

# Flughafen Wien AG

## Q2/2011 Quarterly results



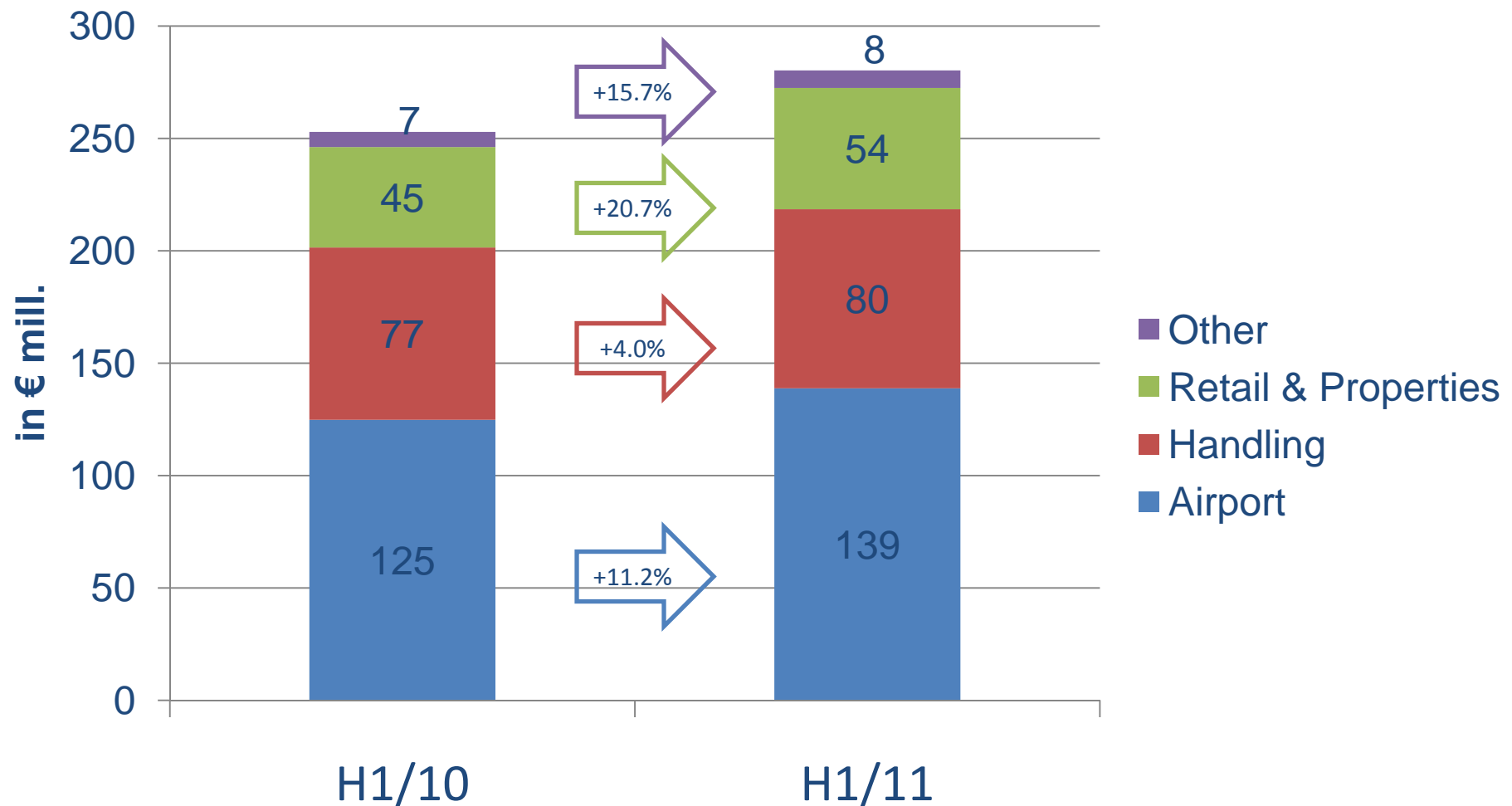
## H1 Highlights

- Strong growth in key financial metrics
- Positive traffic growth momentum continuing
- Full write-off of the investment in Friedrichshafen Airport impacts financial results by € 5.7 mill.
- Skylink progressing on-track, test phase to commence in Q4/11 as scheduled
- New leadership team announced in July: Julian Jäger and Günther Ofner appointed and to start in September

## At a glance – Financials H1/2011

in € mill.	H1/11	H1/10	Δ in %	Q2/11	Q2/10	Δ in %
Revenue	<b>280.3</b>	253.2	+10.7	148.8	130.1	+14.3
Other operating income	<b>8.3</b>	7.5	+11.1	4.6	3.2	+44.2
Expenses	<b>-190.2</b>	-175.0	+8.7	-99.1	-91.4	+8.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	<b>98.5</b>	85.7	+15.0	<b>54.3</b>	42.0	+29.3
Depreciation and amortisation	<b>-32.4</b>	-33.1	-1.9	-16.3	-16.7	-2.7
Earnings before interest and taxes (EBIT)	<b>66.0</b>	52.6	+25.5	<b>38.0</b>	25.3	+50.5
Financial results	<b>-7.9</b>	-2.8	+184.8	-5.5	-0.5	n.m.
Profit before taxes (EBT)	<b>58.2</b>	49.9	+16.7	<b>32.5</b>	24.8	+31.4
Taxes	<b>-14.9</b>	-11.8	+26.5	-9.0	-5.5	+62.8
Net profit for the period (after non-controlling interests)	<b>43.3</b>	38.1	+13.7	<b>23.5</b>	19.2	+22.4

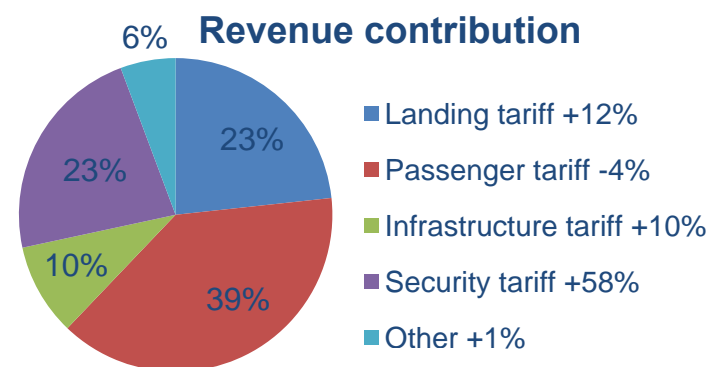
# Revenue contribution



## Segment – Airport

- Strong growth in traffic (also due to negative effects of the ash cloud in H1/2010)
- New security charge accounted for in H1/11
- Disproportionally high increase in incentives due to agreements with AUA & Niki which were not fully booked in H1/10, although effective for the entire year 2010

	H1/11	H1/10	Δ in %
External revenue (in € mill.)	<b>138.8</b>	124.8	+11.2
EBIT (in € mill.)	<b>42.6</b>	36.2	+17.5
EBIT margin (in %)	<b>27.5</b>	26.0	+5.5
EBITDA margin (in %)	<b>38.3</b>	38.1	+0.5
Number of employees	<b>410</b>	405	+1.4

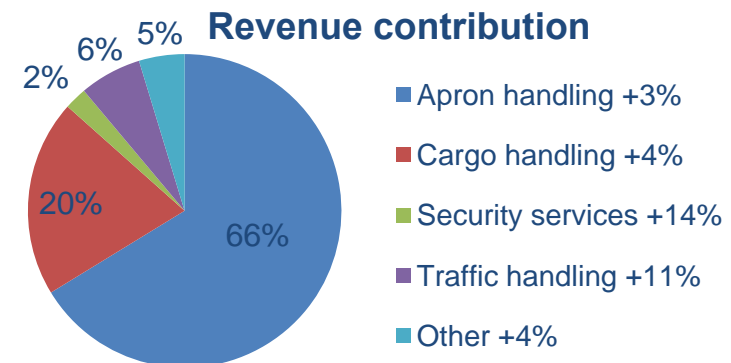


\* The security tariff was introduced based on the EU regulations and replaces the former revenues from security, passenger and baggage controls.

## Segment – Handling

- Market share broadly flat at 89%
- Increase in personnel expenses due to higher number of employees
- Overtime costs reduced

	H1/11	H1/10	Δ in %
External revenue (in € mill.)	<b>79.7</b>	76.6	+4.0
EBIT (in € mill.)	<b>3.2</b>	7.1	-55.7
EBIT margin (in %)	<b>3.0</b>	7.0	-58.0
EBITDA margin (in %)	<b>5.9</b>	10.4	-43.3
Number of employees	<b>3,255</b>	2,882	+12.9

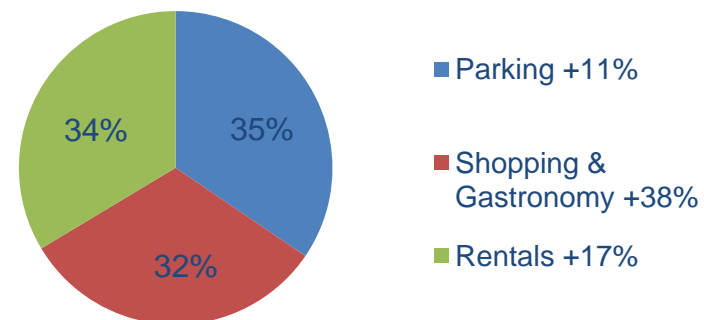


## Segment – Retail & Properties

- Increase in shopping and gastro revenue due to
  - Strong traffic growth
  - Renegotiated lease agreements
- Increased revenues from parking and rentals

	H1/11	H1/10	Δ in %
External revenue (in € mill.)	<b>53.9</b>	44.7	+20.7
EBIT (in € mill.)	<b>30.0</b>	22.5	+33.5
EBIT margin (in %)	<b>47.4</b>	43.4	+9.2
EBITDA margin (in %)	<b>58.8</b>	57.4	+2.5
Number of employees	<b>66</b>	75	-12.3

Revenue contribution



## Expenses

- Personnel (€ 123.4 mill.): + 9.8% above H1/10, mainly due to higher number of employees (+10.4%), however positive effect from reduction in overtime
- Consumables and services used (€ 19.7 mill.): fell below H1/10 mainly due to the reduction in the use of de-icing materials and a credit for fuel invoices
- Other operating expenses (€ 47.1 mill.): +11.3% primarily due to positive effect from the release of a provision (€ 2.1 mill.) in H1/10 as well as from a provision recorded for security charges in H1/11



## Financial results including participations

- Full write-off of investment in Friedrichshafen Airport, adversely effecting financial result (EBT) by € 5.7 mill.
- Main investments:
  - Malta € 1.3 mill.
  - Kosice € 0.2 mill.
  - Friedrichshafen (€ -0.3 mill for Q1/11, Q2/11 fully written off).
  - CAT € -0.1 mill.
- Interest expense € 1.9 mill. higher due to approx. € 100 mill. increase in financial liabilities
- Interest income amounted to € 1.9 mill.

in € mill.	H1/11	H1/10	Δ in %
Financial result	-7.9	-2.8	+184.8
At equity contribution	-4.6	0.9	n.m.
Net interest result	-5.0	-4.0	+25.9

## Financial position & gearing

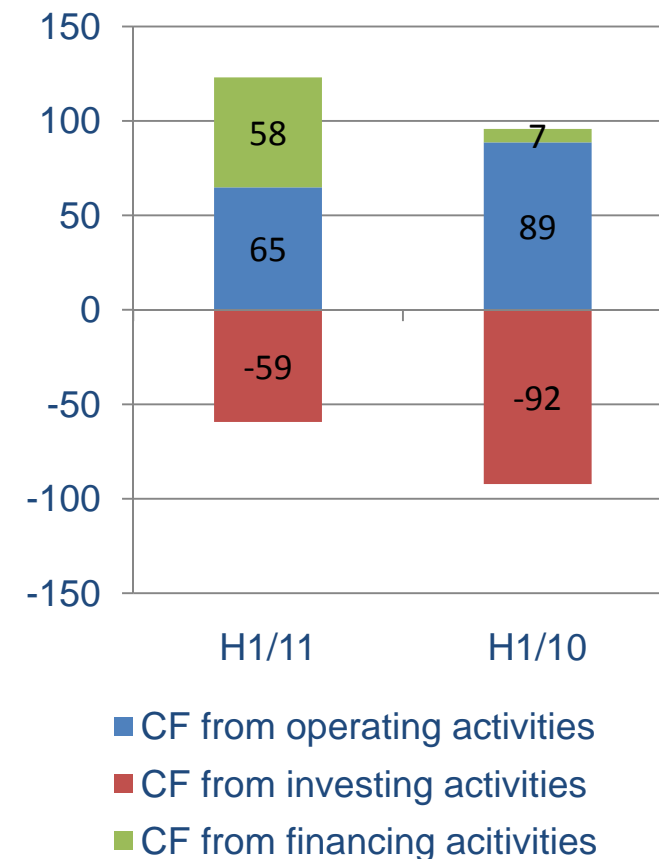
- Current securities reduced by € 34.5 mill. mainly due to the sale of an investment fund
- Increase in net debt, chiefly due to rise in financial liabilities
- Marginal decline in ROCE (approx. 0.5%)

	H1/11	H1/10	Δ in %
Net debt (in € mill.)	<b>737.3</b>	665.9	+10.7
Gearing (in %)	<b>90</b>	84	+6.6
ROCE (in %)	<b>3.1</b>	2.7	+17.6

## Cash flow & CAPEX

- Cash flow from operating activities: below H1/10 despite better EBT due to changes in working capital
- Cash flow from investing activities: below H1/10; investments at prior year level were contrasted by payments received for asset disposals
- Cash flow from financing activities: increased due to growth in long-term financial liabilities (+ € 100 mill.)
- Investments: at € 109.5 mill. significantly above H1/10 due to higher investments in Skylink project (interruption of the project until February 2010 and reduced spending levels at restart)

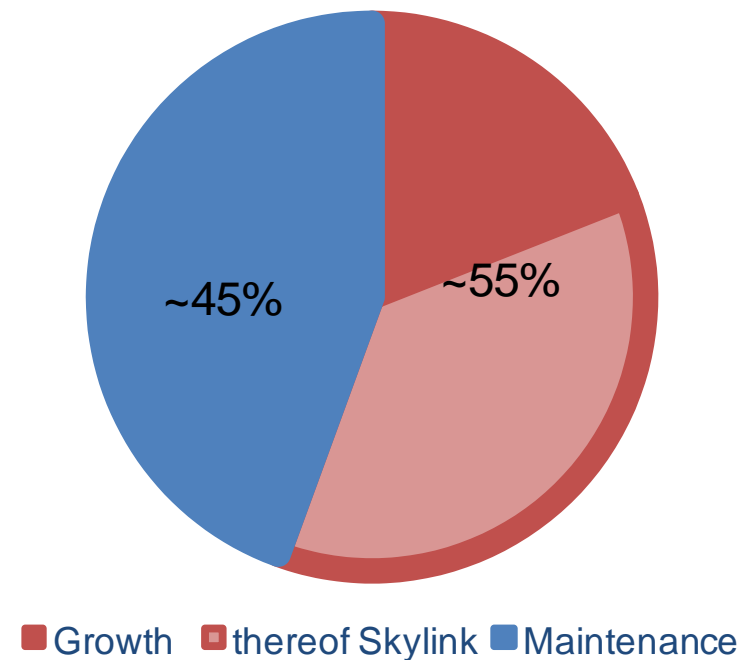
Cash flow (in € mill.)



## CAPEX 2011-2015

- CAPEX 2011-2015:  
approx. € 660 mill.
- Main projects:
  - Maintenance (ca. € 290 mill.)
  - Skylink (ca. € 240 mill.)
  - Shoulder improvement 16/34
  - Limousine garage
  - Adaptation Terminal 2
  - Cargo position enlargement
  - Technical noise protection

**CAPEX**  
**2011-2015**



## Traffic – At a glance

	H1/11	H1/10	Δ in %
Passenger traffic (in mill.)	9.7	8.9	+8.6
Transfer passengers (in mill.)	2.8	2.7	+4.6
Middle East (in mill.)*	0.2	0.2	+4.1
Eastern Europe (in mill.)*	0.9	0.8	+12.6
Flight movements (in thousand)	121	119	+1.4
MTOW (in 1,000 tonnes)	4,066	3,744	+8.6
Cargo incl. trucking (in tonnes)	142,516	148,353	-3.9

\* Number of departing passengers

## Traffic – At a glance

	Q1/11	Q1/10	Q2/11	Q2/10	vs. Q2/10 Δ in %
Passenger traffic (in mill.)	4.1	3.9	<b>5.6</b>	5.0	+11.0
Transfer passengers (in mill.)	1.2	1.2	<b>1.6</b>	1.5	+8.4
Middle East (in mill.)*	0.1	0.1	<b>0.1</b>	0.1	+2,2
Eastern Europe (in mill.)*	0.4	0.3	<b>0.5</b>	0.4	+17.5
Flight movements (in thousand)	57	57	<b>63</b>	62	+1.8
MTOW (in 1,000 tonnes)	1,915	1,701	<b>2,151</b>	2,043	+5.3
Cargo incl. trucking (in tonnes)	71,668	70,391	<b>70,848</b>	77,962	-9.1

\* Number of departing passengers

## Traffic – Airlines

	H1/11	H1/10	Δ in %
Passengers (in mill.)	9.7	8.9	+8.6
	Share in %	Share in %	Δ in %
AUA	49.0	51.4	-4.7
Lufthansa	5.3	5.0	+6.5
Germanwings	2.4	2.2	+12.2
Swiss	1.7	1.6	+1.7
Total LHGR *	58.3	60.2	-3.0
Niki	11.6	9.8	+18.7
Air Berlin	7.2	7.6	-5.9
Total Niki & Air Berlin	18.8	17.5	+7.9
Air France	1.6	1.6	-3.4
British Airways	1.5	1.5	+3.7
Emirates	1.3	1.2	+12.9
KLM	1.3	1.2	+5.0
Other	17.1	16.9	+1.4

\* Excluding Brussels Airlines, SunExpress, British Midland and Air Dolomiti

## Traffic – Growth in new airlines and destinations in H1/11\*

Positive development for VIE – focus remains on Eastern Europe and the Middle East

### New airlines

- Cirrus Airlines
- People's Viennaline
- Transavia
- TAP Portugal

### New destinations

- Valencia (Niki)
- Rotterdam (Transavia)
- Lissabon (TAP Portugal)
- Baghdad (AUA)

### Increased frequency

- Florence, Stockholm, Beijing, Amman, Erbil, Rostov (AUA)
- Jerez, Madrid (Niki)
- **Dubai** (Emirates)
- Malta (Air Malta)
- Frankfurt (LH)
- Madrid (Iberia Air Nostrum)
- **Moscow** (Aeroflot)
- **St. Petersburg** (Rossyia)



## Traffic – Forecast (flight movements revised)

2011:

- Passengers +5%
- Maximum take-off weight +3%
- Flight movements +1%

Long-term forecast 2011 – 2020\*:

4.2% average growth p.a.  
(24.6 mill. passengers in 2015 and  
30.6 mill. passengers in 2020, respectively)

\* Source: Intraplan 2009

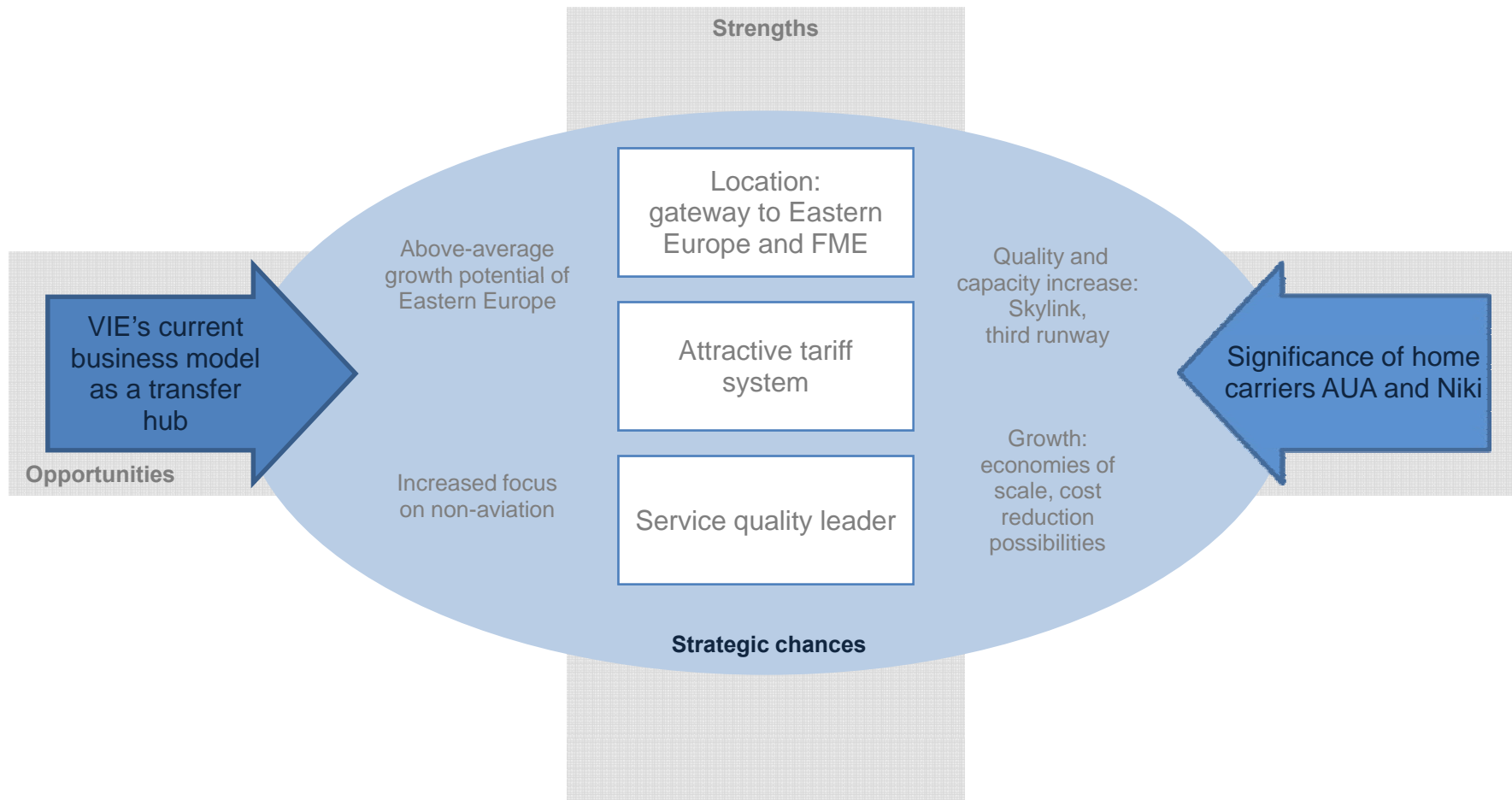
## Outlook 2011

- Cost reduction program ongoing
- Skylink:
  - Maximum costs at € 800 mill. (down from previously calculated € 830 mill.) will not be exceeded
  - Preparations for test period in progress
  - Test period to start in Q4/11
- Third runway:
  - Hearing starts on 29 August 2011
  - Official ruling in the first instance expected for the end of 2011 – beginning of 2012
- Implementation of EU directive on airport charges
- Traffic forecast in line with expectations

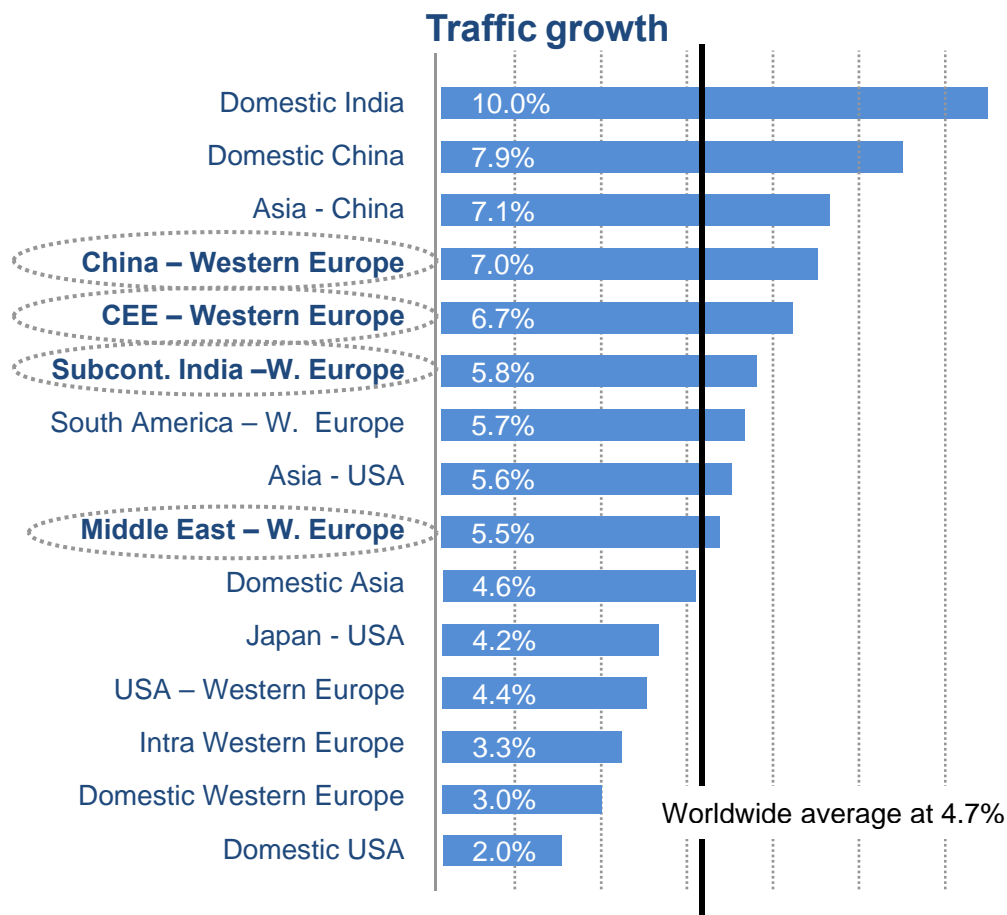
# Strategy: Key Aspects



# Strategic strengths and opportunities



## Key focus – Transfer hub to CEE and Far and Middle East



- Strategic strength of the transfer hub location offers development potential
- Catchment area (Eastern Europe) has above-average potential for increase in profitability

## Key focus – Enhance leading position of quality

VIE is a full-service provider that is closely integrated with its airline customers

- 
- Minimum connecting time: 25 – 30 minutes; a clear leading position ahead of Munich, Frankfurt and Zurich
  - Outstanding turnaround time (A320: ~40 minutes)
  - Punctual and efficient service 2010: delays of more than 15 minutes: 19.7% of all departures (2<sup>nd</sup> best behind Copenhagen, ahead of Munich, Zurich and Frankfurt)
  - Short distances and comfortable transfers for passengers
- High market share
  - Growth potential
- Economies of scale
  - Cost reduction potential
  - Possible service diversification

## Key focus – Skylink

- Maximum costs at € 800 mill. will not be exceeded
- Start of operations at end of first half 2012
- Next steps:
  - Preparations for test period in progress
  - Test period starting in Q4/11
- Actual capacity above 30 mill. PAX

## Key focus – Skylink

### Infrastructure:

- Shopping areas: 5,900 m<sup>2</sup>
- Gastronomy areas: 3,700 m<sup>2</sup>
- Check-in-counters: 64
- Baggage carousels: 10
- Pier positions: 17

### Dimensions:

- Gross floor space:
  - Terminal: 76,000 m<sup>2</sup>
  - Pier: 71,000 m<sup>2</sup>
- Length of pier : 450 m
- Length of terminal: 270 m

	Available space 2010*	Decrease in space with opening SKYLINK	Additional space SKYLINK	Total space with opening SKYLINK
Shops / Gastonomy	11,500 m <sup>2</sup>	-1,500 m <sup>2</sup>	9,600 m <sup>2</sup>	19,600 m <sup>2</sup>
Number of shops and gastronomy	79 shops / 26 gastro	-5 shops / -7 gastro	32 shops / 18 gastro	106 shops/ 37 gastro

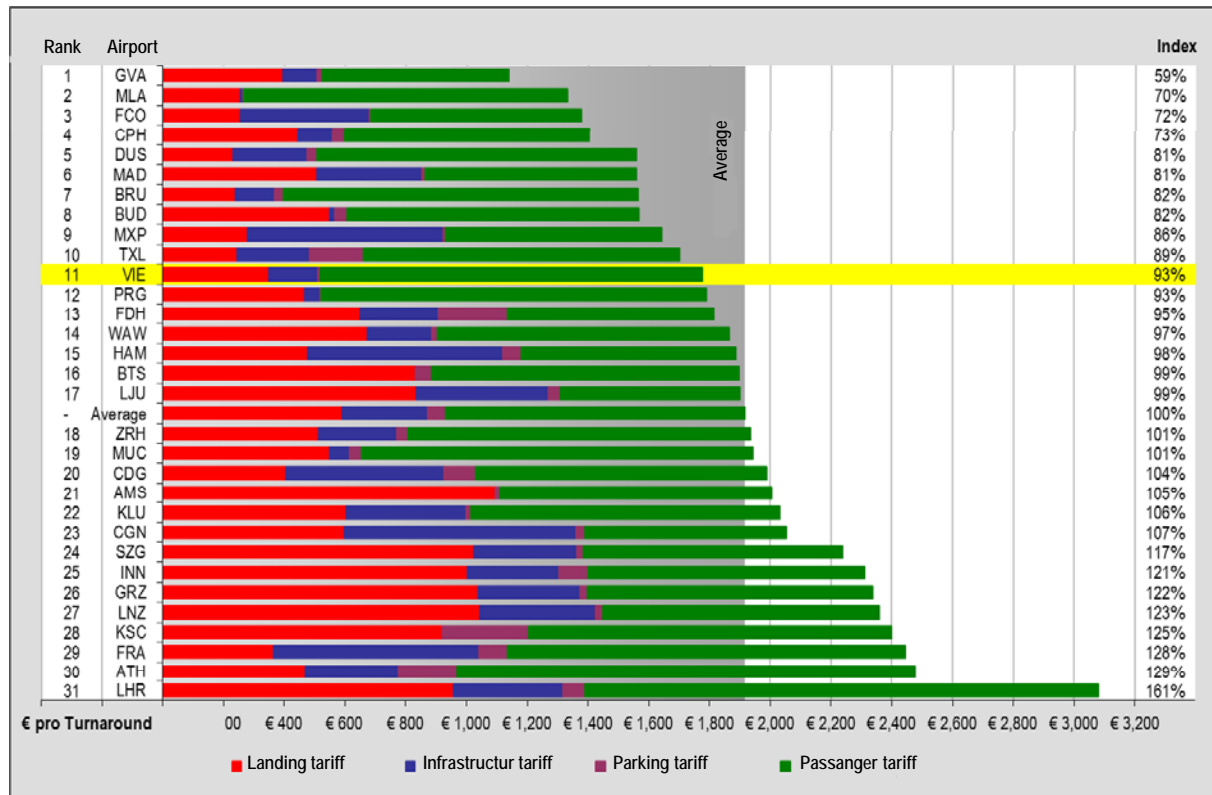
\*Planning assumptions for Skylink



## Key focus – Further capacity: third runway

- Status:
  - March 2007: initial filing for the environmental impact assessment proceedings
  - Citizens initiatives recognised as parties to these proceedings
  - February 2009: Statement by Flughafen Wien AG
  - Hearing starts on 29 August 2011
- Expected schedule:
  - Official ruling in the first instance expected for the end of 2011 – beginning of 2012

# Key focus – Attractive tariffs



- Competitive tariffs and attractive incentives – better than the European average and the peer group (Frankfurt, Munich, Zurich)
- Economical tariffs enhance ties with home carriers – and also support the hub’s core regional orientation (Eastern Europe, FME)

Source: VIE; August 2011; All airlines, all fees, excluding security, including incentives

## Key focus – Non aviation

- Significant development in the recent years with further growth potential (from pre-crisis year 2007 to 2010 +13%)
- Potential for further profitability of gastro & shops due to traffic growth and economic recovery and opening of Skylink
- Attractive position in the catchment area
- Development and execution of further projects (such as shopping centres, hotels)
- Increased focus on real estate & infrastructure management

# Flughafen Wien AG

## Q2/2011 Quarterly results

