

Flughafen Wien AG in H1/2014: Ongoing positive development of the company despite challenging business environment – higher net profit, EBITDA and EBIT

- **2.9% increase in passenger traffic in the first half of 2014 and 2.3% rise in July**
- **Gratifying earnings growth: net profit for the period of €44.0 million (+7.6%) in spite of stagnating revenue**
- **Substantial improvement of EBITDA to €126.5 million (+5.0%) and EBIT to €63.1 million (+6.2%)**
- **Revenue remains stagnant at €304.7 million (-0.1%) as a result of lower revenue from de-icing services in Q1 2014**
- **Further reduction of net debt to €585.1 million**
- **Positive outlook for 2014 confirmed: passenger increase expected to be at the upper end of the predicted 1-3% range, revenue up to more than €630 million, net profit anticipated to exceed €75 million**

The positive business development of the Flughafen Wien Group continued in the first half of 2014. EBITDA climbed 5.0% to € 126.5 million (H1/2013: € 120.4 million), EBIT rose 6.2% to € 63.1 million (H1/2013: € 59.4 million) and the net profit for the first half-year increased by 7.6% to € 44.0 million (H1/2013: € 40.9 million).

After an extremely mild winter in the first quarter of 2014 and the related decline in revenue from aircraft de-icing services, revenue of Flughafen Wien AG picked up again in the following months to reach € 304.7 million in the first half of 2014 and thus at virtually the same level (-0.1%) as in the previous year. In spite of stagnating revenue, earnings significantly improved as a consequence of cost reductions and enhanced productivity.

Net debt was once again substantially reduced in the second quarter of 2014 to € 585.1 million as at June 30, 2014. Accordingly, net debt at present is already at about 2.5 times EBITDA, and will be lowered even further by the end of the year. This important objective originally targeted for 2016 has already been reached.

The Flughafen Wien Group remains optimistic with respect to prospects for the entire year 2014. Passenger traffic is expected to rise between 1% and 3%, with the increase likely to be at the upper end of the predicted range from today's perspective. The number of flight movements will remain largely stable between -1% and +1%. Total revenue in 2014 should climb to over € 630 million, whereas EBITDA is anticipated to clearly surpass € 240 million and the Group net profit will be above € 75 million.

“The positive corporate development could be continued in spite of the negative crisis-related effects on global travel”, says Günther Ofner, Chief Financial Officer of Flughafen Wien AG. “Although revenue stagnated, the company generated an improvement in EBITDA, EBIT and net profit. Net debt has further decreased. As a consequence, Flughafen Wien AG is once again on a sounder economic footing, which is also reflected in the share price showing a 127% rise in value since the beginning of 2012. We are confident that we will be able to achieve our designated targets for the entire year 2014”, CFO Ofner adds.

“In spite of international political crises, passenger traffic developed very well in the first half of 2014, rising by 2.9%. This was mainly driven by new flight connections, destinations and frequency increases on flights from Vienna. At the same time, we are successfully implementing our service strategy. Numerous new shops such as Victoria’s Secret and Philipp Plein were opened at the airport, the Heinemann Duty Free Shop was enlarged and an operating agreement for future new restaurants at Pier West was concluded with DO & CO. Modernisation work in this terminal area is in full swing and should be completed by the end of the year”, explains Julian Jäger, Member of the Management Board of Flughafen Wien AG.

2.9% rise in passenger traffic in H1/2014

Following restrained passenger traffic in the first quarter of 2014, a strong increase in passenger volumes was recorded in the following months. On balance, passenger traffic was up 2.9% to 10,543,235 in the first six months of 2014. The number of local passengers increased by 4.5% in this period, whereas the number of transfer passengers declined slightly by 1.1%, which can be primarily attributed to a 2.7% drop in passenger traffic to Eastern Europe caused mainly by the Ukraine crisis. In contrast, there was a rise in the number of passengers travelling to Western Europe and North America by 3.9% and 25.2% respectively. Passenger traffic to the Middle East was up 5.2% in H1/2014, while the number of passengers flying to destinations in the Far East rose by 10.4%.

Against the backdrop of this considerable growth in passenger traffic, the number of flight movements fell marginally by 0.3% to 112,461 starts and landings in H1/2014. However, the total maximum take-off weight was up 2.6% to 3,910,328 tonnes, and capacity utilisation of the aircraft improved as reflected in an increased seat load factor of 73.1%. Cargo volume (air cargo and trucking) also rose by 6.4% to 130,795 tonnes.

Revenue development of the segments

In the first six months of 2014, external revenue of the Airport Segment climbed by 4.5% year-on-year to € 163.5 million. The Handling Segment reported an 8.9% drop in external revenue to € 72.2 million due to the mild winter and the resulting decline in income from aircraft de-icing services. The Retail & Properties Segment generated a 1.1% revenue rise to € 61.3 million. External revenue of the Segment Other Segments fell by 9.9% to € 7.7 million.

Capital expenditure

The total investments of € 31.0 million in the first half of 2014 included € 8.3 million for construction of a new maintenance hangar, € 3.4 million for technical noise protection and € 2.0 million for modernisation work at Pier West. Capital expenditure is expected to amount to € 110 million in the entire 2014 financial year.

Traffic development in July 2014: passenger increase of 2.3%

In July 2014 the number of passengers handled by Vienna Airport was up 2.3% in a year-on-year comparison to 2,214,208 people. Total flight movements climbed by 1.1%, whereas growth was also recorded for the maximum take-off weight (+5.4%) and cargo volume (+10.3%).

The number of transfer passengers at Vienna Airport fell by 5.4% from the prior-year level. One major factor underlying this development was the passenger decline to Eastern European destinations as a consequence of the crisis situation in the Ukraine. The number of local passengers rose by 5.6% in the same period, which largely compensated for the crisis-related drop in transfer passenger traffic.

The number of passengers departing for Western Europe in July 2014 was up 1.9%, in contrast to the 4.9% decrease in passengers travelling to Eastern Europe. The Middle East reported a 2.0% drop in July 2014, whereas passenger traffic to the Far East was up 26.5%. Passenger volumes to North America rose sharply, climbing by 30.2% compared to July 2013. This development is mainly due to the launch of flight service to Newark, USA by Austrian Airlines and the increase in the frequency of its flights to Chicago.

Results in detail

	July 2014	Change in %	January to July 2014	Change in %
Passengers	2,214,208	+2.3	12,757,598	+2.8
Local passengers	1,525,708	+5.6	8,999,618	+4.7
Transfer passengers	679,916	-5.4	3,728,530	-1.9
Maximum take-off weight (in tonnes)	758,902	+5.4	4,669,209	+3.1
Flight movements (arrival + departure)	21,367	+1.1	133,826	-0.1
Cargo in tonnes (air cargo and trucking):	22,540	+10.3	153,335	+7.0

(Details on the consolidated interim financial statements as of June 30, 2014 are presented on the next page.)

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Key Indicators of the Consolidated Interim Financial Statement Indicators as of June 30, 2014

Income statement in €million	H1/2014	H1/2013	Change in %
Revenue	304.7	304.8	-0.1
Other operating income	7.5	13.9	-46.1
Operating income	312.2	318.7	-2.1
Consumables and services used	-19.7	-26.3	-25.0
Personnel expenses	-123.3	-125.5	-1.8
Other operating expenses	-42.7	-46.5	-8.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	126.5	120.4	5.0
Depreciation and amortisation	-63.3	-61.0	3.8
Earnings before interest and taxes (EBIT)	63.1	59.4	6.2
Income from investments excl. companies at equity	0.1	2.3	-97.0
Interest income	0.7	1.1	-31.5
Interest expense	-12.2	-13.2	-8.0
Financial results excl. companies at equity	-11.4	-9.8	15.8
Result from companies accounted for using the equity method	5.3	2.1	149.8
Financial results	-6.1	-7.7	-20.7
Earnings before taxes (EBT)	57.0	51.7	10.3
Income taxes	-13.0	-10.8	20.2
Net profit for the period	44.0	40.9	7.6
Thereof attributable to:			
Equity holders of the parent	44.0	40.9	7.6
Non-controlling interests	0.0	0.0	-27.9
Earnings per share (in €, basic = diluted)	2.10	1.95	7.6

Balance sheet indicators in €million	June 30, 2014	Dec. 31, 2013	Change in %
ASSETS			
Non-current assets	1,825.9	1,857.6	-1.7
Current assets	90.5	96.3	-6.0
EQUITY AND LIABILITIES			
Equity	924.6	905.9	2.1
Non-current liabilities	704.0	748.2	-5.9
Current liabilities	287.9	299.8	-4.0
Balance sheet total	1,916.4	1,953.9	-1.9
Net debt	585.1	633.4	-7.6
Gearing (in %)	63.3	69.9	n.a.

Cash flow statement in € million	H1/2014	H1/2013	Change in %
Cash flow from operating activities	104.3	93.1	12.0
Cash flow from investing activities	-30.3	-24.8	22.1
Cash flow from financing activities	-74.8	-101.3	-26.1
Free cash flow	74.0	68.3	8.4
CAPEX	31.0	36.9	-16.1

The report by Flughafen Wien AG on the first half-year 2014, from January 1 to June 30, 2014, 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.