

Business Results in 2017: Significant Rise in Profits of the Flughafen Wien Group Management Board Announces Substantial Upward Revision of Earnings Guidance and Traffic Figures for 2018

- **2017 results: REVENUE up to €753.2 million (+1.6%), NET PROFIT FOR THE PERIOD¹ shows significant increase to €126.9 million (+12.7%)**
- **Substantial improvement in the earnings outlook and projected traffic results for 2018 – Net profit for the period before non-controlling interests up to at least €140 million, passenger growth of over 7% in the Group and 5% at Vienna Airport**
- **DIVIDEND INCREASE proposed for 2017 to €0.68 per share (+8.8%)**

“Vienna Airport continued its success story in 2017. In spite of the insolvency of the airberlin Group, we generated new record profits, above all thanks to the good passenger development and good performance of our strategic investment in Malta Airport. We expect a more positive development of earnings and passenger volumes in 2018 than originally expected. This will once again lead to a higher dividend for our shareholders. For this reason, we will propose to the Annual General Meeting that an increased dividend of € 0.68 per share should be distributed. Vienna Airport continues to grow very dynamically, and the expansion of the Airport City will create more than 1,000 new jobs”, explains Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“2017 proved to be a record year for the Flughafen Wien Group with 30.9 million passengers, and the prospects for 2018 are very favourable. As a consequence of the expected growth impetus which will likely be provided from today’s perspective by the airlines operating at Vienna Airport, we are revising our passenger forecast upwards, and now anticipate a minimum 5% increase in passenger volume in Vienna and a rise of more than 7% in the number of passengers handled by the entire Flughafen Wien Group in 2018. Significant growth will be generated by the Lufthansa Group, the low-cost segment and on long-haul routes. From today’s point of view, flight movements at Vienna Airport will increase by roughly 5%. We expect a clear turnaround in this regard”, states Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Dividend proposal: +8.8% to €0.680 per share

Based on the good business development in the 2017 financial year, a dividend of € 0.680 per share will be proposed to the Annual General Meeting on May 2, 2018, an increase compared to the dividend of € 0.625 per share distributed for 2016. This equals a total dividend payout of € 57.12 million. All Flughafen Wien AG employees will benefit from the higher dividends, which is also the result of their successful work, via the employee foundation which holds 10% of the shares. Accordingly, the dividend yield for the 2017 financial year in relation to the share price as at December 31, 2017 equals about 2.0%, and the payout ratio as a percentage of the net profit for the period after non-controlling interests is 49.8%.

Significant rise in the net profit to €126.9 million despite the airberlin insolvency

Revenue of the Flughafen Wien Group was up 1.6% to € 753.2 million despite difficult market conditions and the insolvency of the airberlin Group. EBITDA fell by 1.0% to € 326.5 million whereas EBIT climbed 11.5% to € 191.8 million. After deducting the financial results and taxes, the net profit of the period showed a considerable improvement of 12.7% to € 126.9 million (€ 114.7 million after non-controlling interests).

Revenue and earnings development in the segments

Revenue in the Airport Segment fell slightly by 0.7% year-on-year to € 368.2 million. The positive effect of passenger growth in 2017 was offset by higher incentives payments. As a result, segment revenue did not rise to the same extent as passenger volumes. Due to a negative one-off effect applying only to the previous year, segment EBIT improved by 59.9% to € 84.1 million. The Handling & Security services Segment registered a 1.4% rise in revenue to € 160.7 million. As a consequence of higher personnel expenses and after deducting depreciation and amortisation, EBIT generated by the Handling & Security services Segment declined by 41.5% to € 9.3 million. This segment also includes the security services of VIAS as well as the handling services provided by Vienna Aircraft Handling (VAH) and Vienna Passenger Handling Services (VPHS). The Retail & Properties Segment reported a 1.8% rise in revenue to € 126.2 million. Segment EBIT totalled € 53.5 million, a drop of 13.5%. Revenue of the Malta Segment climbed 12.7% in 2017 to € 82.4 million and segment EBIT equalled € 40.6 million, comprising an increase of 34.0%. Revenue in the Segment "Other Segments" was up 2.0% in 2017 to € 15.7 million, whereas segment EBIT fell 61.2% to € 4.4 million.

Investments

Of the total investments (excluding investments in financial assets) of € 103.6 million in 2017, € 15.8 million related to purchases of commercial properties for the development of real estate projects at the airport. This was followed by investments of € 11.2 million for the expansion of the Air Cargo Center East, € 2.4 million for the expansion of a transformer station, and € 2.8 million for investments in taxiways at Vienna Airport. A total of € 9.6 million was invested for terminal renovations at Malta Airport, and € 2.6 million was invested for the acquisition of a hangar and administrative building at the Bad Vöslau site. Investments of about € 175 million are planned for the entire year 2018.

Traffic development in 2017: New passenger record for Vienna Airport

The year 2017 developed well from a flight traffic perspective in spite of the airberlin insolvency. Flughafen Wien AG including its strategic foreign investments in Malta and Kosice Airports generated passenger growth of 6.9% compared to the previous year, handling a total of 30.9 million passengers. At Vienna Airport, Flughafen Wien AG reported an increase of 4.5% to 24.4 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 1.9% to 287,962 tonnes. A total of 74 airlines regularly served Vienna Airport in 2017, flying to a total of 195 destinations in 70 countries.

Good passenger development is continuing: rise in passenger volume in January 2018

The year 2018 is also off to a good start. The Flughafen Wien Group, including its strategic foreign investments in Malta and Kosice Airports, reported good growth in passenger volume of 4.6% in January 2018, handling 1.9 million travellers. Vienna Airport also registered a 1.9% rise in the number of passengers it handled to a total of 1.5 million

Considerably improved forecast for passenger and earnings development in 2018:

More than 7% passenger growth in the Flughafen Wien Group

As a consequence of the expected growth impetus which will likely be provided from today's perspective by the airlines operating at Vienna Airport, the Flughafen Wien Group has made a substantial upward revision to its passenger and earnings forecasts.

The Flughafen Wien Group, including its strategic foreign investments in Malta and Kosice Airports, anticipates passenger growth of more than 7% in 2018. Against this backdrop, the earnings guidance has also been revised upwards. Revenue in 2018 is now expected to rise to more than € 760 million, and EBITDA exceeding € 340 million is targeted. From today's perspective, the net profit after taxes should reach a level of at least € 140 million. The net debt of the company is to be further reduced below € 250 million.

More than 5% passenger increase at Vienna Airport and rise in flight movements

Flughafen Wien AG expects passenger growth to reach a minimum of 5% at Vienna Airport. From today's point of view, initial impetus is expected, amongst other factors, from flight service offered to the new routes of Cape Town (ZAF) and Tokyo (JPN) by Austrian Airlines, flight connections to 18 new destinations by Wizz Air, twelve destinations served by Eurowings as well as frequency increases and new flight connections by Air Malta, easyJet, Volotea and Vueling. Flughafen Wien AG also anticipates a turnaround in the number of flight movements, which are anticipated to rise by about 5%.

1) Net profit for the period before non-controlling interests

Preliminary Consolidated Financial Statements for 2017¹

Income Statement

in € million	2017	2016	Change in %
Revenue	753.2	741.6	+1.6
Other operating income	10.5	10.4	+0.8
Operating income	763.7	752.0	+1.6
Expenses for consumables and services used	-38.3	-35.9	+6.8
Personnel expenses	-282.7	-272.0	+3.9
Other operating expenses	-119.0	-116.4	+2.2
Proportional share of income from companies recorded at equity	2.9	2.1	+36.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	326.5	329.8	-1.0
Depreciation and amortisation	-132.4	-137.5	-3.8
Reversal of impairment	0.0	10.1	-100.0
Impairment	-2.3	-30.4	-92.5
Earnings before interest and taxes (EBIT)	191.8	172.0	+11.5
Income from investments, excluding companies recorded at equity	0.5	0.7	-19.0
Interest income	1.6	3.0	-46.6
Interest expense	-20.9	-22.2	+5.7
Other financial result	0.4	-	n.a.
Financial result	-18.5	-18.5	+0.5
Earnings before taxes (EBT)	173.4	153.5	+13.0
Income taxes	-46.5	-40.8	+13.8
Net profit for the period	126.9	112.6	+12.7
Thereof attributable to:			
Equity holders of the parent	114.7	102.6	+11.8
Non-controlling interests	12.2	10.0	+22.0
Earnings per share (in €, basic = diluted)	1.37	1.22	+11.8

1) All financial indicators refer to the preliminary results of Flughafen Wien Group for 2017.

Balance Sheet Indicators

in €million	31.12.2017	31.12.2016	Change in%
ASSETS:			
Non-current assets	1,870.9	1,835.9	+1.9
Current assets	192.1	182.4	+5.3
LIABILITIES:			
Equity	1,211.0	1,144.0	+5.9
Non-current liabilities	601.3	652.2	-7.8
Current liabilities	250.7	222.2	+12.9
Total assets	2,063.0	2,018.3	+2.2
Net debt	227.0	355.5	-36.1
Gearing (in%)	18.7	31.1	-12.4p%

Cash Flow Statement

in €million	2017	2016	Change in%
Net cash flow from operating activities	277.9	255.1	+8.9
investing activities	-156.9	-53.7	n.a.
financing activities	-116.5	-202.7	-42.5
Free cash flow	121.0	201.4	-39.9
CAPEX¹	103.6	92.0	+12.6

1) Excluding financial assets and business acquisitions

The Annual Report by Flughafen Wien AG for 2017, from January 1 to December 31, 2017, will be available to the general public on the Internet at http://viennaairport.com/en/company/investor_relations/publications_and_reports as of mid of April 2018.

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The Management Board

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