

## **Flughafen Wien Group Continues on Success Path in the First Quarter of 2016**

**Upward revaluation of stake in Malta Airport and good business development lead to strong increase in the net profit for the period to €66.6 million (+373,9% from €14.1 million in Q1/2015), clean rise of +5.0% year on year**

- **Q1 PASSENGER GROWTH in Vienna + 2.3%, supported by leap day and earlier Easter, double-digit passenger increase in Malta (+15.5%) and Kosice (+30.6%)**
- **REVENUE up 1.4% to €142.7 million, EBITDA rise to €108.6 million (+3.0% or €56.8 million clean, i.e. adjusted for the upward revaluation of stake in Malta Airport), EBIT of €76.3 million (clean: +6.3% or €24.5 million)**
- **NET DEBT further reduced to €432.4 million (down €33.6 million from the end of 2015)**
- **Strong increase of free cash flow to €95.8 million (up 606.7% from €13.6 million in Q1/2015; clean, i.e. adjusted for consolidation effect of increased stake in Malta Airport: €49.9 million)**
- **GUIDANCE confirmed for 2016: increase in revenue to €740 million and net profit for the period after non-controlling interests, clean, i.e. adjusted for Malta revaluation, to €115 million, decline in net debt below €400 million – traffic guidance for 2016 also confirmed**

“The Flughafen Wien Group continued on its success path in the first quarter of 2016 thanks to a good business development, and supported by the required upward valuation of our stake in Malta Airport as a consequence of our increased shareholding. However, the serious crises unfortunately leave their mark on flight traffic, and enormously complicate the market environment for airlines and airports. Even if uncertainty is understandable in the light of terrorist attacks, flight traffic remains the safest means of transport, and people should not let their well-deserved vacation plans be spoiled by exaggerated fears”, explains Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“The first three months of 2016 resulted in a higher passenger volume for Vienna Airport, supported by the leap day and the earlier Easter holidays. Numerous new flight offerings have already been confirmed for this year. The strong growth of the low cost segment at the Vienna hub is particularly noteworthy. Developments in recent months, such as the crisis situation in Russia, the events in Paris and Brussels and the related restrained booking behavior for several destinations such as Turkey, Greece, Egypt and Belgium impact the aviation sector in general and thus also affect Vienna Airport. Nevertheless, from today’s perspective we are optimistic to be able to fulfill our traffic forecasts for 2016”, says Julian Jäger, Member of the Management Board of Flughafen Wien AG.

### **Vienna Airport: Passenger growth in Q1/2016 despite a difficult market environment**

Vienna Airport registered passenger growth of 2.3% from the previous year to 4,399,376 passengers in the period January to March 2016. The main driving forces were the strong growth of easyJet and Eurowings, which considerably expanded their presence at Vienna Airport. The number of local passengers rose by 4.3% in the first quarter of 2016, whereas the number of transfer passengers fell by 3.3%. Total passenger volume to Western Europe

was up 3.9%, compared to the 6.7% decline in passenger traffic to Eastern Europe related to the crisis situation in Russia. The expanded flight offering and higher seat load factor led to a 1.1% rise in the number of passengers flying to Middle East destinations in the first quarter of 2016. The number of passengers flying to North America climbed sharply by 17.2%, which can be attributed to the resumption of flight service to Miami by Austrian Airlines. Passenger volume to the Far East fell by 1.6% due to capacity reductions, and passenger traffic to Africa was down 15.9% due to the politically instable situation in North Africa.

The number of flight movements decreased year-on-year during the first three months of 2016 by 1.7% to 48,830 starts and landings. The average seat occupancy (seat load factor) fell from 67.7% to 66.8% in the first three months of the year. In contrast, cargo volume (air cargo and trucking) was up by 2.0% to 64,548 tonnes.

### **Good traffic results and business development at Malta and Kosice Airports**

The foreign strategic investments of the Flughafen Wien Group in Malta and Kosice Airports continued to develop well. Malta Airport reported strong growth of 15.5% to more than 800,000 passengers in the first three months of 2016. During the same period, Kosice Airport handled a total of 70,937 passengers, comprising a 30.6% rise in passenger volume.

### **Substantial improvement of financial performance indicators in Q1/2016**

Driven by passenger growth and higher handling income, revenue of the Flughafen Wien Group rose by 1.4% to € 142.7 million. The increased stake acquired by Flughafen Wien in Malta Airport and the closing of the transaction on March 30, 2016 led to a revaluation of the existing interest. As a result, Malta Airport is fully consolidated in the consolidated financial statements of the Flughafen Wien Group as of the end of the first quarter of 2016. As a result, EBITDA improved to € 108.6 million (+97.0%), and EBIT climbed to € 76.3 million (+231.2%). The net profit for the period rose by € 52.5 million or 373.9% to € 66.6 million. Adjusted for this one-off effects totaling € 51.8 million, clean EBITDA amounted to € 56.8 million (+3.0% vs. the adjusted Q1/2015 of € 55.1 million), and clean EBIT amounted to € 24.5 million (+6.3% vs. the adjusted Q1/2015 of € 23.1 million). The clean net profit for the period in the first quarter of 2016 was € 14.8 million (+5.0% vs. Q1/2015 of € 14.1 million). Net debt was reduced once again to € 432.4 million.

### **Strong increase in the free cash flow**

The free cash flow climbed strongly to € 95.8 million. (up 606.7% from € 13.6 million in Q1/2015). Adjusted for the effect from the Malta consolidation, the clean free cash flow was € 49.9 million (assumed cash and cash equivalents related to full consolidation) due to the payment from a finance lease agreement.

### **Financial and traffic guidance confirmed for 2016**

The financial and traffic guidance were confirmed for 2016. In terms of its traffic forecasts, Flughafen Wien AG continues to expect passenger growth of between 0% and 2% in 2016, as well as a flat development of flight movements of between -1% and 0% for the Vienna flight hub.

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

Due to the good traffic development, revenue of the Airport Segment rose by 4.3% in the first quarter of 2016 to € 74.0 million. Segment EBIT in Q1/2016 therefore improved to € 4.3 million (Q1/2015: € 1.7 million). The Handling Segment reported a 1.7% rise in revenue to € 35.8 million, generating EBIT of € 0.1 million (Q1/2015: € 1.7 million). This includes the security services provided by VIAS and the handling services of Vienna Aircraft Handling (VAH). The Retail & Properties Segment showed a revenue decline of 7.7% to € 28.5 million in the first quarter of 2016, which can be attributed to lower rental income as a consequence of a special effect (finance lease agreement), a positive one-off effect in the previous year and the restrained development of parking and retail revenue. EBIT of the Retail & Properties Segment amounted to € 15.5 million (Q1/2015: € 16.6 million). Revenue of the Other Segments rose by 19.0% to € 4.5 million, with segment EBIT up to € 56.4 million as the result of the revaluation of the stake held in Malta Airport. Moreover, with the closing of the

transaction on March 30, 2016, the strategic investment in Malta Airport is now in the group of companies which are fully consolidated in the consolidated financial statements of the Flughafen Wien Group. For this reason, earnings starting in the second quarter of 2016 will be presented as the Malta Segment.

### **Investments**

Of the total investments (excluding business acquisitions) amounting to € 11.8 million in the first quarter of 2016, € 1.9 million related to investments in connection with 3<sup>rd</sup> Runway, € 1.4 million was for the Runway System 11/29, and € 0.8 million in investments were made in connection with the new master computer for the baggage handling system. Total investments in the year 2016 are expected to be about € 95 million (excluding the special items relating to Malta Airport).

With respect to the acquisition of Group companies, in connection with Malta Airport, the following figures were included in the consolidated balance sheet on a preliminary basis: € 61.3 million for goodwill, € 0.9 million for intangible assets and € 363.8 million for property, plant and equipment and investment property.

### **Traffic development in April 2016: Flughafen Wien Group handled 2.3 million passengers in April 2016, a slight decline of 1.5%, but a 2.5% rise in the period January to April 2016**

Vienna Airport, including its foreign strategic investments in Malta Airport and Kosice Airport, handled 2.3 million passengers in April 2016, comprising a slight drop of 1.5% from April 2015. However, accumulated passenger volume in the period January to April 2016 rose by 2.5% to 7.6 million passengers.

### **Vienna Airport in April 2016: Passenger decrease of 3.4%, strong growth in Malta (+5.7%) and Kosice (+33.5%), gratifying increase in cargo volume (+8.9%)**

The number of passengers handled by Vienna Airport in April 2016 fell by 3.4% from the previous year to 1,850,605 passengers. The main reasons were the Easter flight traffic, in March this year compared to April of 2015, capacity reductions on the part of the airlines, the consequences of the terrorist attacks in Brussels, the crisis situations in Russia and the Middle East, along with a general restraint in bookings and capacity reductions to vacation destinations such as Turkey, Egypt, Tunisia and Greece. For this reason, the number of transfer passengers and local passengers fell by 7.8% and 1.7% respectively in April 2016. The number of flight movements dropped by 1.8% in April 2016 from the prior-year figure. In contrast, cargo volume rose strongly by 8.9% in April 2016 in a year-on-year comparison. Malta Airport (+5.7%) and Kosice Airport (+33.5%) both generated strong growth in passenger volume.

At Vienna Airport the passenger volume to Western Europe remained stable in April 2016 at -0.2%. Eastern Europe showed a drop of 4.4% in contrast to the 1.3% rise to Far Eastern destinations. The crisis-related decrease to the Middle East amounted to 6.4%. The number of passengers flying to North America was down 9.4% in April 2016, and passenger traffic to Africa fell by 35.1%.

### **Presentation of traffic results**

Since Flughafen Wien AG increased its shareholding in Malta Airport at the end of March 2016, the strategic investment is fully consolidated in the interim consolidated financial statements of the Flughafen Wien Group beginning at the end of the first quarter of 2016 (first-time consolidation of net assets at the end of March 2016 in the quarterly financial statements Q1/2016, and consolidation of the income statement as of April 2016). For this reason, starting with publication in April 2016, traffic results will include the entire results for Vienna Airport and its foreign strategic investments. The traffic results of Vienna Airport correspond to the comparable values of the monthly announcement of traffic results up to and including March 2016.

**Results in detail: Traffic development in April 2016:**

	<b>April 2016</b>	<b>Change in %</b>	<b>January-April 2016</b>	<b>Change in %</b>
<b>Vienna Airport (VIE)</b>				
Passengers	1,850,605	-3.4	6,249,981	+0.5
Local passengers	1,359,242	-1.7	4,672,100	+2.5
Transfer passengers	484,548	-7.8	1,545,692	-4.8
Flight movements (arrivals and departures)	18,959	-1.8	67,789	-1.7
Cargo in tonnes (air cargo and trucking)	25,080	+8.9	89,628	+3.8
<b>Malta Airport (MLA, fully consolidated)</b>				
Passengers	415,409	+5.7	1,216,116	+12.0
Local passengers	415,223	+5.7	1,215,165	+12.0
Transfer passengers	186	-48.2	951	-31.5
Flight movements (arrivals and departures)	3,093	+1.3	9,128	+5.6
Cargo in tonnes (air cargo and trucking)	1,179	-0.3	4,488	+2.1
<b>Kosice Airport (KSC, consolidated at equity)</b>				
Passengers	27,390	+33.5	98,327	+31.4
Local passengers	27,390	+33.5	98,327	+31.4
Transfer passengers	-	-	-	-
Flight movements (arrivals and departures)	705	+23.5	2,373	+26.6
Cargo in tonnes (air cargo and trucking)	11.3	-64.4	21.2	-60.3
<b>Vienna Airport and strategic investments (VIE, MLA, KSC)</b>				
Passengers	2,293,404	-1.5	7,564,424	+2.5
Local passengers	1,801,855	+0.4	5,985,592	+4.7
Transfer passengers	484,734	-7.8	1,546,643	-4.8
Flight movements (arrivals and departures)	22,757	-0.8	79,290	-0.3
Cargo in tonnes (air cargo and trucking)	26,270	+8.4	94,137	+3.7

## Consolidated Interim Financial Statements as of 31 March 2016

in € million	Q1/2016	Q1/2015*	Change in %
<b>Revenue</b>	<b>142.7</b>	<b>140.7</b>	<b>1.4</b>
Other operating income	3.6	3.6	1.8
<b>Other operating income</b>	<b>146.4</b>	<b>144.3</b>	<b>1.4</b>
Consumables and services used	-8.6	-9.6	-10.4
Personnel expenses	-64.8	-62.2	4.2
Other operating expenses	-17.6	-18.5	-5.1
Results from companies recorded at equity	1.4	1.2	20.1
Revaluation of companies recorded at equity due to company acquisitions	51.8	0.0	n.a.
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>108.6</b>	<b>55.1</b>	<b>97.0</b>
Scheduled depreciation and amortisation	-32.3	-32.1	0.6
<b>Earnings before interest and taxes (EBIT)</b>	<b>76.3</b>	<b>23.1</b>	<b>231.2</b>
Interest income	0.1	1.0	-94.0
Interest expense	-5.3	-5.7	-8.3
<b>Financial result</b>	<b>-5.2</b>	<b>-4.8</b>	<b>9.5</b>
<b>Earnings before taxes (EBT)</b>	<b>71.1</b>	<b>18.3</b>	<b>288.8</b>
Income taxes	-4.6	-4.2	7.3
<b>Net profit for the period</b>	<b>66.6</b>	<b>14.0</b>	<b>373.9</b>
<b>Thereof attributable to:</b>			
<b>Equity holders of the parent</b>	<b>66.6</b>	<b>14.1</b>	<b>373.9</b>
Non-controlling interests	-0.0	-0.0	n.a.
Earnings per share (in €, basic = diluted)	3.17	0.67	373.9

\* adjusted for at-equity results

### Balance Sheet Indicators

in € million	31.3.2016	31.12.2015	Change in %
<b>ASSETS:</b>			
Non-current assets	2,093.6	1,748.6	19.7
Current assets	165.6	161.1	2.8
<b>LIABILITIES:</b>			
Equity	1,211.2	1,020.0	18.7
Non-current liabilities	717.0	579.1	23.8
Current liabilities	330.9	310.6	6.6
<b>Total equity and liabilities</b>	<b>2,259.2</b>	<b>1,909.7</b>	<b>18.3</b>
Net debt	432.4	466.0	-7.2
Gearing (in%)	35.7	45.7	n.a.

## Cash Flow Statement

in €million	Q1/2016	Q1/2015	Change in %
Net cash flow from			
operating activities	58.7	42.3	38.6
investing activities	37.1	-28.8	n.a.
financing activities	-33.8	-13.6	148.7
Free cash flow	95.8	13.6	606.7
CAPEX*	11.8	17.0	-30.9

\* Excluding financial assets and business acquisitions

The report by Flughafen Wien AG of the first three months of 2016, from January 1 to March 31 2016 is available to the general public at the company's offices at 1300 Flughafen Wien and at Bank Austria, 1010 Vienna, Schottengasse 6-8. It is also available on the Internet at [http://viennaairport.com/en/company/investor\\_relations/publications\\_and\\_reports/quarterly\\_reports](http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports)

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The Management Board of Flughafen Wien AG

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