Quarterly Report
2/2018
Flughafen Wien AG

www.viennaairport.com

Key Data on the Flughafen Wien Group

Financial Indicators

in € million	H1/2018	H1/2017[1]	Change in %
Total revenue	373.5	357.5	4.5
Thereof Airport	182.0	172.5	5.5
Thereof Handling & Security Services	80.4	79.6	0.9
Thereof Retail & Properties	62.2	61.4	1.4
Thereof Malta	40.9	36.7	11.5
Thereof Other Segments	8.0	7.3	10.0
EBITDA	167.6	157.9	6.1
EBITDA margin (in %)[2]	44.9	44.2	n.a.
EBIT	104.5	89.6	16.7
EBIT margin (in %)[3]	28.0	25.1	n.a.
Net profit	72.4	60.1	20.4
Net profit after non-controlling interests	66.1	54.9	20.4
Cash flow from operating activities	128.9	136.1	-5.3
Capital expenditure[4]	91.9	61.3	49.9
Income taxes	25.9	21.1	22.6
Average number of employees[5]	4,701	4,575	2.8
in € million	**30.6.2018**	**31.12.2017[1]**	**Change in %**
Equity	1,223.2	1,211.0	1.0
Equity ratio (in %)	58.4	58.7	n.a.
Net debt	190.4	227.0	-16.1
Total assets	2,095.9	2,063.0	1.6
Gearing (in %)	15.6	18.7	n.a.
Number of employees (end of period)	4,770	4,639	2.8

Industry Indicators

Passenger development of the Group	H1/2018	H1/2017	Change in %
Vienna Airport (in mill.)	11.8	11.2	5.5
Malta Airport (in mill.)	3.1	2.6	16.3
Košice Airport (in mill.)	0.2	0.2	14.2
Vienna Airport and strat. Investments (VIE, MLA, KSC)	15.1	14.0	7.6
Traffic development Vienna Airport			
Passengers (in mill.)	11.8	11.2	5.5
Thereof transfer passengers (in mill.)	3.0	2.8	5.2
Flight movements	110,835	107,421	3.2
MTOW (in mill. tonnes)[6]	4.4	4.2	3.5
Cargo (air cargo and trucking; in tonnes)[7]	142,605	137,769	3.5
Seat load factor (in %)[8]	73.8	71.9	n.a.

Stock Market Indicators

Market capitalisation (as of 30.6.2018; in € mill.)	2 ,679.6
Stock price: high (29.1.2018; in €)	36.30
Stock price: low (29.6.2018; in €)	31.90
Stock price (as of 30.6.2018; in €)	31.90
Stock price (as of 31.12.2017; in €)	33.65

Ticker Symbols

Reuters	VIEV.VI
Bloomberg	FLU:AV
Nasdaq	FLU-AT
ISIN	AT00000VIE62
Spot market	FLU
ADR	VIAAY

Definitions:
1) Application of IFRS 15 and IFRS 9 as of 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted. 2) EBITDA margin (Earnings before Interest, Taxes, Depreciation and Amortisation) = EBITDA/ Revenue 3) EBIT margin (Earnings before Interest and Taxes) = EBIT / Revenue 4) Capital expenditure: intangible assets, property, plant and equipment and prepayments including corrections to invoices from previous years, excluding financial assets 5) 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 6) MTOW: Maximum take-off weight for aircraft 7) Cargo 2017: adjusted 8) Seat load factor: Number of passengers / available number of seats

Content

Dear Shareholders,

The first six months of 2018, about which we would like to inform you on the following pages, was very positive. Flughafen Wien Group (FWAG) achieved a growth rate of 7.6% with 15.1 million passengers handled compared to last year, a new record. Alongside double-digit growth rates at our subsidiary airports in Malta and Košice, Vienna Airport also made a major contribution, also posting an all-time high of 11.84 million passengers.

The reason for this excellent result was the considerable expansion of flights offered by our home carrier, Austrian Airlines, as well as those by Eurowings and easyJet. But new airlines such as Wizz Air and Laudamotion also generated considerable momentum with numerous new destinations. What is particularly pleasing is the very good take-up for the new destinations. Average utilisation, the seat load factor, rose appreciably from 71.9% to 73.8%.

The fact that compensating for passenger growth by utilising larger planes is gradually reaching its limits is shown by the considerable increase in aircraft movements in the Flughafen Wien Group by 5.2% to 136,277 take-offs and landings. At Vienna Airport there was also a substantial upturn of 3.2% to 110,835 aircraft movements.

The excellent passenger figures are also reflected in business terms with a record result. Revenues rose by 4.5% to € 373.5 million (H1/2017: € 357.5 million), EBITDA gained 6.1% to € 167.6 million (H1/2017: € 157.9 million) and net profit for the period before non-controlling interests surged 20.4% to € 72.4 million (H1/2017: € 60.1 million).

The good business results also meant a further improvement of the balance sheet structure. Since the end of 2017, net debt has declined by € 36.6 million to € 190.4 million, roughly only the half of the anticipated 2018 EBITDA.

In July, the very good development in the first six months continued unabated with a 7.4% upturn in passengers. For the first time in the history of our company, we welcomed more than 100,000 passengers at Vienna Airport on a single day. This makes it possible for us to confirm the recently increased guidance for key passenger and financial figures. We continue to assume that passenger growth will be at least 8% in the Group and at least 6% at Vienna Airport. Thus revenues will exceed € 770 million, with EBITDA over € 350 million and the net profit for the period before non-controlling interests over € 148 million. Despite the ongoing investment program, net debt will not exceed the € 250 million mark.

Alongside the operating business, the key focus of our efforts is expanding Airport City and optimising our infrastructure. Here the first six months was an important and successful period, with the ground-breaking ceremony for the new Office Park 4 and the preparations for the improvement and extension of our terminals. Construction measures for Terminal 2, which will result in considerable quality advantages for our passengers will be started this year. Planning for improvement of Pier East and the southern expansion is now far advanced.

Of course we are vigorously continuing with the third runway project. But in this matter it is initially necessary to wait for the decision of the highest courts at which the project opponents have lodged an appeal. This was subsequent to the spring construction approval from the Federal Administrative Court subject to conditions.

With all necessary caution we have reason to look optimistically into the future, even beyond the second half of the year. The good economic situation, increasing demand for travel on the part of consumers and the active interest of numerous airlines in a commitment at Vienna Airport is likely to contribute to further growth at our locations. We are well on track and would be pleased if you continue to accompany us on the way. Finally, we would like to thank you, our shareholders and customers, for your trust, as well as all our employees for their professionalism and their huge dedication in these particularly intensive first six months of 2018.

Wishing you a successful autumn. Yours

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

Interim Group Management Report

› 7.6% passenger growth for Flughafen Wien Group

The passenger volume of the Flughafen Wien Group (Vienna Airport, Malta Airport and Košice Airport) increased by 7.6% to 15.1 million from January to June 2018. In addition to the increase in local passengers of 8.4% to 12.1 million, the number of transfer passengers also rose by 5.4% year-on-year to 3.0 million. The number of movements in the Group rose by 5.2% in the first half-year to 136,277 take-offs and landings, and the cargo volume increased by 3.8% to 150,534 tonnes.

5.5% passenger growth at Vienna Airport in first half of 2018[1]

Vienna Airport has enjoyed an extremely successful first half of 2018. It counted a total of 11,840,245 passengers from January to June 2018 (H1/2017: 11,223,813 passengers). In addition, a new passenger record was set on 29 June 2018, with 97,845 people travelling through Vienna Airport.

Growth in the first half of 2018 was mainly driven by Austrian Airlines and low-cost carriers such as easyJet, Eurowings (including Germanwings), Vueling, Laudamotion (flight operations commencing 1 June) and Wizz Air (flight operations commencing 27 April, base opened 14 June). Long-haul operations also performed excellently, thanks in part to the new route from Bangkok by Thai Airways, the return of Tokyo as a destination for Austrian Airlines and increased services to Taipei by EVA Air.

Figures in detail: Total local passengers numbered 8,812,187 in the first half of 2018, corresponding to significant growth of 5.7%. In terms of transfers, Vienna Airport further consolidated its hub function and generated growth of 5.2% to 2,981,758 transfer passengers.

1) Retroactive adjustment of traffic data

>

The number of passengers departing to Western Europe increased by 4.3% to 4,085,140 departing passengers (H1/2017: 3,918,502), mainly as a result of increased capacity at Austrian Airlines and Eurowings (including Germanwings) in addition to easyJet's introduction of the high frequency Berlin-Tegel destination. The positive trend in the CEE region also continued with strong growth of 5.3% (996,357 departing passengers; H1/2017: 945,878), driven by new destinations from Wizz Air and increased services by Austrian Airlines.

Increased services to the Far East led to growth in departing passengers of 32.3% to 266,771. 2.7% more passengers flew to the Middle East in the first half of 2018 as against the previous year. The number of passengers departing to North America remained stable at 144,404 (up 0.7%). Traffic to Africa, especially to holiday destinations, was excellent in the first six months of 2018. Vienna Airport reported passenger growth of 40.2% to 119,681 departing passengers.

The average capacity utilisation (seat load factor) of both scheduled and charter flights increased significantly from 71.9% in the first half of 2017 to 73.8% in 2018.

The biggest customer, Austrian Airlines, continued its positive development thanks to a broader offering range and increased capacity utilisation. This increased its share of total passenger volume at Vienna Airport to 49.0% (H1/2017: 46.8%).

Vienna Airport's second biggest customer, Eurowings (including Germanwings), increased its passenger volume to 1,183,836 in the first half of 2018 (up 19.5%) as a result of higher frequencies to existing destinations. Its share of total passenger volume was therefore 10.0% (2017: 8.8%).

EasyJet reported a rise in passenger numbers of 48.6% to 593,589 passengers in the first half of the year (H1/2017: 399,529), thanks mainly to the addition of Berlin-Tegel as a destination. Its share of total passenger volume climbed to 5.0% (H1/2017: 3.6%).

The number of flight movements rose by 3.2% in the first half of 2018 to 110,835 takeoffs and landings (H1/2017: 107,421). The maximum take-off weight (MTOW) increased by 3.5% to 4,391,308 tonnes in line with movements (H1/2017: 4,241,504 tonnes). The cargo volume increased by 3.5% to 142,605 tonnes for the period January to June.

Positive development in Malta and Košice

The foreign strategic investments Malta and Košice enjoyed impressive growth in the first half of 2018. Malta airport experienced a marked increase of 16.3% to 3.1 million passengers. Traffic from UK increased by 14.7%, as a result of the launch of eight new developments and a number of airlines adding frequencies. Traffic from Italy and France improved by 14.9% and 16.7%, respectively. A significant 27.1% increase was noted in Spain, due to the introduction of four new developments as part of the summer schedule.

Košice airport also experienced strong growth in passenger numbers in the first half of 2018 to 212,741 (up 14.2%).

› Earnings in the first half of 2018

Revenue growth of 4.5% to € 373.5 million

The Flughafen Wien Group (FWAG) generated revenues of € 373.5 million in the first six months of 2018 (H1/2017: € 357.5 million), an increase of 4.5%. This is due to several factors: The positive effect of passenger growth in the Airport Segment is offset by adjustments to incentives which are intended to strengthen airline bases at the Vienna site. It should also be noted that expenses previously incurred under marketing and market communication for the Airport Segment have now been reclassified to the incentive model. While this has reduced revenue on the one hand, on the other the expenses for market communication (within other operating expenses) were down € 4.0 million on the figure for the previous year. In total the Airport Segment generated a revenue growth of € 9.5 million to € 182.0 million.

Revenues from apron handling were lower than in the same period of the previous year, decreasing from € 52.4 million in H1/2017 to € 49.3 million in H1/2018. This decline due to price adjustments was offset by higher revenues from de-icing. Revenues from cargo handling increased from € 14.7 million to € 16.3 million in line with the cargo volume handled.

Revenues from shopping, food and beverage services rose by € 0.4 million to € 22.6 million in the first half of 2018 (H1/2017: € 22.2 million). Parking revenues also increased by € 0.4 million year-on-year to € 22.2 million (H1/2017: € 21.8 million).

Revenues at Malta airport climbed by € 4.2 million year-on-year to € 40.9 million as a result of passenger growth (H1/2017: € 36.7 million).

Other operating income rose by a total of € 3.3 million as against H1/2017 to € 8.9 million (H1/2017: € 5.6 million) as a result of the non-recurring effects of a property sale to DHL (income: € 3.0 million) and the first-time consolidation of GetService Dienstleistungsgesellschaft m.b.H (GETS).

Expenses for consumables and services used increased by € 1.4 million to € 20.0 million in the first six months of 2018, essentially as a result of the higher consumption of electricity and materials (H1/2017: € 18.6 million).

Personnel expenses rose by € 7.9 million or 5.8% as against the previous year from € 137.3 million to € 145.2 million, essentially due to pay increases under collective bargaining agreements, a higher average headcount (caused in part by the first-time consolidation of GETS), increased overtime and compensatory rest on account of delays and flight disruptions as well as changes to provisions. Wages rose by € 2.3 million as against the previous year to € 59.9 million while salaries were up by € 4.3 million to € 50.1 million. Expenses for severance compensation climbed by € 0.8 million year-on-year to € 4.0 million due to changes in provisions. The average headcount (FTE, full-time equivalents) at the Flughafen Wien Group increased by 2.8% from 4,575 to 4,701.

Other operating expenses were almost unchanged as against 2017 at € 50.7 million (H1/2017: € 50.6 million). The main changes were in marketing expenses (down € 4.2 million) and legal, auditing and consulting costs (down € 0.7 million). Maintenance costs rose by € 2.6 million and other expenses by € 1.2 million mainly due to costs arising from the mediation process.

The positive operating results of investments recorded at equity are slightly down on the previous year at € 1.0 million (H1/2017: € 1.2 million).

>

EBITDA up 6.1% at € 167.6 million
As a result of the positive development in revenues, the additional other income from the sale of land to DHL and the only moderately rise in other operating expenses, EBITDA climbed by € 9.7 million or 6.1% year-on-year to € 167.6 million, despite higher personnel expenses. The EBITDA margin rose from 44.2% to 44.9%.

EBIT improves 16.7% to € 104.5 million
Depreciation and amortisation amounted to € 63.1 million in the first six months of 2018 (H1/2017: € 68.3 million including impairment). The decline essentially relates to signage, security and monitoring facilities and building sections that were still depreciated in the previous period.

The better EBITDA and the € 5.2 million decline in depreciation and amortisation (including impairment) allowed EBIT to rise by 16.7% to € 104.5 million (H1/2017: € 89.6 million). The EBIT margin therefore also improved from 25.1% to 28.0%.

Financial results improve to minus € 6.3 million (H1/2017: minus € 8.4 million)
Lifted by net interest income following the repayment of loans and the subsequent measurement of securities (as a result of the initial application of IFRS 9), financial results improved from minus € 8.4 million in the same period of the previous year to minus € 6.3 million.

Net profit for the period climbs € 12.2 million or 20.4% to € 72.4 million
Earnings before taxes (EBT) amounted to € 98.2 million in the first six months, an increase of 20.9% as against the previous year (H1/2017: € 81.2 million). After deducting income taxes of € 25.9 million (H1/2017: € 21.1 million), the net profit for the period amounted to € 72.4 million (H1/2017: € 60.1 million), an increase of 20.4%.

The net profit attributable to shareholders of the parent company rose by € 11.2 million to € 66.1 million (up 20.4%). The net profit for the first half of the year attributable to non-controlling interests was € 6.2 million (H1/2017: € 5.2 million).

› Earnings in second quarter of 2018

The Flughafen Wien Group's revenues increased by € 12.6 million, up by 6.4% to € 209.5 million in the second quarter of 2018 (Q2/2017: € 196.9 million). This is due to the positive passenger development in the Group. Revenues from passenger and security fees in the Airport Segment were up by € 5.0 million. Revenues at Malta airport also rose by € 3.7 million in comparison to the previous quarter. The Retail & Properties Segment contributed € 0.6 million to growth in revenue.

Other operating income was slightly down on the previous year's figure at € 3.0 million (Q2/2017: € 3.3 million).

Expenses for consumables and services used increased by € 0.7 million as against the previous quarter to € 8.6 million. Personnel expenses climbed by € 5.3 million to € 75.0 million as a result of pay rises under collective bargaining agreements, changes in provisions and increased overtime and compensatory rest caused by delays and flight disruptions. Higher maintenance costs compared to the previous quarter led to an increase in other operating expenses from € 26.2 million to € 26.9 million.

The pro rata share of net profit for the period of the investments recorded at equity fell slightly year-on-year from € 0.9 million to € 0.7 million. Revenue growth resulted in a rise in EBITDA of € 5.5 million (up 5.7%) for the second quarter of 2018 to € 102.8 million (Q2/2017: € 97.2 million).

Depreciation of property, plant and equipment and amortisation of intangible assets decreased by € 2.1 million year-on-year to € 31.6 million (Q2/2017: € 33.7 million, including impairment). The higher EBITDA and lower depreciation and amortisation allowed EBIT to rise by € 7.6 million as against Q2/2017 to € 71.2 million (Q2/2017: € 63.5 million).

Financial results were minus € 2.2 million in the second quarter of 2018 after minus € 3.8 million in Q2/2017. This is firstly due to improved net interest income on account of the repayment of financial liabilities and secondly to the subsequent measurement of securities (first-time adoption IFRS 9) under other financial results.

At € 69.0 million, profit before taxes was higher than the previous year's figure of € 59.7 million. This also led to higher tax expenses of € 18.2 million for the second quarter of 2018 (Q2/2017: € 15.5 million). Overall, the net profit for the second quarter of 2018 improved by 15.0% to € 50.8 million (Q2/2017: € 44.2 million).

The net profit for the period of the parent company amounted to € 45.7 million, thus climbing by 14.1% (Q2/2017: € 40.0 million). The net profit for the second quarter attributable to non-controlling interests was € 5.1 million (Q2/2017: € 4.1 million).

› Financial, asset and capital structure

Net debt falls to € 190.4 million (31 December 2017: € 227.0 million)
Net debt declined to € 190.4 million as at 30 June 2018, down € 36.6 million as against the start of the year. While the equity ratio fell by 0.3 percentage points to 58.4%, gearing has now improved from 18.7% (31 December 2017) to 15.6%.

Cash flow from operating activities of € 128.9 million (H1/2017: € 136.1 million)
Net cash flow from operating activities was € 128.9 million in H1/2018 after € 136.1 million in the previous year. Operating earnings (EBT plus depreciation, amortisation and impairment less measurement of financial instruments) rose by € 10.3 million to € 159.8 million (H1/2017: € 149.5 million). The improvement in operating earnings is offset by lower provisions and liabilities in comparison to the previous year, which fell by € 13.1 million in the first half of the year (H1/2017: increase of € 10.2 million). By contrast, receivables declined by € 2.8 million. Payments for income taxes totalled € 18.0 million (H1/2017: € 18.3 million).

Net cash flow from investing activities amounted to minus € 56.8 million after minus € 57.4 million in the previous year. While € 32.5 million was paid for investment projects (including financial assets) in the first six months of 2018, payments of € 48.3 million were made in the previous year. Furthermore, € 20.0 million (previous year: € 30.0 million) was invested in current and non-current time deposits and € 5.0 million in a bond in the first half of 2018. This was offset by proceeds from past time deposits of € 20.0 million in the first half of 2017.

Free cash flow (net cash flow from operating activities plus net cash flow from investing activities) therefore amounted to € 72.1 million (H1/2017: € 78.7 million).

>

The net cash flow from financing activities of minus € 98.1 million (H1/2017: minus € 73.8 million) relates to repayments of financial liabilities of € 76.3 million and proceeds from the borrowing of cash advances for short-term financing of € 40.2 million. A dividend of € 62.0 million was distributed in the first half of the year (€ 57.1 million of which for shareholders of Flughafen Wien AG and € 4.9 million for non-controlling interests).

Cash and cash equivalents amounted to € 21.9 million as at 30 June 2018 after € 47.9 million as at 31 December 2017.

Assets

Non-current assets have risen by € 27.8 million since the start of the year to € 1,898.7 million. Additions to intangible assets, property, plant and equipment and investment property of € 91.9 million are offset by depreciation and amortisation of € 63.1 million. € 56.8 million of additions relate to the payment obligation to the environmental fund in connection with the third runway project. Taking into account the positive operating results (€ 1.0 million), the carrying amount of investments recorded at equity fell from € 41.0 million to € 40.4 million on account of dividend distributions (€ 1.6 million). The change in other assets is as a result of the reclassification of time deposits owing to their maturity profile on the one hand and remeasurement of financial instruments on the other.

Current assets increased by € 5.1 million as against 31 December 2017 (€ 192.1 million) to € 197.2 million, mainly as a result of higher receivables and other assets (additional investment in term deposits of € 20.0 million and other receivables from the sale of land to DHL of € 5.3 million). Securities rose by € 6.5 million to € 28.6 million, mainly as a result of the purchase of a bond (€ 5.0 million). The decrease in "assets available for sale" occurred as a result of both the sale of land to DHL and the reclassification to non-current assets, as another plot of land is no longer classified as an "asset available for sale" as at 30 June 2018. Cash and cash equivalents fell to € 21.9 million as at 30 June 2018 (31 December 2017: € 47.9 million) following the repayment of financial liabilities by the Malta International Airport plc (MIA Group) sub-group.

Equity and liabilities

Equity has risen by 1.0% to € 1,223.2 million since 31 December 2017 (€ 1,211.0 million). This is firstly due to the net profit for the period (including the results of non-controlling interests) for the first six months of € 72.4 million, and secondly to the dividend distribution of € 62.0 million, € 57.1 million of which was distributed to shareholders of Flughafen Wien AG and € 4.9 million to the non-controlling interests of the MIA Group and MMLC. The equity ratio dipped slightly to 58.4% after 58.7% as at the end of 2017.

Non-current liabilities fell by € 50.1 million to € 551.1 million as a result of the reclassification of financial liabilities to current liabilities, early repayments and the reversal of deferred tax liabilities.

By contrast, current liabilities increased by € 70.8 million to € 321.5 million. This is firstly due to higher cash advances as at the end of the reporting period and secondly to the reclassification of financial liabilities, as a result of which current liabilities rose by € 20.1 million. The increase in other liabilities by a total of € 57.1 million to € 96.7 million was mainly due to the payment obligation to the environmental fund in connection with the third runway project. By contrast, other provisions and trade payables fell by € 12.0 million and € 4.2 million in the first six months respectively. As a result of the positive operating result, tax provisions changed by € 9.8 million to € 20.1 million.

› Capital expenditure

A total amount of € 91.9 million (H1/2017: € 61.3 million) was invested in intangible assets, property, plant and equipment and investment property in the first six months of 2018. The largest investment projects are the third runway project at € 56.8 million, the terminal development projects at € 4.9 million, Office Park 4 at € 2.7 million and high-performance snow blowers at € 1.8 million. A total of € 3.3 million was invested at Malta Airport in the first half of the year, including for terminal alterations and airport traffic areas.

› Risks of future development

Political and economic environment

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) remains stable.

After the global economy achieved its lowest growth rate since 2009 in 2016, there are clear signs of a recovery in 2017 and 2018. The world economy is expected to expand by almost 4% in 2018 and 2019, thanks mainly to the recovery of investment activity, world trade and employment levels. Growth is therefore again on par with average figures over the last decade (Source: OECD Economic Outlook, 30 May 2018; IMF World Economic Outlook Update, 16 July 2018).

The Austrian economy saw its highest growth in six years in 2017, a trend which is expected to continue in 2018 as well. The growth forecast for 2018 (+3.2%) could even surpass that of the previous year (2017: +3.0%). However, this economic upturn may already have peaked, hence the slightly more muted growth forecast for 2019 (+2.2%). Despite this, both forecasts are above the euro area average for the same period of the comparable period (sources: OECD Economic Outlook, 30 May 2018; IMF World Economic Outlook Update, 16 July 2018; WIFO, 29 June 2018).

Globally, IATA (International Air Transportation Association) is presenting a positive outlook for the aviation industry overall, forecasting solid growth for both passenger traffic and cargo in 2018, even if growth rates are down on 2017 (Source: IATA, June 2018).

Uncertainties in the geopolitical field persist in the shape of the political ties between the European Union and Russia. Owing to its function as a hub for traffic between Eastern and Western Europe, Vienna Airport is currently being negatively affected by the EU's economic and political sanctions against Russia. However, traffic to Russia has seen significant recovery since the beginning of 2017.

Political tension and terrorist threats in individual countries and regions have a negative impact on bookings in the respective tourist destinations. In the past, however, it has been observed that such declines were of a short-term nature or were compensated by other destinations. Negative effects on the volume of traffic at Vienna Airport would arise if these substitution effects are only partial or alternative destinations are served by other means of transport. Furthermore, negative sales effects are possible in duty free if passengers from non-EU destinations avoid destinations within the internal market.

The declining demand for some key tourist destinations in recent years is beginning to pick up again. Turkey and Egypt, for example, reported significantly higher bookings and passenger numbers in 2018.

>

Given the relatively weak economic ties, IHS believes that the UK's imminent departure from the European Union will not have direct consequences for the Austrian economy and thus for traffic volume at Vienna Airport even in the event of a "hard Brexit". This view was also shared by the IMF in their latest report on the euro area (source: IHS, February 2017; IMF July 2018). However, as the specific terms of the exit remain unclear at this time, no exact assessment can yet be made regarding possible negative ramifications for Vienna Airport.

Market and industry development

Austrian Airlines has continued to perform well after the record year of 2017. Between January and June 2018, the home carrier increased its passenger numbers by around 10.3% at Vienna Airport as against the same period of 2017.

The renewal of the short-and medium-haul fleet was successfully completed in 2017 and a total of 21 Fokker 70 and 100 aircrafts were replaced by 17 significantly larger Embraer 195. The introduction of five additional Airbus A320 aircrafts previously owned by airberlin in 2017 and the expansion of long-haul operations thanks to an additional Boeing 777 commissioned in mid-May 2018 contributed significantly to the good result, expanding both European routes and intercontinental traffic.

However, some uncertainty still remains regarding the renewal of the long-haul fleet. In early 2018, Lufthansa AG announced that it had still made no decision on replacing six of its Boeing 767.

In the first half of 2018 Austrian Airlines achieved – after a good second quarter – an adjusted EBIT of minus € 3 million and an EBIT of € 1 million. Passenger growth was up by 9.8%. Austrian Airlines expects a positive business result, which however will be below prior year level (adjusted EBIT: € 94 million) (Source: Austrian Airlines, 31 July 2018).

The specific impact of the insolvency of the airberlin Group on Vienna Airport remained low. Losses were offset in full by growth at other airlines. Above all, Austrian Airlines, the Eurowings Group and the easyJet Group reported a rise in passenger numbers. Passenger numbers at Vienna Airport increased by a total of 5.5% year-on-year in the first half of 2018.

In general, FWAG counteracts market risk with marketing measures and competitive fee and incentive models that apply equally to all airlines. In particular, the company's goal is to share the airlines' market risk. A new incentive system has been in place since 2018, making the site more attractive to large carriers in particular.

In terms of competition with other airports, there are indications that Lufthansa is expanding its long-haul operations at Munich Airport. Eurowings began its first-ever long-haul flights from Munich in April 2018. Lufthansa itself relocated five of its Airbus A380 from Frankfurt to Munich at the end of March 2018 and offers daily flights from there to Los Angeles, Beijing and Hong Kong. These routes have been running at high capacity utilisation from the outset. Munich Airport's aggressive expansion of long-haul operations means that competition with Vienna Airport is becoming more intense as the catchment areas of the Munich and Vienna Airports overlap in some places. In the immediate catchment area of Vienna Airport, the activities of Ryanair at Bratislava Airport continue to be regarded as particularly relevant and remain under close observation.

In handling services, Flughafen Wien AG was able to successfully defend its leading market position in aircraft and cargo handling in the first half of 2018. Price pressure on upstream service providers remains high given the high level of competition between the airlines.

After a slight drop in handling movements in the previous year (down 1.4%), there was a moderate increase of 1% as against the first half of 2017 in the first half of 2018. Market consolidation, as a result of the insolvency of airberlin and NIKI, has had relatively little impact on the Handling Services business unit, with movements almost entirely compensated for by Austrian Airlines and the Eurowings Group. Handling agreements with major customers Austrian Airlines, Lufthansa, Swiss and Eurowings were successfully renewed in the previous year. Despite the expected increase in aircraft movements in 2018, FWAG's market share has declined slightly as some of the new carriers at Vienna Airport with strong traffic growth are not currently handling customers of FWAG.

The handling business unit is also affected by the general trend towards using larger aircrafts. The growth momentum in the movements relevant to revenues in this business unit is expected to fall significantly short of passenger growth in the foreseeable future.

In addition to the industry-specific risks described above, the airport investment in Malta is still exposed to uncertainty regarding the financial turnaround of its home carrier Air Malta (market share 2017: approx. 28%). The failure of the airline would have negative repercussions for passenger volume at Malta airport, at least in the short term. In the medium to long term, however, it is expected that new airlines or those already represented at the site will serve existing demand.

The forthcoming exit negotiations between the UK and the European Union are also relevant to Malta Airport as the UK is its largest market with a share of around 24.6% (2017) of total passenger traffic. If the UK leaves the European Economic Area or the European internal aviation market as well, this could lead to restrictions in aviation rights in the EU area for British carriers and EU carriers in the UK.

Legal risks

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 was held at the beginning of January 2015.

On 9 February 2017, a ruling from the Federal Administrative Court overturning the project was served. Flughafen Wien AG appealed against this decision (of 2 February 2017) to the Austrian Constitutional Court. The Constitutional Court allowed this appeal on 29 June 2017 and revoked the decision by the Federal Administrative Court.

The Federal Administrative Court then had to revise its decision and on 28 March 2018 approved construction of the third runway under additional conditions. These conditions are currently under review and the project is continuing as a top priority, given that Vienna Airport will reach its capacity limits after 2020 based on foreseeable passenger development.

Further delays to the project are possible due to the complaints filed by opponents to the new runway, the Supreme Administrative Court (VwGH) or the Austrian Constitutional Court (VfGH). The decision regarding further course of action and how to approach this legal action now lies with the two highest courts.

A lawsuit filed against FWAG by former lessee Rakesh Sardana in New York for $ 168 million (currently around € 145 million), which in FWAG's opinion was devoid of any factual or legal basis, was rejected in May 2018 by the New York court on the basis that the case does not fall under US jurisdiction. Mr Sardana announced that he would file an appeal. FWAG will take all necessary steps to hold Mr Sardana accountable for the costs incurred.

>

All assets were measured based on the assumption that Vienna Airport will maintain its position as an east-west hub.

› Other disclosures

Information on significant transactions with related parties can be found under note 8 in the notes to the condensed consolidated interim financial statements.

› Notes on current guidance for 2018:

As a result of the good traffic results to date, FWAG anticipates a rise in passenger numbers for 2018 as a whole of more than 8% in the Flughafen Wien Group and an increase of more than 6% at Vienna Airport itself. Accordingly, FWAG is forecasting EBITDA of more than € 350 million and a net profit for the period (before non-controlling interests) in excess of € 148 million. Revenues are expected to amount to more than € 770 million. The company is standing by its guidance for capital expenditure of € 175 million and net debt of less than € 250 million.

Vienna Airport Group: Passenger increase of 8.5% in July 2018
Vienna Airport and its investments in Malta airport and Košice together handled 3.6 million passengers, an increase of 8.5% as against July 2017. Accumulated passenger volume rose by 7.8% to 18.7 million passengers in the period January to July.

Vienna Airport in July 2018
The number of passengers handled by Vienna Airport in July 2018 increased by 7.4% compared to the prior-year month of July to 2,730,440 passengers. The number of local passengers was up 10.9% and transfer passengers declined slightly by 0.8%. In July 2018 the number of flight movements increased by 6.0% year-on-year. Cargo volume at Vienna Airport also rose by 4.0% compared to July of the previous year.

Schwechat, 8 August 2018
The Management Board

Günther Ofner	**Julian Jäger**
Member, CFO	Member, COO

Condensed Consolidated Interim Financial Statements as of 30 June 2018

Consolidated Income Statement

from 1 January to 30 June 2018

in T€	H1/2018	H1/2017[1]	C. in %	Q2/2018	Q2/2017[1]
Revenues	373,455.8	357,497.8	4.5	209,513.0	196,866.5
Other operating income	8,940.6	5,611.9	59.3	3,035.3	3,311.3
Operating income	**382,396.4**	**363,109.7**	**5.3**	**212,548.2**	**200,177.8**
Expenses for consumables and purchased services	-19,960.5	-18,593.8	7.4	-8,629.7	-7,956.5
Personnel expenses	-145,197.3	-137,280.2	5.8	-74,981.2	-69,689.8
Other operating expenses	-50,697.8	-50,555.6	0.3	-26,913.1	-26,154.2
Pro rata results of companies recorded at equity	1,049.6	1,204.4	-12.8	733.2	854.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**167,590.5**	**157,884.5**	**6.1**	**102,757.4**	**97,232.0**
Depreciation and amortisation	-63,075.3	-67,592.8	-6.7	-31,587.5	-33,421.0
Impairment	0.0	-705.9	-100.0	0.0	-264.6
Earnings before interest and taxes (EBIT)	**104,515.2**	**89,585.8**	**16.7**	**71,169.8**	**63,546.4**
Income from investments, excluding companies recorded at equity	331.4	465.1	-28.7	331.4	465.1
Interest income	211.8	392.5	-46.0	107.8	321.5
Interest expense	-8,291.9	-9,323.7	-11.1	-4,103.2	-4,743.6
Other financial result	1,479.0	109.9	n.a.	1,479.0	109.9
Financial results	**-6,269.7**	**-8,356.2**	**25.0**	**-2,184.9**	**-3,847.0**
Earnings before taxes (EBT)	**98,245.5**	**81,229.6**	**20.9**	**68,984.9**	**59,699.4**
Income taxes	-25,892.4	-21,117.2	22.6	-18,216.1	-15,535.0
Net profit for the period	**72,353.1**	**60,112.4**	**20.4**	**50,768.8**	**44,164.4**
Thereof attributable to:					
Equity holders of the parent	**66,146.9**	**54,947.7**	**20.4**	**45,665.2**	**40,018.5**
Non-controlling interests	6,206.2	5,164.7	20.2	5,103.6	4,145.9
Earnings per share (in €, basic = diluted)	0.79	0.65	20.4	0.55	0.48

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.

Consolidated Statement of Comprehensive Income

from 1 January to 30 June 2018

in T€	H1/2018	H1/2017[1]	C. in %	Q2/2018	Q2/2017[1]
Net profit for the period	**72,353.1**	**60,112.4**	**20.4**	**50,768.8**	**44,164.4**
Other comprehensive income from items that will not be reclassified to the consolidated income statement in future periods					
Revaluations from defined benefit plans	-1,809.1	-1,463.2	23.6	-1,692.3	-1,248.8
Change in fair value of equity investments at FVOCI	313.1	0.0	n.a.	-515.9	0.0
Thereof deferred taxes	374.0	365.8	2.2	552.1	312.2
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	0.0	343.8	-100.0	0.0	146.9
Thereof changes not recognised through profit or loss	0.0	453.8	-100.0	0.0	256.8
Thereof realised gains and losses	0.0	-109.9	-100.0	0.0	-109.9
Thereof deferred taxes	0.0	-85.1	-100.0	0.0	-36.7
Other comprehensive income	**-1,122.0**	**-838.7**	**33.8**	**-1,656.2**	**-826.4**
Total comprehensive income	**71,231.1**	**59,273.7**	**20.2**	**49,112.7**	**43,338.0**
Thereof attributable to:					
Equity holders of the parent	**65,024.9**	**54,107.9**	**20.2**	**44,007.0**	**39,190.9**
Non-controlling interests	6,206.2	5,165.8	20.1	5,105.6	4,147.1

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.

Consolidated Statement of Financial Position

As at 30 June 2018

in T€	30.6.2018	31.12.2017[1]	C. in %
ASSETS			
Non-current assets			
Intangible assets	155,735.4	156,606.3	-0.6
Property, plant and equipment	1,471,754.1	1,441,371.9	2.1
Investment property	132,380.4	132,819.5	-0.3
Investments in companies recorded at equity	40,392.9	40,987.2	-1.4
Other assets	98,470.6	99,129.1	-0.7
	1,898,733.3	**1,870,914.0**	**1.5**
Current assets			
Inventories	5,716.0	5,979.5	-4.4
Securities	28,640.2	22,178.7	29.1
Assets available for sale	0.0	2,961.3	-100.0
Receivables and other assets	140,846.1	113,038.2	24.6
Cash and cash equivalents	21,949.6	47,918.7	-54.2
	197,152.0	**192,076.4**	**2.6**
Total assets	**2,095,885.4**	**2,062,990.3**	**1.6**
EQUITY & LIABILITIES			
Equity			
Share capital	152,670.0	152,670.0	0.0
Capital reserves	117,657.3	117,657.3	0.0
Other reserves	2,139.2	1,941.3	10.2
Retained earnings	860,891.9	850,181.4	1.3
Attributable to equity holders of the parent	1,133,358.3	1,122,450.0	1.0
Non-controlling interests	89,834.9	88,506.2	1.5
	1,223,193.3	**1,210,956.2**	**1.0**
Non-current liabilities			
Provisions	156,432.9	153,103.0	2.2
Financial liabilities	300,000.0	356,147.6	-15.8
Other liabilities	43,482.3	39,615.0	9.8
Deferred tax liabilities	51,234.5	52,432.3	-2.3
	551,149.7	**601,298.0**	**-8.3**
Current liabilities			
Tax provisions	20,105.7	10,318.3	94.9
Other provisions	95,860.5	107,833.5	-11.1
Financial liabilities	67,033.8	46,962.7	42.7
Trade payables	41,847.8	46,043.9	-9.1
Other liabilities	96,694.6	39,577.7	n.a.
	321,542.4	**250,736.1**	**28.2**
Total equity and liabilities	**2,095,885.4**	**2,062,990.3**	**1.6**

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.

>

Consolidated Cash Flow Statement

from 1 January to 30 June 2018

	in T€	H1/2018	H1/2017[1]	C. in %
	Earnings before taxes (EBT)	98,245.5	81,229.6	20.9
+/-	Depreciation and amortisation/reversals thereof	63,075.3	67,592.8	-6.7
+	Impairment	0.0	705.9	-100.0
+/-	Measurement of financial instruments	-1,479.0	0.0	n.a.
-	Pro rata results of companies recorded at equity	-1,049.6	-1,204.4	-12.8
+	Dividends from companies recorded at equity	1,643.9	852.3	92.9
+	Losses/- gains on the disposal of assets	-3,172.1	-437.3	n.a.
-	Reversal of investment subsidies from public funds	-104.4	-118.8	-12.1
+/-	Other non-cash transactions	0.0	82.0	-100.0
+	Interest and dividend result	7,748.7	8,466.2	-8.5
+	Dividends received	331.4	465.1	-28.7
+	Interest received	119.1	491.1	-75.7
-	Interest paid	-8,446.9	-9,510.0	-11.2
-	Increase/+ decrease in inventories	263.4	151.5	73.9
-	Increase/+ decrease in receivables	2,750.5	-4,497.9	n.a.
+	Increase/- decrease in provisions and liabilities	-13,052.9	10,168.7	n.a.
	Net cash flow from ordinary operating activities	146,872.9	154,437.0	-4.9
-	Income taxes paid	-17,968.7	-18,294.4	-1.8
	Net cash flow from operating activities	**128,904.2**	**136,142.6**	**-5.3**
+	Payments received on the disposal of non-current assets (not including financial assets)	662.5	909.8	-27.2
+	Payments received from the disposal of financial assets	3.3	0.0	n.a.
-	Payments made for the purchase of non-current assets (not including financial assets)	-32,251.1	-47,970.9	-32.8
-	Payments made for the purchase of financial assets	-231.1	-350.0	-34.0
+	Payments received of current and non-current investments	0.0	20,000.0	-100.0
-	Payments made for current and non-current investments and securities	-24,982.7	-30,000.0	-16.7
	Net cash flow from investing activities	**-56,799.2**	**-57,411.1**	**-1.1**
-	Dividend payment to Flughafen Wien AG shareholders	-57,120.0	-52,500.0	8.8
-	Dividend payment to non-controlling interests	-4,877.5	-4,871.3	0.1
+	Payments received from the borrowing of financial liabilities	40,200.0	44,000.0	-8.6
-	Payments made for the repayment of financial liabilities	-76,276.6	-60,420.7	26.2
	Net cash flow from financing activities	**-98,074.1**	**-73,792.0**	**32.9**
	Change in cash and cash equivalents	-25,969.1	4,939.4	n.a.
+	Cash and cash equivalents at the beginning of the period	47,918.7	43,438.5	10.3
	Cash and cash equivalents at the end of the period	**21,949.6**	**48,377.9**	**-54.6**

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.

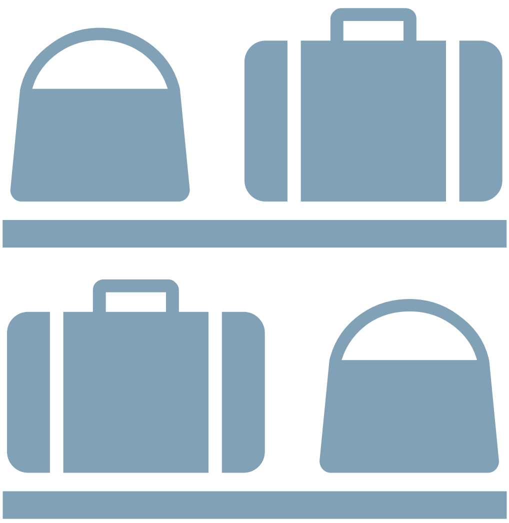
Consolidated Statement of Changes in Equity

from 1 January to 30 June 2018

	Attributable to equity				
in T€	**Share capital**	**Capital reserves**	**Available-for-sale reserve**	**Change in fair value of equity instruments reserve**	**Remeasurement of intangible assets**
As at 1.1.2017[1]	**152,670.0**	**117,657.3**	**1,241.0**	**0.0**	**18,201.4**
Market valuation of securities			257.6		
Revaluation from defined benefit plans					
Other comprehensive income	0.0	0.0	257.6	0.0	0.0
Net profit for the period					
Total comprehensive income	**0.0**	**0.0**	**257.6**	**0.0**	**0.0**
Reversal of revaluation surplus					-181.1
Dividend payment					
As at 30.6.2017[1]	**152,670.0**	**117,657.3**	**1,498.6**	**0.0**	**18,020.2**
As at 1.1.2018	**152,670.0**	**117,657.3**	**1,645.3**	**0.0**	**17,839.1**
First-time adoption of IFRS 9	0.0	0.0	-1,645.3	3,146.3	0.0
Balance on 1.1.2018, adjusted	**152,670.0**	**117,657.3**	**0.0**	**3,146.3**	**17,839.1**
Market valuation of equity investments				234.8	
Revaluation from defined benefit plans					
Other comprehensive income	0.0	0.0	0.0	234.8	0.0
Net profit for the period					
Total comprehensive income	**0.0**	**0.0**	**0.0**	**234.8**	**0.0**
Reversal of revaluation surplus					-181.1
Dividend payment					
As at 30.6.2018	**152,670.0**	**117,657.3**	**0.0**	**3,381.1**	**17,658.0**

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.

holders of the parent						
Revaluation from defined benefit plans	Currency translation reserve	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
-24,227.4	**7,632.9**	**2,847.9**	**787,576.0**	**1,060,751.1**	**83,224.1**	**1,143,975.2**
		257.6		257.6	1.2	258.7
-1,097.4		-1,097.4		-1,097.4	0.0	-1,097.4
-1,097.4	0.0	-839.8	0.0	-839.8	1.2	-838.7
			54,947.7	54,947.7	5,164.7	60,112.4
-1,097.4	**0.0**	**-839.8**	**54,947.7**	**54,107.9**	**5,165.8**	**59,273.7**
		-181.1	181.1	0.0	0.0	0.0
		0.0	-52,500.0	-52,500.0	-4,871.3	-57,371.3
-25,324.7	**7,632.9**	**1,826.9**	**790,204.8**	**1,062,359.0**	**83,518.7**	**1,145,877.7**
-25,176.0	**7,632.9**	**1,941.3**	**850,181.4**	**1,122,450.0**	**88,506.2**	**1,210,956.2**
0.0	0.0	1,501.0	1,502.7	3,003.6	0.0	3,003.6
-25,176.0	**7,632.9**	**3,442.3**	**851,684.0**	**1,125,453.6**	**88,506.2**	**1,213,959.9**
		234.8		234.8	0.0	234.8
-1,356.8		-1,356.8		-1,356.8	0.0	-1,356.8
-1,356.8	0.0	-1,122.0	0.0	-1,122.0	0.0	-1,122.0
			66,146.9	66,146.9	6,206.2	72,353.1
-1,356.8	**0.0**	**-1,122.0**	**66,146.9**	**65,024.9**	**6,206.2**	**71,231.1**
		-181.1	181.1	0.0	0.0	0.0
		0.0	-57,120.0	-57,120.0	-4,877.5	-61,997.5
-26,532.9	**7,632.9**	**2,139.2**	**860,891.9**	**1,133,358.3**	**89,834.9**	**1,223,193.3**



Selected Notes

› (1) Basis of accounting

The condensed consolidated interim financial statements of Flughafen Wien AG as at 30 June 2018 were prepared in accordance with IAS 34, as adopted by the European Union (EU).

In accordance with IAS 34 (Interim Financial Reporting), the condensed consolidated interim financial statements do not include all the information and disclosures that are required for annual financial statements, and should therefore be read in conjunction with the consolidated financial statements of Flughafen Wien AG as at 31 December 2017.

In addition to the information provided in the notes and interim consolidated financial statements, other detailed information can be found in the management report (IAS 34.16A).

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

› (2) Accounting policies

The accounting policies and methods of calculation used to prepare the 2017 consolidated financial statements are the same as those used to prepare the condensed interim consolidated financial statements. Additional information on these accounting policies and the new standards effective as at 1 January 2018 is provided in the consolidated financial statements as at 31 December 2017, which form the basis for these condensed interim consolidated financial statements.

The presentation of the Group's asset, financial and earnings position requires judgements concerning measurement and accounting policies and the assumptions and estimates made by management. The assumptions shown regarding estimation uncertainty were made in connection with the adoption of IFRS 9 and IFRS 15. Further information on judgements, assumptions and estimates can be found in the 2017 consolidated financial statements.

>

The following standards and interpretations were applied for the first time from 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Clarification of IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 2 Share-Based Payment – Classification and Measurement
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IAS 40 Investment Property
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements (2014-2016)

IFRS 9 Financial Instruments

Published in July 2014, IFRS 9 replaces the existing guidelines of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains revised guidelines for the classification and measurement of financial instruments, including a new model of expected credit losses to calculate impairment on financial assets, and new general accounting rules for hedges. It also includes the guidelines for the recognition and derecognition of financial instruments from IAS 39.

The Flughafen Wien Group has applied IFRS 9 prospectively for the first time from 1 January 2018, whereby changes in the value of financial assets are recognised in retained earnings in the opening statement of financial position as at 1 January 2018.

The following table shows the effects of the first-time adoption of IFRS 9 on the opening statement of financial position of the Flughafen Wien Group:

Amounts in T€	31.12.2017	Adjustments in accordance with IFRS 9	1.1.2018
ASSETS			
Non-current other assets	99,129.1	4,195.1	103,324.2
Current receivables and other assets	113,038.2	-142.7	112,895.6
EQUITY & LIABILITIES			
Other reserves	1,941.3	1,501.0	3,442.3
Retained earnings	850,181.4	1,502.7	851,684.0
Deferred tax liabilities	52,432.3	1,048.8	53,481.1

The following table shows the effects of the first-time adoption of IFRS 9 on components of equity:

Amounts in T€	Other reserves	Retained earnings	Attributable to shareholders of the parent company	Non-controlling interests	Total
Recognition of impairment in accordance with the expected credit loss model	0.0	-142.7	-142.7	0.0	-142.7
Measurement of equity instruments	3,146.3	0.0	3,146.3	0.0	3,146.3
Reclassification of units held in investment funds from AfS to FVPL	-11.3	11.3	0.0	0.0	0.0
Reclassification of debt instruments (securities) from AfS to FVPL	-1,634.0	1,634.0	0.0	0.0	0.0
Total	**1,501.0**	**1,502.7**	**3,003.6**	**0.0**	**3,003.6**

There are changes under IFRS 9 as compared to IAS 39 affecting the classification and subsequent measurement of financial assets. Firstly, classification now focuses on the nature of the financial instrument, while there are different measurement requirements of debt instruments, equity instruments and derivatives. Furthermore, the business model under which the financial instrument is held must also be taken into account. When choosing the business model, it must be established whether there is an intention to sell the financial instrument, or whether it will be held to maturity.

Financial assets will only be classified and measured in two groups in future: at amortised cost (AC) and at fair value – either through profit and loss (FVPL) or other comprehensive income (FVOCI).

The categories for financial assets under IAS 39 – held to maturity (HtM), loans and receivables (LaR) and available for sale (Afs) – no longer exist under IFRS 9.

Similarly, there are also new regulations on the recognition of impairment: IFRS 9 requires the use of the expected credit loss model, under which loss allowances are generally recognised sooner and at a higher amount compared to the incurred loss model under IAS 39.

The following table shows the original measurement category and carrying amount in accordance with IAS 39, and the new measurement category and carrying amount in accordance with IFRS 9 as at the date of initial application of IFRS 9:

Amounts in T€	Classification under IAS 39	Measurement category as per IAS 39	Classification and measurement category under IFRS 9	IAS 39 carrying amount	IFRS 9 carrying amount
Funds	AfS	Fair value not recognised in profit or loss	FVPL	107.6	107.6
Debt instruments (securities)	AfS	Fair value not recognised in profit or loss	FVPL	22,178.7	22,178.7
Trade receivables	LaR	Amortised cost	AC	59,227.6	59,100.3
Receivables due from associated companies	LaR	Amortised cost	AC	882.4	880.5
Other receivables	LaR	Amortised cost	AC	6,293.6	6,280.1
Investments (time deposits)	LaR	Amortised cost	AC	106,000.0	106,000.0
Originated loans	LaR	Amortised cost	AC	834.0	834.0
Equity instruments (securities and investments)	AfS	Cost	FVOCI (NR)	770.2	4,965.2
Cash and cash equivalents	Cash reserve	Nominal value = fair value	AC	47,918.7	47,918.7
Total financial assets				**244,212.7**	**248,265.1**

Compared to the accounting policies previously applied, there are differences in the subsequent measurement of units held in investment funds and debt instruments. In the past, these were assigned to the "available for sale" (AfS) category. The changes in fair value were recognised in other comprehensive income (OCI). In accordance with IFRS 9, units held in investment funds are measured at fair value through profit or loss (FVPL) because the payments in connection with the fund are not solely payments of principal and interest.

The debt instrument measurement category (securities) is a tier 2 capital obligation. As the cash flows in connection with this instrument are not solely payments of principal and interest – interest payments can be waived under certain conditions defined by contract – it must also be measured at fair value through profit or loss (FVPL). Changes in fair value are recognised in other financial result.

In the past, equity instruments and investments were also assigned to the "available for sale" (AfS) category and measured at amortised cost. In accordance with IFRS 9, all equity instruments are designated as at fair value through other comprehensive income (FVOCI – no recycling), as they are held for a long-term strategic objective.

The equity instruments include shares in CEESEG AG and other investments. In the absence of an active market or quoted price, the fair value of the shares in CEESEG AG must be calculated using a net present value approach (level 3). A review of the fair value of other investments found that the cost is the best estimate of fair value.

Under IFRS 9, the financial assets of the former "loans and receivables" category were measured at amortised cost and are subject to the new and more extensive impairment requirements of IFRS 9.

The new provisions require the recognition not just of losses that have already been incurred but those that are expected as well. In determining the extent to which expected losses are recognised, a further distinction must be made as to whether or not the risk of default on financial assets has deteriorated significantly since initial recognition. If this risk has deteriorated and is not classified as low as at the end of the reporting period, all losses expected over the entire term must be recognised from this date. Otherwise only the losses expected over the term of the instrument from future, possible loss events in the next twelve months have to be recognised.

For trade receivables, however, IFRS 9 states that expected losses should generally be recognised over the entire term. As suggested by IFRS 9 itself, trade receivables are adjusted for expected defaults over the term of these financial instruments using a provision matrix, in which the expected credit losses are derived from the length of time they are past due. In total, the new calculation resulted in an additional allowance for credit losses on trade receivables, receivables from associates and other receivables of T€ 142.7 (as at 1 January 2018).

The general impairment requirements apply to time deposits, loans granted (without a significant financing component) and cash and cash equivalents, whereby the expected default over the next 12 months is calculated first (level 1). The expected default over the entire term of the financial instruments is only calculated when there is a significant deterioration in the debtor's credit characteristics. As at the transition date, there were no material impairment losses on level 1 term deposits, loans granted or cash and cash equivalents on account of the credit characteristics and short remaining terms.

IFRS 9 did not give rise to changes in the subsequent measurement of other financial assets and liabilities.

IFRS 15 Revenue from Contracts with Customers

The Flughafen Wien Group has applied the new standard IFRS 15 "Revenue from Contracts with Customers" for the first time from 1 January 2018. This standard regulates when and in what amount revenue must be recognised. Only contracts covered by IAS 17 "Leases" are exempt from IFRS 15.

Unlike under the regulations applied before, the new standard provides for a single, principle-based, five-step model that must be applied to all contracts with customers. Under this five-step model, the contract with the customer must first be identified (step 1). Step 2 is the identification of the separate performance obligations in the contract. Step 3 is to determine the transaction price, whereby there are explicit provisions on the treatment of variable consideration, financing components, payments to the customer and exchanges. After determining the transaction price, step 4 is the allocation of the transaction price to the individual performance obligations. This is based on the >

standalone selling price for the individual performance obligations. Finally, step 5 is the recognition of revenue when (or as) the entity satisfies a performance obligation. This requires that control of the goods or service has passed to the customer.

When a contract is entered into, under IFRS 15 it must be determined whether the revenues resulting from the contract are to be recognised at a point in time or over a period of time. It must first be clarified on the basis of specific criteria whether control of the performance obligation is transferred over time. If this is not the case, the revenues must be recognised at the point in time at which control passes to the customer. Examples of indications of this are the transfer of legal title, the transfer of material risks and rewards or formal acceptance. However, if control is transferred over a period of time, revenue may only be recognised over time to the extent that progress can be reliably determined using input or output methods. In addition to general principles on revenue recognition, the standard contains detailed implementation guidance on topics such right of return, customer options to additional goods or services, principle-agent relationships and bill and hold arrangements. In addition, the standard includes new regulations on the costs to obtain or fulfil a contract in addition to regulations on when such costs are recognised. Costs that do not meet these criteria are expensed as incurred.

The standard also includes new comprehensive provisions relating to disclosures on revenues in the financial statements.

If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty regarding the consideration is resolved. Such provisions give rise to variable consideration under IFRS 15, that are required to be estimated at contract inception. IFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group continues to assess individual contracts to determine the estimated variable consideration and related constraint.

The Flughafen Wien Group essentially generates revenue from aviation and non-aviation operations. The effects of adoption are shown below:

Aviation operations essentially generate revenue from traffic fees, ground handling services and concessions.

a) Traffic fees (subject to approval):

Some fees are subject to the approval of the civil aviation authority. These fees relate to the use of the airport infrastructure and include landing, parking, passenger and infrastructure fees. The calculation of the landing, parking and airside infrastructure fee is based on the maximum take-off weight (MTOW) of the aircraft, while the landside infrastructure fee, passenger fee and security fee are based on the number of passengers. The infrastructure fee for fuelling is based on the volume of fuel. The billing of these fees is the same for all customers and is regulated in a fee schedule. There is also an incentive system for customers.

The entire fee from these service contracts with airlines is allocated across all services (performance obligation) based on their standalone selling price (transaction price). The standalone selling price is determined on the basis of the schedule of fees charged by the Group for services in separate transactions. Variable fee-reducing discounts and rebates based on the incentive system are taken into account in calculating and allocating the transaction price. This approach is also in line with the allocation in accordance with IAS 18. There was no change from the Flughafen Wien Group's previous approach to determining the period in which revenues are recognised (point in time after handling). The Flughafen Wien Group exercised the portfolio approach practical expedient in assessing these contracts.

b) Ground handling services (not subject to approval):
Fees not subject to approval include ground handling services. In particular, revenues are generated from ramp handling, cargo handling and passenger handling. Cargo handling services and standalone selling prices are regulated in the cargo regulations. The ramp handling contracts are based on IATA's standard ground handling agreement. In these contracts, service obligations are defined on the basis of the individual services offered and a transaction price per turnaround and aircraft type. These contracts do not include fixed transaction prices for service obligations performed over time. If individual service obligations (individual services) are required in addition to the contractually defined service packages, they can be purchased as extras on the basis of the current price list. The transaction price is allocated to the service obligations on the basis of the relative standalone selling prices or on the basis of the current standalone selling prices when additional service obligations are purchased. The application of IFRS 15 does not give rise to any changes regarding the amount or timing of revenue recognition for ground handling services. The Flughafen Wien Group exercised the portfolio approach practical expedient in assessing these contracts.

c) Concession revenues
Concession revenues (Malta ground handling) comprise revenue for the right to perform ground handling services at Malta Airport and are distributed over the term of the concession on an accrual basis in line with the respective contract. The transaction price is calculated according to a fee structure based on various underlying parameters (departing passengers, aircraft movements, MTOW, cargo volume, fuelling volume). Revenue is recognised if an overwhelmingly likely inflow of resources can be assumed and its amount can be reliably determined. The adoption of IFRS 15 did not give rise to any changes for the Flughafen Wien Group.

The Flughafen Wien Group's non-aviation operations comprise rentals (including revenue based on sales) and other revenue.

a) Rentals including revenue based on sales:
Rental income is recognised on a straight-line basis over the term of the lease in accordance with IAS 17. Rental incentives granted to tenants are recognised as a component of the total rental income over the term of the lease. Revenues based on sales (variable rents) are recognised on an accrual basis based on the revenues generated. As leases are exempt from IFRS 15, there were no changes for the Flughafen Wien Group.

b) Other revenues:
In addition to the above, the Flughafen Wien Group also generates revenue from lounges, security, energy supply and waste disposal, IT services, electrical engineering, workshops, materials management, facility management and building maintenance. The adoption of IFRS 15 did not give rise to any changes here.

The application of IFRS 15 did not give rise to any significant changes regarding the amount or timing of revenue recognition for the Flughafen Wien Group.

>

The adoption of the other amended standards and interpretations effective from 1 January 2018 did not give rise to any impact on the asset, financial and earnings position of the Group.

Information regarding the adoption of new standards that are not yet effective (e.g. IFRS 16) can be found in the 2017 consolidated financial statements.

Arithmetic differences can occur when adding rounded amounts and percentages due to the use of computer-aided tools.

› (3) Consolidated group

The following changes in the consolidated group occurred after 31 December 2017: The companies GetService Dienstleistungsgesellschaft m.b.H. (GETS) and VIE Airport Health Center GmbH (VHC) were added to the consolidated group in the first half of 2018 on account of their increased importance to the operations of the Flughafen Wien Group. By 31 December 2017, these two companies were not included in the consolidated financial statements on account of their immateriality.

In addition to security services, GetService Dienstleistungsgesellschaft m.b.H. (GETS) also performs other services in connection with airport operations and was assigned to the Handling & Security Services segment as a consolidated subsidiary.

VIE Airport Health Center (VHC) offers healthcare services and was assigned to the Retail & Properties Segment as a consolidated subsidiary.

As at 30 June 2018, the condensed consolidated interim financial statements include Flughafen Wien AG plus 22 domestic (31 December 2017: 20) and 14 foreign subsidiaries (31 December 2017: 14) that are controlled by Flughafen Wien AG. In addition, three domestic companies (31 December 2017: 3) and one foreign company (31 December 2017: 1) were accounted for using the equity method.

Two (31 December 2017: 4) subsidiaries were not included in the condensed consolidated interim financial statements as they are immaterial to a true and fair view of the asset, financial and earnings position of the Flughafen Wien Group.

› (4) Information on operating segments (IFRS 8) and revenue (IFRS 15)

In accordance with IFRS 8, segment reporting is based on the Group's internal reporting. 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 and the individual subsidiaries and investments in companies recorded at equity. These operating segments are aggregated into the following reporting segments: Airport, Handling & Security Services, Retail & Properties, Malta and Other Segments. The Group is managed based on reporting on profit and loss, capital expenditure and employee-related data for the respective divisions of Flughafen Wien AG, plus revenues, EBITDA, EBIT, planned capital expenditure and employee-related data for the individual subsidiaries.

The Flughafen Wien Group assigns its revenue flows to "Aviation" and "Non-aviation" operations. Furthermore, the different revenue flows are broken down further for each segment, as shown by the tables below.

Segment revenues split to Aviation and Non-Aviation is as follows:

H1/2018 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Aviation	172,169.6	73,879.5	0.0	28,397.2	0.0	274,446.3
Non-aviation	9,816.0	6,494.0	62,210.3	12,468.8	8,020.4	99,009.5
External segment revenues	**181,985.6**	**80,373.6**	**62,210.3**	**40,866.0**	**8,020.4**	**373,455.8**

H1/2017 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Aviation	163,769.4	74,821.0	0.0	25,411.4	0.0	264,001.8
Non-aviation	8,763.6	4,815.5	61,381.5	11,244.7	7,290.8	93,496.0
External segment revenues	**172,533.0**	**79,636.5**	**61,381.5**	**36,656.1**	**7,290.8**	**357,497.8**

Segment revenues by territory is as follows:

H1/2018 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Austria	181,985.6	80,373.6	62,210.3	0.0	8,020.4	332,589.8
Malta	0.0	0.0	0.0	40,866.0	0.0	40,866.0
External segment revenues	**181,985.6**	**80,373.6**	**62,210.3**	**40,866.0**	**8,020.4**	**373,455.8**

H1/2017 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Austria	172,533.0	79,636.5	61,381.5	0.0	7,290.8	320,841.7
Malta	0.0	0.0	0.0	36,656.1	0.0	36,656.1
External segment revenues	**172,533.0**	**79,636.5**	**61,381.5**	**36,656.1**	**7,290.8**	**357,497.8**

>

Segment revenues and segment results H1/2018

H1/2018 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
External segment revenues	181,985.6	80,373.6	62,210.3	40,866.0	8,020.4	373,455.8
Internal segment revenues	17,153.9	34,732.3	7,454.2	0.0	51,540.6	
Segment revenues	**199,139.5**	**115,105.8**	**69,664.5**	**40,866.0**	**59,560.9**	
Segment EBITDA	**89,748.0**	**4,820.7**	**41,563.8**	**23,434.4**	**8,023.6**	**167,590.5**
Segment EBITDA margin (in %)	45.1	4.2	59.7	57.3	13.5	
Segment EBIT	**49,008.7**	**1,683.1**	**32,649.0**	**18,908.3**	**2,266.1**	**104,515.2**
Segment EBIT margin (in %)	24.6	1.5	46.9	46.3	3.8	

Segment revenues and segment results H1/2017

H1/2017 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
External segment revenues	172,533.0	79,636.5	61,381.5	36,656.1	7,290.8	357,497.8
Internal segment revenues	17,258.8	34,549.8	6,726.4	0.0	52,308.4	
Segment revenues	**189,791.8**	**114,186.2**	**68,107.9**	**36,656.1**	**59,599.2**	
Segment EBITDA	**78,663.8**	**10,299.4**	**38,249.3**	**20,373.7**	**10,298.3**	**157,884.5**
Segment EBITDA margin (in %)	41.4	9.0	56.2	55.6	17.3	
Segment EBIT	**34,079.3**	**7,531.1**	**29,257.5**	**16,106.2**	**2,611.7**	**89,585.8**
Segment EBIT margin (in %)	18.0	6.6	43.0	43.9	4.4	

Other items such as financial results or tax expense attributable to the individual operating segments are not included under segment information because internal reporting only covers the positions down to and including EBIT, and these other positions are monitored centrally.

(4.1) Airport Segment

Revenues of € 182.0 million in Airport Segment

Airport Segment

Amounts in € Mio.	H1/2018	C. in %	H1/2017
Landing fee	33.1	5.6	31.3
Passenger fees (incl. PRM fee)	72.1	4.5	69.0
Infrastructure fee	16.5	5.6	15.6
GAC building and hangar	0.7	-4.8	0.7
Security fee	49.5	5.8	46.8
Fuelling	1.4	-0.8	1.4
Special guest services (lounges)	4.9	17.0	4.2
Rentals	3.1	4.2	3.0
Vöslau Airfield	0.5	28.5	0.4
Other	0.3	80.9	0.1
Revenues Airport Segment	**182.0**	**5.5**	**172.5**
thereof aviation	172.2	5.1	163.8
thereof non-aviation	9.8	12.0	8.8

External revenues in the Airport Segment rose by € 9.5 million to € 182.0 million in the first half of 2018. The positive effect of passenger growth in the Airport Segment is offset by adjustments to incentives, which are intended to strengthen airline bases at the Vienna site. It should also be noted that expenses previously incurred under marketing and market communication for the Airport Segment have now been reclassified to the incentive model. While this has reduced revenue on the one hand, on the other the expenses for market communication (within other operating expenses) were down € 4.0 million on the figure for the previous year. The security fee increased by € 2.7 million year-on-year to € 49.5 million. This was firstly due to positive passenger growth and secondly to higher charges. Passenger fees (including PRM) rose by € 3.1 million to € 72.1 million. The landing fee increased by € 1.8 million to € 33.1 million. In line with growth in traffic, infrastructure fees climbed to € 16.5 million after € 15.6 million in H1/2017. There was a positive development in lounge revenues, which were up by € 0.7 million at € 4.9 million.

Internal revenues declined minimally by € 0.1 million year-on-year to € 17.2 million due to lower rental revenues. Other income (including own work capitalised) amounted to € 2.4 million (H1/2017: € 2.5 million).

The cost of external materials rose by € 0.2 million year-on-year to € 1.7 million. The increase is mainly due to higher de-icing expenses. Personnel expenses climbed by € 0.7 million to € 22.3 million as a result of the higher average headcount (545 as against 509). Other operating expenses fell by € 2.6 million to € 16.5 million. While marketing and market communication expenses were down, costs for building and facility maintenance as well as cost arising from the mediation process were on the rise. Internal operating costs decreased slightly by € 0.3 million to € 71.4 million in the first half of the year. >

EBITDA up € 11.1 million at € 89.7 million

EBITDA in the Airport Segment improved by € 11.1 million or 14.1% to € 89.7 million in the first half of 2018 (H1/2017: € 78.7 million). Taking depreciation and amortisation of € 40.7 million into account (Q1/2017: € 44.6 million including impairment), segment EBIT amounted to € 49.0 million after € 34.1 million in the same period of the previous year (up 43.8%). The EBITDA margin rose from 41.4% to 45.1%, the EBIT margin from 18.0% to 24.6%.

› (4.2) Handling & Security Services Segment

Revenue growth in Handling & Security Services Segment of 0.9% to € 80.4 million

› Handling & Security Services Segment

Amounts in € Mio.	H1/2018	C. in %	H1/2017
Apron handling	49.3	-5.9	52.4
Cargo handling	16.3	10.6	14.7
Security services (including GETS)	2.4	24.7	1.9
Traffic handling	7.0	8.3	6.5
General aviation, other	5.4	30.1	4.1
Revenue Handling & Security Services Segment	**80.4**	**0.9**	**79.6**
thereof aviation	73.9	-1.3	74.8
thereof non-aviation	6.5	34.9	4.8

External revenues in the Handling & Security Services Segment rose by € 0.7 million to € 80.4 million in the first two quarters of 2018 (H1/2017: € 79.6 million). Revenues from apron handling fell slightly from € 52.4 million in the same period of the previous year to € 49.3 million on account of contract changes. Revenues from cargo handling increased from € 14.7 million to € 16.3 million in line with the cargo volume handled. External revenues from security services climbed to € 2.4 million as a result of the first-time consolidation of GETS. The General Aviation area, including the operation of the VIP & Business Centre, generated an increase in revenues of € 1.2 million in the first six months of 2018. Internal revenues rose by € 0.2 million to € 34.7 million, while other income was up by € 0.2 million year-on-year at € 0.7 million.

The cost of consumables was up € 0.4 million at € 4.4 million, partly on account of higher purchased services for the VIP & Business Centre. Personnel expenses rose by € 4.6 million to € 86.4 million as a result of the higher average headcount (an increase of 35 to 3,009 employees). In addition, delays and flight disruptions led to higher expenses for overtime, compensatory rest and allowances. Other operating expenses were € 1.2 million higher than the previous year's level at € 3.7 million. The rise essentially results from higher expenses for rent, maintenance and third-party staff from related Group companies (intragroup outsourcing).

EBITDA down at € 4.8 million

EBITDA in the Handling & Security Services Segment fell from € 10.3 million to € 4.8 million in the first half of the year as a result of the higher personnel expenses in particular. Adjusted for depreciation and amortisation of € 3.1 million (H1/2017: € 2.8 million), EBIT amounted to € 1.7 million (H1/2017: € 7.5 million). The EBITDA margin was below the previous year's 9.0% at 4.2%, while the EBIT margin was 1.5% in H1/2018 (H1/2017: 6.6%).

› (4.3) Retail & Properties Segment

Revenues of € 62.2 million in the Retail & Properties Segment

› Retail & Properties Segment

Amounts in € Mio.	H1/2018	C. in %	H1/2017
Parking	22.2	1.9	21.8
Rentals	17.4	0.2	17.4
Shopping, food and beverage services	22.6	1.8	22.2
Revenue Retail & Properties Segment	**62.2**	**1.4**	**61.4**
thereof aviation	0.0	0.0	0.0
thereof non-aviation	62.2	1.4	61.4

External revenues in the Retail & Properties Segment climbed by € 0.8 million year-on-year to € 62.2 million (H1/2017: € 61.4 million). This development was driven by higher revenues from shopping, food and beverage services, which increased by € 0.4 million to € 22.6 million. Parking revenues also increased by € 0.4 million to € 22.2 million. Rental revenues were unchanged at € 17.4 million (H1/2017: € 17.4 million). Internal revenues increased from € 6.7 million to € 7.5 million, while other external income was up by € 2.9 million year-on-year at € 4.5 million as a result of the property sale to DHL.

The cost of materials rose from € 0.4 million in the previous year to € 0.5 million. Personnel expenses fell slightly to € 4.7 million with an unchanged headcount of 101 (H1/2017: € 4.8 million). Other operating expenses increased from € 6.9 million to € 7.7 million as a result of higher maintenance costs. Internal operating expenses climbed minimally by € 0.2 million to € 19.6 million.

EBITDA up € 3.3 million at € 41.6 million

EBITDA in the Retail & Properties Segment rose by 8.7% from € 38.2 million to € 41.6 million in the first half of the year in spite of slightly higher expenses. This was firstly thanks to revenue growth and secondly to higher other income from the property sale. Depreciation and amortisation was on par with the previous year's level at € 8.9 million (H1/2017: € 9.0 million). EBIT therefore also rose by € 3.4 million or 11.6% to € 32.6 million (H1/2017: € 29.3 million). The EBITDA margin was 59.7% (H1/2017: 56.2%) and the EBIT margin was 46.9% (H1/2017: 43.0%).

› (4.4) Malta Segment

Revenues up € 4.2 million at € 40.9 million in Malta Segment

› Malta Segment

Amounts in € Mio.	H1/2018	C. in %	H1/2017
Airport	29.0	11.8	25.9
Retail & Property	11.8	11.8	10.5
Other	0.1	-44.5	0.2
Revenue Malta Segment	**40.9**	**11.5**	**36.7**
thereof aviation	28.4	11.8	25.4
thereof non-aviation	12.5	10.9	11.2

The Malta Segment's external revenues increased by € 4.2 million to € 40.9 million in the first six months, falling slightly short of passenger growth on account of the incentive model.

The cost of materials was € 0.2 million higher than in the previous year at € 1.5 million, while personnel expenses increased by € 0.6 million to € 4.4 million owing to the higher headcount. Other operating expenses rose by € 1.1 million to € 11.6 million in line with passenger growth, and included expenses for security staff, cleaning, PRM services, other third-party personnel services, IT services, airline marketing, leases and maintenance.

EBITDA up € 3.1 million at € 23.4 million

The Malta Segment reported EBITDA of € 23.4 million for the first half of 2018 (H1/2017: € 20.4 million) with an EBITDA margin of 57.3% after 55.6% in the previous year. Taking into account depreciation and amortisation of € 4.5 million, EBIT amounted to € 18.9 million (H1/2017: € 16.1 million) with an EBIT margin of 46.3% (H1/2017: 43.9%).

(4.5) Other Segments

Revenues of € 8.0 million in Other Segments

Other Segments

Amounts in € Mio.	H1/2018	C. in %	H1/2017
Energy supply and waste disposal	4.4	20.9	3.6
Telecommunications and IT	1.4	-3.1	1.5
Materials management	0.7	-2.7	0.7
Electrical engineering, security equipment, workshops (VAT)	0.5	50.5	0.3
Facility management, building maintenance	0.3	-40.3	0.5
Visitair World	0.3	51.1	0.2
Other	0.5	-7.2	0.5
Revenue Other Segments	**8.0**	**10.0**	**7.3**
of which aviation	0.0	0.0	0.0
of which non-aviation	8.0	10.0	7.3

External revenues for Other Segments amounted to € 8.0 million in the first six months of 2018 (H1/2017: € 7.3 million). This increase results from higher revenues from energy supply and waste disposal. Internal revenues declined marginally by € 0.8 million year-on-year to € 51.5 million (H1/2017: € 52.3 million). Other income (including own work capitalised) amounted to € 1.4 million (H1/2017: € 1.0 million).

The cost of consumables and purchased services rose by € 0.4 million year-on-year to € 11.9 million. Personnel expenses increased by € 2.1 million to € 27.4 million with an average headcount of 729 (H1/2017: 686). Other operating expenses decreased from € 11.7 million year-on-year to € 11.2 million on account of lower third party services.

The results of investments in companies recorded at equity reflect the operating results of these investments. Positive income of € 1.0 million was generated in the first six months of 2018 (H1/2017: € 1.2 million).

EBITDA of € 8.0 million

Overall, Other Segments reported EBITDA of € 8.0 million on account of higher expenses (H1/2017: € 10.3 million). Adjusted for lower depreciation and amortisation in the first half of 2018 of € 5.8 million (H1/2017: € 7.7 million), segment EBIT amounted to € 2.3 million (H1/2017: € 2.6 million). The EBITDA margin was 13.5% (H1/2017: 17.3%) and the EBIT margin was 3.8% (H1/2017: 4.4%).

(4.6) Segment assets

Reconciliation of segment assets to group assets

Amounts in T€	30.6.2018	31.12.2017
Assets by segment		
Airport	1,160,410.4	1,131,787.6
Handling & Security Services	39,641.8	39,479.1
Retail & Properties	304,129.1	310,429.1
Malta	301,609.1	327,061.3
Other Segments	100,765.8	105,794.4
Total assets in reportable segments	**1,906,556.2**	**1,914,551.5**
Assets not allocated to a specific segment[1]		
Other financial assets	5,109.6	1,357.5
Current securities	28,640.2	22,178.7
Receivables from taxation authorities	1,332.1	3,820.4
Other receivables and assets	135,497.4	110,488.3
Prepaid expenses	5,661.0	1,077.3
Cash and cash equivalents	13,088.8	9,516.8
Total assets not allocated to a specific segment	**189,329.2**	**148,438.8**
Group assets	**2,095,885.4**	**2,062,990.3**

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

(5) Supplementary notes to the condensed consolidated interim financial statements

Statement of financial position

Land with a carrying amount of € 3.0 million was reported under "Assets available for sale" in accordance with IFRS 5 as at 31 December 2017. Some of this land was sold in March 2018, leading to other operating income of € 3.0 million, which is reported in the Retail & Properties Segment. A different plot of land was no longer classified as available for sale as at 30 June 2018, and is therefore reported under non-current assets.

Development of financial liabilities

Amounts in T€	Non-current financial liabilities	Current financial liabilities	Total
As at 1.1.2018	**356,147.6**	**46,962.7**	**403,110.4**
Additions	0.0	40,200.0	40,200.0
Repayments	-31,147.6	-45,129.0	-76,276.6
Reclassification	-25,000.0	25,000.0	0.0
As at 30.6.2018	**300,000.0**	**67,033.8**	**367,033.8**

Income statement

Revenues

Revenue analyses can be found in segment reporting (section 4). There were no significant contract assets or liabilities as at 1 January 2018 or 30 June 2018.

Cost of the remeasurement of receivables

Valuation allowances developed as follows:

	Valuation allowance 31.12.2017	Adjustment for ECL[1]	Valuation allowance 1.1.2018	ECL[1]	Reversal	30.6.2018
Specific valuation allowances	6,558.8	0.0	6,558.8	0.0	-2.4	6,556.4
Global (individual) valuation allowances	15.4	142.7	158.0	8.9	0.0	166.9
Total	**6,574.2**	**142.7**	**6,716.9**	**8.9**	**-2.4**	**6,723.3**

1) Relates exclusively to trade receivables, receivables from associates and other receivables

Depreciation, amortisation and impairment

Depreciation and amortisation of € 63.1 million (H1/2017: € 67.6 million) was recognised in the first six months of 2018. Impairment losses due to legal uncertainty in connection with the third runway project amounted to € 0.7 million in the previous year.

Amounts in T€	H1/2018	H1/2017
Amortisation of intangible assets	2,297.0	2,324.9
Depreciation of property, plant and equipment	60,778.3	65,267.9
Impairment on property, plant and equipment	0.0	705.9
Total depreciation and amortisation including impairment	**63,075.3**	**68,298.7**

Income taxes

Income taxes for the interim reporting period are based on the 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€	H1/2018	H1/2017
Current income tax expense	27,756.1	24,448.2
Change in deferred taxes	-1,863.7	-3,330.9
Total taxes	**25,892.4**	**21,117.2**

(6) Seasonal nature of airport business

Business in the aviation industry is influenced by two different seasonal factors. Firstly, the revenues generated in the first and fourth quarter tend to be below average, while those in the second and third quarter are above average. This is on account of the increased passenger volume in the summer months in Europe. Secondly, there are fluctuations in maintenance and repair expenses. Such work is usually performed in autumn and winter, which reduces earnings more towards the end of the year.

(7) Other obligations and contingent liabilities

As at 30 June 2018, obligations for the purchase of intangible assets amounted to € 0.6 million (31 December 2017: € 0.8 million) and obligations for the purchase of property, plant and equipment to € 36.5 million (31 December 2017: € 30.2 million).

Based on the Federal Administrative Court's positive finding from 28 March 2018 regarding the building of the third runway, a payment obligation of € 56.8 million was reported in the interim consolidated financial statements as a liability.

Time deposits of € 106.0 million were pledged to banks as at 30 June 2018 (31 December 2017: € 0.0 million). Otherwise, there have been no material changes in contingent liabilities or other financial obligations since the end of the last reporting period.

(8) Related parties

The group of related parties (legal entities and persons) is essentially unchanged since the last consolidated financial statements.

Business relations with related parties have not changed significantly since the same period of the previous year and are conducted at arm's-length conditions.

There were no material transactions with related parties in the first six months of 2018. The third-party services purchased from related parties (non-consolidated subsidiaries or companies recorded at equity) amounted to € 7.1 million in the reporting period (H1/2017: € 6.3 million). Revenues with these companies amounted to € 0.2 million (H1/2017: € 0.2 million). Receivables amounted to € 1.0 million and liabilities to € 8.9 million as at 30 June 2018.

(9) Financial instruments

The following tables show the carrying amounts and fair values of financial assets and liabilities broken down by measurement category as at 30 June 2018 and 31 December 2017. The information on the fair value of financial assets and liabilities that are not recognised at fair value is for information purposes only. As the items "Receivables and other assets" and "Other liabilities" contain both non-financial assets and non-financial liabilities, the line "Non-financial instruments" has been added in order to ensure the reconciliation of the carrying amounts to the corresponding statement of financial position item.

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

Trade receivables, originated loans and other receivables predominantly have short remaining terms and are therefore essentially at fair value. Trade payables and other liabilities also have predominantly short remaining terms, hence the amounts recognised for these items are approximately their fair value.

The fair value of the fair value through profit and loss (FVPL) fund is based on a listed fund (level 1). The debt instruments in the FVPL category relate to a tier 2 capital obligation (level 2). The equity instruments are investments that are assigned to level 3 in the absence of an active market or quoted price.

The fair values of financial liabilities to banks (bank loans) and other financial liabilities are calculated using the present value of the payments connected with these liabilities in accordance with the yield curve applicable to their respective remaining terms and an appropriate credit spread (level 2).

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

› Measurement method and inputs:

Financial instrument	Level	Measurement method	Input factors
Funds	1	Market value	Market price
Debt instruments (securities)	2	Market value	Price derived from market price
Equity instruments (securities)	3	Net present value approach	Profit distribution, discount rate
Equity instruments (investments)	3	-	Cost as a best estimate of fair value

>

ASSETS[1]

Amounts in T€	Measurement category	Carrying amounts: Non-current assets – Other financial assets	Current assets – Securities	Current assets – Receivables and Other assets
30 Juni 2018				
Financial assets carried at fair value				
Funds	FVPL	107.8		
Debt instruments (securities)	FVPL		23,657.5	
Equity instruments (investments, securities)	FVOCI	5,238.1		
Financial assets not recognised at fair value				
Trade receivables [2]	AC			54,058.1
Receivables due from associated companies [3]	AC			970.3
Other receivables [3]	AC			11,638.9
Investments (time deposits)	AC	61,000.0		65,000.0
Originated loans	AC	1,030.7		
Debt instruments (securities)	AC		4,982.7	
Cash and cash equivalents	AC			
Non-financial instruments				
Other receivables and accruals	n. a.	31,094.0		9,178.8
Total		**98,470.6**	**28,640.2**	**140,846.1**
31 December 2017[1]				
Financial assets carried at fair value				
Funds	AfS	107.6		
Debt instruments (securities)	AfS		22,178.7	
Financial assets not recognised at fair value				
Trade receivables [2]	LaR			59,227.6
Receivables due from associated companies	LaR			882.4
Other receivables [3]	LaR			6,293.6
Investments (time deposits)	LaR	66,000.0		40,000.0
Originated loans	LaR	834.0		
Equity instruments (securities) [4]	AfS	632.6		
Investments in other companies [4]	AfS	137.5		
Cash and cash equivalents	Cash reserve			
Non-financial instruments				
Other receivables and accruals	n. a.	31,417.3		6,634.7
Total		**99,129.1**	**22,178.7**	**113,038.2**

1) Application of IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.
2) Less valuation allowances including receivables due from non-consolidated companies
3) Less valuation allowances
4) Information on this has been omitted owing to immateriality (and lack of a quoted price).

		Fair value				
Cash and cash equiva-lents	Total	Level 1	Level 2	Level 3	Total	2018: Valuation approach as per IFRS 9 2017: Valuation approach as per IAS 39
	107.8	107.8			107.8	Fair value through profit and loss (P&L)
	23,657.5		23,657.5		23,657.5	Fair value through profit and loss (P&L)
	5,238.1			5,238.1	5,238.1	Fair value through other comprehensive income (OCI)
	54,058.1					Amortised cost
	970.3					Amortised cost
	11,638.9					Amortised cost
	126,000.0					Amortised cost
	1,030.7					Amortised cost
	4,982.7					Amortised cost
21,949.6	21,949.6					Nominal value = fair value
	40,272.8					
21,949.6	**289,906.6**					
	107.6	107.6			107.6	Fair value not recognised in profit or loss
	22,178.7		22,178.7		22,178.7	Fair value not recognised in profit or loss
	59,227.6					Amortised cost
	882.4					Amortised cost
	6,293.6					Amortised cost
	106,000.0					Amortised cost
	834.0					Amortised cost
	632.6					Amortised cost
	137.5					Amortised cost
47,918.7	47,918.7					Nominal value = fair value
	38,052.0					
47,918.7	**282,264.7**					

Abbreviations measurement category:
FVPL – Fair Value through Profit and Loss
FVOCI – Fair Value through Other Comprehensive Income
AC – Amortised Cost
LaR – Loans and Receivables
AfS – Available-for-Sale

EQUITY & LIABILITIES		Carrying amounts			
		Non-current liabilities		Current liabilities	
Amounts in T€	Measure-ment category	Financial liabilities	Other liabilities	Financial liabilities	Trade payables
30 Juni 2018					
Financial liabilities recognised at fair value					
n.a.					
Financial liabilities not recognis-ed at fair value					
Trade payables	AC				41,847.8
Financial liabilities	AC	300,000.0		67,033.8	
Other liabilities	AC		10,339.3		
Non-financial instruments					
Other liabilities and accruals	n. a.		33,143.1		
Total		**300,000.0**	**43,482.3**	**67,033.8**	**41,847.8**
31. Dezember 2017					
Financial liabilities recognised at fair value					
n.a.					
Financial liabilities not recognis-ed at fair value					
Trade payables	FLAC				46,043.9
Financial liabilities	FLAC	356,147.6		46,962.7	
Other liabilities	FLAC		8,758.3		
Non-financial instruments					
Other liabilities and accruals	n. a.		30,856.7		
Total		**356,147.6**	**39,615.0**	46,962.7	**46,043.9**

		Fair value				
Other liabilities	Total	Level 1	Level 2	Level 3	Total	2018: Valuation approach as per IFRS 9 2017: Valuation approach as per IAS 39
	41,847.8					Amortised cost
	367,033.8		418,728.8		418,728.8	Amortised cost
82,396.5	92,735.8					Amortised cost
14,298.1	47,441.2					
96,694.6	549,058.5					
	46,043.9					Amortised cost
	403,110.4		458,710.3		458,710.3	Amortised cost
28,654.9	37,413.1					Amortised cost
10,922.8	41,779.6					
39,577.7	528,346.9					

Abbreviations measurement category:
AC - Amortised Cost
FLAC - Financial Liabilities Measured at Amortised Cost

Level 3 - Measurement of financial instruments

Amounts in T€	
Carrying amount as at 1.1.2018, adjusted	4,965.2
Additions	31.1
Derecognition	-71.3
Net gain on remeasurement (recognised in OCI)	313.1
Carrying amount as at 30.6.2018	**5,238.1**

Sensitivity Level 3

Amounts in T€	Carrying amount in event of	
	reduction of discount rate	rise in discount rate
Discount rate +/-0.25%	5,398.1	5,093.3

(10) Events after the end of the reporting period

Other events after the end of the interim reporting period that are of material importance to accounting on 30 June 2018, such as pending legal proceedings or claims for damages, other obligations and anticipated losses which must be recognised or disclosed in accordance with IAS 10, have been included in these interim financial statements or are not known.

Schwechat, 8 August 2018
The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

Statement of the members of the Management Board

in accordance with section 125(1) sentence 3 BörseG 2018

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilites, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Schwechat, 8 August 2018
The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

Imprint

Publisher
Flughafen Wien Aktiengesellschaft
P.O. Box 1
1300 Wien-Flughafen, Austria

Telephone: +43/1/7007-0
Telefax: +43/1/7007-23001

http://www.viennaairport.com

Data Registry Nr.: 008613
Corporate Register Nr.: FN 42984 m
Court of Registry:
Provincial Court Korneuburg

Investor Relations
Mag. Judit Helenyi
Telephone: +43/1/7007-23126
E-Mail: j.helenyi@viennaairport.com
Mario Santi
Telephone: +43/1/7007-22826
E-Mail: m.santi@viennaairport.com

Corporate Communications
Stephan Klasmann
Telephone: +43/1/7007-22300
E-Mail: s.klasmann@viennaairport.com

Press office
Peter Kleemann, MAS
Telephone: +43/1/7007-23000
E-Mail: p.kleemann@viennaairport.com

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

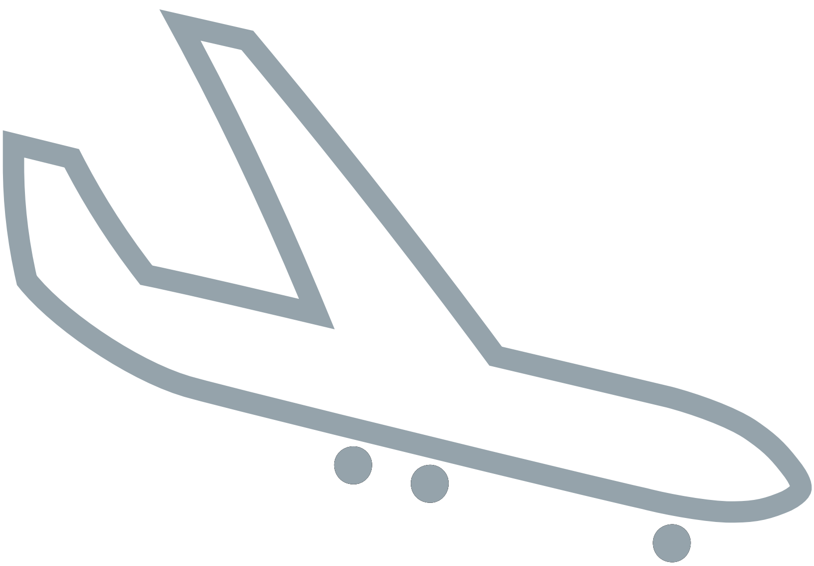
Flughafen Wien AG website:
http://www.viennaairport.com
Investor Relations:
http://www.viennaairport.com/en/company/investor_relations
Noise protection programme at Vienna International Airport:
http://www.laermschutzprogramm.at
The environment and aviation:
http://www.vie-umwelt.at
Facts & figures on the third runway:
http://www.viennaairport.com/unternehmen/flughafen_wien_ag/3_piste
Dialogue forum at Vienna International Airport:
http://www.dialogforum.at
Mediation process (archive):
http://www.viemediation.at

This Quarterly Report was prepared by VGN – Content Marketing / Corporate Publishing.

Vienna International Airport

on behalf of Flughafen Wien AG

Creative Director:
Gabriele Rosenzopf MSc
Layout, Table Layout
and Coordination: Rene Gatti



www.viennaairport.com