

## **Good Business Results of the Flughafen Wien Group: Further Improvement of Revenue and Earnings Despite High Extraordinary Depreciation of € 30.4 Million Due to Negative Runway Ruling**

- **DIVIDEND** rise of 25%
- **REVENUE** up to € 741.6 million (+3.0%), **EBITDA** increase to record level of € 329.8 million (+5.5%)
- **NET PROFIT FOR THE PERIOD<sup>1</sup>** climbed to € 112.6 million (+0.7%) in spite of the high extraordinary depreciation (€ 30.4 million) related to Federal Administrative Court ruling on the 3<sup>rd</sup> Runway
- **NET DEBT** further reduced to € 355.5 million (down € 132.4 million from the end of 2015)
- **Substantial increase in the free cash flow of 35% to € 141.0 million (2015: € 104.4 million)**
- **Positive outlook confirmed for 2017: rise in revenue to over € 740 million, EBITDA of € 315 million and net profit for the period before non-controlling interests of at least € 120 million**

“2016 was a very successful financial year marked by increases in revenue and earnings. In spite of the adverse decision handed down by the Federal Administrative Court on the 3<sup>rd</sup> Runway project and the related extraordinary depreciation of € 30.4 million, we were able to achieve our financial targets for 2016. We expect a further improvement of our financial performance indicators in 2017, and the aviation sector will continue to grow in the long run. This makes it all the more important for Vienna Airport to have favourable growth perspectives. We will continue to pursue the 3<sup>rd</sup> Runway project, exploiting all the legal possibilities at our disposal”, says Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“The past year was very successful for Vienna Airport, characterised by three passenger records and a total of 23.4 million travellers. The Flughafen Wien Group showed 3.8% growth in passenger volume to 28.9 million passengers. We are also optimistic for 2017, anticipating a rise of up to 2% in the number of passengers handled by Vienna Airport and up to 3% for the entire Flughafen Wien Group. Flight traffic will increase on a long-term basis. ACI, IATA and the major aircraft manufacturers expect annual passenger growth of up to 4% until the year 2040. Whether Austria as a business and tourism location is able to take advantage of this trend will largely depend on whether Vienna Airport is allowed to grow in the long term”, explains Julian Jäger, Member of the Management Board of Flughafen Wien AG.

### **Dividend up by 25% to € 0.625 per share**

Based on the good business development in 2016, an increased dividend (€ 0.625 per share) will be proposed to the Annual General Meeting scheduled for May 31, 2017, compared to the dividend of € 0.50 per share distributed for the 2015 financial year. All Flughafen Wien AG employees will benefit from the higher dividend, which is also the result of their successful work, via the employee foundation, which holds 10% of the shares. The dividend yield for the 2016 financial years in relation to the share price as of December 31,

2016 equals 2.7%, and the pay-out ratio as a percentage of the net profit for the period is 51.2%.

#### **Note on the presentation of the consolidated financial statements**

In accordance with a ruling handed down by the Financial Market Authority (FMA) with respect to the consolidation of Malta Airport, the consolidated financial statements of Flughafen Wien AG for the 2015 and 2016 financial years are adjusted as if this consolidation had already been recognised in the year 2006.

#### **Improvements in financial performance indicators despite one-off effect**

Revenue of the Flughafen Wien Group rose by 3.0% to € 741.6 million, and EBITDA improved by 5.5% to € 329.8 million. Impairment losses of € 30.4 million were recognised in the 2016 consolidated financial statements for the capitalised costs relating to the environmental impact assessment being carried out for more than ten years in connection with the 3<sup>rd</sup> Runway project following the adverse decision handed down by the Federal Administrative Court. In contrast, the reversal of impairment for a building had a positive impact of € 10.1 million. As a result, EBIT amounted to € 172.0 million, comprising a rise of 0.1%. Thanks to the improvement in the financial results, the net profit for the period ultimately rose 0.7% to € 112.6 million (€ 102.6 million after non-controlling interests).

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

Revenue in the Airport Segment rose by 3.2% year-on-year to € 370.8 million. In spite of the good operating results, EBIT fell by 1.7% to € 52.6 million, which can be attributed to the significant rise due to the impairment losses related to the 3<sup>rd</sup> Runway. The Handling Segment registered a 4.7% rise in revenue to € 158.4 million, with EBIT generated by this segment increasing by 38.7% to € 15.9 million. This also includes the security services of VIAS as well as the handling services provided by Vienna Aircraft Handling (VAH). The Retail & Properties Segment reported a 3.4% decline in revenue to € 123.9 million. This is mainly due to the lower rental income relating to the transfer of economical ownership of buildings to a tenant as a result of a rental prepayment (Hermione, minus € 5.3 million), and the restrained development of parking and retail income. Segment EBIT totalled € 61.8 million (-10.3%). Revenue of the Malta Segment amounted to € 73.1 million in 2016 (+9.1%), and segment EBIT equalled € 30.3 million (+15.9%). Revenue in the Other Segments climbed 6.3% in 2016 to € 15.4 million, whereas segment EBIT fell 3.2% to € 11.4 million.

#### **Investments**

Of the total investments (excluding investments in financial assets) of € 92.0 million in 2016, € 25.6 million related to investments in the Runway System 11/29 (runway renovation), € 9.0 million was for investments in connection with the 3<sup>rd</sup> Runway, € 2.8 million involved new apron positions for wide-bodied aircraft and € 2.4 million was spent on the renovation of an operations building. Moreover, € 63.7 million was invested to acquire additional shares in MMLC (increased of Flughafen Wien AG's share in Malta Airport). Total investments in the year 2017 are expected to be about € 100 million.

#### **Good traffic development 2016 – New passenger record at the Vienna flight hub**

The year 2016 developed well from a flight traffic perspective. Flughafen Wien AG including its strategic foreign investments in Malta and Kosice Airports generated passenger growth of 3.8% compared to the previous year, handling a total of 28.9 million passengers. At its Vienna flight hub, Flughafen Wien reported an increase of 2.5% to 23.4 million travellers, thus posting a new passenger record in the history of Vienna Airport. Cargo volume also developed positively in the course of the year, and expanded by 3.7% to 282,726 tonnes. A total of 74 airlines regularly served Vienna Airport in 2016, flying to a total of 186 destinations in 72 countries.

#### **Strong start in 2017: Strong passenger growth in January 2017**

The year 2017 is off to a good start. The Flughafen Wien Group, including its strategic foreign investments in Malta and Kosice Airports, reported a strong growth in passenger

volume of 10.8% in January 2017. Vienna Airport also registered a substantial rise of 7.9% in the number of passengers and handled to a total of 1.4 million.

**Forecast for passenger development and financial guidance for 2017**

The Flughafen Wien Group, including its strategic foreign investments in Malta and Kosice Airports, anticipates passenger growth of between +1% and +3% in 2017. Accordingly, revenue is expected to rise to more than € 740 million, and EBITDA of € 315 million is targeted. From today's perspective, the net profit after taxes should reach a level of at least € 120 million. The net debt of the company is to be reduced below € 350 million.

Flughafen Wien AG expects passenger growth of between 0% and +2% at Vienna Airport. Initial impetus can be expected, amongst other factors, by flight service offered to new routes i.e. to Los Angeles (US), Mahé (SC), Burgas (BG) and Gothenburg (SE) by Austrian Airlines, to 19 destinations by Eurowings as well as frequency increases and new flight connections by Volotea, Flybe/Stobart Air, Germania, S7 Airlines and SunExpress.

## Preliminary Consolidated Financial Statements for 2016<sup>1</sup>

### Income Statement

in € million	2016	2015 <sup>2</sup>	Change in %
<b>Revenue</b>	<b>741.6</b>	<b>720.2</b>	<b>+3.0</b>
Other operating income	10.4	7.4	+40.0
<b>Operating income</b>	<b>752.0</b>	<b>727.7</b>	<b>+3.3</b>
Consumables and services used	-35.9	-37.2	-3.5
Personnel expenses	-272.0	-268.9	+1.2
Other operating expenses	-116.4	-111.9	+4.0
Proportional share of income from companies recorded at equity	2.1	2.8	-24.8
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>329.8</b>	<b>312.5</b>	<b>+5.5</b>
Scheduled depreciation and amortisation	-137.5	-142.7	-3.6
Reversal of impairment	10.1	2.0	n.a.
Impairment	-30.4	–	n.a.
<b>Earnings before interest and taxes (EBIT)</b>	<b>172.0</b>	<b>171.8</b>	<b>+0.1</b>
Income from investments, excluding investments recorded at equity	0.7	0.3	n.a.
Interest income	3.0	2.5	+21.9
Interest expense	-22.2	-24.5	-9.5
Other financial result	–	1.7	-100.0
<b>Financial result</b>	<b>-18.5</b>	<b>-20.1</b>	<b>+7.6</b>
<b>Earnings before taxes (EBT)</b>	<b>153.5</b>	<b>151.7</b>	<b>+1.1</b>
Income taxes	-40.8	-39.9	+2.4
<b>Net profit for the period</b>	<b>112.6</b>	<b>111.8</b>	<b>+0.7</b>
<b>Thereof attributable to:</b>			
<b>Equity holders of the parent</b>	<b>102.6</b>	<b>100.3</b>	<b>+2.4</b>
Non-controlling interests	10.0	11.6	-13.7
Earnings per share (in €, basic = diluted) <sup>3</sup>	1.22	1.19	+2.4

1) All financial indicators refer to the preliminary results of Flughafen-Wien-Group for 2016

2) 2015 figures adjusted

3) Earnings per share adjusted according to IAS 33.26

## Balance Sheet Indicators

in € million	31.12.2016	31.12.2015 <sup>1</sup>	Change in %
<b>ASSETS:</b>			
Non-current assets	1,835.9	1,956.4	-6.2
Current assets	182.4	214.5	-14.9
<b>LIABILITIES:</b>			
Equity	1,144.0	1,139.3	+0.4
Non-current liabilities	652.2	666.6	-2.2
Current liabilities	222.2	365.0	-39.1
<b>Total equity and liabilities</b>	<b>2,018.3</b>	<b>2,170.9</b>	<b>-7.0</b>
Net debt	355.5	487.8	-27.1
Gearing (in%)	31.1	42.8	-11.7p%

## Cash Flow Statement

in € million	2016	2015 <sup>1</sup>	Change in %
Net cash flow from operating activities	255.1	255.5	-0.2
investing activities	-114.1	-151.1	-24.5
financing activities	-142.3	-92.7	+53.5
Free cash flow	141.0	104.4	+35.0
CAPEX <sup>2</sup>	92.0	87.1	+5.6

1) 2015 figures adjusted; 2) Excluding financial assets and business acquisitions

The Annual Report by Flughafen Wien AG for 2016, from January 1 to December 31, 2016, will be 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](http://viennaairport.com/en/company/investor_relations/publications_and_reports) at the end of April 2017.

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The Management Board of Flughafen Wien AG

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