 3.0 million lower than in the same period of the previous year (H1/2015: € 20.2 million). Revenues from shopping and gastronomy likewise fell by € 0.8 million to € 20.7 million (H1/2015: € 21.5 million) due to changes in the passenger structure. Other operating income rose from € 5.8 million to € 6.4 million in the first six months of 2016. This increase is attributable to higher own work capitalised in the Group, which increased from € 2.0 million to € 2.9 million. As of the end of 2015, however, income from the reversal of provisions has been recognised in the item affected by the provision. The previous year was not adjusted due to immateriality.

The expenses for consumables and services used fell by € 0.6 million or 3.6% to € 16.6 million in the first six months of 2016 despite the full consolidation of Malta Airport (including its investments, MIA Group). This is due firstly to lower energy expenses (minus € 0.4 million) and secondly to fewer services used (minus € 0.5 million). In contrast, expenses for consumables (including repair materials) rose from € 7.3 million in the period of the previous year to € 7.6 million.

Personnel expenses rose by € 2.1 million or 1.6% year on year from € 130.3 million to € 132.4 million. This change is almost entirely attributable to the expansion of the full consolidation range (MIA Group), which also increased the average number of employees of the Flughafen Wien Group from 4,326 to 4,487 (plus 3.7%). While wages fell by € 1.7 million to € 55.2 million (H1/2015: € 56.9 million) partly due to an update of actuarial parameters, salaries increased by € 2.6 million to € 41.8 million (H1/2015: € 39.1 million).

Other operating expenses rose by € 7.3 million or 19.6% year on year to € 44.5 million (H1/2015: € 37.2 million). Deducting the € 4.7 million effect of the changes in the consolidation range (full consolidation of Malta Airport), other operating expenses increased by € 2.5 million. In the previous year, other operating expenses included a partial reversal of a provision for risks arising from real estate. Therefore other operating expenses in 2016 increased by € 5.1 million. Marketing and market communication expenses likewise rose by € 1.6 million year on year to € 10.6 million, which is attributable primarily to the changes in the consolidation range. Third-party services increased to € 7.3 million (H1/2015: € 5.0 million) primarily due to third-party personnel services at Malta Airport. In contrast, the cost of services delivered by related companies increased only slightly to € 5.9 million (H1/2015: € 5.7 million) and included mainly cleaning and security services at the Vienna site. Legal, auditing and consulting costs likewise grew by € 0.4 million to € 2.5 million and expenses for insurance by € 0.3 million to € 1.6 million. However, maintenance expenses for buildings and equipment fell by € 1.1 million to € 8.9 million year on year. The acquisition of the property company VIE Flugbetrieb Immobilien GmbH (VFI) at >

the end of March 2015 is responsible for the reduction of external rental and leasing costs by € 2.0 million to € 1.3 million (H1/2015: € 3.3 million).

The results from investments recorded at equity, which are now classified within the operating result due to their operational nature, amounted to € 54.2 million after € 3.5 million in the previous year. During the first quarter 2016 a non-recurring effect relating to the revaluation at fair value of the existing interest in Malta Airport of € 51.8 million was recognised in the income statement. The results from investments recorded at equity, which also included the results of Malta Airport until the first quarter of 2016, developed positively. Since the second quarter of 2016, Malta Airport has been fully consolidated. The proportional share of net profit for the period of the investments recorded at equity therefore fell from € 3.5 million in the previous period to € 2.4 million.

**EBITDA rises 48.0% to € 201.5 million due to non-recurring effect and full consolidation of Malta Airport (clean<sup>1</sup>: € 149.7 million, plus 9.9%)**

The non-recurring effect from the revaluation of the existing interest in Malta Airport, the full consolidation of Malta Airport starting with the second quarter of 2016 and the positive revenue trend increased EBITDA to € 201.5 million or by 48.0% year on year, clean<sup>1</sup> € 149.7 million or plus 9.9% (H1/2015 adjusted<sup>2</sup>: € 136.2 million). The EBITDA margin increased from 43.7% (H1/2015 adjusted<sup>2</sup>) to 60.3% (clean<sup>1</sup>: 44.8%).

**EBIT improved to € 138.3 million or by 92.0% (clean<sup>1</sup>: € 86.5 million, plus 20.1%)**

In the first six months of 2016, scheduled depreciation and amortisation of € 67.2 million (H1/2015: € 64.2 million) was recorded. Conversely, a reversal of an impairment in the cash-generating unit (CGU) "Real Estate Office" of € 3.9 million was recognised. The better operating result (EBITDA) raised earnings before interest and taxes (EBIT) to € 138.3 million or by 92.0%, clean<sup>1</sup> to € 86.5 million or plus 20.1% (H1/2015 adjusted<sup>2</sup>: € 72.0 million). The EBIT margin improved from 23.1% (H1/2015 adjusted<sup>2</sup>) to 41.4% (clean<sup>1</sup>: 25.9%).

**Financial results improved to minus € 9.7 million**

Financial results changed slightly from minus € 9.8 million in the same period of the previous year to minus € 9.7 million. Income from investments (not including at-equity investments) increased from € 0.1 million in the previous period to € 0.6 million. The change of the negative interest result is due mainly to lower interest income. In the previous year, income from securities of € 1.3 million was recognised in this item. Interest income amounted to € 0.8 million in the reporting year. Results from investments recorded at equity have been shown in the operating result since Q1/2016 due to their operational nature.

1) clean: adjusted for the non-recurring effect of the revaluation of the existing at-equity investment due to company acquisition (€ 51.8 million)

2) 2015 adjusted: at-equity results are reported in operating earnings (EBITDA) and not in the financial results

**Net profit for the period rose by € 61.9 million or 130.2% to € 109.5 million (clean<sup>1</sup>: € 57.7 million, plus 21.3%)**

Earnings before taxes (EBT) amounted to € 128.7 million (plus 106.7%) in the first six months of 2016. Adjusted for the non-recurring effect of the revaluation, EBT amounted to € 76.8 million, which represents an increase of 23.5% (H1/2015: € 62.2 million). After the deduction of income taxes totalling € 19.1 million (H1/2015: € 14.6 million), net profit for the period amounted to € 109.5 million (clean<sup>1</sup>: € 57.7 million). This represents an increase of € 61.9 million (+130.2%) or a clean<sup>1</sup> increase of € 10.1 million (+21.3%).

Net profit attributable to shareholders of the parent company also rose due to the non-recurring effect by € 58.8 million to € 106.4 million (+123.6%), or clean<sup>1</sup> by € 7.0 million to € 54.6 million (+14.7%, H1/2015: € 47.6 million). A half-year result of € 3.1 million is attributable to non-controlling interests.

A stock split in the ratio of 1:4 was approved at Flughafen Wien AG's 28th Annual General Meeting on 31 May 2016. This granted the shareholders three additional shares for each of their shares, thus increasing the number of shares from 21 million to 84 million. The share capital remained unchanged (€ 152.7 million). Earnings per share were € 1.27 (clean<sup>1</sup>: € 0.65) after € 0.57 in the previous year (adjusted for the number of shares). The number of shares outstanding is now 84 million.

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1) clean: adjusted for the non-recurring effect of the revaluation of the existing at-equity investment due to company acquisition.

## › Earnings in the second quarter of 2016

The Flughafen Wien Group's revenues increased by € 20.8 million (12.2%) to € 191.6 million in the second quarter of 2016 (Q2/2015: € 170.8 million), which is attributable primarily to the change in the consolidation range. Aviation income developed positively on the basis of fee adjustments and traffic growth, while rental and concession income (not including Malta Airport) declined. Other operating income was higher than in the same quarter of the previous year at € 2.8 million (Q2/2015: € 2.3 million) because more own work was capitalised in Q2/2016 than in Q2/2015.

Expenses for consumables and services used likewise increased by € 0.4 million to € 8.0 million due to the full consolidation of Malta Airport. By contrast, personnel expenses fell by € 0.5 million to € 67.6 million (Q2/2015: € 68.1 million) despite a higher average number of employees (including Malta) due to the use of updated actuarial parameters. Other operating expenses increased from € 18.7 million to € 26.9 million year on year. This is due partly to an adjustment (partial reversal) of a provision for risks arising from real estate in the previous year and partly to the change in the consolidation range. The proportional share of net profit for the period of the investments recorded at equity no longer includes contributions from Malta and therefore fell from € 2.3 million to € 1.0 million. This resulted in a rise of € 11.9 million (14.6%) in EBITDA for the second quarter of 2016 to € 92.9 million (Q2/2015 adjusted<sup>1</sup>: € 81.1 million).

Scheduled depreciation of property, plant and equipment and amortisation of intangible assets increased by € 2.8 million to € 34.9 million year on year (Q2/2015: € 32.1 million). Conversely, the reversal of an impairment loss in the CGU "Real Estate Office" of € 3.9 million had a positive effect. The higher EBITDA and the impairment reversal raised EBIT by € 13.0 million (26.6%) compared to Q2/2015 to € 62.0 million (Q2/2015 adjusted<sup>1</sup>: € 49.0 million).

The financial result in the second quarter of 2016 was minus € 4.5 million after minus € 5.0 million in Q2/2015. This was mainly because of higher income from investments of € 0.6 million (Q2/2015: € 0.1 million) and higher interest income of € 0.7 million (Q2/2015: € 0.4 million). The increase in interest expenses from € 5.4 million to € 5.8 million was due to the change in the consolidation range. Results from investments recorded at equity are now shown in the operating result due to their operational nature.

At € 57.5 million, earnings before taxes were higher than the previous year's figure of € 43.9 million. This also led to a higher tax burden of € 14.6 million for the second quarter of 2016 (Q2/2015: € 10.4 million). The outcome was a 28.1% improvement in the net profit for the second quarter of 2016 to € 42.9 million (Q2/2015: € 33.5 million). Net profit attributable to shareholders of the parent company equals € 39.8 million (Q2/2015: € 33.5 million). Net profit for the period (second quarter) of € 3.1 million is attributable to non-controlling interests.

<sup>1</sup>) adjusted: at-equity results are reported in operating earnings (EBITDA) and not in the financial results

## › Financial, asset and capital structure

### Acquisition of subsidiaries

The increase of the existing interest in Malta Mediterranean Link Consortium Limited (MMLC) to over 95% resulted in an increase of 15.5% of Flughafen Wien Group's indirect stake in Malta Airport and caused the full consolidation of this subsidiary from the acquisition date 30 March 2016 onwards.

As of the end of the first quarter Q1/2016 the preliminary fair value remeasurement of the net assets of Malta International Airport and its subsidiaries were included in the corresponding balance sheet positions of Flughafen Wien Group. The major changes are shown in the following balance sheet positions: on the asset side property, plant and equipment, cash and cash equivalents as well as receivables and other assets and on the liability side non-current personnel provisions, financial liabilities, other liabilities as well as current financial liabilities (bank loans).

Based on the preliminary purchase price allocation and fair value valuation of the new consolidated assets, non-current deferred taxes increased. The change in goodwill related to Flughafen Wien Group's share based on the partial goodwill method. Equity changed in respect of the corresponding non-controlling interests.

Based on the increase in stake, the existing carrying amount of the at equity investment (shown within "investments in companies recorded at equity") of the corresponding share was derecognised in the income statement. As a consequence, a positive non-recurring gain of around € 51.8 million was also recognised in equity.

Since the second quarter 2016, the income statement of Malta International Airport plc (MIA) and its subsidiaries has also been fully consolidated in the Flughafen Wien Group.

### Net debt falls to € 419.0 million (31 December 2015: € 466.0 million)

Net debt declined to € 419.0 million as at 30 June 2016, a reduction of € 47.0 million in comparison with the beginning of the year (31 December 2015: € 466.0 million) despite the full consolidation of Malta International Airport (MIA), Malta Mediterranean Link Consortium Limited (MMLC) and others. While the equity ratio rose by 0.5 percentage points to 53.9%, gearing fell significantly from 45.7% on 31 December 2015 to 34.6% because of the higher equity.

### Cash flow from operating activities at € 132.2 million (H1/2015: € 110.1 million)

Net cash flow from operating activities in the first six months of 2016 was € 132.2 million, compared with € 110.1 million in the same period of the previous year. The increase was due to the improved operating result. There was cash outflow relating to working capital in the first half of the year. In the first half of 2016, income taxes paid, taking corporate income tax repayments into account, totalled € 0.2 million (H1/2015: € 4.5 million).

Net cash flow from investing activities amounted to plus € 23.2 million compared with minus € 36.8 million in the same period of the previous year. Payments of € 28.2 million were made for additions to non-current assets (not including business acquisitions) during the reporting period. Cash outflow from the acquisition of new Group companies (cash transferred less cash acquired) amounted to minus € 17.8 million in the first half of 2016. Payments of € 69.1 million were received on the disposal of assets held for sale reflecting an advance payment for a finance lease agreement. Payments received for the >

disposal of non-current assets amounted to € 4.4 million in the previous year, but they were just € 0.1 million in the first six months of 2016.

Free cash flow (net cash flow from operating activities plus net cash flow from investing activities) therefore totalled € 155.4 million in H1/2016 (H1/2015: € 73.4 million) due to the cash inflow from investing activities.

Net cash flow from financing activities of minus € 113.1 million (H1/2015: minus € 69.9 million) is attributable to repayments and borrowings of financial liabilities (totaling € 66.3 million) and dividend payments of € 46.8 million (of which € 42.0 million for shareholders of Flughafen Wien AG and thereof € 4.8 million to non-controlling shareholders of MIA Group).

Cash and cash equivalents amounted to € 47.0 million as at 30 June 2016 (31 December 2015: € 4.7 million).

### **Assets – non-current assets increase due to full consolidation of Malta Airport**

The change in non-current assets from € 1,748.6 million as at the end of 2015 to € 2,100.8 million as at 30 June 2016 was on the one hand due to depreciation and amortisation and on the other hand due to the full consolidation of Malta Airport. Besides capital expenditure on intangible assets, property, plant and equipment and investment property (not including business acquisitions) totalling € 50.5 million (H1/2015: € 24.6 million), depreciation and amortisation (including an impairment reversal of € 3.9 million) of € 63.2 million (H1/2015: € 64.2 million) was recorded. The increase in property, plant and equipment from € 1,515.2 million to € 1,853.6 million in the first half of 2016 reflects the expansion of the consolidation range. This also increased the carrying amount of investment property from € 115.4 million to € 128.4 million. In addition, goodwill of € 61.3 million was identified on the basis of preliminary values. Other intangible assets increased from € 8.8 million to € 9.1 million. Despite the positive operating results, the carrying amounts of investments recorded at equity decreased from € 106.4 million to € 45.5 million as of the end of the second quarter due to the derecognition of Malta International Airport plc (MIA) and Malta Mediterranean Link Consortium Limited (MMLC) as a result of the change in the consolidation range.

Current assets fell by € 13.0 million in comparison with the end of the year to € 148.1 million (31 December 2015: € 161.1 million), which is due to several effects. Because of the recognition of the finance lease with Austrian Airlines, the building reported in the "Assets available for sale" item with a carrying amount of € 69.1 million was derecognised. Trade receivables (including receivables from non-consolidated subsidiaries) increased due almost exclusively to the additions of fully consolidated Group companies from € 39.7 million to € 55.5 million. Inventories increased by € 0.8 million to € 5.7 million due to the full consolidation of the MIA Group. The € 3.3 million increase in prepaid expenses to € 5.1 million is attributable on the one hand to advance payments made, primarily for insurance, and on the other hand to the full consolidation of Malta Airport. While other receivables rose from € 3.0 million to € 5.2 million, receivables due from taxation authorities fell by € 8.0 million to € 2.5 million mainly due to a repayment received for tax receivables. The cash and cash equivalents of the new Group companies had a significant effect on the increase from € 4.7 million on 31 December 2015 to € 47.0 million at the end of the second quarter 2016.

### Equity and liabilities

Since the balance sheet date 31 December 2015, equity has risen by 18.8% to € 1,211.4 million (31 December 2015: € 1,020.0 million). This is attributable on the one hand to the net profit (including non-controlling interests) for the first six months of the year of € 109.5 million, which includes a non-recurring effect for the fair value revaluation of the existing interest in Malta Airport amounting to € 51.8 million. On the other hand, the revaluation of defined benefit plans and the market valuation of securities increased other reserves by € 4.0 million. Dividend payments amounted to € 46.8 million (of which € 42.0 million for shareholders of Flughafen Wien AG and thereof € 4.8 million to non-controlling interests of MIA group). The change in the consolidation range increased the carrying amount of non-controlling interests from € 0.1 million to € 123.1 million. The equity ratio improved to 53.9% after 53.4% at the end of 2015.

The € 120.7 million increase in non-current liabilities to € 699.7 million resulted primarily from the change in the consolidation range, which among other things increased non-current financial liabilities from € 382.5 million to € 403.6 million. In connection with the Malta acquisition, deferred tax liabilities increased from € 19.9 million to € 106.9 million as of 30 June 2016. Pension provisions increased from € 13.7 million to € 18.0 million. The increase in other non-current liabilities by € 15.2 million to € 37.6 million is attributable firstly to an advance lease payment received and secondly to the changes resulting from the new Group companies.

Current liabilities rose by a total of € 27.2 million to € 337.8 million (31 December 2015: € 310.6 million). At the end of the second quarter of 2016, current provisions increased by € 18.2 million to € 76.7 million, as did trade payables by € 13.1 million to € 48.4 million. The tax provision changed from € 26.4 million as at 31 December 2015 to € 38.2 million as at 30 June 2016 due to additions as a consequence of the positive operating result. Despite the change in the consolidation range, current financial liabilities decreased from € 109.3 million to € 83.7 million due to repayments. Other current liabilities rose from € 81.3 million on 31 December 2015 to € 90.8 million owing to ongoing provisioning for the environmental fund, accruals and the change in the consolidation range.

### › Capital expenditure

A total of € 50.5 million (H1/2015: € 24.6 million) was invested (without company acquisitions) in intangible assets, property, plant and equipment and investment property in the first six months of 2016. The largest additions (not including business acquisitions) related to capital expenditure for runway system 11/29 (€ 21.8 million), the third runway (€ 5.7 million) and alterations to a operations building (€ 2.0 million).

Regarding the acquisition of Group companies in connection with Malta Airport, the following amounts were recognised in the consolidated balance sheet on a preliminary basis in the first quarter of 2016: € 61.3 million related to goodwill, € 0.9 million related to intangible assets and € 363.8 million related to property, plant and equipment and investment property.

## › Risks of future development

The aviation industry is strongly affected by general political and economic trends at national and international level, which are therefore closely monitored. That said, the overall risk position of the Flughafen Wien Group (FWAG) is stable.

The global economy has been growing only very modestly since the middle of the previous year; there are still structural problems. Although global trade is sluggish, stabilising tendencies have recently emerged, supported by the rising oil price and expansionary monetary policy in the euro zone. The global economy should therefore pick up some speed again over the rest of the year, and the developed economies should remain on a moderate growth trajectory. In Austria, the economy grew in the first quarter; growth rates close to the euro zone average are forecast for 2016 and 2017 (source: Institute for Advanced Studies - IHS, June 2016). Globally, IATA (International Air Transportation Association) presents an overall positive outlook for the aviation industry, forecasting rising passenger growth rates. The growth in cargo will be less dynamic, but also positive (Source: IATA, June 2016).

Uncertainties in the geopolitical field persist in the shape of the crisis between the European Union and Russia. Owing to its function as a hub for traffic between Eastern and Western Europe, Vienna Airport is negatively affected by the strain on economic and trade relations and the depreciation of the rouble. In addition, the strained security situation in Turkey is negatively affecting bookings for tourism destinations there.

According to IHS, the referendum in favour of Great Britain leaving the EU is unlikely to have any direct consequences for the Austrian economy and thus for the volume of traffic at Vienna Airport because of the relatively low intensity of the economic interrelations. In places, the depreciation of the British pound could have negative effects on the retail and gastronomy segment. Great Britain was not part of the Schengen Area even before the referendum, so aviation processes will not be affected by the decision. In contrast, the incremental lifting of the sanctions against Iran in the wake of the nuclear deal is likely to have positive effects.

After a good result in 2015 (EBIT: € 54 million), Austrian Airlines improved adjusted EBIT again by € 17 million to € -0.1 million in the first half of 2016 and generated passenger growth of 2.2%. Airlines traditionally generate the biggest earnings contribution in the third quarter, so adjusted EBIT is also expected to increase over 2016 as a whole compared to 2015 (Source: Austrian Airlines, 2 August 2016). Restructuring can still be seen with regard to the particularly important long-haul routes. After Shanghai was added to the flight plan in April, Hong Kong and Havana will also be new destinations from September and October 2016 respectively. Conversely, the flights to Tokyo and Delhi will be/were discontinued. The renewal of the short- and medium-haul fleet is continuing as planned. A total of 21 Fokker 70 and 100 aircraft will be replaced by 17 significantly larger Embraer 195s, of which seven are already being used in flight operations. This could also curb the development of aircraft movements compared to passenger growth in the next few years, which would diminish the growth potential of ground handling services. Overall, FWAG assumes that Austrian Airlines has successfully laid the foundations for continuing the current network strategy with a focus on east-west transfers.

The financial problems at airberlin, which owns NIKI, have tended to get worse. Despite extensive measures, a loss of over € 440 million was reported in 2015. Passenger numbers fell by 5.6% at Group level in the first half of 2016 (source: airberlin, 27 April 2016 and 7 July 2016). According to information from the airberlin Group, the domestic subsidiary



NIKI is operationally profitable but also affected by the Group's overriding strategy and performance. FWAG is monitoring the situation with growing concern. A possible strategic realignment of the Group could result at least in short-term negative effects on passenger volume at the site.

Other airlines at the Vienna site have announced positive expansion plans. easyJet is also offering new destinations in 2016, and Eurowings commenced operations with a second Airbus A320 at the site in the 2016 summer flight plan, expanding the portfolio by five extra destinations. Since 1 July, Emirates has been using the largest passenger aircraft in the world, the Airbus A380, on one of the two daily scheduled connections from Dubai to Vienna. In the immediate catchment area of Vienna Airport, the activities of non-network carriers such as Ryanair at Bratislava Airport continue to be regarded as particularly relevant and remain under close observation. Airlines have also announced new expansion plans at the Malta site.

In FWAG's view, the lawsuit filed against FWAG by former lessee Rakesh Sardana in New York for about € 150 million for alleged discrimination is devoid of any factual or legal foundation.

The airport investment in Malta, which has been fully consolidated since 30 March 2016, is exposed to the above industry-specific risks as well as uncertainty regarding the financial turnaround of the home carrier Air Malta (market share in 2015: around 37%, H1/2016: around 32%). The bankruptcy of this airline would have negative consequences for Malta Airport. Air Malta is currently implementing a restructuring plan and seeking a strategic partner to ensure the carrier's long-term economic survival. There are particular uncertainties regarding the agreement of a partnership with Alitalia, which is at risk from impending strikes by the workforce.

Great Britain is Malta Airport's largest market with 28% of the total passenger volume. It is assumed that the rules of the internal European aviation market will continue to apply to Great Britain even after it leaves the EU (either as a member of the European Economic Area or in the form of separate agreements as in the case of Switzerland). If exchange rate fluctuations result in changes in purchasing power, however, this could affect travel behaviour and therefore Malta Airport.

After the positive first instance ruling regarding the "Parallel runway 11R/29L" (third runway) project, a second instance hearing at the Austrian Federal Administrative Court took place at the beginning of January 2015. From today's standpoint, the decision of the Austrian Federal Administrative Court is expected at the end of 2016 at the earliest. It is possible that future proceedings will involve the supreme courts or potentially even the European Court of Justice. Current forecasts for the development of passenger traffic indicate that Vienna Airport will reach its capacity limits after 2020. The parallel runway project is therefore crucial to ensure the availability of sufficient capacity on a timely basis. As soon as a legally binding decision is issued, Flughafen Wien AG will make the decision on the realisation of this project based on the expected development of passenger traffic and updated profitability calculations. If the project is not realised, significant elements of the capitalised (project) costs would probably have to be written off. The amount of this would be dependent on the extent to which an alternative use could be found.

All asset valuations are based on the assumption that Vienna Airport will maintain its position as an east-west hub.

## › Other information

Information on significant transactions with related companies and persons is provided under point 9 of the Notes to the condensed consolidated interim financial statements.

## › Guidance for net profit for 2016 confirmed

### Traffic in July 2016

#### **Passenger increase of 3.2% in July 2016 and accumulated increase of 2.3% in the period January-July 2016**

Flughafen Wien AG including its strategic foreign investments in Malta Airport and Košice Airport reported a total of 3.1 million passengers in July 2016, comprising a rise of 3.2% compared to July 2015. The total number of passengers handled by the airports from January to July 2016 was up 2.3% to 15.9 million travelers.

#### **Vienna Airport in July 2016: 2.9% increase in passenger volume, cargo growth of 6.0%**

The total number of passengers handled at Vienna Airport rose by 2.9% in July 2016 compared to July 2015 to 2,431,583 passengers. The number of local passengers climbed 4.3%, whereas transfer passenger volume declined slightly, falling by 0.5%. The number of flight movements in July 2016 was down 1.4%. Vienna Airport showed a good level of growth with respect to cargo volume, which increased by 6.0% from July 2015.

The total number of passengers to Western European destinations increased by 1.3% in July 2016, whereas passenger traffic to Eastern Europe was up 2.4%. The number of passengers traveling to the Far East rose by 6.8% in July 2016, and even climbed by 15.8% to destinations in the Middle East. Passenger volume to North America was up 8.0%. The number of passengers flying to destinations in Africa fell by 8.9%.

There was a growth of 5.9% in passenger volume at Malta Airport in July 2016, whereas Košice Airport reported a drop of 7.0%.

**Guidance**

For the year as a whole Vienna Airport expects an increase in passenger traffic of 0% to 2% and a flat development of aircraft movements between minus 1% and 0% for Vienna. In terms of financial objectives, FWAG expects - taking the full consolidation of Malta Airport into account - EBITDA of over € 310 million and net profit for the period of over € 115 million (before non-controlling interests, adjusted for non-recurring effects relating to the fair value revaluation of the existing interest in Malta Airport). Net debt should be further reduced and decline below the threshold of € 400 million. Revenue will be above € 725 million instead of the previously projected € 740 million, mainly due to reclassifications and the acquisition of Hermione.

Schwechat, 11 August 2016

**The Management Board**

Günther Ofner  
**Member, CFO**



Julian Jäger  
**Member, COO**



Condensed Consolidated  
Interim Financial  
Statements  
as of 30 June 2016

# Consolidated Income Statement

Amounts in T€	H1/2016	H1/2015 <sup>1</sup>	C. in %	Q2/2016	Q2/2015 <sup>1</sup>
Revenue	334,360.5	311,498.5	7.3	191,625.5	170,780.8
Other operating income	6,376.5	5,844.6	9.1	2,761.2	2,291.6
<b>Operating income</b>	<b>340,736.9</b>	<b>317,343.2</b>	<b>7.4</b>	<b>194,386.7</b>	<b>173,072.4</b>
Consumables and services used	-16,563.3	-17,175.2	-3.6	-7,990.9	-7,605.5
Personnel expenses	-132,377.7	-130,251.7	1.6	-67,577.3	-68,052.1
Other operating expenses	-44,483.3	-37,205.8	19.6	-26,901.7	-18,674.2
Proportional share of income from companies recorded at equity	2,400.1	3,472.2	-30.9	1,014.0	2,317.9
Revaluation of companies recorded at equity due to company acquisitions	51,827.3	0.0	n.a.	0.0	0.0
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>201,540.1</b>	<b>136,182.6</b>	<b>48.0</b>	<b>92,930.8</b>	<b>81,058.5</b>
Scheduled depreciation and amortisation	-67,160.1	-64,153.2	4.7	-34,894.1	-32,082.4
Reversal of impairment	3,945.5	0.0	n.a.	3,945.5	0.0
<b>Earnings before interest and taxes (EBIT)</b>	<b>138,325.4</b>	<b>72,029.5</b>	<b>92.0</b>	<b>61,982.2</b>	<b>48,976.1</b>
Income from investments, excluding investments recorded at equity	560.0	140.0	n.a.	560.0	140.0
Interest income	803.1	1,347.8	-40.4	743.8	364.2
Interest expense	-11,036.5	-11,170.4	-1.2	-5,772.1	-5,432.1
Other financial result	0.0	-119.6	n.a.	0.0	-119.6
<b>Financial result</b>	<b>-9,673.4</b>	<b>-9,802.2</b>	<b>-1.3</b>	<b>-4,468.3</b>	<b>-5,047.5</b>
<b>Earnings before taxes (EBT)</b>	<b>128,652.1</b>	<b>62,227.3</b>	<b>106.7</b>	<b>57,513.9</b>	<b>43,928.6</b>
Income taxes	-19,124.7	-14,643.8	30.6	-14,567.5	-10,395.0
<b>Net profit for the period</b>	<b>109,527.4</b>	<b>47,583.5</b>	<b>130.2</b>	<b>42,946.4</b>	<b>33,533.7</b>
<b>Thereof attributable to:</b>					
Equity holders of the parent	106,400.3	47,584.7	123.6	39,817.7	33,534.2
Non-controlling interests	3,127.1	-1.2	n.a.	3,128.8	-0.6
<b>Earnings per share (in €, basic = diluted)</b>	<b>1.27</b>	<b>0.57</b>	<b>123.6</b>	<b>0.47</b>	<b>0.40</b>

1) adjusted

&gt;

# Consolidated Statement of Comprehensive Income

in T€	H1/2016	H1/2015	C. in %	Q2/2016	Q2/2015
Net profit for the period	109,527.4	47,583.5	130.2	42,946.4	33,533.7

## Other comprehensive income from items that will not be reclassified to the consolidated income statement in future periods

Revaluations from defined benefit plans	4,946.0	1,100.8	n.a.	4,761.2	75.0
Thereof deferred taxes	-1,236.5	-275.2	n.a.	-1,190.3	-18.8

## Other comprehensive income from items that may be reclassified to the consolidated income statement in future periods

Change in fair value of available-for-sale securities	329.2	-623.8	-152.8	622.8	-387.0
Thereof changes not recognised through profit or loss	329.2	-475.9	-169.2	622.8	-239.1
Thereof realised gains and losses	0.0	-147.9	-100.0	0.0	-147.9
Thereof deferred taxes	-82.3	156.0	-152.8	-155.7	96.8
<b>Other comprehensive income</b>	<b>3,956.4</b>	<b>357.7</b>	<b>n.a.</b>	<b>4,038.0</b>	<b>-234.0</b>
<b>Total comprehensive income</b>	<b>113,483.8</b>	<b>47,941.2</b>	<b>136.7</b>	<b>46,984.4</b>	<b>33,299.7</b>

## Thereof attributable to:

Equity holders of the parent	110,356.7	47,942.4	130.2	43,855.7	33,300.2
Non-controlling interests	3,127.1	-1.2	n.a.	3,128.8	-0.6

## Consolidated balance sheet

in T€	30.6.2016	31.12.2015	C. in %
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	70,435.3	8,881.3	n.a.
Property, plant and equipment	1,853,634.8	1,515,192.2	22.3
Investment property	128,404.4	115,384.1	11.3
Investments in companies recorded at equity	45,520.0	106,440.0	-57.2
Other financial assets	2,785.2	2,663.0	4.6
	<b>2,100,779.8</b>	<b>1,748,560.6</b>	<b>20.1</b>
<b>Current assets</b>			
Inventories	5,744.5	4,946.9	16.1
Securities	21,351.1	21,050.9	1.4
Assets available for sale	4,307.9	73,403.0	-94.1
Receivables and other assets	69,733.9	57,026.2	22.3
Cash and cash equivalents	47,003.9	4,668.5	n.a.
	<b>148,141.3</b>	<b>161,095.4</b>	<b>-8.0</b>
<b>Total assets</b>	<b>2,248,921.0</b>	<b>1,909,656.0</b>	<b>17.8</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	152,670.0	152,670.0	0.0
Capital reserves	117,657.3	117,657.3	0.0
Other reserves	-12,469.6	-16,426.1	-24.1
Retained earnings	830,393.3	765,993.0	8.4
Attributable to equity holders of the parent	1,088,251.0	1,019,894.3	6.7
Non-controlling interests	123,107.5	104.3	n.a.
	<b>1,211,358.5</b>	<b>1,019,998.5</b>	<b>18.8</b>
<b>Non-current liabilities</b>			
Provisions	151,658.8	154,393.6	-1.8
Financial liabilities	403,600.3	382,467.5	5.5
Other liabilities	37,586.0	22,339.7	68.2
Deferred tax liabilities	106,894.3	19,858.5	n.a.
	<b>699,739.4</b>	<b>579,059.3</b>	<b>20.8</b>
<b>Current liabilities</b>			
Provisions for taxation	38,257.6	26,368.8	45.1
Other provisions	76,652.2	58,452.9	31.1
Financial liabilities	83,746.3	109,253.9	-23.3
Trade payables	48,389.2	35,241.3	37.3
Other liabilities	90,777.9	81,281.1	11.7
	<b>337,823.1</b>	<b>310,598.1</b>	<b>8.8</b>
<b>Total equity and liabilities</b>	<b>2,248,921.0</b>	<b>1,909,656.0</b>	<b>17.8</b> >

## Consolidated cash flow statement

in T€	H1/2016	H1/2015	C. in %
Profit before taxes	128,652.1	62,227.3	106.7
+ Depreciation and amortisation of non-current assets	67,160.1	64,153.2	4.7
- Reversal of impairment	-3,945.5	0.0	n.a.
- Proportional share of income from companies recorded at equity	-2,400.1	-3,472.2	-30.9
- Revaluation of companies recorded at equity due to company acquisitions	-51,827.3	0.0	n.a.
+ Dividends from companies recorded at equity	1,499.5	3,822.3	-60.8
+ Losses / - gains on the disposal of non-current assets	91.6	-266.0	n.a.
- Reversal of investment subsidies from public funds	-111.6	-107.7	3.6
- Other non-cash transactions	0.0	-7.0	-100.0
+ Interest and dividend result	9,673.4	9,682.7	-0.1
+ Dividends received	560.0	140.0	n.a.
+ Interest received	803.1	37.6	n.a.
- Interest paid	-10,884.9	-11,008.6	-1.1
- Increase / + decrease in inventories	14.7	-260.4	n.a.
- Increase / + decrease in receivables	-6,670.2	1,713.4	n.a.
+ Increase / - decrease in liabilities and provisions	-229.1	-12,092.0	-98.1
<b>Net cash flows from ordinary operating activities</b>	<b>132,385.7</b>	<b>114,562.5</b>	<b>15.6</b>
- Income taxes paid	-172.7	-4,460.3	-96.1
<b>Net cash flow from operating activities</b>	<b>132,213.0</b>	<b>110,102.2</b>	<b>20.1</b>
+ Payments received on the disposal of non-current assets	134.8	4,378.1	-96.9
- Payments made for the purchase of non-current assets	-28,174.2	-41,129.0	-31.5
+ Payments received for assets available for sale	69,095.1	0.0	n.a.
- Payments made for company acquisitions	-17,820.5	0.0	n.a.
<b>Net cash flow from investing activities</b>	<b>23,235.1</b>	<b>-36,750.9</b>	<b>n.a.</b>
- Dividend pay-out to equity holders of the parent	-42,000.0	-34,650.0	21.2
- Dividend pay-out to non-controlling interests	-4,829.8	0.0	n.a.
+ Payments received from the addition of financial liabilities	5,610.9	231.0	n.a.
- Payments made for the repayment of financial liabilities	-71,893.9	-35,500.0	102.5
<b>Net cash flow from financing activities</b>	<b>-113,112.8</b>	<b>-69,919.0</b>	<b>61.8</b>
Change in cash and cash equivalents	42,335.4	3,432.3	n.a.
+ Cash and cash equivalents at the beginning of the period	4,668.5	2,242.1	108.2
<b>Cash and cash equivalents at the end of the period</b>	<b>47,003.9</b>	<b>5,674.4</b>	<b>n.a.</b>



# Consolidated Statement of Changes in Equity

Attributable to equity holders of the parent

Amounts in T€	Share capital	Capital reserves	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
<b>Balance on 1.1.2015</b>	<b>152,670.0</b>	<b>117,657.3</b>	<b>-18,097.6</b>	<b>700,209.4</b>	<b>952,439.1</b>	<b>110.0</b>	<b>952,549.0</b>
Market valuation of securities			-467.9		-467.9		-467.9
Revaluations from defined benefit plans			825.6		825.6		825.6
Other comprehensive income	0.0	0.0	357.7	0.0	357.7	0.0	357.7
Net profit for the period				47,584.7	47,584.7	-1.2	47,583.5
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>357.7</b>	<b>47,584.7</b>	<b>47,942.4</b>	<b>-1.2</b>	<b>47,941.2</b>
Dividend				-34,650.0	-34,650.0		-34,650.0
<b>Balance on 30.6.2015</b>	<b>152,670.0</b>	<b>117,657.3</b>	<b>-17,739.9</b>	<b>713,144.1</b>	<b>965,731.5</b>	<b>108.7</b>	<b>965,840.2</b>
<b>Balance on 1.1.2016</b>	<b>152,670.0</b>	<b>117,657.3</b>	<b>-16,426.1</b>	<b>765,993.0</b>	<b>1,019,894.3</b>	<b>104.3</b>	<b>1,019,998.5</b>
Market valuation of securities			246.9		246.9		246.9
Revaluations from defined benefit plans			3,709.5		3,709.5		3,709.5
Other comprehensive income	0.0	0.0	3,956.4	0.0	3,956.4	0.0	3,956.4
Net profit for the period				106,400.3	106,400.3	3,127.1	109,527.4
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>3,956.4</b>	<b>106,400.3</b>	<b>110,356.7</b>	<b>3,127.1</b>	<b>113,483.8</b>
Changes from company acquisitions					0.0	124,706.0	124,706.0
Dividend				-42,000.0	-42,000.0	-4,829.8	-46,829.8
<b>Balance on 30.6.2016</b>	<b>152,670.0</b>	<b>117,657.3</b>	<b>-12,469.6</b>	<b>830,393.3</b>	<b>1,088,251.0</b>	<b>123,107.5</b>	<b>1,211,358.5</b>



## Selected Notes

### › (1) Basis of preparation

The condensed consolidated interim financial statements of Flughafen Wien AG as of 30 June 2016 were prepared in accordance with IAS 34, as adopted by the European Union (EU).

In agreement with IAS 34 (Interim Financial Reporting), the condensed consolidated interim financial statements do not include all information and disclosures that are required for annual financial statements, and should therefore be read in connection with the consolidated financial statements of Flughafen Wien AG as of 31 December 2015.

Besides the information provided in the notes and interim financial statements, other detailed information can be found in the interim group management report (IAS 34.16A).

The present condensed consolidated interim financial statements have neither been audited nor reviewed by a chartered accountant.

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## › (2) Significant accounting policies and valuation methods

The accounting and valuation policies and the calculation methods applied in preparing the annual financial statements for 2015 were also used to prepare the condensed consolidated interim financial statements, with the exception of the changes listed below (e.g. new standards that are applicable to the current reporting period). Additional information on these accounting and valuation policies as well as the new standards that require mandatory application as of 1 January 2016 is provided in the consolidated financial statements as of 31 December 2015, which form the basis for these condensed consolidated interim financial statements.

The following new and revised standards were applied for the first time in financial year 2016:

- › Improvements to individual IFRS (Improvement Project 2010-2012)
- › Improvements to individual IFRS (Improvement Project 2012-2014)
- › Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"
- › Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"
- › Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"
- › Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"
- › Amendments to IAS 27 "Equity Method in Separate Financial Statements"
- › Amendments to IAS 1 "Disclosure Initiative"

The application of the new standards did not have any material effects on the condensed consolidated interim financial statements.

From the current financial year, the results from companies recorded at equity are shown within the operating result (EBIT) of Vienna Airport Group due to the operational nature of the companies recorded at equity to reflect an improved actual earnings position. This change was performed to improve the presentation of the asset, financial and earnings position. The previous year's figures have been adapted accordingly.

The partial goodwill method was used to determine the goodwill for company acquisitions.

The provisions for severance compensation, pensions, semi-retirement programmes for older employees and service anniversary bonuses are accounted for as obligations resulting from defined benefit plans, whereby the calculations are based on actuarial principles and the projected unit credit method. The recognised liabilities represent the defined benefit obligation.

The obligations for severance compensation, pensions, semi-retirement programmes for older employees and service anniversary bonuses were calculated on the basis of the following updated parameters:

**Accounting parameters**

	H1/2016	H1/2015
<b>Austrian companies:</b>		
Discount rate (pensions, severance compensation, service anniversary bonuses)	1.78%	1.78%
Discount rate (semi-retirement programmes)	0.30%	0.30%
Wage and salary increases (severance compensation, service anniversary bonuses)	3.41%	3.69%
Pension increases (only for pensions)	2.10%	2.10%
<b>Maltese companies:</b>		
Discount rate (pensions)	2.00%	n.a.

**Employee turnover for severance compensation (combined with probability of pay-outs)**

		H1/2016	H1/2015
Wage employees:	From 1st year	6.9% with 28.2%	6.2% with 30.7%
	Until 25th year	7.0% with 85.2%	6.7% with 92.0%
Salaried employees:	From 1st year	8.9% with 42.8%	7.7% with 41.7%
	Until 25th year	7.1% with 86.6%	7.3% with 92.2%

**Employee turnover for service anniversary bonuses**

		H1/2016	H1/2015
Wage employees:	From 1st year	6.9%	6.2%
	Until 25th year	1.1%	0.6%
Salaried employees:	From 1st year	8.9%	7.7%
	Until 25th year	1.0%	0.6%

The use of automatic data processing equipment may lead to rounding differences in the addition of rounded amounts and percentage rates.

### › (3) Consolidation range

The following changes in the consolidation range have occurred since 31 December 2015: Because the closing conditions were fulfilled, SNC-Lavalin Group Inc.'s indirect shares in MMLC Holdings Malta Limited (MMLC Holding, formerly SNC-Lavalin (Malta) Limited, SNCL Malta) were acquired by the Flughafen Wien Group on the closing date of 30 March 2016. MMLC Holding has a 38.75% stake in the consortium company Malta Mediterranean Link Consortium Limited (MMLC), which in turn holds 40% in Malta International Airport plc (MIA). Flughafen Wien AG's consolidated share in Malta Airport therefore increased to 48.44%. As a result of this transaction, the Flughafen Wien Group has control over the following companies:

- › MIA Holding Canada Ltd (Group share: 100%)
- › MMLC Holdings Malta Limited, MMLC Holding (Group share: 100%)
- › Malta Mediterranean Link Consortium Limited, MMLC (Group share: 95.85%)
- › Malta International Airport plc, MIA bzw. MIA-Gruppe (direct and indirect Group share: 48.44%)
  - › Airport Parking Limited
  - › Sky Parks Development Limited
  - › Sky Parks Business Centre
  - › Kirkop PV Farm Limited
  - › Luqa PV Farm Limited
  - › Gudja PV Farm Limited
  - › Gudja Two PV Farm Limited
  - › Gudja Three PV Farm Limited

These companies were therefore included in the consolidation range of the Flughafen Wien Group on 30 March 2016. While the consortium company MMLC, MMLC Holdings Malta Limited and MIA Holding Canada are reported under Other Segments (except goodwill), the information relating to Malta International Airport plc (MIA) and its investments (together MIA group) is reported in its own segment (Malta) in accordance with IFRS 8.11.

As of 30 June 2016, the condensed consolidated interim financial statements include Flughafen Wien AG as well as 17 domestic (31 December 2015: 17) and 19 foreign subsidiaries (31 December 2015: 7), over which Flughafen Wien AG exercises control. In addition, three domestic companies (31 December 2015: 3) and one foreign company (31 December 2015: 3) were recorded using the equity method. Until 30 March 2016, the companies Malta Mediterranean Link Consortium Limited (MMLC) and Malta International Airport plc (MIA) were included in the consolidated financial statements at equity.

Three (31 December 2015: 3) subsidiaries were not included in the condensed consolidated interim financial statements because they are of immaterial for the provision of a true and fair view of the asset, financial and earnings position of the Flughafen Wien Group.

#### › (4) Business Acquisition

On 30 March 2016, the Group acquired 100% of the shares in MMLC Holdings Malta Limited. This increased the stake in the subsidiary Malta Mediterranean Link Consortium Limited from 57.1% to 95.85%, so the Flughafen Wien Group now controls MMLC. Due to the control over MMLC and considering the 10.1% share of VIE (Malta) Limited, the Flughafen Wien Group also obtained control over Malta Airport and its investments. The control over Malta Airport including its investments is a result of MMLC's comprehensive rights to appoint bodies of Malta Airport.

In the next few years, the Flughafen Wien Group expects positive operating and financial results from Malta Airport. The company Malta International Airport plc and its investments (MIA Group) are allocated to the "Malta" segment.

The purchase price allocation is based on preliminary identified fair values.

#### Consideration transferred

The fair values of each main consideration group as of the acquisition date are shown below:

<b>Amounts in T€ (preliminary)</b>	
Cash	63,688.8
Fair value of the share previously held	113,647.9
<b>Total</b>	<b>177,336.7</b>

The revaluation of the Group's existing share at fair value resulted in a gain of T€ 51,827.3 (T€ 113,647.9 less T€ 61,820.7 carrying amount of the company, which was recorded at equity). This amount is reported under "Revaluation of companies recorded at equity due to company acquisitions".

#### Costs associated with the business combination

Up to and including the second quarter of 2016, the Group has incurred costs associated with the business combination of T€ 707.7 for legal consulting and due diligence. These costs were reported under other operating expenses in the income statement.

#### Identifiable assets acquired and liabilities assumed

The purchase price was preliminarily allocated on the basis of preliminary determined fair values of the acquired material assets and liabilities. These are shown below as of the acquisition date 30 March 2016:

<b>Amounts in T€ (preliminary)</b>	
Intangible assets	922.1
Property, plant and equipment	345,862.2
Investment property	17,935.8
Other non-current financial assets	103.2
Inventories	812.3
Receivables and Other assets	13,258.8
Cash and cash equivalents	45,868.3
<b>Total assets</b>	<b>424,762.5</b>
Non-current provisions	-4,428.4
Non-current financial liabilities	-34,051.7
Other non-current liabilities	-6,189.3
Deferred tax liabilities	-83,788.4
Current provisions	-23,129.6
Provisions for taxation	-2,074.0
Current financial liabilities	-27,856.4
Trade payables	-2,457.5
<b>Total liabilities</b>	<b>-183,975.4</b>
<b>Total identifiable net assets acquired (preliminary)</b>	<b>240,787.1</b>

The initial recognition of the business acquisition was only provisional at the end of the first quarter of 2016 in accordance with IFRS 3.45ff because of the proximity to the reporting date. If - within a year of the acquisition date or after an independent valuation - new information comes to light about facts and circumstances existing on the acquisition date that would have resulted in corrections to the above amounts or additional provisions, the accounting for the business acquisition will be adjusted.

The fair values of the property, plant and equipment were recognised on a preliminary basis until a complete independent valuation. The preliminary fair value of the property, plant and equipment was determined according to the cost-based approach. The valuation model reflects the amount that would currently be necessary to replace the service capacity of an asset (replacement costs). Adjustments were made for physical deterioration, functional overhaul and economic obsolescence. According to IFRS 3.B32 (b) the right to operate the airport was recognised together with the airport infrastructure.

As of the acquisition date (30 March 2016), the trade receivables included gross amounts due from contractual receivables of T€ 10,114.0, of which T€ 0.0 was not expected to be recoverable as of the acquisition date.



### Goodwill

On the basis of the preliminary values, the goodwill was recognised as follows:

<b>Amounts in T€ (preliminary)</b>	
Cash consideration	63,688.8
Fair value of the share previously held	113,647.9
Share of net assets for non-controlling interests	124,706.0
Less: fair value of the identifiable net assets	-240,787.1
<b>Goodwill</b>	<b>61,255.5</b>

The goodwill was calculated according to the partial goodwill method. The goodwill resulting from the business acquisition is not deductible for tax purposes.

### Non-controlling interests

The non-controlling interests relate to a 4.15% interest in Malta Mediterranean Link Consortium Limited and a direct and indirect 51.56% interest in Malta International Airport plc. The non-controlling interests were valued on the acquisition date (30 March 2016) at their corresponding share in the preliminary identifiable net assets of T€ 124,706.0.

### Net cash outflow from the acquisition

The net cash outflow from the acquisition was as follows:

<b>Amounts in T€ (preliminary)</b>	
Cash consideration	63,688.8
Less: acquired cash and cash equivalents	-45,868.3
	17,820.5

### Effects of the acquisition on the Group's results

Malta Airport has been fully consolidated since 30 March 2016. Income and expenses have therefore been reported in the consolidated income statement since the second quarter of 2016. Overall, Malta Airport will contribute to the Group's revenues and earnings growth.

The income statement of Malta Airport and its investments was included in the Group from the second quarter of 2016. If the acquisition had occurred on 1 January 2016, consolidated pro-forma revenues and profit for the first half of 2016 would have been approximately € 347 million and approximately € 111 million (including non-recurring effect from revaluation) respectively. In determining these amounts management assumed that the preliminary determined fair values would also have been applicable on an acquisition recorded on 1 January 2016.

## › (5) Information on operating segments (IFRS 8)

IFRS 8 requires segment reporting to reflect the Group's internal reporting structure. The operating segments of the Flughafen Wien Group include the business units of Flughafen Wien AG that form the basis for the company's organisation, as well as various subsidiaries and investments in companies recorded at equity. These operating segments are aggregated into the following reporting segments: Airport, Handling, Retail & Properties, Malta and Other Segments. The management of the Flughafen Wien Group is based on reporting that covers profit and loss, capital expenditure and employee-related data for the individual business units of Flughafen Wien AG as well as revenues, EBITDA, EBIT, planned investments and employee-related data for the individual subsidiaries.

### Segment revenues and segment results 2016

H1/2016 in T€	Airport	Handling	Retail & Properties	Malta <sup>1</sup>	Other Segments	Group
External segment revenues	171,415.3	75,453.6	59,508.6	19,822.4	8,160.6	334,360.5
Internal segment revenues	18,111.4	35,496.4	7,030.4	0.0	53,064.4	
<b>Segment revenues</b>	<b>189,526.6</b>	<b>110,950.0</b>	<b>66,539.0</b>	<b>19,822.4</b>	<b>61,225.0</b>	
<b>Segment EBITDA</b>	<b>75,989.0</b>	<b>7,826.5</b>	<b>38,543.1</b>	<b>12,162.8</b>	<b>67,018.6<sup>2</sup></b>	<b>201,540.1<sup>2</sup></b>
Segment EBITDA margin (in %)	40.1	7.1	57.9	61.4	109.5	
<b>Segment EBIT</b>	<b>32,083.5</b>	<b>5,080.1</b>	<b>33,472.4</b>	<b>9,163.1</b>	<b>58,526.3<sup>2</sup></b>	<b>138,325.4<sup>2</sup></b>
Segment EBIT margin (in %)	16.9	4.6	50.3	46.2	95.6	

1) Malta Segment includes results of the months April to June

2) Including non-recurring effect relating to the revaluation of the interest in Malta Airport recorded at equity amounting to T€ 51,827.3

Group: EBITDA clean T€ 149,712.8, EBIT clean T€ 86,498.2

Other Segments: EBITDA clean T€ 15,191.3, EBIT clean T€ 6,699.0

### Segment revenues and segment results 2015

H1/2015 in T€	Airport	Handling	Retail & Properties	Other Segments	Group
External segment revenues	166,741.6	73,648.3	63,370.3	7,738.4	311,498.5
Internal segment revenues	17,508.6	35,697.2	10,268.7	51,156.3	
<b>Segment revenues</b>	<b>184,250.2</b>	<b>109,345.5</b>	<b>73,639.0</b>	<b>58,894.7</b>	
<b>Segment EBITDA</b>	<b>71,733.8</b>	<b>5,932.0</b>	<b>44,301.2</b>	<b>14,215.6<sup>1</sup></b>	<b>136,182.6<sup>1</sup></b>
Segment EBITDA margin (in %)	38.9	5.4	60.2	24.1 <sup>1</sup>	
<b>Segment EBIT</b>	<b>24,964.0</b>	<b>3,117.1</b>	<b>36,250.2</b>	<b>7,698.3<sup>1</sup></b>	<b>72,029.5<sup>1</sup></b>
Segment EBIT margin (in %)	13.5	2.9	49.2	13.1 <sup>1</sup>	

Items such as the financial results and tax expense per operating segment are not provided in the segment reporting because only items up to EBIT are included in internal reporting, while these other items are monitored centrally. A special reconciliation to EBT is not presented. The remaining financial results are not allocated, partly due to the fact that debt is not allocated to segments. The debt of the Flughafen Wien Group is centrally monitored at a higher level. The income from companies accounted for at equity is shown in Other Segments.

### › (5.1) Airport Segment

The Airport Segment covers the operation and maintenance of aircraft movement areas, the terminals and the airside infrastructure as well as all equipment and facilities used for passenger and baggage handling. The responsibilities of this segment also include managing existing airline customers, acquiring new carriers, operating the lounges, rental of facilities to airlines, airport operations, fire brigade, medical services, access controls and winter services.

#### Competitive fees

As of 1 January 2016, the fees at Vienna Airport were adjusted as follows based on the index formula defined by the Austrian Airport Fee Act ("Flughafenentgeltgesetz", FEG):

- › Landing fee, airside infrastructure fee, parking fee: +1.01%
- › Passenger fee, landside infrastructure fee, security fee: +0.85%
- › Fuelling infrastructure fee: +0.86%

The PRM (passengers with reduced mobility) fee was unchanged at € 0.38 per departing passenger.

1) 2015 adjusted: at-equity results are reported in operating earnings (EBITDA) and not in the financial results

**Increase in revenues of 2.8% in the Airport Segment**

External revenues in the Airport Segment increased from € 166.7 million to € 171.4 million in the first six months of 2016. The reason for this increase was firstly passenger fees, which rose from € 72.4 million to € 73.0 million, mainly as a result of the increase in fees from the beginning of the year. Secondly, revenues from security fees increased by € 3.4 million to € 43.6 million due to fee adjustments of the previous year and from 1 January. Revenues from landing fees (including parking and hangar charges) increased by 1.1% to € 30.1 million (H1/2015: € 29.8 million) despite a slight decline in aircraft movements because of the higher MTOW and fee adjustments. The positive development of the lounges continued again in early 2016. External revenues from lounges increased from € 3.2 million to € 3.7 million. Internal revenues were up by € 0.6 million year on year to € 18.1 million due to higher internal rental. Other income (including own work capitalised) amounted to € 1.1 million (H1/2015: € 2.1 million).

The cost of external consumables decreased slightly by € 0.1 million to € 1.2 million year on year. Personnel expenses remained on a par with the previous year at € 20.3 million despite wage and salary increases mandated by collective bargaining agreements, while the average number of employees was constant at 496 (H1/2015: 496). Other operating expenses fell by € 0.3 million year on year to € 19.5 million. This is partly the result of lower external maintenance costs for ICT (information and communication technology) sections, which are now increasingly delivered by Other Segments. Internal operating costs therefore rose from € 73.1 million to € 73.6 million in the first half of 2016.

**EBITDA up 5.9% to € 76.0 million**

In the Airport Segment, EBITDA improved by € 4.3 million to € 76.0 million. Taking account of lower depreciation and amortisation (partly due to the transfer of IT assets to other segments and lower amortisation of software products) of € 43.9 million (H1/2015: € 46.8 million), segment EBIT of € 32.1 million was achieved – up from € 25.0 million in the same period of the previous year. The EBITDA margin rose slightly from 38.9% to 40.1%, while the EBIT margin improved from 13.5% to 16.9%.

**› (5.2) Handling Segment**

As a ground and cargo handling agent, the Handling Segment provides services for aircraft and passenger handling in scheduled, charter and general aviation traffic. General aviation covers civil aviation, with the exception of scheduled and charter flights. It includes private as well as commercial flights by operators such as business aviation companies, private persons, corporate jets and air rescue operators. In addition to general aviation, the services provided by Vienna Aircraft Handling Gesellschaft m.b.H. (VAH) include the operation of the VIP & Business Center at Vienna Airport. The Handling Segment is also responsible for security controls, which are provided by the subsidiary Vienna International Airport Security Services Ges.m.b.H. (VIAS). The subsidiary Vienna Passenger Handling Services GmbH (VPHS) has been providing ground handling services within the meaning of the Act on Airport Ground Handling since 2015.

### **Revenue growth in the Handling Segment of 2.5% to € 75.5 million**

External revenues in the Handling Segment rose by € 1.8 million to € 75.5 million in the first half of 2016 (H1/2015: € 73.6 million). Revenues from apron handling increased from € 48.2 million to € 48.7 million due to the use of larger aircraft, the acquisition of new customers and price adjustments. From the second quarter of 2016, revenues from cargo handling increased in line with the cargo volume handled from € 13.6 million in the previous period to € 14.5 million on a cumulative basis. Revenues from traffic handling increased by € 0.5 million to € 6.7 million, due in particular to new passenger handling customers.

External revenues from security services of the subsidiary VIAS declined slightly by € 0.1 million to € 1.6 million. The General Aviation area, including the operation of the VIP & Business Center (including other segment revenues), generated stable revenues of € 3.9 million in the first six months of 2016. Internal revenues declined by € 0.2 million to € 35.5 million due to lower security services revenues.

The cost of consumables fell by € 0.2 million year on year to € 2.9 million. Personnel expenses decreased by € 1.0 million to € 81.4 million (H1/2015: € 82.4 million) with an average number of employees of 3,062 (H1/2015: 3,087). Other operating expenses amounted to € 2.4 million (H1/2015: € 2.2 million). Internal operating expenses (which also include the purchase of consumables and services for the fleet) rose from € 16.2 million to € 16.6 million.

### **EBITDA up 31.9% to € 7.8 million**

The revenue growth and lower personnel expenses increased EBITDA in the Handling Segment from € 5.9 million to € 7.8 million in the first six months of 2016. After depreciation and amortisation of € 2.7 million (H1/2015: € 2.8 million), EBIT of € 5.1 million was generated, in comparison with € 3.1 million in the same period of the previous year. The EBITDA and EBIT margins climbed year on year by 1.6 percentage points to 7.1% and by 1.7 percentage points to 4.6% respectively.

## **› (5.3) Retail & Properties Segment**

The Retail & Properties Segment covers shopping, gastronomy and car parking, as well as the development and marketing of real estate and advertising space.

### **Revenues of € 59.5 million in the Retail & Properties Segment**

External revenues in the Retail & Properties Segment fell by € 3.9 million or 6.1% to € 59.5 million year on year (H1/2015: € 63.4 million). The recognition of a finance lease resulted, beside a decline in the corresponding operating expense, in a decline in external rental income of € 2.5 million. New rental contracts, e.g. for the container village, had a positive effect (€ 0.8 million) on rental revenues. Car-parking income fell by a minimal € 0.1 million to € 21.6 million. Revenues from shopping and gastronomy were € 0.8 million below the first half of the previous year at € 20.7 million due to the crisis (decline of well-funded passengers) and due to renovations. Internal revenues fell from € 10.3 million to € 7.0 million due to lower internal rental. Other income increased by € 1.4 million year on year to € 2.6 million.

The cost of consumables fell slightly to € 0.3 million in the first six months of 2016 (H1/2015: € 0.4 million). Personnel expenses fell by € 0.3 million to € 3.7 million in the first >

half of 2016, partly due to the decrease in the average workforce from 88 to 81 employees. Other operating expenses increased from € 4.9 million to € 6.3 million as a partial reversal of a provision for risks arising from real estate was recognised in the previous year. Internal operating expenses fell by € 0.9 million to € 20.3 million.

#### **EBITDA down 13.0% to € 38.5 million**

EBITDA in the Retail & Properties Segment fell from € 44.3 million to € 38.5 million in the first six months. Depreciation and amortisation fell to € 5.1 million (H1/2015: € 8.1 million) due to a € 3.9 million impairment reversal. EBIT declined by € 2.8 million to € 33.5 million (H1/2015: € 36.3 million). The EBITDA margin was 57.9% (H1/2015: 60.2%). In contrast, the EBIT margin was 50.3% (H1/2015: 49.2%).

### **› (5.4) Malta Segment**

The Malta Segment includes Malta Airport (Malta International Airport plc, MIA) and its direct investments (hereinafter referred to as the MIA Group). Malta Airport and its investments are responsible for the operation of Malta Airport. In addition to traditional aviation services, the companies of the MIA Group also generate revenues from parking and the rental of retail and office space. Handling is provided by two external firms. The MIA Group was included in the consolidation range of the Flughafen Wien Group on closing on 30 March 2016, so segment results only include the second quarter. Further information is provided under note (3) Consolidation range and note (4) Acquisition of subsidiaries.

#### **Revenues of € 19.8 million in the Malta Segment**

The Malta Segment's external revenues in the second quarter amounted to € 19.8 million. Around 70% of these revenues came from the airport business, which includes income from tariffs, aviation concessions and PRM services. The other revenues relate almost exclusively to income from retail outlets, advertising space and rental, including VIP lounges and parking revenues. Other income in the reporting period amounted to € 0.1 million.

The cost of consumables largely comprises energy costs and amounted to € 0.7 million for the second quarter. Personnel expenses amounted to € 2.0 million and included ongoing salary costs, pension expenses and statutory social security contributions. The other operating income of € 4.7 million included costs for security staff, cleaning, staff for PRM services, other third-party personnel services, marketing expenses, lease costs and maintenance costs. Internal operating expenses amounted to € 0.3 million.

#### **EBITDA of € 12.2 million**

For the second quarter of 2016, the Malta Segment posted EBITDA of € 12.2 million and an EBITDA margin of 61.4%. Taking the segment's depreciation and amortisation of € 3.0 million into account, EBIT amounted to € 9.2 million with an EBIT margin of 46.2%.

## › (5.5) Other Segments

The segment entitled “Other Segments” provides a wide range of services, both for other operating segments and for external customers. Included here are technical services and repairs, energy supply and waste disposal, telecommunications and information technology, electromechanical and building services, the construction and maintenance of infrastructure facilities, construction management and consulting. This segment also includes the subsidiaries (and the services provided for these subsidiaries) that hold shares in associated companies and joint ventures and have no other operating activities.

### Revenues rise to € 8.2 million in Other Segments

External revenues for the Other Segments in the first six months of 2016 amounted to € 8.2 million (H1/2015: € 7.7 million). The increase is largely attributable to energy supply and waste disposal. Internal revenues rose by € 1.9 million year on year to € 53.1 million, partly because of the supply of services and consumables to the other reporting segments (H1/2015: € 51.2 million). The other income amounted to € 2.4 million (H1/2015: € 2.0 million).

The cost of consumables and services used fell by € 0.9 million to € 11.4 million due to the lower energy expenses. Personnel expenses rose by € 1.5 million to € 25.0 million as a result of the increase in the workforce, especially at the subsidiary VAT (average of 699 employees in the segment, up from 655), and of wage and salary increases mandated by collective bargaining agreements. Other operating expenses rose from € 10.2 million to € 11.5 million, as external third-party services and maintenance services for technical and ICT (information and communication technology) sections are provided by the Other Segments to the other operational segments. Depreciation and amortisation rose by € 2.0 million to € 8.5 million mainly due to the transfer of IT assets from the Airport Segment. Internal operating expenses fell by € 1.2 million to € 2.9 million in the first half of the year (H1/2015: € 4.1 million). Results from companies recorded at equity include a non-recurring effect from the fair value revaluation of the existing interest in Malta Airport of € 51.8 million, as well as the net profit for the period of the investments recorded at equity (Malta up to and including the first quarter of 2016) of € 2.4 million (H1/2015: € 3.5 million).

### EBITDA rises to € 67.0 million due to non-recurring effect (clean<sup>1</sup>: € 15.2 million)

In total, the segment Other Segments increased EBITDA to € 67.0 million, including a non-recurring effect from the revaluation, clean<sup>1</sup> € 15.2 million (H1/2015 adjusted<sup>2</sup>: € 14.2 million) and EBIT to € 58.5 million, clean<sup>1</sup> € 6.7 million (H1/2015 adjusted<sup>2</sup>: € 7.7 million).

1) clean: Including non-recurring effect relating to the revaluation of the interest in Malta Airport recorded at equity amounting to T€ 51,827.3

2) 2015 adjusted: at-equity results are reported in operating earnings (EBITDA) and not in the financial results

## Segment assets

### › Reconciliation of segment assets to group assets

Amounts in T€	30.6.2016	31.12.2015
<b>Assets by segment</b>		
Airport	1,296,045.3	1,316,008.6
Handling	35,264.2	32,462.5
Retail & Properties	289,251.0	358,933.5
Malta	479,646.2	0.0
Other Segments	104,355.3	158,716.1
<b>Total assets in reportable segments</b>	<b>2,204,562.0</b>	<b>1,866,120.7</b>
<b>Assets not allocated to a specific segment<sup>1</sup></b>		
Other financial assets	2,597.4	2,574.0
Current securities	21,351.1	21,050.9
Receivables due from taxation authorities	2,487.7	10,516.0
Other receivables and assets	3,926.2	2,980.6
Prepaid expenses and deferred charges	3,133.1	1,745.3
Cash and cash equivalents	10,863.5	4,668.5
<b>Total assets not allocated to a specific segment</b>	<b>44,359.0</b>	<b>43,535.2</b>
<b>Group assets</b>	<b>2,248,921.0</b>	<b>1,909,656.0</b>

### › (6) Supplementary notes to the condensed consolidated interim financial statements

#### Balance sheet

As at 30 June 2016, land with a carrying amount of T€ 4,307.9 is reported in the item "Assets available for sale" pursuant to IFRS 5. The Flughafen Wien Group still expects this land to be sold within the next year. The reporting of these assets in accordance with IFRS 5 did not as at 30 June 2016 lead to the recognition of gains or losses. This land is allocated to the Retail & Properties Segment.

As at 31 December 2015, buildings with a carrying amount of T€ 69,095.1 were also reported in the item "Assets available for sale" pursuant to IFRS 5. They were transferred to the tenant Austrian Airlines at the beginning of 2016.

1) Includes assets not allocated to a specific segment except assets of the MIA Group



### Development of financial liabilities

Amounts in T€	Non-current financial liabilities	Current financial liabilities	Total
As of 1.1.2016	382,467.5	109,253.9	491,721.4
Additions	0.0	5,610.9	5,610.9
Repayments	0.0	-71,893.9	-71,893.9
Reclassification	-12,918.9	12,918.9	0.0
Changes in the consolidation range	34,051.7	27,856.4	61,908.1
<b>As of 30.6.2016</b>	<b>403,600.3</b>	<b>83,746.3</b>	<b>487,346.6</b>

### Income statement

In the first six months of 2016, scheduled depreciation and amortisation of € 67.2 million (H1/2015: € 64.2 million) and an impairment reversal of € 3.9 million was recorded.

Amounts in T€	H1/2016	H1/2015
Scheduled amortisation of intangible assets	1,309.4	2,107.2
Scheduled depreciation of property, plant and equipment	65,850.7	62,046.0
Reversal of impairment on property, plant and equipment	-3,945.5	0.0
<b>Total depreciation and amortisation incl. impairment reversal</b>	<b>63,214.6</b>	<b>64,153.2</b>

The impairment tests carried out led to the reversal of impairment on a property in the "Real Estate Office" cash-generating unit totalling € 3.9 million, which is recognised in the Retail & Properties Segment. This reversal was based on the current estimate of the medium-term development of the market and demand as defined by the forecast and the associated rise in the occupancy rate of the building.

### Valuation method and input factors

The fair value was calculated based on a valuation model based on non-observable input factors (Level 3). The model is based on the present value of the net cash flows generated by the properties of the cash-generating unit on the basis of market expectations and includes the expected increase in rents, relocations, occupancy rates and all other costs attributable to these assets. The expected net cash flows are discounted with a weighted average cost of capital (WACC) derived from a peer group of publicly traded Austrian real estate companies with a focus on commercial properties. The net cash flows reflect the amounts in the 2016 budget and current estimates of long-term development.

**Key, non-observable input factors:**

- › Increases in rents of 0% to 2%
- › Occupancy rates of 63% to 100%, weighted average: around 87% (relating to 2016)
- › Growth rate of 0% for perpetual yield
- › Tax rate of 25%
- › After-tax WACC of 5.1%

Income taxes for the interim reporting period represent a best estimate of the weighted average annual income tax rate expected for the full financial year. Tax expense for the Flughafen Wien Group comprises the following items:

Amounts in T€	H1/2016	H1/2015
Current income tax expense	17,195.6	15,162.2
Change in deferred taxes	1,929.1	-518.4
<b>Total taxes</b>	<b>19,124.7</b>	<b>14,643.8</b>

**› (7) Seasonality of the airport business**

Business in the aviation industry is influenced by two different seasonal factors. The first factor is related to revenues, which are generally below average in the first and fourth quarters and above average in the second and third quarters. This pattern is a consequence of the increased passenger volume during the summer months in Europe. The second factor involves fluctuations in maintenance and repair expenses. Work of this type is generally performed during the autumn and winter, which has a higher negative effect on earnings at year-end.

**› (8) Other obligations and contingent liabilities**

As at the balance sheet date 30 June 2016, obligations for the purchase of intangible assets amounted to € 0.2 million (31 December 2015: € 0.1 million) and obligations for the purchase of property, plant and equipment to € 23.8 million (31 December 2015: € 24.5 million).

Apart from those resulting from the change in the consolidation range, there have been no material changes in contingent liabilities or other financial obligations since the last balance sheet date.

**› (9) Related parties**

Apart from those resulting from the change in the consolidation range, the circle of related parties (legal entities and persons) remained generally unchanged compared with the last consolidated financial statements. Business relations with related parties did not change significantly in comparison with the comparable period of the previous year and are conducted at ordinary market conditions.

In the first half of 2016, there were no material transactions with related parties. The third-party services purchased from related parties (non-consolidated subsidiaries or companies recorded at equity) amounted to € 5.9 million in the first six months of 2016 (H1/2015: € 5.7 million). Revenues with these companies amounted to € 0.2 million (H1/2015: € 0.2 million). As of the reporting date on 30 June 2016, the receivables amounted to € 1.5 million and the liabilities to € 14.7 million.

## › (10) Information on carrying amounts and fair values (financial instruments)

The following tables show the carrying amounts, fair values and valuations of financial assets and liabilities broken down by valuation category as at 30 June 2016 and 31 December 2015. The information on the fair value of financial assets and liabilities that are not recognised at fair value is for information purposes only. Because the balance sheet items "receivables and other assets" and "other liabilities" contain both non-financial assets and non-financial liabilities, the line "not a financial instrument" has been inserted in order to ensure a reconciliation of the carrying amounts with the corresponding balance sheet item

All assets and liabilities for which the fair value has been calculated or shown in the financial statements are classified in the levels of the fair value hierarchy, based on the lowest level input parameter that is significant in calculating the fair value.

Management assumes that – with the exception of the items listed below – the carrying amounts of financial assets and financial liabilities stated at cost generally reflect fair value.

Trade receivables, originated loans and other receivables generally have short remaining terms and therefore basically approximate fair value. Trade payables and other liabilities also normally have short remaining terms, so the carrying amounts of these items approximate fair value as of the balance sheet date.

The fair values of financial liabilities due to financial institutions (bank loans) and other financial liabilities are generally determined using the present value of the payments for these obligations in accordance with the yield curve applicable to the respective remaining terms and a credit spread appropriate for Vienna Airport (Level 2).

The fair value of the available-for-sale (AfS) fund is based on a fund listed on the Maltese stock exchange (Level 1).

The fair value of the available-for-sale (AfS) securities is based on rights from life insurance policies and calculated using the capitalisation value of these policies. The capitalisation value equals the coverage capital and the profit participation of the respective policy (Level 2).

The fair value of the available-for-sale (AfS) debt instruments (securities) was calculated based on a price determined from credit spread and interest rate risk (Level 2).

No items were reclassified between levels 1 and 2 during the reporting period.

ASSETS		Carrying amount		
		Non-current assets	Current assets	
Amounts in T€	Valuation category	Other financial assets	Securities	Receivables and other assets
<b>30 June 2016</b>				
<b>Financial assets carried at fair value</b>				
Rights	AfS	1,549.9		
Debt instruments (securities)	AfS		21,351.1	
Fund	AfS	98.8		
<b>Financial assets not carried at fair value</b>				
Trade receivables <sup>1</sup>	LaR			55,548.7
Receivables due from associated companies	LaR			1,454.4
Other receivables <sup>3</sup>	LaR			5,122.1
Originated loans	LaR	387.5		
Equity instruments <sup>2</sup>	AfS	632.6		
Investments in other companies <sup>2</sup>	AfS	116.3		
Cash and cash equivalents	Cash reserve			
<b>Non-financial instruments</b>				
Other receivables and accruals	n. a.			7,608.6
<b>Total</b>		<b>2,785.2</b>	<b>21,351.1</b>	<b>69,733.9</b>
<b>31 December 2015</b>				
<b>Financial assets carried at fair value</b>				
Rights	AfS	1,523.2		
Debt instruments (securities)	AfS		21,050.9	
<b>Financial assets not carried at fair value</b>				
Trade receivables <sup>1</sup>	LaR			39,669.9
Receivables due from associated companies	LaR			2,114.4
Other receivables <sup>3</sup>	LaR			2,913.4
Originated loans	LaR	390.8		
Equity instruments <sup>2</sup>	AfS	632.6		
Investments in other companies <sup>2</sup>	AfS	116.3		
Cash and cash equivalents	Cash reserve			
<b>Non-financial instruments</b>				
Other receivables and accruals	n. a.			12,328.4
<b>Total</b>		<b>2,663.0</b>	<b>21,050.9</b>	<b>57,026.2</b>

1) Less valuation allowances including receivables due from non-consolidated subsidiaries

2) Due to immateriality (and lack of a quoted price), information on this has been omitted.

3) Less valuation allowances

Cash and cash equivalents	Fair value					Valuation approach as per IAS 39
	Total	Level 1	Level 2	Level 3	Total	
	1,549.9		1,549.9		1,549.9	Fair value not recognised in profit or loss
	21,351.1		21,351.1		21,351.1	Fair value not recognised in profit or loss
	98.8	98.8			98.8	Fair value not recognised in profit or loss
	55,548.7					Amortised cost
	1,454.4					Amortised cost
	5,122.1					Amortised cost
	387.5					Amortised cost
	632.6					Cost
	116.3					Cost
47,003.9	47,003.9					Nominal value = fair value
	7,608.6					
47,003.9	140,874.1					

	1,523.2		1,523.2		1,523.2	Fair value not recognised in profit or loss
	21,050.9		21,050.9		21,050.9	Fair value not recognised in profit or loss
	39,669.9					Amortised cost
	2,114.4					Amortised cost
	2,913.4					Amortised cost
	390.8					Amortised cost
	632.6					Cost
	116.3					Cost
4,668.5	4,668.5					Nominal value = fair value
	12,328.4					
4,668.5	85,408.5					

## Abbreviations:

LaR – loans and receivables

AfS – available-for-sale financial instruments

&gt;

EQUITY & LIABILITIES		Carrying amounts			
		Non-current liabilities		Current liabilities	
Amounts in T€	Valuation category	Financial liabilities	Other liabilities	Financial liabilities	Trade payables
<b>30 June 2016</b>					
Financial liabilities recognised at fair value					
n.a.					
Financial liabilities not recognised at fair value					
Trade payables	FLAC				48,389.2
Financial liabilities	FLAC	403,600.3		83,746.3	
Other liabilities	FLAC				
<b>Non-financial liabilities</b>					
Other liabilities and accruals	n. a.		37,586.0		
<b>Total</b>		<b>403,600.3</b>	<b>37,586.0</b>	<b>83,746.3</b>	<b>48,389.2</b>
<b>31 December 2015</b>					
Financial liabilities recognised at fair value					
n.a.					
Financial liabilities not recognised at fair value					
Trade payables	FLAC				35,241.3
Financial liabilities	FLAC	382,467.5		109,253.9	
Other liabilities	FLAC				
<b>Non-financial liabilities</b>					
Other liabilities and accruals	n. a.		22,339.7		
<b>Total</b>		<b>382,467.5</b>	<b>22,339.7</b>	<b>109,253.9</b>	<b>35,241.3</b>

		Fair value				
Other liabilities	Total	Level 1	Level 2	Level 3	Total	Valuation approach as per IAS 39
	48,389.2					Amortised cost
	487,346.6		574,115.3		574,115.3	Amortised cost
75,629.1	75,629.1					Amortised cost
15,148.7	52,734.8					
90,777.9	664,099.7					

	35,241.3					Amortised cost
	491,721.4		513,263.6		513,263.6	Amortised cost
69,616.8	69,616.8					Amortised cost
11,664.4	34,004.1					
81,281.1	630,583.6					

Abbreviations:  
FLAC – financial liabilities measured at amortised cost

### › (11) Other information

A stock split in the ratio of 1:4 was approved at Flughafen Wien AG's 28th Annual General Meeting on 31 May 2016. The change at the Vienna Stock Exchange was made with effect from 27 June 2016. This granted the shareholders three additional shares for each of their shares, thus increasing the number of shares from 21 million to 84 million.

In accordance with Section 65 (1) no. 8, (1a) and (1b) of the Austrian Stock Corporation Act, the Management Board was authorised to purchase and sell the company's own shares in an amount up to 10% of the company's share capital, and to utilise this 10% allotment repeatedly, for a period of 30 months from the date of the resolution (28th Annual General Meeting on 31 May 2016). The Management Board can choose whether to make the purchase and sale via the stock exchange or a public offer. The consideration per share may not fall below € 21.25 or exceed € 30.00 (relating to 84 million shares).

On 1 April 2016, Airports Group Europe S.à r.l., an indirect subsidiary of IFM Global Infrastructure Fund (Australia), issued a voluntary public offer for the purchase of a further 10% of the share capital of Flughafen Wien AG. The price per share was € 100.00. A total of 1,734,414 shares were tendered for sale by the end of the acceptance period on 28 April 2016, equating to 8.26% of the share capital. This increased Airports Group Europe S.à r.l.'s stake in the share capital of Flughafen Wien AG to 38.16%.

### › (12) Events after the end of the reporting period

With a commercial register decision on 30 July 2016, two newly founded subsidiaries (Alpha Liegenschaftsentwicklungs GmbH and Beta Liegenschaftsentwicklungs GmbH) for the development of real estate projects were registered. They are allocated to the Retail & Properties Segment.

Other events after the end of the interim reporting period that are of material importance for recognition and measurement as at 30 June 2016, such as outstanding legal proceedings or claims for damages, as well as other obligations and impending losses which must be recognised or disclosed in accordance with IAS 10, are included in these interim financial statements or are not known.

Schwechat, 11 August 2016

#### **The Management Board**



Günther Ofner  
**Member, CFO**



Julian Jäger  
**Member, COO**



# Statement by the members of the Management Board

in accordance with Section 87 (1) of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed consolidated interim financial statements prepared in accordance with the applicable accounting standards provide a true and fair view of the asset, financial and earnings position of the Group and that the half-year management report provides a true and fair view of the asset, financial and earnings position of the Group regarding important events that occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements regarding the principal risks and uncertainties for the remaining six months of the financial year and the major related party transactions to be disclosed.

Schwechat, 11 August 2016

**The Management Board**



Günther Ofner  
**Member, CFO**



Julian Jäger  
**Member, COO**

# Imprint

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## **› Financial Calender**

Third Quarter Results  
for 2016 15 November 2016

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

**Flughafen Wien AG website:**  
<http://www.viennaairport.com>

**Investor Relations:**  
[http://www.viennaairport.com/en/company/investor\\_relations](http://www.viennaairport.com/en/company/investor_relations)

**Noise protection programme at Vienna International Airport:**  
<http://www.laermschutzprogramm.at>

**The environment and aviation:**  
<http://www.vie-umwelt.at>

**Facts & figures on the third runway:**  
[http://www.viennaairport.com/unternehmen/flughafen\\_wien\\_ag/3\\_piste](http://www.viennaairport.com/unternehmen/flughafen_wien_ag/3_piste)

**Dialogue forum at Vienna International Airport:**  
<http://www.dialogforum.at>

**Mediation process (archive):**  
<http://www.viemediation.at>

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**on behalf of Flughafen Wien AG**

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**Disclaimer:** This quarterly report contains assumptions and forecasts, which are based on information available up to the copy deadline on 11 August 2016. If the premises for these forecasts do not occur or risks indicated in the risk report arise, actual results may vary from these estimates. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee. The quarterly report 2/2016 of Flughafen Wien AG is also available on our homepage [http://www.viennaairport.com/en/company/investor\\_relations](http://www.viennaairport.com/en/company/investor_relations) under the menu point „Publications and reports“.



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