



Annual Financial  
Report

**2018**

**Flughafen Wien AG**

[www.viennaairport.com](http://www.viennaairport.com)





# Key Data on the Flughafen Wien Group <sup>1</sup>

## › Financial Indicators

in € million	2018	Change	2017	2016	2015
Total revenue	799.7	6.2%	753.2	741.6	720.2
Thereof Airport	392.3	6.5%	368.2	370.8	359.2
Thereof Handling & Security Services	166.1	3.3%	160.7	158.4	151.3
Thereof Retail & Properties	132.9	5.4%	126.1	123.9	128.2
Thereof Malta	92.2	11.9%	82.4	73.1	67.0
Thereof Other Segments	16.2	2.6%	15.7	15.4	14.5
EBITDA	350.4	7.3%	326.5	329.8	312.5
EBITDA margin (in%) <sup>2</sup>	43.8	n.a.	43.3	44.5	43.4
EBIT	220.8	15.1%	191.8	172.0	171.8
EBIT margin (in%) <sup>3</sup>	27.6	n.a.	25.5	23.2	23.9
ROCE before tax (in%) <sup>4</sup>	12.5	n.a.	11.0	9.8	9.6
ROCE after tax (in%) <sup>5</sup>	9.4	n.a.	8.2	7.4	7.2
Net profit	151.9	19.7%	126.9	112.6	111.8
Net profit after non-controlling interests	137.3	19.6%	114.7	102.6	100.3
Cash flow from operating activities	291.2	4.8%	277.9	255.1	255.5
Capital expenditure <sup>6</sup>	165.7	60.0%	103.6	92.0	87.1
Income taxes	56.4	21.3%	46.5	40.8	39.9
Headcount (Flughafen Wien Group) <sup>7</sup>	6,330	9.7%	5,772	5,731	5,800
Average number of employees for the year (FTE) (Flughafen Wien Group) <sup>8</sup>	4,830	4.5%	4,624	4,657	4,666

in € million	31.12.2018	Change	31.12.2017	31.12.2016	31.12.2015
Equity	1,297.0	7.1%	1,211.0	1,144.0	1,139.3
Equity ratio (in%)	60.1	n.a.	58.7	56.7	52.5
Net debt	142.5	-37.2%	227.0	355.5	487.8
Net assets	2,158.1	4.6%	2,063.0	2,018.3	2,170.9
Gearing (in%)	11.0	n.a.	18.7	31.1	42.8

## › Industry Indicators

	2018	Change	2017	2016	2015
<b>Passenger development of the Group</b>					
Vienna Airport (in mill.)	27.0	10.8%	24.4	23.4	22.8
Malta Airport (in mill.)	6.8	13.2%	6.0	5.1	4.6
Košice Airport (in mill.)	0.5	9.1%	0.5	0.4	0.4
Vienna Airport and strat. Investments (VIE, MLA, KSC)	34.4	11.3%	30.9	28.9	27.8
<b>Traffic development Vienna Airport</b>					
Passengers (in mill.)	27.0	10.8%	24.4	23.4	22.8
Thereof transfer passengers (in mill.)	6.7	3.7%	6.4	6.2	6.3
Aircraft movements	241,004	7.3%	224,568	226,395	226,811
MTOW (in mill. tonnes) <sup>9</sup>	9.6	8.4%	8.8	8.7	8.4
Cargo (air cargo and trucking; in tonnes)	295,427	2.6%	287,962	282,726	272,575
Seat load factor (in%) <sup>10</sup>	76.0	n.a.	74.8	73.4	74.3

## › Stock Market Indicators

	2018	Change	2017	2016	2015
Shares outstanding (in million) <sup>11</sup>	84.0	0.0%	84.0	84.0	84.0
P/E ratio (as of 31.12.)	21.1	-14.3%	24.6	19.2	18.4
Earnings per share (in €) <sup>11</sup>	1.63	19.6%	1.37	1.22	1.19
Dividend per share (in €) <sup>11,12</sup>	0.890	30.9%	0.680	0.625	0.500
Dividend yield (as of 31.12.; in %)	2.58	n.a.	2.02	2.67	2.28
Pay-out ratio (as a % of net profit)	54.5	n.a.	49.8	51.2	41.9
Market capitalisation (as of 31.12.; in € million)	2,898.0	2.5%	2,826.6	1,965.6	1,839.6
Stock price: high (in €) <sup>11</sup>	36.30	2.8%	35.32	27.45	22.43
Stock price: low (in €) <sup>11</sup>	31.50	33.5%	23.59	18.80	18.81
Stock price: as of 31.12. (in €) <sup>11</sup>	34.50	2.5%	33.65	23.40	21.90
Market weighting ATX (as of 31.12.; in %)	n.a.	n.a.	n.a.	n.a.	1.6
Market weighting ATX Prime (as of 31.12.; in %)	1.27	n.a.	0.92	0.88	n.a.

### Definitions:

- 1) Comparative figures 2015 adjusted (see section VI. Notes to the Consolidated Financial Statements 2016), Segments 2017 adjusted according to new reporting structure
- 2) EBITDA margin (Earnings before Interest, Taxes, Depreciation and Amortisation) = EBITDA / Revenue
- 3) EBIT margin (Earnings before Interest and Taxes) = EBIT / Revenue
- 4) ROCE before tax (return on capital employed before tax) = EBIT / average capital employed
- 5) ROCE after tax (return on capital employed after tax) = EBIT less allocated taxes / average capital employed
- 6) Capital expenditure: intangible assets, property, plant and equipment and investment property including corrections to invoices from previous years, excluding financial assets
- 7) Headcount: number of all employment relationships of the Flughafen Wien Group in the relevant year (not weighted in full-time equivalents)
- 8) Weighted average full-time equivalents for the year (FTE) including apprentices, excluding employees on official non-paying leave (maternity, military, etc.) and the Management Board and managing directors
- 9) MTOW: maximum take off weight for aircraft
- 10) Seat load factor: Number of passengers / available number of seats
- 11) Stock split in the ratio of 1:4 effective as of 27.6.2016 - historical figures adjusted accordingly; old ISIN AT0000911805 replaced by the new ISIN AT00000VIE62
- 12) Dividend 2018: recommendation to the Annual General Meeting



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# Contents

## Flughafen Wien Group

- 8 — **Group Management Report 2018**
  
- 70 — **Consolidated Financial Statements 2018**
- 72 — Consolidated Income Statement
- 73 — Consolidated Statement of Comprehensive Income
- 74 — Consolidated Balance Sheet
- 75 — Consolidated Cash Flow Statement
- 76 — Consolidated Statement of Changes in Equity
  
- 78 — **Notes to the Consolidated Financial Statements**
  
- 202 — **Statement by the Members of the Management Board**
  
- 203 — **Auditor's Report**

## Individual Financial Statements of Flughafen Wien AG

- 210 — **Management Report 2018**
  
- 260 — **Annual Financial Statements 2018**
- 262 — Balance Sheet
- 264 — Income Statement
  
- 266 — **Notes to the Annual Financial Statements**
- 288 — Appendix to the Notes
  
- 296 — **Statement by the Members of the Management Board**
  
- 297 — **Auditor's Report**
- 304 — **Glossary**
- 306 — **Imprint**



**Group Management  
Report for the 2018  
Financial Year**



# The Flughafen Wien Group

## Description of the business model

The Flughafen Wien Group (FWAG) is made up of three international airports in Austria (Vienna), Malta and Slovakia (Košice<sup>1)</sup>) and the Bad Vöslau airfield.

Vienna Airport acts as an important hub for destinations in Eastern Europe. As one of the largest employers in Eastern Austria, it is an important factor driving growth and business for Austria.

Malta Airport has recently recorded a very high increase in passenger numbers. Košice Airport is the second largest Slovakian airport and despite difficult general conditions has posted a steady upturn in passenger figures over the last few years. Bad Vöslau Airfield is of local importance and is primarily used for private aviation.

With its fully consolidated subsidiaries, the Flughafen Wien Group employs 4,830 full-time equivalents (FTE) with a headcount of 6,330. Last year the company handled 34.4 million passengers (2017: 30.9 million passengers).

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**Note:** Arithmetic differences can occur when adding rounded amounts and percentages due to the use of computer-aided tools. The same applies to other information such as headcount, traffic data, etc.

1) Košice Airport is included in the consolidated financial statements at equity, as key business decisions are made with the other shareholders. Further information can be found in the notes to the consolidated financial statements. >

# Business segments

The business activities of the Flughafen Wien Group are divided into the five segments: Airport, Handling & Security Services, Retail & Properties, Malta and Other Segments.

## Airport Segment

The Airport segment is responsible for the operation and maintenance of all movement areas of the terminals, the facilities involved in passenger and baggage handling, as well as security controls for passengers and hand luggage at Vienna Airport. Another field of activity is the acquisition of new airlines in point-to-point traffic and transfers, and the associated increase in the number of destinations and flight frequencies. These efforts are supported by attractive fees and incentives for airlines.

## Handling & Security Services segment

As a ground and cargo handling agent, the Handling & Security Services segment provides services at Vienna Airport for aircraft and passenger handling in scheduled, charter and general aviation traffic. In addition to ramp, cargo and passenger handling, this segment also includes the provision of security services such as checks of passengers and hand luggage as well as general aviation, which covers civil aviation with the exception of scheduled and charter flights. The working environment for the Handling & Security Services segment is influenced by aviation sector trends and steady pressure on prices. It responds to airlines' requests, such as shorter ground time and reduced service packages. The ground-handling unit is successfully holding its own by providing short turnarounds, a high punctuality score and tailor-made offerings.

## Retail & Properties Segment

Passengers, users of parking facilities, hotel guests, conference participants, employees at the site, and meeters and greeters are important target groups in the Retail & Properties segment. Other substantial contributions to income in addition to shopping and food & beverages (F&B) include advertising revenue, parking and the rental of office and cargo space.

## Malta segment

The Malta segment includes Malta Airport (Malta International Airport plc, MIA) and its direct investments (hereinafter referred to as the MIA Group). Malta Airport and its investments are responsible for the operation of Malta Airport. In addition to traditional aviation services, the companies of the MIA Group also generate revenue from parking and the rental of retail and office space. Handling is performed by two external firms.

## Other Segments

The reporting segment "Other Segments" provides a wide range of services for the other operating segments of the Flughafen Wien Group as well as external customers. This segment includes the subsidiaries of Flughafen Wien AG that directly or indirectly hold shares in foreign associates and joint ventures (e. g. at Košice Airport), and that have no other operating activities.

## The business environment

The development of the economy and exchange rates, political crises and other events that lead to the cancellation of flights and routes in addition to less frequent flights have a major influence on aviation performance. As an international hub in Central Europe, the economic development of Vienna Airport is influenced primarily by economic trends in the euro area and – given its geographical location – those in the Central and Eastern Europe (CEE) region in particular. The same applies to the airports of Malta and Košice, which are also significantly influenced by the general economic development in their region. Another key factor for FWAG is the economic and political situation in the Far East, the Middle East and Russia.

The economic upward trend continued in 2018. According to current estimates, the global economy, as measured by global GDP, expanded by 3.7% (2017: 3.8%). The global economy is forecast to grow by 3.5% again in 2019 – an initial indication that the current economic upturn has already passed its peak (sources: International Monetary Fund - World Economic Outlook, January 2019; OECD - Economic Outlook, November 2018).

Growth in industrialised nations is mainly underpinned by the USA, which has been in a continuous expansion phase since 2018. Economic growth of 2.9% is expected here in 2018, driven in particular by an extensive tax reform. However, the peak of the growth phase is likely to have been reached in the USA, too. Interest rate hikes by the US Federal Reserve (Fed), uncertainties in relation to the trade conflict with China and consequently weaker investment activity mean that subdued growth is to be expected in the coming years. (Sources: International Monetary Fund - World Economic Outlook, January 2019; OECD - Economic Outlook, November 2018)

Emerging economies are also displaying a very sound development, with commodity-exporting countries benefiting from a higher price level. (Source: OeNB - Economic Outlook for Austria, December 2018).

In the second half of 2018, growth momentum in the euro area suffered a setback as a result of fears over Brexit, punitive tariffs imposed in the trade conflict with the USA, and the unstable situation in Italy. Economic growth of 1.9% is anticipated in 2018 (2017: 2.5%). This stable but slightly lower growth trajectory will continue until 2020 (1.5% - 1.7% annual growth). Unemployment in the euro area is also developing positively. At 8.4%, it is at its lowest level since 2009 and is expected to decrease further to 7.5% by 2020.

Currently the Austrian economy is in a phase of extraordinarily strong growth. Economic growth in 2018 came to 2.7% in real terms. However, the current economic upturn seems to have passed its peak, with growth of 2.0% anticipated for 2019. The current growth phase is also influencing the situation on the labour market. The forecast unemployment rate fell from 5.5% in the previous year to 4.9% in 2018 and will decrease further to 4.5% by 2021. The inflation rate remained unchanged year-on-year at 2.1% (sources: OeNB - Economic Outlook for Austria, December 2018; WIFO - Economic Outlook, December 2018).

## Tourism in Austria

Tourism in Vienna had another record year in 2018 with growth of 3.8% to around 16.1 million overnight stays. Foreign guests accounted for 81.5% of overnight stays. The strongest growth by region was achieved by travellers from China (+15.8%), Southeast Asia (+21.8%) and Taiwan (+27.7%). Overnight stays by Austrian guests were also up by 4.7% (source: Statistik Austria).

## Travel in Austria

In the first three quarters of 2018, the number of holidays and business trips among the Austrian population was again higher than in the previous year. A total of around 16.6 million holidays were taken during this period (2017: 15.8 million). Business trips also increased from 2.5 million to 2.6 million in the same period. Growth was particularly strong for holidays in the second and third quarters (source: Statistik Austria, Vacation and Business Travel by the Austrian Population).

## Traffic development of the Flughafen Wien Group

### › Cumulative traffic development of the Flughafen Wien Group

Traffic figures for VIE, MIA, KSC	2018	Change	2017
Total passengers	34,385,021	+11.3%	30,901,989
Thereof local passengers	27,549,988	+13.4%	24,304,638
Thereof transfer passengers	6,725,628	+3.9%	6,471,218
Flight movements	296,087	+8.1%	273,860
Cargo (air cargo and trucking; in tonnes)	311,322	+2.9%	302,631

The Flughafen Wien Group, including its foreign investments in Malta Airport and Košice Airport, posted a substantial year-on-year increase of 11.3% to a total of 34.4 million passengers in 2018.

## Traffic at Vienna Airport 2018

› **New passenger record (up 10.8%) due to significant growth at Austrian Airlines and low-cost carriers**

Traffic indicators	2018	Change	2017	2016
MTOW (in mill. tonnes)	9.6	+8.4%	8.8	8.7
Passengers (in mill.)	27.0	+10.8%	24.4	23.4
Thereof local passengers (in million)	20.3	+13.6%	17.8	17.1
Thereof transfer passengers (in mill.)	6.7	+3.7%	6.4	6.2
Flight movements	241,004	+7.3%	224,568	226,395
Cargo (air cargo and trucking; in tonnes)	295,427	+2.6%	287,962	282,726
Seat load factor in %	76.0	n.a.	74.8	73.4
Number of destinations	205	+5.1%	195	186
Number of airlines	74	+0.0%	74	74

In 2018, the passenger volume at Vienna Airport rose by 10.8% to a total of 27,037,292 travellers, representing a new record. Key factors for the positive trend particularly included more frequent flights with Austrian Airlines and the new stationing of the airlines Laudamotion, Level and Wizz Air in Vienna. The number of local passengers at Vienna Airport totalled 20,263,501, representing an increase of 13.6%. Vienna Airport's hub function is underscored by a 3.7% increase to 6,679,300 transfer passengers.

The number of aircraft movements rose significantly by 7.3% in 2018 to 241,004 take-offs and landings (2017: 224,568). The maximum take-off weight (MTOW) increased by 8.4% to 9,573,254 tonnes (2017: 8,834,035 tonnes). The average seat load factor (scheduled and charter) increased by 1.3 percentage points to 76.0%.

74 airlines regularly flew to Vienna Airport in 2018, serving 205 destinations in 71 countries. New additions included the long-haul destinations Tokyo, Cape Town and Shenzhen.

### › Comparison of traffic at European airports in 2018 (extract)

	Passengers in thousands	Change vs. 2017	Aircraft movements <sup>1</sup>	Change vs. 2017
London <sup>2</sup>	159,007.6	+3.3%	1,017,417	-3.3%
Paris <sup>3</sup>	105,343.7	+3.8%	709,979	+0.8%
Istanbul <sup>4</sup>	102,251.6	+8.4%	672,974	+2.8%
Amsterdam	71,053.1	+3.7%	499,449	+0.5%
Frankfurt	69,510.3	+7.8%	500,886	+7.8%
Madrid	57,861.4	+8.4%	394,373	+6.2%
Rome <sup>5</sup>	48,803.5	+4.2%	339,982	+3.0%
Milan <sup>6</sup>	46,840.3	+6.5%	370,451	+4.6%
Munich	46,253.5	+3.8%	392,238	+2.2%
Zurich	31,068.3	+5.8%	260,457	+3.1%
Vienna	27,037.2	+10.8%	239,275	+7.4%
Prague	16,797.0	+9.0%	139,788	+5.4%
Budapest	14,854.6	+13.5%	107,208	+12.1%

1) Aircraft movements according to ACI: Movements not including general aviation and other aircraft movements

2) London Heathrow, Gatwick, Stansted, London City

3) Paris Charles de Gaulle, Paris Orly

4) Istanbul Atatürk, Istanbul Sabiha Gökçen

5) Rome Fiumicino, Rome Ciampino

6) Milan Malpensa, Milan Linate, Bergamo

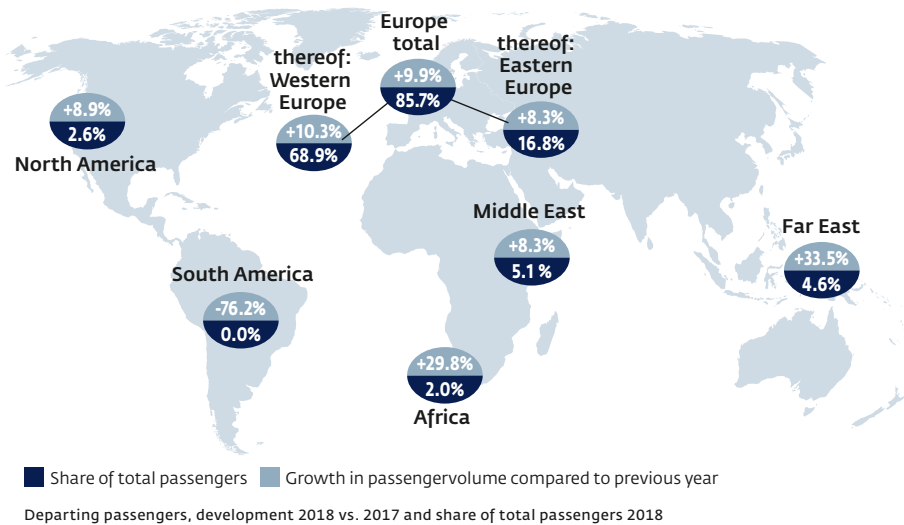
Source: ACI Europe Traffic Report, December 2018

The development of the relevant European airports is monitored on an ongoing basis using defined key performance indicators. For example, it can be seen that Vienna Airport was the second most punctual hub in the Lufthansa Group in 2018.

### › Development of passenger numbers at Vienna Airport

#### › Departing passengers in 2018 (scheduled and charter) by region

Region	2018	2017	Change	Share 2018	Share 2017	Change in share in percentage points
Western Europe	9,293,609	8,422,206	+10.3%	68.9%	69.3%	-0.4
Eastern Europe	2,261,764	2,087,591	+8.3%	16.8%	17.2%	-0.4
Far East	618,561	463,307	+33.5%	4.6%	3.8%	+0.8
Middle East	685,705	633,335	+8.3%	5.1%	5.2%	-0.1
North America	352,427	323,673	+8.9%	2.6%	2.7%	-0.1
Africa	272,454	209,833	+29.8%	2.0%	1.7%	+0.3
Latin America	2,790	11,731	-76.2%	0.0%	0.1%	-0.1
	13,487,310	12,151,676	+11.0%	100.0%	100.0%	



The Western Europe region – especially Spain and Italy – benefited from increased capacity at Austrian Airlines and various new routes offered by Laudamotion, easyJet, Wizz Air and Level. As a result, the traffic volume increased by 10.3% to 9,293,609 departing passengers. However, the share of the passenger volume attributable to the Western Europe region fell slightly to 68.9% (2017: 69.3%).

The number of passengers departing for Eastern European destinations rose by 8.3% to 2,261,764 in 2018, chiefly driven by new routes with Wizz Air and more frequent flights with Austrian Airlines. The share of travellers to this region decreased slightly by 0.4 percentage points to 16.8%.

The Far East significantly expanded its share of the passenger volume to 4.6% (2017: 3.8%). This was attributable to increased capacity for Bangkok and Taipei and the return of Tokyo as a destination for Austrian Airlines. As a result, the number of departing passengers rose by 33.5% to 618,561. There were 8.3% more travellers bound for destinations in the Middle East at a total of 685,705, with new routes with Wizz Air and increased capacity at Austrian Airlines for flights to Tel Aviv having a positive impact. The share of the passenger volume attributable to this region came to 5.1% (2017: 5.2%). The number of passengers departing to North America climbed by 8.9% to 352,427, corresponding to a market share of 2.6% (2017: 2.7%). More frequent flights to Addis Abeba with Ethiopian Airlines resulted in an increase of 29.8% to 272,454 passengers departing to African destinations. Their share of the passenger volume rose by 0.3 percentage points to 2.0%. Due to the discontinuation of flights to Havana, Punta Cana and Varadero, Latin America was the only region to record a decline in its passenger volume.

### › Top five destinations in 2018 (departing passengers)

Destinations	2018	Change	2017	2016
1. London	682,545	+13.4%	602,134	604,168
2. Frankfurt	601,045	+0.5%	597,923	591,631
3. Berlin	530,712	+22.6%	432,824	400,230
4. Zurich	490,587	-1.3%	496,935	492,252
5. Paris	443,001	+9.7%	403,675	407,057

### › Development in passenger volume in Central and Eastern Europe in 2018 (departing passengers)

Destinations	2018	Change	2017	2016
1. Moscow	290,602	+3.4%	280,974	208,622
2. Bucharest	228,746	+11.8%	204,539	199,145
3. Sofia	155,655	-1.8%	158,436	157,415
4. Kiev	132,968	+22.1%	108,907	108,405
5. Warsaw	129,366	+18.9%	108,781	102,067
6. Belgrade	98,344	+2.1%	96,366	90,307
7. Prague	82,304	+5.8%	77,783	70,721
8. Zagreb	81,581	+2.2%	79,787	77,761
9. Tirana	81,565	-1.3%	82,622	75,802
10. Sarajevo	69,580	+9.0%	63,850	59,274
Other	911,053	+10.4%	825,546	759,040
<b>Departing passengers</b>	<b>2,261,764</b>	<b>+8.3%</b>	<b>2,087,591</b>	<b>1,908,559</b>

### › Development of passenger volume on long-haul routes in 2018 (departing passengers)

Destinations	2018	Change	2017	2016
1. Bangkok	177,205	+43.3%	123,689	110,959
2. Taipei	131,829	+67.4%	78,763	63,939
3. Beijing	67,760	-6.7%	72,611	58,158
4. Shanghai	66,968	+15.1%	58,165	45,373
5. Chicago	65,448	+23.4%	53,039	68,065
6. Newark	57,785	+13.7%	50,810	52,782
7. Washington	54,168	+4.5%	51,844	53,192
8. Toronto	51,428	+10.3%	46,610	55,197
9. New York	47,942	+6.6%	44,972	54,978
10. Los Angeles	46,655	+19.6%	39,011	0
Other	267,633	+24.6%	214,845	232,389
<b>Departing passengers</b>	<b>1,034,821</b>	<b>+24.0%</b>	<b>834,359</b>	<b>795,032</b>



### › Development of passenger volume to Middle East in 2018 (departing passengers)

Destinations	2018	Change	2017	2016
1. Dubai	227,034	-1.4 %	230,229	212,457
2. Tel Aviv	206,581	+19.6 %	172,738	166,011
3. Doha	101,262	+13.7 %	89,062	84,961
4. Tehran	59,879	+0.4 %	59,669	54,689
5. Amman	45,105	+12.5 %	40,100	36,106
Other	45,844	+10.4 %	41,537	65,073
<b>Departing passengers</b>	<b>685,705</b>	<b>+8.3 %</b>	<b>633,335</b>	<b>619,297</b>

### › Passenger volume by airline in 2018

Airline	2018	Change	2017	Share in 2018	Share in 2017
Austrian Airlines	12,850,423	+8.9 %	11,801,152	47.5 %	48.4 %
Eurowings/Germanwings	2,484,008	+10.0 %	2,258,414	9.2 %	9.3 %
easyJet <sup>1</sup>	1,332,009	+64.4 %	810,370	4.9 %	3.3 %
Lufthansa	919,347	+1.6 %	905,232	3.4 %	3.7 %
Laudamotion	593,211	n.a.	0	2.2 %	0.0 %
Turkish Airlines	545,790	+9.1 %	500,238	2.0 %	2.1 %
British Airways	482,381	+4.0 %	463,743	1.8 %	1.9 %
SWISS	469,377	+1.5 %	462,297	1.7 %	1.9 %
Emirates	447,387	-3.3 %	462,539	1.7 %	1.9 %
Wizz Air	444,578	n.a.	205	1.6 %	0.0 %
Other	6,468,781	-3.9 %	6,728,615	23.9 %	27.6 %
Thereof Lufthansa Group <sup>2</sup>	16,931,593	+8.3 %	15,631,457	62.6 %	64.1 %
Thereof low-cost carriers	6,404,765	+58.5 %	4,041,960	23.7 %	16.6 %
<b>Total passengers</b>	<b>27,037,292</b>	<b>+10.8 %</b>	<b>24,392,805</b>	<b>100.0 %</b>	<b>100.0 %</b>

1) Including easyJet Switzerland

2) Lufthansa Group (100% subsidiaries): Austrian Airlines, Lufthansa, Germanwings, Eurowings, SWISS, Brussels Airlines

### › Development of key airlines at Vienna Airport

Vienna Airport's biggest customer – Austrian Airlines – enjoyed an excellent performance thanks to expanded services and higher capacity utilisation, achieving an 8.9% increase in passenger numbers. However, its share of total passenger volume decreased to 47.5% (2017: 48.4%).

Eurowings (including Germanwings) posted a 10.0% increase in passengers as a result of various new routes and more frequent flights on existing routes, and kept its share of the total passenger volume stable at 9.2% (2017: 9.3%).

easyJet moved up to third place with a market share of 4.9% (2017: 3.3%). Primarily due to the addition of Berlin Tegel, it generated a substantial increase in passengers of 64.4%. The low-cost carriers newly stationed at the site also performed well. Laudamotion flew 593,211 passengers in total, while Wizz Air and Level reported 444,578 and 351,982 passengers respectively.

### › Growth in cargo volume (+2.6%)

In 2018, the cargo sector continued to hold its ground very well against the second cargo handling provider (Swissport) with a market share of 95.5%. Flughafen Wien AG handled 282,168 tonnes of cargo in the reporting year, an increase of 3.3% on 2017. The positive development is chiefly due to strong imports (up 7.3%), while export and trucking volumes remained stable year-on-year. Total cargo turnover at Vienna Airport in 2018 (including the second cargo handling provider) amounted to 295,427 tonnes. This corresponds to growth of 2.6%. Compared to the previous year, air cargo handled climbed by 4.4% to 215,921 tonnes. The trucking volume decreased by 1.9% to 79,506 tonnes.

## Traffic development at Malta and Košice airports

### › Malta (fully consolidated subsidiary)

Traffic indicators	2018	Change	2017
MTOW (in mill. tonnes)	2.0	13.0%	1.7
Passengers (in mill.)	6.8	+13.2%	6.0
Flight movements	48,737	+13.4%	42,987
Cargo (air cargo and trucking; in tonnes)	15,830	+8.2%	14,625

Malta Airport set a new record for passengers and movements in 2018. With growth of 13.2%, more than 6.8 million passengers were handled, and the number of aircraft movements also increased significantly year-on-year to 48,737 (2017: 42,987). The seat load factor fell from 82.4% to 81.8% in the reporting year. By introducing new routes and extending existing connections from the peak season to the off-peak season, Malta Airport significantly expanded its route network. In 2018, a total of 115 destinations in 38 countries were served by 37 airlines.

The biggest customer of Malta Airport in 2018 was Ryanair which generated passenger growth of 11.3%. The home carrier Air Malta also recorded strong growth in the reporting year, flying 22.5% more passengers than in the previous year. Further increases were posted by the third- and fourth-biggest airline customers easyJet (up 20.0%) and Wizzair (up 30.6%).

The most important destinations from Malta Airport are in the UK (1,673,067 passengers), Italy (1,398,857 passengers) and Germany (821,904 passengers), though other European destinations have also developed positively in recent months with the addition of new routes and more frequent flights.

**› Košice (investment recorded at equity)**

Traffic indicators	2018	Change	2017 <sup>1</sup>
MTOW (in mill. tonnes)	0.2	+0.9%	0.2
Passengers (in mill.)	0.5	+9.1%	0.5
Flight movements	6,346	+0.7%	6,305
Cargo (air cargo and trucking; in tonnes)	65	+45.1%	44

1) Retroactive adjustment of traffic data

Košice Airport reported growth of 9.1% to 539,552 (2017: 494,636). Aircraft movements were up by 0.7% at 6,346 (2017: 6,305).

Wizz Air closed its base at Košice Airport in May 2018 and discontinued its flight connections to Doncaster Sheffield, Cologne Bonn and Tel Aviv. In spite of this, Wizz Air was still Košice Airport's biggest customer in the reporting year.

Eurowings started flying to two new destinations (Düsseldorf and Munich) in October 2018. A total of eight destinations in seven countries were served in the reporting year, making it possible to reach more than 500 other destinations worldwide with only one stopover.

## Fee and incentive policy at Vienna Airport

Fees are regulated by the Austrian Airport Charges Act, which has been in effect since 1 July 2012.

Vienna Airport has a fee system that is highly attractive by international comparison. As at 1 January 2018, fees were adjusted on the basis of a price cap formula that was agreed between airlines and the Austrian civil aviation authority (Austrian Ministry for Transport, Innovation and Technology (bmvit)) and is embedded in the Austrian Airport Charges Act.

After appropriate consultation with the airlines, Flughafen Wien AG applied for the following fee adjustments from 1 January 2018, which were approved by the Austrian civil aviation authority:

- › Landing fee, infrastructure fee airside, parking fee: +0.54%
- › Passenger fee, infrastructure fee landside, security fee: +0.69%
- › Fuelling infrastructure fee: -0.13%

The PRM (passengers with reduced mobility) fee was increased to € 0.46 per departing passenger.

Including the increase in line with the price cap formula and a surcharge of € 0.51 as a result of new EU regulations regarding explosives detection, the security fee was € 8.40 per departing passenger in 2018.

The transfer incentive, which is intended to boost Vienna Airport's role as a transfer airport, was €12.50 per departing transfer passenger in 2018. In addition, the volume incentive was used to encourage sustainable passenger volumes of airlines with a base in Vienna. If certain conditions are met, a start-up for the development of additional passenger growth is also granted in the form of the new success-based incentive.

In 2018, Flughafen Wien AG also continued its growth incentive programme – comprising destination and frequency incentives in addition to a high-frequency incentive – which promotes the role of Vienna Airport as a bridgehead between east and west in the long term.

The aim of the fee adjustments implemented on 1 January 2018 and the continuation/expansion of the successful incentive programme was to consolidate the competitiveness of Vienna Airport's fee structures and to stimulate strategically important inter-continental routes and traffic to destinations in Eastern and Central Europe.

## Malta Airport fees

Fees at Malta Airport are charged in line with a fee schedule. The fees were not increased in the reporting year. The current incentive system, which offers discounts for landing, parking and other fees, particularly in the winter schedule, is available equally to all airlines.

## Revenue development in 2018

### › External revenue by segment

Amounts in € million	2018	Change	2017
Airport	392.3	6.5%	368.2
Handling & Security Services	166.1	3.3%	160.7
Retail & Properties	132.9	5.4%	126.1
Malta	92.2	11.9%	82.4
Other Segments	16.2	2.6%	15.7
<b>External Group revenue</b>	<b>799.7</b>	<b>6.2%</b>	<b>753.2</b>

The revenue of the Flughafen Wien Group (FWAG) increased by 6.2% from €753.2 million in 2017 to €799.7 million. Details on the development of revenue can be found in the following sections.

Segment reporting was adjusted in line with the new internal reporting structure. Buildings that are used almost exclusively by a single business segment are now assigned to that segment. The comparative figures have been adjusted accordingly.

# Segment developments

## › Segment results - 2018

in € million	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group reconciliation	Total
Internal & external segment revenue	423.3	238.2	146.4	92.2	119.8	-220.1	799.7
Operating income	426.7	239.1	152.2	92.2	121.9	-220.1	812.0
Operating expenses <sup>1</sup>	323.3	236.0	83.6	48.1	120.2	-220.1	591.2
EBITDA	187.1	11.6	85.8	53.2	12.7	0.0	350.4
EBITDA margin in%	44.2	4.9	58.6	57.8	10.6	-	43.8
EBIT	103.4	3.1	68.6	44.0	1.6	0.0	220.8
EBIT margin in%	24.4	1.3	46.9	47.8	1.4	-	27.6

1) Including depreciation, amortisation and at-equity results in Other Segments

## › Segment results - 2017

in € million	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group reconciliation	Total
Internal & external segment revenue	397.4	231.9	138.5	82.4	121.4	-218.5	753.2
Operating income	401.2	232.8	141.9	82.4	123.9	-218.5	763.7
Operating expenses <sup>1</sup>	319.5	222.3	87.3	41.8	119.5	-218.5	571.8
EBITDA	167.4	19.6	71.9	49.8	17.7	0.0	326.5
EBITDA margin in%	42.1	8.5	51.9	60.5	14.6	-	43.3
EBIT	81.7	10.5	54.6	40.6	4.4	0.0	191.8
EBIT margin in%	20.6	4.5	39.4	49.3	3.6	-	25.5

1) Including depreciation, amortisation, impairment and at-equity results in Other Segments

### › Airport Segment

Amounts in € million	2018	Change	2017
Aircraft-related fees	70.2	5.1%	66.8
Passenger-related fees	262.7	6.0%	247.9
Infrastructure revenue and services	48.7	8.8%	44.8
Passenger services	10.6	22.1%	8.7
<b>Airport segment revenue</b>	<b>392.3</b>	<b>6.5%</b>	<b>368.2</b>

Revenue in the Airport segment increased by €24.1 million or 6.5% to €392.3 million in 2018 (2017: €368.2 million). The positive effect of passenger growth in the Airport segment is offset by adjustments to incentives, as a result of which this segment's revenue rose at a slower rate than passenger numbers. It should also be noted that expenses previously incurred under marketing and market communication for the Airport Segment have now been reclassified to the incentive model. Revenue from aircraft-related fees increased by 5.1% year-on-year to €70.2 million (2017: €66.8 million), boosted by the rise in the MTOW (up 8.4%) and the index-based rise in fees. Passenger-related fees increased by 6.0% to €262.7 million in 2018 (2017: €247.9 million). Revenue from the provision and rental of infrastructure and from other services also increased by 8.8% to €48.7 million. The positive development of revenue from passenger services continued in the reporting year with an increase of 22.1% to €10.6 million (2017: €8.7 million). As in previous years, the Airport segment again made the largest contribution to Group revenue with a share of 49.1% (2017: 48.9%).

In the Airport segment, the cost of materials for de-icing and other consumables (including maintenance materials purchased externally) increased by 10.1% to €4.1 million (2017: €3.8 million). Personnel expenses also rose against the previous year by 9.8% to €46.1 million (2017: €42.0 million) due to the higher average headcount of 559 employees (2017: 513), pay increases under collective bargaining agreements and higher additions to provisions. Other operating expenses rose by 8.6% to €46.8 million (2017: €43.1 million). At the same time, internal operating expenses were reduced by 1.6% to €142.6 million (2017: €144.9 million) thanks to cost and process optimisations, including those in the area of purchased IT services.

As a result of the increase in revenue, EBITDA climbed by 11.7% to €187.1 million (2017: €167.4 million) with the EBITDA margin rising to 44.2% (2017: 42.1%).

The drop in segment depreciation and amortisation from €85.7 million to €83.7 million (down 2.4%) is attributable to impairment losses in the previous year and to signage, security and monitoring facilities and building sections that were still subject to depreciation in the previous year. The Airport segment's EBIT therefore increased by 26.6% to €103.4 million in the reporting year (2017: €81.7 million), with an EBIT margin of 24.4% (2017: 20.6%).

### › Handling & Security Services segment

Amounts in € million	2018	Change	2017
Apron handling	99.6	-3.6%	103.3
Cargo handling	34.1	9.4%	31.2
Security services	5.2	23.0%	4.2
Traffic handling	15.7	18.1%	13.3
General aviation, other	11.5	31.8%	8.8
<b>Handling &amp; Security Services segment revenue</b>	<b>166.1</b>	<b>3.3%</b>	<b>160.7</b>

External revenue in the Handling & Security Services segment increased by 3.3% from € 160.7 million to € 166.1 million in the 2018 reporting year. Despite higher de-icing revenue, revenue from apron handling fell from € 103.3 million to € 99.6 million on account of contract changes. Revenue from cargo handling increased from € 31.2 million to € 34.1 million in line with the cargo volume handled and due to additional revenue from document handling. After a difficult year in 2017 (decline due to NIKI and airberlin), revenue from traffic handling climbed by 18.1% again to € 15.7 million (2017: € 13.3 million). The average market share of VIE handling (aircraft/movements) decreased slightly to 84.0% (2017: 87.0%).

Revenue from general aviation services (including the operation of the VIP and Business Centres) and other segment revenue rose by around a third to € 11.5 million (2017: € 8.8 million) due to additional revenue resulting from the EU Council Presidency. The Handling & Security Services segment's share of Group revenue came to 20.8% (2017: 21.3%).

The cost of materials rose by 24.8% from € 7.3 million to € 9.1 million, primarily due to higher consumption of de-icing materials and fuel. Personnel expenses for the segment's average level of 3,095 employees (2017: 2,994) rose 5.1% from € 170.9 million to € 179.6 million. In addition to pay increases under collective bargaining agreements and higher additions to provisions, this increase was also attributable to increased overtime and compensatory rest on account of delayed flights. Other operating expenses increased by 41.4% to € 8.5 million, partly driven by higher third-party services from Group companies.

The segment's EBITDA amounted to € 11.6 million, representing a year-on-year decline of 41.1% (2017: € 19.6 million). This was primarily due to the higher personnel expenses. After deducting depreciation and amortisation of € 8.5 million (2017: € 9.1 million including impairment), EBIT decreased by 70.9% to € 3.1 million after € 10.5 million in 2017. The EBITDA and EBIT margins declined to 4.9% and 1.3% respectively (2017: 8.5% and 4.5%).

### › Retail & Properties Segment

Amounts in € million	2018	Change	2017
Parking	44.8	4.4%	42.9
Rentals	36.5	5.8%	34.5
Shopping, food and beverage services	51.7	6.0%	48.7
<b>Retail &amp; Properties segment revenue</b>	<b>132.9</b>	<b>5.4%</b>	<b>126.1</b>

External revenue in the Retail & Properties segment climbed by 5.4% to €132.9 million in 2018 (2017: €126.1 million). This was firstly attributable to higher shopping and food & beverages revenue, which was up 6.0% at €51.7 million (2017: €48.7 million), and secondly to increased parking revenue, which climbed by 4.4% to €44.8 million (2017: €42.9 million). Rental revenue increased by 5.8% to €36.5 million (2017: €34.5 million). The Retail & Properties segment's share of Group revenue came to 16.6% (2017: 16.7%).

Other income climbed by 74.0% year-on-year to €5.8 million (2017: €3.3 million), partly as a result of sales of land to DHL.

The cost of materials including purchased energy doubled from €0.9 million to €1.6 million partly as a result of higher electricity costs and purchased services for customer orders. With the number of employees remaining at roughly the same level (107), personnel expenses were on par with the previous year's level at €10.1 million. Other operating expenses decreased significantly by around a quarter to €15.8 million (2017: €20.7 million). This was attributable to lower expenses from renting buildings, from maintenance and service costs and from marketing and market communication.

As a result of higher revenue and lower expenses, EBITDA climbed by 19.3% to €85.8 million (2017: €71.9 million). Depreciation and amortisation decreased slightly from €17.3 million to €17.2 million. As a result, EBIT increased year-on-year by 25.6% to €68.6 million (2017: €54.6 million). The EBITDA margin was 58.6% (2017: 51.9%) and the EBIT margin was 46.9% (2017: 39.4%).

### › Malta Segment

Amounts in € million	2018	Change	2017
Airport	65.5	11.0%	59.0
Retail & Properties	26.3	14.5%	23.0
Other	0.3	-13.1%	0.4
<b>Malta segment revenue</b>	<b>92.2</b>	<b>11.9%</b>	<b>82.4</b>

The Malta segment's external revenue amounted to €92.2 million in 2018 (2017: €82.4 million). Revenue in the Airport segment, which includes income from tariffs, aviation concessions and PRM services, climbed by 11.0% year-on-year from €59.0 million to €65.5 million due to traffic growth. Income from retail outlets, advertising space and rental, including VIP lounges and parking revenue, rose by 14.5% year-on-year to €26.3 million (2017: €23.0 million). The Malta segment's total share of Group revenue was 11.5% (2017: 10.9%).



The cost of materials rose slightly to €3.2million (2017: €2.9million) as a result of higher energy costs. Personnel expenses climbed by 22.6% to €9.9million (2017: €8.0million) owing to the 10.8% increase in the headcount to 340 (2017: 307) and increases under collective bargaining agreements. They include ongoing salary costs, pension expenses and statutory social security contributions. At €25.9million, other operating expenses were up 24.2% compared to the previous year (2017: €20.8million). This increase was primarily due to higher maintenance costs and increased expenses for marketing and market communication.

EBITDA amounted to €53.2million (2017: €49.8million), corresponding to an EBITDA margin of 57.8% (2017: 60.5%). With depreciation and amortisation of €9.2million (2017: €9.2million), the Malta segment generated EBIT of €44.0million (2017: €40.6million). The EBIT margin fell from 49.3% in the previous year to 47.8%.

### › Other Segments

Amounts in € million	2018	Change	2017
Energy supply and waste disposal	8.4	12.7%	7.4
Telecommunications and IT	3.0	2.9%	2.9
Materials management	1.6	7.7%	1.4
Electrical engineering, security equipment, workshops (VAT)	1.2	-6.3%	1.3
Facility management, building maintenance	0.8	-46.5%	1.5
Visitor World	0.6	45.4%	0.4
Other	0.7	-18.1%	0.8
<b>Other Segments revenue</b>	<b>16.2</b>	<b>2.6%</b>	<b>15.7</b>

The external revenue of the Other Segments segment amounted to €16.2million in 2018, representing a 2.6% increase as against €15.7million in 2017. While revenue for energy supply and waste disposal climbed by 12.7% to €8.4million (2017: €7.4million), facility management revenue fell to €0.8million (2017: €1.5million). External revenue of the subsidiary Vienna Airport Technik GmbH (VAT) amounted to €1.2million (2017: €1.3million). Other Segments accounted for 2.0% of external Group revenue (2017: 2.1%).

Internal revenue declined by 1.9% year-on-year to €103.6million (2017: €105.7million), partly in relation to IT services and maintenance services for other reporting segments. Other income also declined from €2.5million to €2.1million.

The cost of consumables and services used rose by 2.5% to €24.1million (2017: €23.5million), primarily due to higher expenses for energy. Personnel expenses increased by 8.2% to €55.8million (2017: €51.6million) as a result of a higher headcount averaging 729 employees (2017: 702), increases under collective bargaining agreements and additions to provisions. Other operating expenses were down 13.3% year-on-year at €24.5million (2017: €28.3million), primarily due to lower costs for external third-party services, which are sourced by Other Segments and subsequently charged on in part to the other segments. Internal operating costs rose to €8.2million (2017: €5.6million).

Results from companies recorded at equity include the net profit for the period of the investments recorded at equity, primarily higher results from Košice Airport and City Airport Train (CAT), and increased to €3.6million (2017: €2.9million).

Segment EBITDA amounted to €12.7million in 2018 (2017: €17.7million). Depreciation and amortisation was down 16.9% year-on-year at €11.1million (2017: €13.3million), also in the area of IT equipment. EBIT declined by 62.6% to €1.6million (2017: €4.4million). The EBITDA margin was 10.6% (2017: 14.6%) and the EBIT margin was 1.4% (2017: 3.6%).

## Earnings

The development of earnings in the Flughafen Wien Group (FWAG) in the 2018 financial year can be summarised as follows:

### › Income statement, summary, in € million

Group net profit	2018	Change	2017
Revenue	799.7	6.2%	753.2
Other operating income	12.3	17.2%	10.5
<b>Operating income</b>	<b>812.0</b>	<b>6.3%</b>	<b>763.7</b>
Operating expenses, not including depreciation, amortisation and impairment	-465.1	5.7%	-440.1
Results of companies recorded at equity	3.6	24.7%	2.9
<b>EBITDA</b>	<b>350.4</b>	<b>7.3%</b>	<b>326.5</b>
Depreciation and amortisation (previous year's figure includes impairment)	-129.6	-3.8%	-134.6
<b>EBIT</b>	<b>220.8</b>	<b>15.1%</b>	<b>191.8</b>
Financial results	-12.5	32.1%	-18.5
<b>EBT</b>	<b>208.3</b>	<b>20.1%</b>	<b>173.4</b>
Income taxes	-56.4	21.3%	-46.5
<b>Net profit for the period</b>	<b>151.9</b>	<b>19.7%</b>	<b>126.9</b>
Thereof attributable to non-controlling interests	14.6	20.0%	12.2
Thereof attributable to equity holders of the parent	137.3	19.6%	114.7
<b>Earnings per share in €</b>	<b>1.63</b>	<b>19.6%</b>	<b>1.37</b>

Revenue increased by 6.2% to €799.7million (2017: €753.2million), chiefly due to the increase in passengers, higher shopping and food & beverages revenue, increased parking and property revenue and higher revenue from cargo handling. Due to the seasonality in the airport business resulting from holidays, FWAG normally generates its highest revenue in the second and third quarters.

At €12.3 million, other operating income was higher than the previous year's figure of €10.5 million. Own work capitalised for investment projects in the Group fell by 15.0% from €6.5 million to €5.5 million. Income from the disposal of fixed assets in the amount of €3.7 million (2017: €0.9 million) primarily reflects sales of land to DHL.

### › Operating expenses up 3.5% in 2018

Amounts in € million	2018	Change	2017
Consumables and purchased services	42.1	10.1%	38.3
Personnel expenses	301.5	6.6%	282.7
Other operating expenses	121.5	2.1%	119.0
Depreciation, amortisation and impairment	129.6	3.8%	134.6
<b>Total operating expenses (including depreciation, amortisation and impairment)</b>	<b>594.7</b>	<b>3.5%</b>	<b>574.7</b>

Expenses for consumables and services used rose by 10.1% from €38.3 million to €42.1 million in 2018. Roughly half of this was attributable to expenses for energy, which rose by 11.8% to €18.8 million (2017: €16.8 million). The second cost driver relates to other costs of materials, which rose – particularly in the area of de-icing materials and fuel – by 11.3% to €20.1 million (2017: €18.1 million). By contrast, expenses for consumables and services used decreased slightly by 4.9% to €3.2 million (2017: €3.4 million).

Personnel expenses rose by 6.6% from €282.7 million to €301.5 million in the reporting year, essentially due to pay increases under collective bargaining agreements, a higher average headcount (caused in part by the first-time consolidation of GETS), increased overtime and compensatory rest on account of delays and flight disruptions as well as changes to provisions (partly as a result of updating actuarial parameters). FTEs in the Group increased by 4.5% to 4,830 (2017: 4,624). The share of working agreements (headcount) rose by 9.7% to 6,330.

Wage costs climbed by 4.4% to €123.0 million (2017: €117.9 million) due to pay increases under collective bargaining agreements, increased overtime and compensatory rest on account of flight disruptions, and higher additions to provisions in the area of holidays and anniversary bonuses (partly as a result of updating actuarial parameters). Salary expenses also increased by 11.2% to €104.3 million (2017: €93.8 million) on account of the higher number of salaried employees, pay increases under collective bargaining agreements, and provisioning requirements (partly as a result of updating actuarial parameters). Expenses for severance compensation including contributions to employee benefit funds climbed by 22.1% from €7.5 million to €9.2 million in the reporting year due to changes in provisions, while expenses for pensions only increased by 3.0% year-on-year to €3.1 million (2017: €3.0 million). Expenses for statutory levies and contributions climbed by 3.7% year-on-year to €59.5 million (2017: €57.4 million). Other employee benefit expenses decreased by a quarter from €3.2 million to €2.4 million.

Other operating expenses (incl. valuation allowances) rose by 2.1% year-on-year to €121.5million (2017: €119.0million). The largest decrease – by a third to €15.4million (2017: €23.1million) – was in expenses for marketing and market communication, as expenses previously incurred under this item were reclassified to the incentive model. In addition, legal, auditing and consulting costs were reduced by around a quarter year-on-year to €7.1million (2017: €9.5million). By contrast, maintenance costs increased by 24.4% to €37.3million in the reporting year (2017: €29.9million). There were also increases in third-party services at Group companies and expenses for valuation allowances on receivables.

### › Results of companies recorded at equity

The results of investments in companies recorded at equity amounted to €3.6million after €2.9million in the previous year, reflecting the improvement in the operating business of these investments. This is due mainly to growth at Košice Airport and the City Airport Train (CAT).

### › Group EBITDA of € 350.4 million

EBITDA (Amounts in €million)	2018	Change	2017
Airport	187.1	11.7%	167.4
Handling & Security Services	11.6	-41.1%	19.6
Retail & Properties	85.8	19.3%	71.9
Malta	53.2	6.9%	49.8
Other Segments	12.7	-28.2%	17.7
<b>Group EBITDA</b>	<b>350.4</b>	<b>7.3%</b>	<b>326.5</b>

EBITDA Group share (in %)	2018	2017
Airport	53.4	51.3
Handling & Security Services	3.3	6.0
Retail & Properties	24.5	22.0
Malta	15.2	15.3
Other Segments	3.6	5.4
<b>Group EBITDA</b>	<b>100.0</b>	<b>100.0</b>

FWAG's earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 7.3% to €350.4million (2017: €326.5million). The EBITDA margin climbed to 43.8% (2017: 43.3%).

## › Depreciation and amortisation of € 129.6 million

Amounts in € million	2018	Change	2017
Investment in non-current assets <sup>1</sup>	165.7	60.0%	103.6
Depreciation and amortisation	129.6	-2.1%	132.4
Impairment	0.0	-100.0%	2.3
<b>Total depreciation, amortisation and impairment</b>	<b>129.6</b>	<b>-3.8%</b>	<b>134.6</b>

1) Not including financial assets and other non-current assets

The largest investment projects are the third runway project at € 55.8 million (including € 55.4 million from the capitalisation of the payment obligation arising from the service agreement for the mediation process in connection with the environmental fund), the terminal development projects at € 8.9 million and Office Park 4 at € 32.3 million (including an advance payment of € 25.0 million). A total of € 8.4 million was invested at Malta Airport in the reporting year, including for terminal alterations and airport traffic areas. Further details can be found in note (14) to the consolidated financial statements.

In the 2018 reporting year, no indications that assets could be impaired were identified. The annual impairment test (goodwill) resulted in no recognition of impairment.

In the 2017 financial year, the impairment tests carried out resulted in recognising impairment of properties in the Real Estate Cargo cash-generating unit of € 1.5 million. This was recognised in the Retail & Properties segment. In the new reporting structure, the impairment is reported in the Handling & Security Services segment. A further impairment of € 0.8 million was recognised in the Vöslau Airfield cash-generating unit (Airport segment).

Further information can be found in note (7) to the consolidated financial statements.

## › Group EBIT increased to € 220.8 million

EBIT (Amounts in € million)	2018	Change	2017
Airport	103.4	26.6%	81.7
Handling & Security Services	3.1	-70.9%	10.5
Retail & Properties	68.6	25.6%	54.6
Malta	44.0	8.5%	40.6
Other Segments	1.6	-62.6%	4.4
<b>Group EBIT</b>	<b>220.8</b>	<b>15.1%</b>	<b>191.8</b>

EBIT Group share (in %)	2018	2017
Airport	46.8	42.6
Handling & Security Services	1.4	5.5
Retail & Properties	31.1	28.5
Malta	19.9	21.2
Other Segments	0.7	2.3
<b>Group EBIT</b>	<b>100.0</b>	<b>100.0</b>

Due to lower depreciation and amortisation (taking account of impairment losses in the previous year), Group EBIT increased by 15.1% as against 2017 to €220.8 million (2017: €191.8 million). The EBITDA margin increased to 27.6% (2017: 25.5%).

### › Financial results improve to minus € 12.5 million

Amounts in € million	2018	Change	2017
Income from investments, excluding companies recorded at equity	0.3	-38.3%	0.5
Interest income	2.0	28.0%	1.6
Interest expense	-15.9	-24.3%	-20.9
Other financial result	1.0	n.a.	0.4
<b>Financial results</b>	<b>-12.5</b>	<b>32.1%</b>	<b>-18.5</b>

At minus € 12.5 million, the financial results were 32.1% better than in the previous year (2017: minus € 18.5 million). Income from investments not including companies recorded at equity decreased to €0.3 million. Net interest expenses amounted to €13.8 million (2017: €19.3 million). In addition to current interest expenses of €15.9 million (2017: €20.9 million), which decreased further as a result of repayments, interest income of €2.0 million (2017: €1.6 million) was also recorded. Other financial results amounted to €1.0 million. This item includes the subsequent measurement of securities (application of IFRS 9 since the 2018 financial year in relation to debt instruments (FVPL), see note (10)).

### › Group net profit of € 151.9 million (up 19.7%)

FWAG's total profit before taxes increased by 20.1% to €208.3 million in 2018 (2017: €173.4 million).

The income of the respective companies is subject to taxation in the Republic of Austria (25%), Malta (for Maltese companies: 35%) and Slovakia (for Slovakian subsidiaries: 21%). The tax rate came to 27.1% in 2018 (2017: 26.8%). Income taxes amounted to €56.4 million (2017: €46.5 million).

The net profit for the year was €151.9 million (2017: €126.9 million). This included the pro rata loss of the subsidiary BTS Holding a. s. "v likvidácii" (in liquidation). The result attributable to non-controlling interests in the Maltese companies (the MIA Group and MMLC) amounted to €14.6 million in the 2018 financial year (2017: €12.2 million). The net profit attributable to the equity holders of the parent company amounted to €137.3 million in the 2018 financial year (2017: €114.7 million), an increase of 19.6%.

Based on an unchanged number of shares outstanding (84 million), earnings per share (basic = diluted) amounted to €1.63 (2017: €1.37).

# Financial, asset and capital structure

## › Statement of financial position structure

	2018		2017	
	in € million	as a % of total assets	in € million	as a % of total assets
<b>ASSETS</b>				
Non-current assets	1,957.2	90.7	1,870.9	90.7
Current assets	200.9	9.3	192.1	9.3
<b>Total assets</b>	<b>2,158.1</b>	<b>100.0</b>	<b>2,063.0</b>	<b>100.0</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	1,297.0	60.1	1,211.0	58.7
Non-current liabilities	549.3	25.5	601.3	29.1
Current liabilities	311.8	14.4	250.7	12.2
<b>Total assets</b>	<b>2,158.1</b>	<b>100.0</b>	<b>2,063.0</b>	<b>100.0</b>

## › Assets

Compared to 31 December 2017, non-current assets rose by 4.6% to €1,957.2million (2017: €1,870.9million). The change resulted firstly from non-current investments, which caused the "Other assets" item to increase by from €99.1million to €148.2million. While capital expenditure on non-current assets (including financial assets) of €166.0million was recognised, non-current assets declined as a result of depreciation and amortisation of €129.6million and derecognition of €1.0million. By contrast, the carrying amount of companies recorded at equity increased by 4.7% to €42.9million (2017: €41.0million). The share of total assets accounted for by non-current assets remained stable overall at 90.7% (2017: 90.7%).

Property, plant and equipment with a carrying amount of €1,448.9million (2017: €1,441.4million) was the largest component of non-current assets. Within this item, capital expenditure (additions) including changes in the consolidated group of €129.7million was offset by reclassifications of €2.5million, depreciation of €118.8million and derecognition of assets of €0.9million.

The carrying amount of land and buildings was down by 4.6% from €1,051.5million (2017) to €1,002.7million in 2018. In addition to capital expenditure of €11.3million, depreciation of €61.4million was recognised and reclassifications of €2.0million were made from finished projects and available-for-sale assets and to the "Investment property" item. The derecognition of assets in this item came to €0.7million.

The "Technical equipment and machinery" item, with a carrying amount of €262.5million as at 31 December 2018, was 7.0% lower year-on-year (2017: €282.1million). Firstly, capital expenditure and reclassifications of completed projects were recognised in the amount of €15.2million and secondly, depreciation of €34.9million was recorded. The "Other equipment, operating and office equipment" item rose year-on-year by 12.1% to €103.0million (2017: €91.9million). Advance payments and projects under development posted an increase in their carrying amount from €15.9million in the previous >

year to €80.7million as a result of current construction projects at the Vienna site. €55.8million of the additions relate to investments for the third runway (including €55.4million from the capitalisation of the payment obligation arising from the service agreement for the mediation process in connection with the environmental fund).

The carrying amount of investment property rose by 21.6% year-on-year to €161.5million as at the end of the year (2017: €132.8million). Depreciation of €6.0million and re-classifications of €1.3million from property, plant and equipment were offset by capital expenditure and advance payments of €33.4million.

The carrying amount of investments in companies recorded at equity increased by 4.7% from €41.0million to €42.9million. On the one hand this is due to dividends received of €1.6million. On the other hand, current income of €3.6million was generated as a result of the positive development of these investments. Non-current other assets increased from €99.1million to €148.2million. Equity instruments under non-current assets rose from €0.8million to €5.2million, mainly due to the measurement of financial instruments (application of IFRS 9 since the 2018 financial year). While deferred items from rental prepayments declined as expected from €31.4million to €30.8million as at the end of 2018, other receivables rose from €66.0million to €111.3million in connection with investments.

Current assets increased by 4.6% year-on-year to €200.9million (2017: €192.1million). This was partly due to net trade receivables moving up to €65.4million as against €59.2million as at 31 December 2017. The positive cash flow resulted in an increase in investments, which are reported under other assets. By contrast, cash and cash equivalents fell by 37.2% year-on-year to €30.1million (2017: €47.9million). Inventories were almost on par with the previous year's level at €6.1million. As a result of remeasurement at market value and the purchase of a bond, the carrying amount of securities rose by 26.8% to €28.1million as at 31 December 2018 (2017: €22.2million). "Assets available for sale" includes land of €0.7million (2017: €3.0million).

## › Equity and liabilities

The Flughafen Wien Group's equity rose by 7.1% from €1,211.0million to €1,297.0million in the reporting year. The net profit of €151.9million (before non-controlling interests) is offset by the payout of the Flughafen Wien AG dividend for the 2017 financial year of €57.1million and distributions to non-controlling shareholders of €7.0million. The revaluation of defined benefit plans, the market valuation of securities (incl. first-time application of IFRS 9) and the scheduled development of the revaluation reserve resulted in a €3.6million change in other reserves. The equity ratio therefore improved to 60.1% (2017: 58.7%).

The non-controlling interests as at 31 December 2018 relate to the other shareholders in Malta Airport (Malta International Airport plc), Malta Mediterranean Link Consortium Limited (MMLC) and the Slovakian subsidiary BTS Holding a.s. "v likvidácii" (in liquidation). They changed in line with the current results for the year of the subsidiaries and the distributions made. The carrying amount of non-controlling interests was €96.2million (2017: €88.5million).



The 8.6% decrease in non-current liabilities from € 601.3 million to € 549.3 million resulted firstly from the reclassification of € 25.0 million from non-current financial liabilities to current financial liabilities owing to the repayment profile and secondly from early repayments of € 31.1 million. Non-current provisions increased from € 153.1 million to € 162.7 million as at 31 December 2018, primarily due to ongoing allocations (including updating actuarial parameters) to non-current staff provisions. Other non-current liabilities remained at the previous year's level of € 39.5 million. Deferred tax liabilities amounted to € 47.1 million as at the end of the reporting period (2017: € 52.4 million).

Compared to 31 December 2017, current liabilities rose by 24.4% to € 311.8 million (2017: € 250.7 million). This is partly due to current provisions being higher at € 140.0 million (2017: € 107.8 million), e.g. from deferrals of outstanding discounts and incentives and from higher provisions for other personnel expenses (including holidays). Other current liabilities, which went up from € 39.6 million to € 62.4 million, include the outstanding payment obligation arising from the service agreement for the mediation process in connection with the environmental fund. The increase in current financial liabilities from € 47.0 million to € 57.0 million is due to reclassifications of € 25.0 million, borrowings of € 32.0 million and repayments of € 47.0 million. As a result of the positive net profit, tax provisions climbed by 7.0% from € 10.3 million to € 11.0 million. As at the end of the reporting period, trade payables decreased by 10.1% from € 46.0 million to € 41.4 million.

### › Financial indicators

	2018	Change	2017
Equity in € million	1,297.0	7.1%	1,211.0
Equity ratio in %	60.1	n.a.	58.7
Net debt in € million <sup>1</sup>	142.5	-37.2%	227.0
Gearing in % <sup>2</sup>	11.0	n.a.	18.7
Working capital in € million <sup>3</sup>	-113.4	11.1%	-102.1
Fixed-asset ratio in % <sup>4</sup>	90.7	n.a.	90.7
Asset coverage in % <sup>5</sup>	94.3	n.a.	96.9

1) Net debt = current and non-current financial liabilities – cash and cash equivalents – current securities and investments

2) Gearing = net debt / equity

3) Working capital = inventories, current receivables (excluding time deposits) and other assets less current provisions and liabilities (not including liabilities from investing activities)

4) Fixed asset ratio = non-current assets / total assets

5) Asset coverage = (equity + non-current liabilities) / non-current assets

### › Cash flow statement

in € million	2018	Change	2017
Cash and cash equivalents as at 1 January	47.9	10.3%	43.4
Cash flow from operating activities	291.2	4.8%	277.9
Cash flow from investing activities	-198.8	26.7%	-156.9
Cash flow from financing activities	-110.2	-5.4%	-116.5
Cash and cash equivalents at end of period <sup>1</sup>	30.1	-37.2%	47.9
<b>Free cash flow</b>	<b>92.4</b>	<b>-23.7%</b>	<b>121.0</b>

1) Including changes in the consolidated group

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In the 2018 reporting year, the Flughafen Wien Group generated cash flow from operating activities of €291.2 million, an upturn of 4.8% as against the previous year (€277.9 million). Operating earnings (EBT plus depreciation, amortisation and impairment less measurement of financial instruments) rose by 9.4% year-on-year to €336.9 million (2017: €308.0 million). In addition to proceeds from dividend payments by companies recorded at equity of €1.6 million (2017: €2.1 million), interest payments of €16.0 million (2017: €21.3 million) and interest income of €1.7 million (2017: €1.7 million) were also recognised. Income tax payments of €61.5 million (2017: €44.7 million) were also made in the reporting year. Receivables rose by €10.8 million in the reporting year. Equity and liabilities also increased by a total of €32.8 million.

Net cash flow from investing activities amounted to minus €198.8 million as against minus €156.9 million in 2017. Payments for acquisitions of non-current assets (including financial assets) amounted to €145.1 million (2017: €93.6 million) in the reporting year. Proceeds from the disposal of assets (including financial assets) declined year-on-year from €2.7 million to €1.6 million. Furthermore, €90.3 million (2017: €86.0 million) was invested in current and non-current investments and €5.0 million in a bond in the 2018 reporting year. This was offset by proceeds from past investments of €40.0 million (2017: €20.0 million).

Free cash flow (cash flow from operating activities plus cash flow from investing activities) decreased by €28.6 million from €121.0 million to €92.4 million, essentially as a result of higher cash outflows for investing activities.

Cash flow from financing activities of minus €110.2 million can be attributed to the change in financial liabilities amounting to €46.1 million and the dividend payment of €57.1 million to the shareholders of the parent company and of €7.0 million to non-controlling shareholders.

In net terms, cash and cash equivalents therefore decreased by 37.2% as against 31 December 2017 to €30.1 million (2017: €47.9 million).

## Capital expenditure

Capital expenditure in € million	2018	Change	2017
Intangible assets	2.6	60.2 %	1.6
Property, plant and equipment including investment property	163.1	60.0 %	101.9

Capital expenditure on non-current assets included €163.1 million for property, plant and equipment and investment property plus €2.6 million for intangible assets. The major additions to non-current assets in the 2018 and 2017 financial years are listed under note (14) in the notes to the consolidated financial statements

## Investments in foreign airports

The Flughafen Wien Group (FWAG) held investments in two international airports in 2018.

- ▶ As at 31 December 2018, FWAG held an indirect interest of 48.44% of shares in Malta Airport (fully consolidated company): 40% of the shares are held by Mediterranean Link Consortium Limited (MMLC), in which FWAG has held 95.85% since the end of the first quarter of 2016, 10.1% is held directly by FWAG (through VIE (Malta) Limited) and 20% is held by the Maltese government. The remaining shares are listed on the stock exchange in Malta.
- ▶ Flughafen Wien AG indirectly holds 66% in Košice Airport (recorded at equity). Although Flughafen Wien AG controls the majority of voting rights, this company is run as a joint venture as key business decisions are made together with the other shareholders.

## Financial instruments

Information on the financial instruments used by the Flughafen Wien Group can be found in the notes to the consolidated financial statements (notes (36) and (37)).

## Branches

Flughafen Wien AG had no branches in the 2018 financial year or the previous year.

## Financial and capital management

Financial management in FWAG uses a system of performance indicators based on carefully selected and coordinated figures. These key performance indicators define the tightrope between growth, profitability and financial security that FWAG walks in the pursuit of its primary goal to generate profitable growth.

High profitability is the stated long-term goal of management. Depreciation and amortisation have a significant influence on FWAG's earnings figures. EBITDA (operating profit plus depreciation, amortisation and impairment less impairment reversals) is a key indicator, as is the EBITDA margin. An EBITDA margin of 43.8% is reported for 2018 (2017: 43.3%).

The optimisation of the financial structure has top priority. This financial security is measured by the gearing ratio, which compares net debt with the carrying amount of equity. The company's medium-term goal is to limit the EBITDA/net debt ratio to a maximum of 2.5x. The ratio of net debt to EBITDA was 0.4 in the financial year (2017: 0.7).

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Financial liabilities fell by €46.1 million, due essentially to scheduled and early repayments and the strong cash flow. Cash and cash equivalents amounted to €30.1 million as at 31 December 2018 (2017: €47.9 million). Investments of €156.3 million (2017: €106.0 million) are reported in current and non-current assets. Net debt including these deposits was €142.5 million (2017: €227.0 million). With reported equity of €1,297.0 million (2017: €1,211.0 million), the gearing ratio was 11.0% (2017: 18.7%).

In addition to the EBITDA margin, the return on equity (ROE) is also used to assess the company's profitability. ROE compares net profit for the period with the average reported equity for the financial year. ROCE (return on capital employed) and cash flow are also used to manage the company.

#### › Profitability indicators in % or € million

	2018	2017
EBITDA margin <sup>1</sup>	43.8	43.3
EBIT margin <sup>2</sup>	27.6	25.5
ROE <sup>3</sup>	12.1	10.8
ROCE before tax <sup>4</sup>	12.5	11.0
ROCE after tax	9.4	8.2
Free cash flow in € million	92.4	121.0

1) EBITDA margin (earnings before interest, taxes, depreciation and amortisation) = EBITDA/revenue

2) EBIT margin (earnings before interest and taxes) = EBIT/revenue

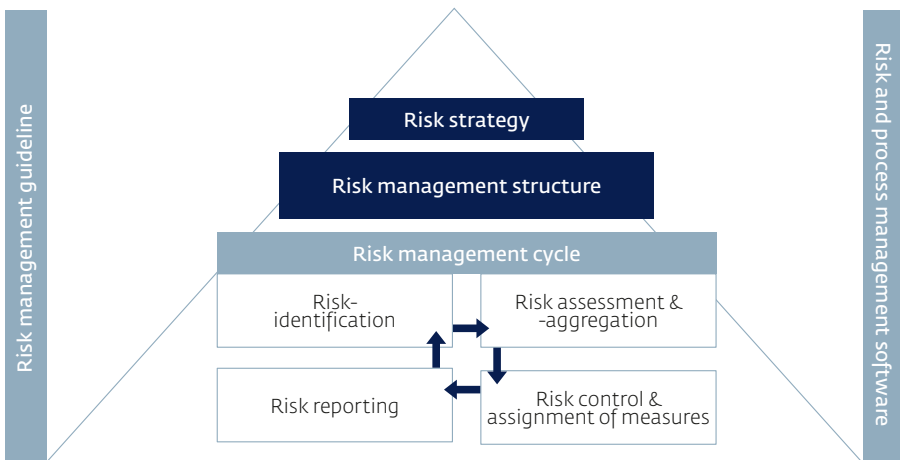
3) ROE (return on equity) = net profit for the period/average equity

4) ROCE before tax (return on capital employed before tax) = EBIT/average capital employed  
(capital employed = non-current assets, inventories, receivables and other assets including time deposits, less current provisions and liabilities)

# Risks of future development

## › Risk management system

The Flughafen Wien Group (FWAG) uses a risk management system that identifies, analyses, assesses and suitably handles relevant risks to track key risks and opportunities of future business development quickly and comprehensively. This system is shown in the following diagram:



Source: adapted from Denk, Exner-Merkelt, Ruthner (2008): Corporate Risk Management

The principles of the risk management system for the entire Group are uniformly based on the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) enterprise risk management standards. These standards are operationalised and implemented in a separate policy. Given its specific organisational framework, Malta Airport has issued its own risk management policy, which is based on the uniform Group-wide standards referred to above. These guidelines define the risk principles and the formalised structure and process organisation for the performance of risk management tasks and agendas.

In terms of organisational structure, risk management at Flughafen Wien AG is located within strategic controlling. While all risk management activities are coordinated centrally by this function, all employees of FWAG are required to actively participate in risk management in their areas of activity in order to integrate the function into their ongoing business processes. Risk owners and risk officers in the business units and affiliated companies are particularly responsible for this.

The risk management cycle, consisting of risk identification, risk assessment and -aggregation, risk control and assignment of measures, and final reporting, runs efficiently on the basis of these persons and their defined roles. This process is accompanied by comprehensive documentation of FWAG's entire risk management system in the form of process and risk management software that serves as a central database for all identified risks and associated measures.

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The internal control system (ICS) also covers aspects of risk management in the sense of ensuring the reliability of operational reporting and compliance with the associated laws and provisions in addition to protecting the assets of the Flughafen Wien Group. In addition, the internal audit department of Flughafen Wien AG regularly evaluates business practices and organisational processes for compliance with Group guidelines, security and efficiency. The Management Board therefore has access to all necessary instruments and structures to identify risks early on and to implement appropriate countermeasures to avert or minimise these risks. The existing systems are evaluated on a regular basis and extended as required.

Risk management is complemented by Group-wide opportunity management, used to identify new earnings potential in all areas of the company at an early stage and to develop them to market readiness. For further information, refer to the following text section.

The key developments in the four main risk classes of the Flughafen Wien Group are described below.

### › Economic, political and legal risks

The development of business at the Flughafen Wien Group is significantly influenced by global, European and regional aviation trends, which in turn are heavily dependent on general economic conditions. Economic fluctuations or a sustained slowdown in economic growth can therefore have a decisive influence on the business performance of the company.

The macroeconomic environment in Europe is characterised by growth at a high level. GDP grew by 2.5% in the euro zone in 2017. For 2018, growth is expected to be 1.9% and for 2019 it is expected to be 1.8% (Source: OECD, November 2018).

In Austria, growth for 2018 has been forecast at 2.7%, which is well above average for the euro zone (source: WIFO, 20. December 2018; OeNB, December 2018). Over the mid-term, strong growth looks set to continue. However, according to the forecast this growth will begin to slow in 2019. Growth rates are between 1.5% and 2.0% expected until 2023 (source: WIFO, October/December 2018).

Uncertainties in the geopolitical field persist in the shape of the political tension between the European Union and Russia. The European Union sanctions on the Russian Federation are having a negative effect on traffic volume from and to Russia, but the low point has likely passed. In 2018, passenger volume for travel between Austria and Russia increased further.

In the opinion of economic experts, the pending departure of the UK from the European Union will have only a minor impact on the Austrian economy, and thus on the volume of traffic at Vienna Airport, on account of the relatively low intensity of economic ties between Austria and the UK.

The ongoing negotiations are relevant for Malta Airport. The UK accounts for around 24.6% (2018) of the total passenger volume. This could result in short-term negative effects on the traffic volume.

The IMF has forecast the negative Brexit impact on Austria to be no more than 0.5% given the below-average economic ties with the UK, even in the event of a "hard Brexit" (sources: IHS, February 2017; IMF, July 2018). Thus the impact on traffic volume at Vienna Airport is to be classified as low.

Selectively the possible depreciation of pound sterling and the resulting reduction in purchasing power of British passengers could have a negative effect on revenue in the area of shopping and food & beverages services.

After the House of Commons rejected the exit agreement negotiated between the governments of the UK and EU on 15 January 2019, the outcome of Brexit remains uncertain. If there is in fact a hard Brexit without a contractual agreement on the terms, this may cast doubt on countries' rights and/or recognition of legal aviation standards and regulations between the EU and UK. In some cases, this could result in short-term negative effects on traffic volume between Austria and destinations in the UK. However, all in all the extent of this risk is limited. In 2018, the UK accounted for 6% of passenger volume (in terms of departing passengers) at Vienna Airport.

Political tension and terrorist threats in individual countries and regions have a negative impact on bookings in the respective tourist destinations. In the past, however, it has been observed that such declines were of a short-term nature or were compensated by other destinations. Negative effects on the volume of traffic at Vienna Airport would only arise if these substitution effects are only partial or alternative destinations are served by private transport. Furthermore, negative sales effects are possible in duty free if passengers from non-EU destinations avoid destinations within the internal market.

It remains to be seen how the gradual re-introduction of US sanctions against Iran affects traffic. However, no negative effects were seen in 2018.

The EU Commission and EU legislators are still working on the details of the Aviation Package presented in December 2015. In particular, the revisions to the EASA (European Union Aviation Safety Agency) basic regulation have already been completed. EASA will have more authority, some of which is new.

The evaluation of the fee directive is scheduled for completion by the end of 2019. The mandatory application of a uniform, single-till rule for calculating airport fees for all EU airports with 5 million passengers or more is under discussion. If this rule took effect, it would significantly reduce the earnings of airport operations.

For the evaluation of the ground handling services regulation (BVD), a roadmap was published in February 2019 that provides for evaluation by 2021. It is not yet known whether another effort will be made to further deregulate the ground handling services market.

To date, there has been little progress in counteracting capacity bottlenecks in the Single European Sky. Capacity bottlenecks cause significant delays that in turn cause airlines and airports to incur high costs.

Aviation has also been included in the European Union Emission Trading System (EU ETS) since 2012. The ICAO (International Civil Aviation Organization) has now agreed on a procedure for reducing or offsetting climate-damaging emissions from aviation. The costs of the ETS certificates are likely to rise significantly in the years ahead, because in Phase 4 of European emissions trading (starting in 2021) a further reduction in ETS certificates is expected.

Furthermore, changes in regulatory requirements or relevant legal principles can influence the company's results. These political and regulatory risks are monitored and assessed on an ongoing basis. FWAG does not anticipate any changes to the current regulations on permissible flight operating times or current night flight rules. Flughafen Wien AG has placed cooperation with the surrounding communities and their authorities on a broad and very stable basis in the form of the dialogue forum. The focus is on a transparent information policy and a comprehensive integration of cities and communities affected by noise emissions from aviation.

Non-compliance with legal requirements can give rise to liability on the part of management or the Management Board. Compliance with the relevant regulations is therefore ensured by internal guidelines, such as the Issuer Compliance Guideline and the Market Abuse Regulation (MAR). To prevent the misuse or distribution of insider information, permanent areas of non-disclosure have been established by Flughafen Wien AG, which are supplemented by temporary areas of non-disclosure as needed. A variety of organisational measures and control mechanisms has also been implemented to monitor these processes on a regular basis. As the contents of the Issuer Compliance Guideline have now been conclusively regulated in the MAR and its supplementary acts with its objective of achieving complete harmonisation, for reasons of conformity to European legislation the Issuer Compliance Guideline was repealed on 3 January 2018.

On 19 December 2018, the Austrian Constitutional Court announced its decision on the Court of Auditors' audit authority for Flughafen Wien AG. As at 1 June 2017, there is no factual or other control of the airport by public authorities – and therefore the Court of Auditors is not entitled to perform audits.

The lawsuit filed by former lessee Rakesh Sardana against FWAG in New York for \$ 168 million (currently some € 147 million) due to alleged discrimination was denied in May 2018 by the court in New York and no further legal recourse has been sought. The matter is thus closed.

## › Market and competitive risks

From a global standpoint, industry association IATA (International Air Transportation Association) maintains its positive outlook for the aviation industry, forecasting global passenger growth of 5.6% in 2019 (2018: 6.1%), measured in terms of departing passengers, and significant freight growth of 3.7% (2018: 4.1%), measured in terms of freight and mail tonne kilometres (Source: IATA Economic Performance of Airline Industry 12/2018).

2018 was a successful year overall for the aviation industry. Customers are benefiting from lower costs and more offers. Solid economic growth is keeping demand above capacity growth (Source: IATA 12/2018). For European airlines, IATA is forecasting a total profit of US\$ 7.4 billion after taxes for 2019 (2018: US\$ 7.5 billion).



Despite this positive trend, the market and competitive situation in European aviation remains very competitive, not least due to the very aggressive price and growth policy of airlines operating in the low-cost carrier (LCC) market segment. It is therefore assumed that the consolidation of the industry observed last year will continue in the coming years. On a regional basis the market consolidation can lead to a concentration of market share which can result in strong market power of individual airlines or airline groups.

It is expected that in the coming years, growth in traffic within Europe will be driven predominantly by low-cost carriers and the secondary brands of the traditional network carriers. This is a major challenge for the traditional network carriers in particular. For airports, this development means that competition for low-cost traffic will become more intense on the one hand and, on the other, the pressure from network carriers on their respective hub airports to keep rates and input costs as low as possible will continue to rise. Both aspects are likely to negatively impact the income that airports can achieve per passenger, and will also demand intensive efforts to increase cost efficiency and productivity.

Austrian Airlines is FWAG's biggest customer and accounts for 47.5% in 2018 (2017: 48.4%) of total passenger traffic at the Vienna site. Austrian Airlines' strategic focus and its long-term development as a strong network carrier have a significant influence on the commercial success of FWAG, and are therefore under constant observation and analysis by the business areas responsible. In the past year, Austrian Airlines increased the number of passengers transported by 8.5% (or 8.9% in Vienna) and expanded its offering (measured as the number of seat kilometres available) by 9.7% (2017: +6.6%).

In 2018, the long-haul flight capacity of Austrian Airlines was increased with the introduction of a Boeing 777, which contributed significantly to passenger growth in long-distance travel. In addition, a major overhaul of the route network was completed to eliminate non-profitable flights and as a result, the frequency of flights to North America and China has been increased.

In January 2019, Austrian Airlines announced a new strategy for the enhancement and reinforcement of its Vienna hub. Its plans include moving four Bombardier DH8-Q400s to Vienna (these are currently in use by affiliate SWISS), a capex package of €200 million for expansion of the Airbus fleet, and network consolidation by closing down crew bases in the federal states. Flughafen Wien AG considers this package essential for the continuation of its growth-oriented network strategy, with a focus on east-west traffic. A change in this would adversely affect the position of Vienna Airport as a major European aviation hub and lead to declines in transfer volumes.

However, some uncertainty still remains regarding the renewal of the long-haul fleet. In early 2018, Lufthansa AG announced that it had still made no decision on replacing its six Boeing 767.

The specific impact of the insolvency of the airberlin Group and purchase of the aircraft from NIKI's bankruptcy by Laudamotion on Vienna Airport remained low in 2018, as losses were more than offset by growth achieved by other airlines. Above all, Austrian Airlines, easyJet, the Wings Group and Wizz Air reported a rise in passenger volume.

In the immediate catchment area of Vienna Airport, the activities at Bratislava Airport continue to be regarded as particularly relevant and remain under close observation.

Overall, FWAG counteracts market risk with marketing measures and competitive fee and incentive models that apply equally to all airlines. In particular, the company's goal is to share the airlines' market risk and thereby promote strategically important intercontinental routes and traffic to destinations in Central and Eastern Europe.

The airport investments in Malta (fully consolidated) and Košice (recorded at equity) are not only exposed to the above industry risks, but also to additional local challenges and market risks. Overall, the development of traffic volumes at the two airports was highly positive in the past year.

Malta is currently very popular as a holiday destination and is increasingly becoming a year-round tourist destination. Passenger growth in 2018 was 13.2%, an outstanding result after a record 2017.

However, the further economic performance of home carrier Air Malta remains uncertain. It had a market share of around 29.9% in 2018 (of total passenger traffic at Malta Airport). The loss of the airline would have negative repercussions on passenger traffic and thus the results of Malta Airport in the short term. In the medium and long term, however, it is expected that new airlines or those already represented at the site would increase their capacity and serve the existing demand.

The current Brexit negotiations are also relevant for Malta Airport. Because the UK accounts for the largest market with some 24.6% (2018) of total passenger volume and, as mentioned above, there is still uncertainty in respect to Brexit, there may be short-term negative effects on traffic volume as well.

Passenger volume at Košice Airport increased by 9.1% year-on-year, despite the decision by Wizz Air to close its base at Košice Airport and operate just one route instead of the previous four. Passenger volume growth was good in general at Košice Airport, highlighted by the new routes to Düsseldorf and Munich (both by Eurowings) that began in October 2018, among other things. However, as airlines are making cost improvements and restructuring plans, there is a risk that flights to and from regional airports may be cut or reduced. This risk became reality at Košice Airport in January 2019 when Czech Airlines (CSA) discontinued its flights to Bratislava.

In handling services, Flughafen Wien AG was able to successfully defend its leading market position in ramp, traffic and cargo handling in the reporting year. The foundation for this strong standing in competition with other service providers is formed by specially designed service packages and high quality standards. The risk of losing market share is buffered by the existence and prioritization of renewals for long-term service agreements with the most important key accounts (Austrian Airlines, Eurowings and Lufthansa).

The impact of the market consolidation resulting from the insolvency of airberlin and NIKI airlines had, as mentioned above, very little impact on the Handling Services segment. Aircraft movements in 2018 were nearly compensated in full by Austrian Airlines, Eurowings and Laudamotion in terms of handling as well.

However, the increasing market power of the airlines continues to increase the price pressure on upstream service providers and handling services in particular. In light of these challenges, in 2018 a multitude of measures were launched to increase efficiency in workflows along the entire value chain, which are being introduced gradually in 2019.

The trend towards using larger aircraft, as seen in recent years, is set to continue. For example, Austrian Airlines has announced that it will decommission its existing fleet of Dash 8-400s by 2021 and replace them with larger Airbus A320s. Thus, FWAG assumes

that growth in movement will be lower than passenger growth in years to come. This reduces future growth potential for ramp handling. However, the use of larger aircraft will also mean higher average proceeds per aircraft handled, so the reduced momentum in volume growth can be compensated for in part by the prices.

Due to heavier pressure from the competition, the market share of ramp handling decreased slightly in 2018. This is due to the fact that some new carriers at Vienna Airport, who have strong volume growth, did not become handling customers of Flughafen Wien AG. In all, volume growth for ramp handling by Flughafen Wien AG grew by 3.6% in terms of movements in 2018, which is positive.

In the cargo business, the dominant market position of a few airlines (e.g. Lufthansa Cargo) and forwarding agents represents a certain risk. FWAG is working to further diversify its portfolio and thereby reduce this risk by continuously monitoring the airlines and acquiring new customers. The cargo business is also highly sensitive to economic fluctuations.

In the Retail & Properties segment, FWAG rents out buildings and space that are used primarily by companies whose business development is dependent on that of air traffic (retailers, airlines, etc.). Therefore this business is subject not only to the general risks of the real estate market, but also to the risks of changes in passenger volumes and changes in passengers' buying power, such as in connection with the devaluation of the relevant domestic currency against the euro (currency risks). Due to revenue-based contractual components, this is linked to effects on FWAG's revenue situation in the retail and property sectors.

## › Finance and investment risks

The FWAG treasury department is responsible for the efficient management of interest rate and market risks and evaluates the respective risk positions on a regular basis as part of risk controlling. Interest rate risk results in particular from floating interest rates on financial liabilities and assets. The gradual reduction of floating rate financial liabilities has already significantly reduced the potential impact of interest rate changes on FWAG.

The EIB (European Investment Bank) credit agreement in place defines terms for the liability of qualified guarantors. Following the conclusion of a new guarantee agreement, three banks are liable to the EIB as guarantors for the remainder of the loan at this time, currently €325 million. The interest rate is fixed for the remaining term.

Detailed information on financial risks – including liquidity risk, credit risk, interest rate risk and foreign exchange risk – and the financial instruments used to counter these risks can be found in note (37) to the consolidated financial statements.

The general and specific market risks already referred to above, in addition to country-specific political and regulatory risks in Malta and Slovakia, can adversely affect the medium-term planning of the investments in Malta and Košice airports and lead to impairment on assets, goodwill and the carrying amounts of investments.

FWAG's capex projects are exposed to various risks – including the loss of suppliers, higher construction costs, or changes in planning – that could increase the intended expenditures. Therefore, in the pre-project phase, a full risk assessment is already performed for the relevant capex project. Subsequent risk monitoring is handled by a standardized analytical and evaluation process with project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations. The provisions to be complied with regarding project organisation, audits and approvals within the framework of the handling of construction projects are defined by FWAG in a separate construction manual (BHB) as a mandatory corporate instruction (directive).

All capex projects take account of the forecast traffic volume. The increase in passenger numbers projected by experts over the medium and long term forms the basis for the timely and needs-driven provision of new capacity and the calculation of returns on specific projects. This significantly reduces the investment risk of new projects (e.g. due to low utilisation).

The construction of the "Parallel runway 11R/29L" (third runway) is a key project for FWAG's long-term development and growth potential. After the positive first instance ruling regarding the "Parallel runway 11R/29L" (third runway) project, a second instance hearing at the Austrian Federal Administrative Court was held at the beginning of January 2015.

On 9 February 2017, a ruling from the Federal Administrative Court overturning the project was served. Flughafen Wien AG appealed against this decision (of 2 February 2017) to the Austrian Constitutional Court. The Constitutional Court allowed this appeal on 29 June 2017 and revoked the decision by the Federal Administrative Court.

The Federal Administrative Court then had to revise its decision and on 28 March 2018 approved construction of the third runway under additional conditions. These conditions are currently under review and the project is continuing as a top priority, given that Vienna Airport will reach its capacity limits in the existing two-runway system after 2025 based on foreseeable passenger development.

Further project delays could be caused by complaints from opponents to approval of the third runway, filed with the Supreme Administrative Court. The decision on the next steps and treatment of these legal proceeding now lies with the highest court.

All assets were measured based on the assumption that Vienna Airport will maintain its position as an east-west hub.

## › Operating risks

Besides the factors described above, the development of traffic is also significantly influenced by national and external factors such as terrorism, war, or other latent risks (e.g. pandemics, closing of air space due to natural disasters, strikes, etc.). Local damage risks, such as fire, natural disasters, accidents, or terrorism on site, as well as theft of or damage to property, likewise constitute operating risks. Vienna Airport takes key precautions against such events in the form of appropriate safety and fire protection measures, emergency plans and high safety standards. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specific security measures for customers. These risks are also covered by insurance (aviation liability insurance, terror liability insurance, etc.).

As Vienna Airport plays a critical role as a key infrastructure provider and backbone of international integration in the entire Eastern European region, particularly high demands are made of the availability, the reliability, the quality and the data security of the ICT (information and communication technology) systems used. The inclusion of risk management in planning processes allows for the early identification, analysis and assessment of risks in ICT projects and, if required, the implementation of appropriate measures to reduce risk. The major operating risks in the area of information and communications technology include potential failures of central infrastructure facilities and services, the impairment of basic supply, the destruction of central ICT infrastructure and the potential loss of sensitive data.

State-of-the art monitoring systems and emergency procedures have been implemented for all critical ICT systems – such as Vienna Airport's core system, "mach2", or the ERP (enterprise resource planning) system SAP – which support the early identification, analysis and handling of problems and ensure a high degree of reliability. Given the business requirements, ICT systems are generally implemented redundantly and, if necessary, with high availability, so that a failure of individual components does not endanger the availability of overall systems. To check and secure the failure concepts, regularly emergency tests are implemented. In addition to measures and controls already implemented, these systems are the focus of continuous development to guarantee compliance with the latest technical and legal requirements.

The basic infrastructure (electricity, heating, refrigeration, water and waste water) is exposed to risks in connection with the availability of central systems. Measures have been and are being continuously developed to achieve the greatest possible reliability (e.g. ring circuits).

In this reporting year, there was a focus on increasing failsafe performance. Measures were implemented, particularly in respect to redundancy concepts of ICT systems which were supported by regular examinations on the basis of failure and switchover tests. Generally, however, despite all the measures taken, there remains a certain residual risk with regard to the availability of the infrastructure due to the possible occurrence of force majeure.

Plans for emergency measures, crisis management and operational continuity management have also been enacted at Malta International Airport. These are regularly reviewed and updated to ensure the possibility of a fast and effective response to operational disruptions.

FWAG is aware of the great importance of motivated and committed employees for the attainment of corporate goals. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee ties. Numerous steps have also been implemented to increase occupational safety and to minimise absences due to illness.

### › General risk assessment

A general evaluation of FWAG's risk situation did not identify any risks to the company as a going concern, hence its continued existence is secured going forward. FWAG generates sufficient funds to pursue the airport expansion as planned.

## Opportunities management

In order to establish new customer-oriented products and services and thus access new sources of revenue, FWAG has an opportunities management system. Opportunities Management is a corporate platform with the objective of identifying and assessing new business areas for the company, and if appropriate supporting their implementation.

Opportunities Management is based on the open-innovation approach, which means that innovation processes are opened to the outside in a structured manner. In addition to internal corporate channels, promising ideas are identified in the context of benchmarking against other companies and airports. In the context of cooperation with start-ups, universities and other partners, new concepts are also developed.

Numerous projects were underway in 2018: the establishment of a co-working space and innovation/technology centre in the Airport City, expansion of conference facilities (both part of the Office Park 4 under construction), the use of various technologies relating to location-based services (such as Bluetooth beacons and geofencing) to enable location-based services and asset tracking, construction of a pet hotel, and digital visualisation of FWAG services using 360-degree images.

## Report on the key features of the internal control system for accounting processes

In accordance with section 82 of the Austrian Stock Corporation Act, the Management Board is responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the company's requirements. The following section explains how the Management Board of FWAG satisfies this legal requirement.

For subsidiaries, the respective managers are responsible for developing and implementing an internal control and risk management system for accounting processes that meets the needs of the particular company. These managers also represent the final authority for ensuring compliance with all related Group guidelines and directives.

The structure and design of FWAG's internal control system (ICS) was defined in a policy. The objective of the internal control system is to ensure the reliability of financial reporting and compliance with all applicable laws and regulations. The ICS in a broader sense also comprises safeguarding assets and ensuring of the completeness of activity recording and invoicing.

The description of the major features of these internal controls is based on the structure of the internationally recognised COSO model (Committee of Sponsoring Organizations of the Treadway Commission). Accordingly, the internal control system comprises the following components: control environment, risk assessment, control activities, information and communication and monitoring. The relevant processes involve the identification and assessment of the financial and accounting risks to which the company is exposed as well as the implementation of appropriate controls. The documentation for the control system is maintained in standard software that also supports the process-related depiction of risks and controls.

### › Control environment

The corporate culture within which management and employees operate has a significant influence on the control environment. FWAG works actively to improve communications and to convey its principal values as a means of anchoring moral standards, ethics and integrity in the company and in interaction with other parties. An important contribution in this area is the voluntary code of conduct implemented by FWAG, which defines the rules for giving and accepting gifts and invitations.

The implementation of the internal control system for accounting processes is regulated by internal guidelines and directives. The related responsibilities were adjusted to meet the needs of the company and thereby create a satisfactory control environment.

### › Risk assessment

Attention is focused on risks that are considered to be material. Materiality is based on a combination of probability of occurrence and potential effects (amount of damage). For the latter, the consolidated and annual financial statements are the key criteria. To determine probability of occurrence, starting in 2019 an expanded evaluation model with a number of qualitative aspects will be used on the basis of a weighted scoring model. Account will be taken of such factors as complexity and degree of automation of processes or the presence of specific organizational backup measures. The results of this expanded risk assessment will be used as a basis for planning the effectiveness test by Internal Audit.

Selectively, estimates must be made on future developments when preparing the consolidated and annual financial statements. This poses an imminent risk that the future business development may deviate from these planning assumptions. In particular, the following circumstances or positions in the consolidated financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables, impending losses from pending business and the valuation of investments in other companies and property, plant and equipment (see also section IV. "Judgements and estimate uncertainty" in the notes to the consolidated financial statements). The company draws on external experts or obtains a validation from external sources, peer group comparisons and other suitable instruments in order to minimise the risk of inaccurate estimates.

### › Control activities

Control activities are carried out by management and assigned persons promptly and in support of the accounting processes. Potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the variance-based analysis of results by management and the controlling department to the specific reconciliation of accounts and the analysis of routine accounting processes.

Control activities to guarantee IT security represent an integral part of the internal control system. Access to sensitive functions and data is restricted. SAP (incl. SAP-BPC) enterprise reporting software and PC Konsol are used for accounting and financial reporting purposes. The functionality of the accounting system is among others guaranteed by automated IT controls.

### › Information and communication

The guidelines and directives for financial reporting are updated regularly by management, and communicated to all involved employees via the intranet or internal announcements. Activities at management level are intended to ensure compliance with all accounting guidelines and directives, and to identify and communicate weaknesses and opportunities for the improvement of accounting processes. The accounting staff also attends regular training courses that cover changes in international accounting policies and practices, in order to minimise the risk of errors.

### › Monitoring

Management, the controlling department, the audit department and the Supervisory Board are responsible for continuous monitoring of the internal control systems in FWAG. In addition, the individual department heads and senior managers are responsible for monitoring activities in their respective areas. Specific persons have been designated as the responsible control authorities.

The checks are reviewed for their effectiveness each year by Internal Audit. The operational effectiveness (performance of checks as defined) and the design effectiveness (accuracy or suitability of the checks) is reviewed and evaluated. During the annual ICS review with all organizational units and subsidiaries of the Flughafen Wien Group, the results of this effectiveness review are the basis for ongoing system improvements with a view to a continuous improvement process.

The results of monitoring activities are reported to the Audit Committee and the Supervisory Board.



## Research and Development

The Information Systems service unit is the central, internal service provider for information and communication technology (ICT). It operates all ICT system deployed in the various corporate units. Optimising the ICT systems and processes takes place on an ongoing basis.

Key topics implemented in 2018 were the following:

### › Loading process planning technology upgrade

The system used for planning the aircraft loading process is a proprietary system and is to be upgraded in order to provide users with new functions and a state-of-the-art user interface. In 2018, the ramp agent module was completed. The loadsheeting agent module is currently being upgraded.

### › CDM (Collaborative Decision Making)

In cooperation with Austro Control, ongoing work is taking place to improve the CDM process (Collaborative Decision Making). Work is being done to achieve "fully implemented" status.

For the development and introduction of new systems, € 1.4 million was recognised in the Information Systems business unit in the 2018 financial year (2017: € 1.1 million). On a yearly average, some eight employees were involved in Research & Development topics (2017: approximately six employees).

A key research project in cooperation with TU Vienna has been designed to increase energy efficiency. The software for Smart Airport City is to be rolled out in 2019.

## Non-financial declaration required by section 267a of the Austrian Commercial Code

Sustainability is not just one of many important issues to the management and employees of Flughafen Wien AG. The careful use of resources, responsibility for the surrounding area and its citizens, for passengers, employees, partners and customers is deeply rooted in the corporate culture of Flughafen Wien AG.

The Flughafen Wien Group (FWAG) is unconditionally committed to its ecological, social and economic responsibility. In doing so, it is important to pursue the various goals in a balanced way and to play an active part in the sustainable development of both the company and the region.

Further information on the business model of the Flughafen Wien Group can be found at the beginning of the management report in the "Flughafen Wien Group" chapter.

Every third year, Vienna Airport publishes a sustainability report that provides comprehensive information to stakeholders such as employees, owners, customers, business partners, local residents and non-governmental organisations about activities, developments and key performance indicators in the areas of business, social matters >

and the environment. The key indicators and data shown in the sustainability report are updated once a year at [www.viennaairport.com/sustainability\\_report](http://www.viennaairport.com/sustainability_report). The 2017 Sustainability Report reports on the years 2015 to 2017 and the future sustainability goals. It corresponds to the standards of the Global Reporting Initiative (GRI standards) and reached the application level "In Accordance Core" and also includes the industry-specific, additional indicators for airport operators. The report was audited externally by TÜV Süd.

For the reports on sustainability concepts of the international investments Malta and Košice, please refer to the relevant reports. The sustainability report of Malta Airport is published on the website of the airport at ([www.maltaairport.com](http://www.maltaairport.com)).

### › Key non-financial performance indicators

In order to define material sustainability aspects of the company, a process was initiated which integrates not only employees but also relevant external stakeholders. This took place in the context of regular stakeholder communication, e.g. the Dialogue Forum established for this purpose or in regular customer surveys. In addition, a survey was implemented including the relevant stakeholders. This resulted in a Materiality Matrix that forms the foundation for non-financial performance indicators of Flughafen Wien AG. This Materiality Matrix is the basis for the Vienna Airport's sustainability report.

The Materiality Matrix covers 24 topics. More detail is given below about the following topics:

- 1) Environmental issues
- 2) Social issues and employee matters
- 3) Respect of human rights
- 4) Combating corruption and bribe

### › Sustainability management

In order to track the "sustainability" target on an ongoing basis and as an important element of corporate activity, Flughafen Wien has defined a sustainability programme from which the targets and measures are derived. These are then examined and further developed on an ongoing basis. The team responsible coordinates and implements the sustainability agendas. The sustainability strategy finds expression in the four corporate values:

- › **Customer orientation:** "Our top priority is to meet the needs of our customers. We see ourselves as service providers. We treat our customers in a friendly and respectful manner, taking account of their individual wishes. Fair dealing and honest communication with our customers and business partners is important for us. Here we leave nothing to chance and set high standards with our compliance system."

- › **Professionalism:** “Our work is characterised by the highest levels of professionalism and commitment. We are proud that we perform our tasks carefully, reliably and safely, and we integrate new technologies and procedures into our processes to make further improvements. As professionals we manage the various aspects of sustainability and deal with current challenges in a professional manner. We set sustainability targets and report regularly on our progress. Such as with climate protection where we are treading new paths with Airport Carbon Accreditation, or in the matter of security, where our security concept ensures airport operations without danger.”
- › **Efficiency:** “We use our economic and natural resources and energy sparingly, efficiently and responsibly. We consider ourselves to be an economic engine in the region and with a well thought out site development set challenging accents for the “Airport City”. In doing so, intensive dialogue with our stake-holders is a key focus. After all, we want to design a sustainable (regional) development together.”
- › **Respect:** “We treat each other with trust and honesty, seeing errors as an incentive to improve. We respect the views and achievements of others, and we give each other mutual support. In their diversity, the employees of Flughafen Wien AG are a factor driving the success of our company, a factor we want to nurture and extend. For this reason, we want to make even more efforts for an attractive working environment, equality of opportunity and providing interesting career options.”

## 1) Environmental issues

FWAG is committed to protective and conscientious interaction with the environment and pledges to comply with all environmental laws, regulations, binding agreements and official requirements and to continuously minimise its negative ecological impact. First and foremost, the Flughafen Wien Group has set the goal of further reducing its energy consumption, reducing the effects of noise emissions while further reducing Vienna Airport's CO<sub>2</sub> emissions, so that it will become CO<sub>2</sub>-neutral over the medium term. The Flughafen Wien Group is committed to ongoing dialogue with the stakeholders in this regard. After all, in many instances the airport's activities have a positive impact on customers and passengers, such as in the areas of energy conservation, facility management, and waste disposal.

Vienna Airport has established a comprehensive and systematic energy and environmental management system (EMS) and subjects itself to an environmental audit in line with the Eco-Management and Audit Scheme (EMAS) with which the European Union places the highest requirements in the world on environmental management systems, and in accordance with ISO 14001. Initial entry in the EMAS register took place in December 2015, with monitoring audits being conducted in October 2016 and October 2017. The company was re-certified in 2018.

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EMAS provides important guidelines for organising environmental protection in a successful fashion, for preserving resources and recognising environmental risks at an early stage. In addition, with EMAS the airport meets the requirements of the Austrian Energy Efficiency Act.

Within the scope of EMS, environmental aspects and their impact are recorded, relevant topics identified and assessed on the basis of cost-benefit analyses. Subsequently environmental policy, objectives and measures are determined and their progress and the performance of the overall system regularly examined on the basis of specified key performance indicators, annual management reviews and in the context of internal and external audits.

EMS also secures legal compliance of the operation in respect to environmental law. To do this all regulations relating to the environment (laws, directives, notifications) are identified, recorded in an environmental database with the resulting obligations being implemented and monitored. Responsibility for the successful implementation of the EMS is with the Management Board and the executives according to the Flughafen Wien Group line organisation. The environmental manager in the Operations Environmental Management department coordinates and manages all internal and external activities relating to environmental protection. Here he is supported by an environmental team constituted from those responsible for specific topics in the various corporate divisions.

Vienna Airport has recently improved markedly in all material environmental aspects. This is underscored by the continuous improvement in financial results at the same time as the 26.7% increase in energy efficiency between 2012 and 2018. In addition, another € 0.9 million (2017: € 1.1 million) was invested at Flughafen Wien AG in environmental protection in 2018 (not including the noise protection programme). Projects were focused on the reduction of pollutant and noise emissions in order to minimise the effects of flight operations on the environment – and above all on neighbouring residents.

## › Risks

To minimise the risk on the environment resulting from air traffic and airport operations, the Flughafen Wien Group is committed to responsible and conservative use of available resources. Alongside the focus on measures and projects in its own airport operations, the Flughafen Wien Group also participates in international initiatives and programs of the aviation industry. The measures implemented in the framework of the integrated environmental management aim not only to minimise the general environmental risks, but also to reduce the consumption of resources, pollutant and noise emissions.

### › Energy efficiency programme

The Flughafen Wien Group has implemented an energy efficiency programme and has already realised numerous projects. The photovoltaic systems at the Vienna Airport site with their 2,640 solar modules have an output of some 720 kWp, which generates annual output of about 750,000 kWh. The photovoltaic system on the roof of the Air Cargo Center, which covers some 8,000 m<sup>2</sup>, is among Austria's largest.

The conversion of conventional lighting to more energy-efficient LED technology continues. The Malta Airport also uses photovoltaic systems for energy production and has switched to LED lighting.

### › Smart Airport City

To optimize the consumption of power, cooling and heating, Flughafen Wien AG and TU Wien (Vienna University of Technology) launched a development project in 2017 to create a prototype for a computer-assisted "virtual city," which can simulate and subsequently improve the consumption of electricity, cooling or heating. On this basis, scenarios for maintenance, improvement and expansion to the Smart Airport City are designed in order to optimize capacity and manage consumption as well as possible.

### › Aircraft noise management

Throughout Europe, road and rail traffic are the main causes of noise pollution, followed by air traffic. Take-offs and landings and ground noise such as taxiing movements and engine run-ups are the main sources of noise at airports. The Federal Environmental Noise Protection Regulations regulate the threshold values connected to flight noise that, to protect the local population, must not be exceeded – namely a day-evening-night noise index of 65 dB. However, Vienna Airport's commitment goes significantly beyond these statutory requirements: The airport's noise control programme, for example, includes the daytime protection zone with an equivalent continuous sound level of over 54 dB. The night-time protection zone starts at a continuous sound level as low as over 45 dB.

### › Noise protection

The Vienna Airport noise protection programme that was started in 2005 as part of the mediation contract aims to protect the health and improve the quality of life of people who live close to the airport.

Where the continuous sound level exceeds 54 dB during the day and 45 dB during the night, the airport assumes between 50% and 100% of the costs for noise protection measures, for example, the installation of soundproof windows and doors. Until the end of 2018, building expert opinions were prepared for 6,295 properties, and optimal noise protection was installed in 2,966 of these properties. One positive side effect of this is that the improved building insulation and lower heating costs have reduced CO<sub>2</sub> emissions in the affected areas by around 1,300 tonnes per year.

Flughafen Wien AG has also agreed to purchase, at fair value, the properties located in a noise zone where the continuous sound level exceeds 65 dB(A) during the day and 57dB(A) at night. So far, this option has been taken up by two of the approximately 60 property owners who were offered it.

### › Night flights

In accordance with an agreement reached during the mediation process, the number of aircraft movements at Vienna Airport between 11:30 p.m. and 5:30 a.m. should remain constant at the 2009 level, a target that was not met in the reporting year due to excessive delays from bad weather and bottlenecks in European air space. The actual number of aircraft movements in 2018 was 630 more than the level of 4,700 defined in the mediation contract. Over the entire term of this regulation from 2007 to 2018, the actual number of aircraft movements was 1,229 (around 2.1%) fewer than the cumulative target of 58,098 aircraft movements. Plans call for a further step-by-step reduction in the number of aircraft movements to 3,000 per year, starting three years before the third runway comes into service. Details of night flights at Vienna Airport can be found in the evaluation report that will be released by the dialogue forum around the middle of the year at [www.dialogforum.at](http://www.dialogforum.at).

### › Emissions and climate protection

The operation of an airport, especially aircraft handling operations and land-side traffic, contributes, albeit to a lesser degree, to general airborne emissions. All emissions are recorded without gaps in the area around the airport as part of air quality monitoring and through the production of an annual carbon footprint. Measures and programmes are developed on an ongoing basis with airlines to systematically minimise emissions. With the help of a carbon footprint, FWAG also takes part in the Airport Carbon Accreditation System (ACAS) programme managed by the Airports Council International Europe (ACI Europe) [www.airportcarbonaccreditation.org](http://www.airportcarbonaccreditation.org). Vienna Airport was given Level 1 certification back in 2013, in 2015 there was a move up to Level 2, and in October 2016 Level 3 certification was achieved for the first time.

For the third time in the reporting year, Flughafen Wien AG filed for Level 3 certification, which involved a further reduction of CO<sub>2</sub> emissions on site with greater involvement of all companies operating at the airport. To reach this Level 3 all companies located at the site had to be integrated in measures to reduce CO<sub>2</sub>. To achieve improved identification of its CO<sub>2</sub> emissions, Malta Airport joined the ACI Airport Carbon Accreditation Programme in 2016.

## › Waste

Unavoidable waste is appropriately sorted and, depending on the options available, assigned for reuse or recycling. The total volume of waste at Vienna Airport in 2018 amounted to 4,326 tonnes (2017: 4,456 tonnes).

In 2016, at Malta Airport monitoring and reporting on waste management was improved with a new contractor. The total volume of waste in 2018 amounted to 1,068 tonnes (2017: approx. 866 tonnes).

## › Water consumption

Vienna Airport's water supply is provided by four wells owned by the airport. In 2018, due to higher passenger volumes, water consumption rose by approximately 65,500 m<sup>3</sup> compared with 2017 to 511,211 m<sup>3</sup>.

As a result of its location, Malta Airport has low levels of precipitation, so that conscious handling of water is essential. In addition to collecting rain water and groundwater, the shortfall is purchased. As part of the current energy efficiency programme, a special focus was placed in 2018 on reducing water consumption, and savings of 18.1% per traffic unit were reached.

## › Sustainable procurement

Sustainable, environmentally friendly procurement, meaning the purchase of "green" products and services that are also manufactured and performed in accordance with social standards is a key company target. Regional providers are also taken into account.

In Austria, the "National action plan for sustainable procurement" was launched under the guidance of the Ministry of the Environment. In this way, sustainable criteria are taken into consideration in the procurement process and the action plan is implemented jointly. The action plan has been in effect since autumn 2010 with the Federal Procurement Agency (BBG). Some procurement by the Flughafen Wien Group has also been handled via the BBG. Vienna Airport is also subject to some requirements under the Bundesvergabegesetz (Austrian Federal Public Procurement Act).

The largest suppliers in terms of order value belong to the sectors of construction, petroleum processing, metal working, special vehicles, technology and various services such as IT and airport handling. Measured in terms of order value, most of the contractors are regional to the airport: 69% of the 35 largest suppliers are from Vienna and lower Austria, 14% from other Austrian states and 17% from Europe.

## › Selected indicators

Vienna Airport site		2018	Change	2017
Traffic units	TU	29,238,913	10.3 %	26,496,620
Passengers	PAX	27,037,292	10.8 %	24,392,805
Consumption of electrical energy per traffic unit	kWh/TU	3.24	-8.0 %	3.52
Consumption of electrical energy	MWh	94,739	1.5 %	93,358
Heat consumption per traffic unit	kWh/TU	1.66	-17.4 %	2.01
Heat consumption	MWh	48,591	-8.8 %	53,304
Cooling consumption per traffic unit	kWh/TU	1.10	1.0 %	1.09
Cooling consumption	MWh	32,146	11.4 %	28,846
Fuel consumption per traffic unit	kWh/TU	1.15	-4.1 %	1.20
Fuel consumption	MWh	33,587	5.8 %	31,733
Total energy requirements per traffic unit	kWh/TU	6.05	-10.1 %	6.73
Total energy requirements	MWh	176,918	-0.8 %	178,395
Total energy requirements from renewable sources per traffic unit	kWh/TU	3.24	21.1 %	2.68
Total energy requirements from renewable sources	MWh	94,739	33.7 %	70,883
Share of renewable energy in total energy requirements	%	53.5	n.a.	39.7
Water consumption <sup>1</sup>	Litre/TU	17.5	3.9 %	16.8
Waste water <sup>1</sup>	Litre/TU	15.6	11.3 %	14.0
Total waste	Kg/TU	0.15	-12.0 %	0.17

1) 2017 figures adjusted



Malta Airport site		2018 <sup>1</sup>	Change	2017
Traffic units	TU	6,985,017	13.1%	6,176,318
Passengers	PAX	6,808,177	13.2%	6,014,548
Consumption of electrical energy per traffic unit	kWh/TU	1.97	-12.3%	2.25
Consumption of electrical energy	MWh	13,757	-0.8%	13,867
Fuel consumption per traffic unit	kWh/TU	0.10	-2.8%	0.10
Fuel consumption	MWh	696	10.0%	632
Total energy requirements per traffic unit	kWh/TU	2.07	-12.3%	2.35
Total energy requirements <sup>2</sup>	MWh	14,452	-0.3%	14,499
Total energy requirements from renewable sources per traffic unit	kWh/TU	0.09	-15.4%	0.10
Total energy requirements from renewable sources	MWh	603	-4.4%	630
Share of renewable energy in total energy requirements	%	4.4	n.a.	4.5
Water consumption	Litre/TU	21.7	-18.1%	26.5
Total waste	Kg/TU	0.15	9.1%	0.14

1) Preliminary figures

2) 2017 figures adjusted

## 2) Social issues and employee matters

In 2018, full-time equivalents (FTE) of the Flughafen Wien Group (fully consolidated companies) rose from 4,624 to 4,830 (plus 4.5%). The group of fully consolidated companies grew in 2018 to include VHC – Vienna Airport Health Center GmbH and GetService Dienstleistungsgesellschaft m.b.H. (GETS).

The number of employees (headcount) was 6,330, a year-on-year increase of 9.7% (2017 excl. GETS, VHC: 5,772).

As at 31 December 2018, there were 4,927 employees in the Flughafen Wien Group, 287 more than 31 December 2017 (4,639 employees).

### › Average number of employees by segment (FTEs)

	2018	Change	2017
Airport	451	8.7%	415
Handling & Security Services	3,060	3.3%	2,961
Retail & Properties	64	7.5%	60
Malta	340	10.8%	307
Other Segments	708	4.1%	680
Administration	206	2.6%	201
<b>Total</b>	<b>4,830</b>	<b>4.5%</b>	<b>4,624</b>

### › Strategy and management

The Flughafen Wien Group regards its employees as its central resource, as its performance as a service company depends decisively on the specialist competence, performance, experience and well as the motivation and commitment of each and every individual employee.

The Group-wide core tasks of the Human Resources (HR) department are recruitment, training and continuing professional development, strategic staff development and payroll policy. A major challenge for the HR department lies in overseeing the continuous change process in the company. The issue of corporate culture is also driven extensively by the employee surveys implemented over the last few years. In the context of an anonymous employee survey, implemented by an external market research institute, Vienna Airport obtained information on the status quo again in 2018 in relation to employee satisfaction and motivation. The survey results confirmed overall positive development of the company. Job satisfaction rose and appreciation, respect and transparency are put into practice more frequently. The management development programme successfully implemented in recent years is having a positive effect. The results were communicated to all employees in the first half of 2018 and in the second half of the year, measures for improvement in the following subject areas were defined: overall company perspective and cross-departmental cooperation, management evaluations, and conflict/failure culture. According to the 2018 IFES study, Vienna Airport is the most attractive employer in eastern Austria.

### › Risks

In the Flughafen Wien Group, motivated, committed and highly qualified employees are essential for the success of the company. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee loyalty, and various initiatives to increase job security and minimize sick leave have been promoted. Flexible working time models and the central integration of Human Resources development measures to reduce risk (including education and training) support risk reduction.

## › Recruiting, education and further training

FWAG received the accolade "Best Airport Staff Europe" from the aviation rating agency Skytrax in 2016 and 2017, and ranked second in 2018 as evidence that its programmes work.

The basis for success in Human Resources development is filling open positions with candidates which best meet the requirements of the position. The open positions are advertised both on the internal and external job market.

To further promote human resources work in the company, the Career and Development Center was initiated in 2017. It aims to support the professional development of employees and accompany managers in this task. In 2018, a total of 40 employees were newly nominated to the Center and 16 found a new role thanks to the Center. Currently, 30 people are registered with the Center.

Employees' training needs are discussed and noted at the mandatory annual performance appraisal. It is not just technical training that is of great importance here. The key focus is also on personal development measures. Employees are offered numerous seminars and workshops on topics such as leadership, languages, IT, and health and safety, which are summarised in the annual training catalogue. At Vienna Airport a broad-based manager development programme was launched back in 2015. In 2018, management development was identified in 17 evaluation workshops (for 140 managers).

To retain and even extend the high level of knowledge and skills is a key area for the next three years. In all, in 2018 Flughafen Wien AG spent € 1.6 million for further training measures. This is some € 515 per employee (based on an annual average of 3,159 employees at the parent company).

Training apprentices and trainees is very important at Flughafen Wien AG. On the basis of theoretical training in the vocational school and practical deployment in the company, apprentices and trainees receive additional assistance on the basis of numerous seminars. Alongside English classes and IT training, Flughafen Wien AG places great emphasis on the development and progression of social skills. The international scope of training at the airport is also evident from the exchange programme. Apprentices get the opportunity to learn about other airports during internships in foreign countries. In 2018, apprentices were assigned in Belfast and Portsmouth. Malta will be added in 2019.

Malta Airport is also pursuing an extensive training programme. Alongside ongoing refresher courses, there are also technical courses and certification exams. In 2018, more than 9,800 training hours were held, for an average of about 24 hours per employee. Training was performed primarily in the areas of vocational and personal further education, customer service, crisis management, fire protection, first aid and awareness raising. To promote career-based and professional training, employees are also offered support with studies in the form of sponsorship.

In 2017, a process for evaluating the training quality combined with feedback meetings was introduced at Malta Airport. The process was repeated and expanded in 2018. Eighty-eight percent of employees gave positive ratings for the education and training provided.

Moreover, in regular performance assessments, mutual feedback and individual development is the key focus to achieve ongoing performance improvement. A roll-out of the "Performance Management System" by management to include the entire staff of Malta Airport has also been part of the collective bargaining agreement since 2018, which was concluded in May 2018 and will be in effect until 2022.

### › Performance-related remuneration for management

The salary of the members of the Management Board and members of the first and second management levels have a performance-related component. The level of this variable remuneration is determined on the basis of qualitative and quantitative targets.

### › Employee foundation

More than 15 years ago, Flughafen Wien AG founded an independent employee foundation. It ensures that all employees have a direct stake in the success of Flughafen Wien AG. This foundation holds 10% of the shares in Flughafen Wien AG, distributing the dividends received by them to company employees. The executive bodies of the foundation are defined in the articles of association and operate entirely independently of Flughafen Wien AG. Dividend income of €5.7 million was paid out in 2018 for the 2017 financial year. On average, this corresponds to around 64% of a monthly 2017 basic salary or basic wage per employee.

### › Labour trust

The Steyr labour trust provides goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times or for health reasons. Flughafen Wien AG has been a member of this trust for many years, in keeping with its responsibility to former employees. In 2018, four employees joined the foundation. This raises the total number of employees who have undergone training with this initiative to 101 as of 2018.

### › Pension provisions – company pension fund and benefit fund

For all employees of Flughafen Wien AG who joined before 1 November 2014 in addition to the statutory pension insurance and any private pension provision, the company transfers 2.5% of the monthly salary per employee to a company pension fund. Furthermore, each employee is given the option of making additional provision by transferring the same amount. If employees conclude additional accident or health insurance policies or make other pension provisions, they also receive an allowance. After a thorough evaluation, management and employee representatives decided to change company pension funds. Since 1 January 2018, it has been managed by Niederösterreichische Vorsorgekasse (NÖVK).

Employees of Malta Airport are granted defined benefit pension subsidies based on collective agreements.

### › Voluntary benefits

Flughafen Wien AG offers a variety of voluntary benefits to increase the motivation and strengthen employees' sense of identification with the company. Examples include free transport to work with the City Airport Train (CAT) and bus connections to Vienna and the neighbouring communities.

In addition, on the basis of the findings of the company-wide employee survey at the end of 2015 the provision of meals for employees was reorganised and financial support provided; other changes were made in 2018.

In the new Health Center Vienna Airport, Flughafen Wien AG provides comprehensive specialist care with appointments on short notice for employees.

### › Work and family

Family-friendly policies of the company are of crucial importance for an appropriate work-life balance. Day care facilities are available for all companies at the Vienna site. The extended, flexible opening hours provide employees even in shift jobs with reliable supervision for their children once they start crawling. The airport day care centre has received numerous awards for its excellent services and high pedagogical standards.

Since 2012, Flughafen Wien AG has granted a so-called "Daddy's month" for employees. Within the first three months after the birth of his child, the employee has the right to take leave for up to 28 consecutive calendar days while still receiving 50% of their monthly pay. 61 fathers took advantage of this opportunity in 2018.

In 2018, Flughafen Wien AG was again awarded the federal "career and family" quality seal. The seal is given to companies with particularly family-friendly policies.

### › Workplace health and safety – Preventive Services

Safety and health are an essential factor for employee satisfaction and performance. Preventive Services perform annual walk-throughs, training and consultations. Together with management, employee representatives and the employees themselves, Preventive Services works constructively and continuously on compliance with the legal requirements and performance of measures in line with the hazard assessment.

Occupational health management has launched the "GEMEINSAM GESUND" (Healthy Together) programme based on the principles of the BGF (Occupational Health Promotion) charter and has also received the BFG quality seal. Among the focal points of 2018 was addiction prevention.

Since September, further emphasis has been placed on the analysis of and measures for preventing workplace accidents. In 2018, the number of reportable accidents per 1,000 employees rose for the first time since 2012 – one effect of the particular challenges from above-average passenger growth, especially for the operational areas.

Vienna site	2016	2017	2018	Change
Reportable accidents	119	110	131	+19.1%
Per 1,000 employees	27.1	25.2	29.3	+4.1

### › Diversity

For a company providing services, diversity is a central issue. The importance of diversity at Vienna Airport can be seen by the fact that that over 54 nationalities, belonging to 13 different religious faiths, are currently represented among the employees of Flughafen Wien AG and its subsidiaries. All service processes run smoothly in spite of this great cultural diversity thanks primarily to the comprehensive training measures that make it easier for employees to integrate and understand their duties.

### › Promotion of women

The proportion of women within the Flughafen Wien Group was approximately 24% in 2018. This low rate can be attributed to the proportion of specialist activities at Vienna Airport – two thirds of employees working at the airport perform heavy manual labour. In order to make Vienna Airport more attractive as an employer to women as well, specific measures have been implemented to support work-life balance and suitable career opportunities have been created.

It is a clear goal of the company to increase the share of women – especially in management positions. The share of women at Flughafen Wien AG is currently 13.2% across all four management levels. Equal opportunities and equal treatment at the workplace are a fundamental requirement in the Flughafen Wien Group. 20% of the shareholder representatives on the Supervisory Board of Flughafen Wien AG are female.

### › Flexible working time models

Flexible and individualised working time models meet the needs of employees to the best possible extent. Flexitime schemes are found, above all, in the company's commercial functions. Furthermore, the option was created for all employees to consume pay components (e.g. service bonuses) as time off. Part-time training, training leave models and sabbaticals are also offered.

### › Older employees

The raising of the effective retirement age requires employees to stay with the company for longer. In turn, this requires the implementation of extensive preparatory and organisational measures in advance, as many of our employees are constantly exposed to high stress. Appropriate programmes and accompanying measures, the facilitation of mobility within the company and the preferred offer of suitable jobs to this group of employees are being handled by the Career and Development Center.

### › People with special needs

Vienna Airport works intensively with nine charities, associations and institutions to continuously improve accessibility. Of the various focus areas, 150 individual measures were jointly decided upon, most of which have also already been implemented. The whole process is overseen by working groups with representatives from charity organisations.

## › Selected indicators

Employees at the Vienna site	2018	Change	2017
Number of employees (average, FTE)	4,476	3.7%	4,317
Thereof wage-earning employees	3,010	2.0%	2,950
Thereof salaried employees	1,466	7.2%	1,367
Number of employees (31 December, FTE)	4,555	5.2%	4,328
Thereof wage-earning employees	3,025	4.0%	2,910
Thereof salaried employees	1,530	7.8%	1,419
Number of employees (headcount)	5,958	9.1%	5,461
Apprentices (average)	48	8.3%	44
Average age in years	39.6	n.a.	40.3
Length of service in years	9.3	n.a.	10.1
Share of women in %	23.3	n.a.	20.9
Training expenses in T€	1,775.5	-17.9%	2,161.9
Reportable accidents	131	19.1%	110

Employees at the Malta site	2018	Change	2017
Number of employees (average)	340	10.8%	307
Thereof wage-earning employees	0	n.a.	0
Thereof salaried employees	340	10.8%	307
Number of employees (31 December)	357	14.8%	311
Thereof wage-earning employees	0	n.a.	0
Thereof salaried employees	357	14.8%	311
Average age in years <sup>1</sup>	39	-4.9%	41
Length of service in years <sup>1</sup>	10	-16.7%	12
Share of women in % <sup>1</sup>	35.6	n.a.	35.0
Training expenses in T€ <sup>1</sup>	243.5	65.6%	147.0
Reportable accidents <sup>1</sup>	11	83.3%	6

1) Preliminary figures

### 3) Respect of human rights

The company is committed to observing and respecting human rights. Flughafen Wien AG and its affiliates do not have any business sites in countries with a poor understanding of human rights, but operate entirely within the European Union. As a provider of infrastructure and services, Flughafen Wien AG also obtains finished products from its suppliers and has no influence on their supply chain.

Alongside the corporate values, the Code of Conduct contains important principles for the activities of all employees with internal and external partners. As the trust of customers, shareholders, employees and the public has a material impact on the performance of the Flughafen Wien Group, integrity is a key element within the corporation.

The corporate values of the Flughafen Wien Group are reflected in the daily work. Respect to all employees, customers and business partners requires open and unbiased communication across all levels, which is put into practice at FWAG in many types of events.

### 4) Combating corruption and bribery

The company actively communicates its corporate objectives to all employees by applying clear regulations and regular training. Teaching basic values such as morals, ethics and integrity in the company and treating each other with respect is of the greatest importance here. The relevant guidelines are provided by the Code of Conduct of Flughafen Wien AG. A whistleblower hotline has been available since autumn 2015.

In organisational terms, the Secretary General arranges the necessary support and sees to it that conduct is in compliance with the law. The head of the department is simultaneously the senior Group compliance officer. He also arranges training for the relevant staff and provides information on current new legal requirements, for example, in the area of anti-corruption law in internal workshops.

As a sectoral contracting entity, for its procurement Flughafen Wien AG in subject to some regulations of the Austrian Federal Public Procurement Act. This implements all precautions for avoiding incipient corruption. This is supported by the activities of corporate procurement and corporate controlling combined by the vigorous implementation of the two-person principle.

#### › Issuer compliance

The obligations of EU Market Abuse Regulation and the Stock Exchange Act on which it is based are implemented by Vienna Airport in an internal policy.

To prevent abuse or forwarding of insider information, internal non-disclosure areas have been established. This covers all employees and executive bodies of Flughafen Wien AG working in Austria and abroad, but also third-party service providers, who have potential access to inside information. A variety of organisational measures and control mechanisms have also been implemented to monitor these processes on a regular basis. Thus each employee who works in a compliance-relevant area receives personal training on how to deal with confidential information.



In order to increase awareness for “issuer compliance” in the rest of the company, all employees are informed on this topic in the intranet and in articles of the in-house employee magazine.

Also at Malta Airport the local stock exchange regulations and European directives are implemented and monitored. For this there are internal guidelines which cover not only the legal requirements but also a general code of conduct.

## Disclosures required by section 243a of the Austrian Commercial Code

### › 1. Share capital and shares

The share capital of Flughafen Wien AG is fully paid in and amounts to € 152,670,000. Following the share split on 27 June 2016, it is divided into 84,000,000 bearer shares, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank. All shares carry the same rights and obligations (“one share – one vote”).

Further details on the articles of association and the shares are available on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com).

### › 2. Investments of over 10% in the company

Airports Group Europe S.à.r.l. holds 39.8% of the shares. The city of Vienna and the state of Lower Austria each hold 20.0% and Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) holds 10.0% of the share capital of Flughafen Wien AG. The company is not aware of any other shareholders with a stake of 10.0% or more in share capital.

### › 3. Syndication agreement

Two shareholders – the state of Lower Austria (via NÖ Landes-Beteiligungsholding GmbH) and the city of Vienna (via Wien Holding GmbH) – hold 40% of the company’s shares in a syndicate. The syndication agreement provides for joint exercise of voting rights in the Annual General Meeting and mutual acquisition rights in the event of paid transfer of syndicated investments to third parties. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval.

### › 4. Shares with special control rights

The company is not aware of any special control rights on the part of shareholders.

### › 5. Control of voting rights for the shares held by the employee foundation

The voting rights for the shares held by the Flughafen Wien employee foundation are exercised by the managing board of this entity. The appointment and dismissal of the foundation's Managing Board requires consent from the Advisory Board of Flughafen Wien Mitarbeiterbeteiligung Privatstiftung. The Advisory Board requires simple majority to do so. The Advisory Board is comprised of five members, with two members each delegated by employees and the employer. These four members unanimously elect a fifth person to serve as the chairman of the Advisory Board.

### › 6. Appointment and dismissal of members of the Management and Supervisory Board

In accordance with the Austrian Corporate Governance Code, the company's articles of association permit the appointment of a person to the Management Board for the last time in the calendar year in which the candidate reaches the age of 65. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches the age of 70. There are no other provisions governing the appointment or dismissal of members of the Management Board or Supervisory Board or the amendment of the company's articles of association that are not derived directly from Austrian law.

### › 7. Share buyback and authorised capital

The Management Board has been granted no explicit rights that are not derived directly from Austrian law, in particular with respect to the issue or repurchase of shares in the company.

## › 8. Change of control

The agreement on the loan from the EIB (European Investment Bank) of € 400.0 million (current balance: € 325.0 million) is subject to a change of control clause. In the event of an actual, impending, or justifiably assumed change of control (in accordance with the following definition), these financial liabilities could be called prematurely and related collateral may be cancelled if there are reasons to assume the change will or could have a negative impact on the future fulfilment of the financial liability and Flughafen Wien AG does not take actions within a certain period of time to provide this contract partner with collateral that is deemed acceptable. A change of control is defined as an event that leads to (i) a direct or indirect reduction in the investment held jointly by the state of Lower Austria and the city of Vienna in Flughafen Wien AG to less than 40% of the total number of voting shares or (ii) a natural person or legal entity that currently does not exercise control over Flughafen Wien AG gains control over Flughafen Wien AG (e. g. either directly or indirectly, through the ownership of shares, economic circumstances or in another manner, and either alone or together with third parties (i) acquires more than 50% of the voting shares in Flughafen Wien AG or (ii) the right to nominate the majority of members to the decision-making bodies of Flughafen Wien AG or exercises control over these persons.

## › 9. Compensation agreements in the event of a public takeover

There are no agreements for compensation between the company and the members of its Management Board, Supervisory Board or employees that would take effect if a public takeover bid is made.

# Corporate Governance

In accordance with section 267b of the Austrian Commercial Code, the consolidated corporate governance report for the 2018 financial year is published on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com).

## Supplementary report

### › Traffic in January 2019

Including the investments Malta Airport and Košice Airport, the Flughafen Wien Group experienced significant passenger growth of 20.0% in January 2019.

### › Traffic development at Vienna Airport

The number of passengers handled at Vienna Airport increased by 24.4% in January 2019 to 1,830,923. Vienna Airport reported a 6.2% increase in transfer passengers compared to January 2018 to 376,568 in January 2019. The number of local passengers rose by 30.6% in the same period to 1,448,127. Cargo volume declined slightly, by 2.8% to 21,226 tonnes handled. Aircraft movements were up by 15.3%, the maximum take-off weight increased by 19.5%.

### › Traffic development at Malta Airport and Košice Airport

Passenger volume grew as of January 2019 for Malta Airport by 4.1%. However, passenger volume was down by 11.4% for Košice Airport.

### › Vienna Airport 2019 fees

As at 1 January 2019, the fees at Vienna Airport were adjusted as follows based on the index formula defined by the Austrian Airport Fee Act:

› Landing fee, infrastructure fee airside, parking fee:	+1.065%
› Passenger fee, infrastructure fee landside, security fee:	+0.715%
› Fuelling infrastructure fee:	+0.896%

The PRM fee remained at €0.46 per departing passenger.

The security fee for 2019 was €8.46 per departing passenger taking account of the increase under the price cap formula.

## Outlook

The Austrian economy generated real GDP growth of some 2.7% last year. Economic momentum slowed over the year, however. Therefore, Oesterreichische Nationalbank (OeNB) is forecasting GDP growth of 2.0% or 1.9% for the years 2019 and 2020.

Inflation in Austria was 2.1% in 2018, and is expected to remain at this level in 2019 (source: OeNB, Konjunktur aktuell December 2017; Konjunktur aktuell January 2018).

Including the investments in Malta Airport and Košice Airport, the Flughafen Wien Group is forecasting passenger growth of between 8-10% for 2019. In 2019, Group revenue should exceed € 820 million and Group EBITDA be higher than € 370 million. From today's perspective, the group earnings after tax figure of at least € 165 million is expected. Net debt should be reduced to below € 150 million. Capital expenditure of around € 220 million is intended in 2019.

Vienna Airport is forecasting passenger growth of more than 10% to some 30 million passengers for the Vienna site in 2019. As things stand, initial impetus for this is expected from factors such as new routes to Montreal (YUL) by Austrian Airlines, to Toronto (YYZ) by Air Canada and to Tokyo Haneda (HND) by All Nippon Airways (ANA). For short and medium-haul fleet, new connections will be added by Vueling, Wizz Air, Laudamotion, LEVEL and Volotea.

Schwechat, 5 March 2019

### The Management Board



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO



**Consolidated Financial  
Statements 2018 of  
Flughafen Wien AG**

72	—	<b>Consolidated Income Statement</b>
73	—	<b>Consolidated Statement of Comprehensive Income</b>
74	—	<b>Consolidated Balance Sheet</b>
75	—	<b>Consolidated Cash Flow Statement</b>
76	—	<b>Consolidated Statement of Changes in Equity</b>
78	—	<b>Notes to the Consolidated Financial Statements</b>
202	—	<b>Statement by the Members of the Management Board</b>
203	—	<b>Auditor's Report</b>

# Consolidated Income Statement

from 1 January to 31 December 2018

in T€	Notes	2018	2017 <sup>1</sup>
<b>Revenue</b>	(1)	<b>799,661.3</b>	<b>753,184.7</b>
Other operating income	(2)	12,296.5	10,491.9
<b>Operating income</b>		<b>811,957.8</b>	<b>763,676.7</b>
Expenses for consumables and purchased services	(3)	-42,144.0	-38,285.0
Personnel expenses	(4)	-301,487.5	-282,742.3
Other operating expenses	(5)	-120,386.6	-119,151.3
Impairment/reversals of impairment on receivables	(5) (36)	-1,131.7	124.2
Pro rata results of companies recorded at equity	(6)	3,566.0	2,859.7
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>350,374.0</b>	<b>326,482.0</b>
Depreciation and amortisation	(7)	-129,576.6	-132,364.6
Impairment	(7)	0.0	-2,269.5
<b>Earnings before interest and taxes (EBIT)</b>		<b>220,797.5</b>	<b>191,848.0</b>
Income from investments, excluding companies recorded at equity	(8)	331.4	537.1
Interest income	(9)	2,046.8	1,599.6
Interest expense	(9)	-15,859.3	-20,937.6
Other financial result	(10)	956.0	350.9
<b>Financial results</b>		<b>-12,525.2</b>	<b>-18,450.0</b>
<b>Earnings before taxes (EBT)</b>		<b>208,272.3</b>	<b>173,398.0</b>
Income taxes	(11)	-56,399.4	-46,477.9
<b>Net profit for the period</b>		<b>151,872.8</b>	<b>126,920.0</b>
<b>Thereof attributable to:</b>			
Equity holders of the parent		137,262.4	114,743.2
Non-controlling interests		14,610.4	12,176.8
Number of shares outstanding (weighted average)	(12)	84,000,000	84,000,000
Earnings per share (in €, basic = diluted)		1.63	1.37

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.



# Consolidated Statement of Comprehensive Income

from 1 January to 31 December 2018

in T€	Notes	2018	2017 <sup>1</sup>
<b>Net profit for the period</b>		<b>151,872.8</b>	<b>126,920.0</b>
<b>Other comprehensive income from items that will not be reclassified to the Consolidated Income Statement in future periods</b>			
Revaluation from defined benefit plans	(25)	-6,638.6	-1,264.9
Change in fair value of equity investments	(25)	313.1	0.0
Thereof deferred taxes	(31)	1,576.6	316.2
<b>Other comprehensive income from items that may be reclassified to the Consolidated Income Statement in future periods</b>			
Change in fair value of available-for-sale securities		0.0	540.5
Thereof changes not recognised through profit or loss	(25)	0.0	880.9
Thereof realised gains and losses	(10)	0.0	-340.5
Thereof deferred taxes	(31)	0.0	-134.1
<b>Other comprehensive income</b>		<b>-4,748.9</b>	<b>-542.3</b>
<b>Comprehensive income</b>		<b>147,123.9</b>	<b>126,377.7</b>
<b>Thereof attributable to:</b>			
<b>Equity holders of the parent</b>		<b>132,497.2</b>	<b>114,198.9</b>
<b>Non-controlling interests</b>		<b>14,626.7</b>	<b>12,178.9</b>

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.

# Consolidated Statement of Financial Position

As at 31 December 2018

in T€	Notes	31.12.2018	31.12.2017 <sup>1</sup>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	(13)	155,674.3	156,606.3
Property, plant and equipment	(14)	1,448,912.4	1,441,371.9
Investment property	(15)	161,498.8	132,819.5
Investments in companies recorded at equity	(16)	42,909.2	40,987.2
Other assets	(17)	148,235.8	99,129.1
		<b>1,957,230.5</b>	<b>1,870,914.0</b>
<b>Current assets</b>			
Inventories	(18)	6,110.6	5,979.5
Securities	(19)	28,124.4	22,178.7
Assets available for sale	(20)	684.5	2,961.3
Receivables, other assets and contract assets	(21)	135,852.5	113,038.2
Cash and cash equivalents	(22)	30,098.8	47,918.7
		<b>200,870.7</b>	<b>192,076.4</b>
<b>Total assets</b>		<b>2,158,101.2</b>	<b>2,062,990.3</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	(23)	152,670.0	152,670.0
Capital reserves	(24)	117,657.3	117,657.3
Other reserves	(25)	-1,685.1	1,941.3
Retained earnings	(26)	932,188.6	850,181.4
Attributable to equity holders of the parent		1,200,830.9	1,122,450.0
Non-controlling interests	(27)	96,162.6	88,506.2
		<b>1,296,993.5</b>	<b>1,210,956.2</b>
<b>Non-current liabilities</b>			
Provisions	(28)	162,683.7	153,103.0
Financial liabilities	(29)	300,000.0	356,147.6
Other liabilities	(30)	39,529.8	39,615.0
Deferred tax liabilities	(31)	47,074.4	52,432.3
		<b>549,287.9</b>	<b>601,298.0</b>
<b>Current liabilities</b>			
Tax provisions	(32)	11,042.0	10,318.3
Other provisions	(32)	140,023.8	107,833.5
Financial liabilities	(29)	57,016.5	46,962.7
Trade payables	(33)	41,378.6	46,043.9
Other liabilities	(34)	62,359.0	39,577.7
		<b>311,819.9</b>	<b>250,736.1</b>
<b>Total equity and liabilities</b>		<b>2,158,101.2</b>	<b>2,062,990.3</b>

1) Application of IFRS 15 and IFRS 9 since 1 January 2018 (see "Accounting Policies"). Prior-year period was not adjusted.

# Consolidated Cash Flow Statement

from 1 January to 31 December 2018

in T€	Notes	2018	2017 <sup>1</sup>
Earnings before taxes (EBT)		208,272.3	173,398.0
+/- Depreciation and amortisation/reversals thereof	(7)	129,576.6	132,364.6
+ Impairment	(7)	0.0	2,269.5
+/- Fair value measurement of financial instruments	(10)	-956.0	0.0
- Pro rata results of companies recorded at equity	(6)	-3,566.0	-2,859.7
+ Dividends from companies recorded at equity	(16)	1,643.9	2,107.7
+ Losses/- gains on the disposal of assets	(2)(5)(10)	-3,491.0	-1,166.4
- Reversal of investment subsidies from public funds	(2)	-186.9	-223.1
+/- Other non-cash transactions		-33.6	207.1
+ Interest and dividend result	(8)(9)	13,481.2	18,800.9
+ Dividends received	(35)	331.4	537.1
+ Interest received	(35)	1,682.7	1,711.6
- Interest paid	(35)	-15,972.5	-21,253.5
- Increase/+ decrease in inventories	(18)	-131.1	-9.3
- Increase/+ decrease in receivables	(17)(21)	-10,790.3	-4,464.6
+ Increase/- decrease in provisions	(28)(32)	35,132.4	19,236.5
+ Increase/- decrease in liabilities	(30)(33) (34)(35)	-2,296.1	1,922.2
<b>Net cash flow from ordinary operating activities</b>		<b>352,696.9</b>	<b>322,578.5</b>
- Income taxes paid	(11)(31) (32)	-61,542.2	-44,670.5
<b>Net cash flow from operating activities</b>		<b>291,154.7</b>	<b>277,908.0</b>
+ Payments received on the disposal of assets (not including financial assets)		1,426.9	1,031.7
+ Payments received from the disposal of financial assets		139.5	1,621.9
- Payments made for the purchase of assets (not including financial assets)	(13)(14) (15)(35)	-144,845.2	-93,183.9
- Payments made for the purchase of financial assets	(17)	-241.4	-383.8
+ Payments received of current and non-current investments	(17)(21)	40,000.0	20,000.0
- Payments made for current and non-current investments and securities	(17)(19) (21)	-95,271.8	-86,000.0
<b>Net cash flow from investing activities</b>		<b>-198,791.9</b>	<b>-156,914.1</b>
- Dividend payment to Flughafen Wien AG shareholders	(23)	-57,120.0	-52,500.0
- Dividend payment to non-controlling interests	(27)	-6,970.3	-6,896.7
+ Payments received from the borrowing of financial liabilities	(29)	32,016.4	47,100.0
- Payments made for the repayment of financial liabilities	(29)	-78,110.3	-104,216.9
<b>Net cash flow from financing activities</b>		<b>-110,184.2</b>	<b>-116,513.7</b>
<b>Change in cash and cash equivalents</b>		<b>-17,821.4</b>	<b>4,480.2</b>
+ Cash and cash equivalents from changes in the consolidated group		1.5	0.0
+ Cash and cash equivalents at the beginning of the period	(22)	47,918.7	43,438.5
<b>Cash and cash equivalents at the end of the period</b>		<b>30,098.8</b>	<b>47,918.7</b>

1) Application of IFRS 15 and IFRS 9 since 1 January 2018  
(see "Accounting Policies"). Prior-year period was not adjusted.

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# Consolidated Statement of Changes in Equity

from 1 January to 31 December 2018

Attributable to equity holders							
in T€	Notes	Share capital	Capital reserves	Available for-sale reserve	Change in fair value of equity instruments reserve	Revaluation of intangible assets	
<b>As at 1.1.2017</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>1,241.0</b>	<b>0.0</b>	<b>18,201.4</b>	
Market valuation of securities	(25)			404.3			
Revaluation from defined benefit plans	(25)						
Other comprehensive income		0.0	0.0	404.3	0.0	0.0	
Net profit for the period							
<b>Comprehensive income</b>		<b>0.0</b>	<b>0.0</b>	<b>404.3</b>	<b>0.0</b>	<b>0.0</b>	
Reversal of revaluation surplus	(25)					-362.2	
Dividend payment	(23)						
<b>As at 31.12.2017</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>1,645.3</b>	<b>0.0</b>	<b>17,839.1</b>	
<b>As at 1.1.2018</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>1,645.3</b>	<b>0.0</b>	<b>17,839.1</b>	
First-time adoption of IFRS 9		0.0	0.0	-1,645.3	3,146.3	0.0	
<b>Balance on 1.1.2018, adjusted</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>0.0</b>	<b>3,146.3</b>	<b>17,839.1</b>	
Market valuation of equity investments	(25)				234.8		
Revaluation from defined benefit plans	(25)						
Other comprehensive income		0.0	0.0	0.0	234.8	0.0	
Net profit for the period							
<b>Comprehensive income</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>234.8</b>	<b>0.0</b>	
Reversal of revaluation surplus	(25)					-362.2	
Dividend payment	(23)						
<b>As at 31.12.2018</b>		<b>152,670.0</b>	<b>117,657.3</b>	<b>0.0</b>	<b>3,381.1</b>	<b>17,476.9</b>	

of the parent

Revaluation from defined benefit plans	Currency translation reserve	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
-24,227.4	7,632.9	2,847.9	787,576.0	1,060,751.1	83,224.1	1,143,975.2
		404.3		404.3	2.0	406.3
-948.6		-948.6		-948.6	0.0	-948.6
-948.6	0.0	-544.3	0.0	-544.3	2.0	-542.3
			114,743.2	114,743.2	12,176.8	126,920.0
-948.6	0.0	-544.3	114,743.2	114,198.9	12,178.9	126,377.7
		-362.2	362.2	0.0	0.0	0.0
			-52,500.0	-52,500.0	-6,896.7	-59,396.7
-25,176.0	7,632.9	1,941.3	850,181.4	1,122,450.0	88,506.2	1,210,956.2
-25,176.0	7,632.9	1,941.3	850,181.4	1,122,450.0	88,506.2	1,210,956.2
0.0	0.0	1,501.0	1,502.7	3,003.6	0.0	3,003.6
-25,176.0	7,632.9	3,442.3	851,684.0	1,125,453.6	88,506.2	1,213,959.9
		234.8		234.8	0.0	234.8
-5,000.0		-5,000.0		-5,000.0	16.3	-4,983.7
-5,000.0	0.0	-4,765.2	0.0	-4,765.2	16.3	-4,748.9
			137,262.4	137,262.4	14,610.4	151,872.8
-5,000.0	0.0	-4,765.2	137,262.4	132,497.2	14,626.7	147,123.9
		-362.2	362.2	0.0	0.0	0.0
			-57,120.0	-57,120.0	-6,970.3	-64,090.3
-30,176.0	7,632.9	-1,685.1	932,188.6	1,200,830.9	96,162.6	1,296,993.5



**Notes to the  
Consolidated Financial  
Statements for the  
Financial Year 2018**

# I. The Company

## › Information on the reporting company

Flughafen Wien Aktiengesellschaft (AG), the parent company of the Group, and its subsidiaries are service companies in the field of the construction and operation of civil airports and all related facilities. As a civil airport operator, Flughafen Wien AG manages Vienna Airport. The company's headquarters are located in Schwechat, Austria. Its address is Flughafen Wien AG, Postfach 1, A-1300 Wien-Flughafen, Austria. Flughafen Wien AG is listed in the register of companies of the Korneuburg Regional and Commercial Court under FN 42984 m.

## › Operating permits

Flughafen Wien AG has the following key operating permits:

On 27 March 1955, in accordance with section 7 of the Luftverkehrsgesetz (Austrian Air Traffic Act) of 21 August 1936, the Federal Ministry for Transport and State-owned Entities issued a permit to Flughafen Wien Betriebsgesellschaft m.b.H. to create and operate the Vienna-Schwechat Airport for general traffic purposes and for runway 11/29.

On 15 September 1977, in accordance with section 78(2) of the Luftfahrtgesetz (LFG – Austrian Aviation Act) (Federal Gazette BGBl. no. 253/1957), the Federal Ministry for Transport issued an operating permit for instrument runway 16/34, including taxiways and lighting systems.

In 2017, Vienna Airport was certified by the Federal Ministry for Transport, Innovation and Technology in accordance with the requirements of EU Regulation 139/2014. On 14 December 2017, the certificate for this was issued until revoked. The EU certification of European airports serves to create and maintain a standard high level of security for civil aviation in Europe.

The subsidiary Malta International Airport p.l.c. (MIA) is responsible for the operation and development of Malta Airport. MIA received a 65 year concession to operate the airport from July 2002.

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## II. Basis of accounting

The consolidated financial statements of Flughafen Wien AG as at 31 December 2018 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional disclosures required in the notes by section 245a of the Unternehmensgesetzbuch (UGB – Austrian Commercial Code).

The financial year is the calendar year. The structure of the statement of financial position distinguishes between non-current and current assets and liabilities, some of which are reported on in more detail by maturity in the notes. The income statement is prepared in accordance with the nature of expense method.

Details on accounting methods can be found in notes (44) – (48).

These consolidated financial statements are the first full financial statements in which IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments” were applied. The effects of the first-time application on the financial statements of the Flughafen Wien Group are shown in V. “Changes to significant accounting policies”.

## III. Functional presentation currency

The consolidated financial statements are prepared in euro. All amounts are reported in thousands of euro (T€) for the purposes of clarity. Arithmetic differences can occur when adding rounded amounts and percentages due to the use of computer-aided tools. The same applies to other information such as headcount, traffic data, etc.

## IV. Judgements and estimate uncertainty

The presentation of the Group’s asset, financial and earnings position in the consolidated financial statements requires judgements concerning measurement and accounting policies and the assumptions and estimates made by management. Actual results may differ from these estimates. The following estimates, related assumptions and uncertainties associated with the accounting policies applied by the Group are crucial for an understanding of the underlying risks of financial reporting and the possible effects on the consolidated financial statements in future financial years.

### › Value/impairment of assets

The impairment testing of concessions and rights (carrying amount: T€ 127,212.5, previous year: T€ 128,144.5) and goodwill (carrying amount: T€ 28,461.8, previous year: T€ 28,461.8), property, plant and equipment (carrying amount: T€ 1,448,912.4, previous year: T€ 1,441,371.9), investment property (carrying amount: T€ 161,498.8, previous year: T€ 132,819.5) and non-current other assets (carrying amount: T€ 191,145.0, previous year: T€ 140,116.3), including investments in companies recorded at equity (carrying amount:



T€ 42,909.2, previous year: T€ 40,987.2) involves estimates regarding the cause, timing and amount of impairment losses and their reversal. An impairment loss and its reversal can be caused by a number of factors, such as changes in the current competitive situation, expectations regarding passenger growth, increases in the cost of capital, changes in the future availability of financing, technological obsolescence, the termination of services, current replacement costs, the purchase prices paid for comparable transactions or other changes in the operating environment. The assessment of whether an asset is impaired depends to a high degree on the management's judgement and its evaluation of future development opportunities.

### › Useful lives and accrual basis of accounting

When testing the useful life of intangible assets, property, plant and equipment and investment property, estimates are made regarding the expected (remaining) useful life. The useful life can be shortened or extended in the annual review of the expected useful life.

Due to the ongoing construction projects and the associated audit requirements, estimates must be made regarding the accrual basis of accounting in connection with the determination of the costs of property, plant and equipment and investment property.

### › Third runway project

The construction of the "Parallel runway 11R/29L" (third runway) is a key project for FWAG's long-term development and growth potential. After the positive first instance ruling regarding the "Parallel runway 11R/29L" (third runway) project, a second instance hearing at the Austrian Federal Administrative Court was held at the beginning of January 2015.

On 9 February 2017, a ruling from the Federal Administrative Court overturning the project was served. Flughafen Wien AG appealed against this decision (of 2 February 2017) to the Austrian Constitutional Court. The Constitutional Court allowed this appeal on 29 June 2017 and revoked the decision by the Federal Administrative Court.

The Federal Administrative Court then had to revise its decision and on 28 March 2018 approved construction of the third runway under additional conditions. These conditions are currently under review and the project is continuing as a top priority, given that Vienna Airport will reach its capacity limits in the existing two-runway system after 2025 based on foreseeable passenger development.

Based on the Federal Administrative Court's positive finding from 28 March 2018 regarding the building of the third runway, the capitalisation requirements of IAS 16 have now been met. As at the end of the previous year, they were deemed unfulfilled on the basis of experiences from the ongoing proceedings, and fully impaired acquisition-related costs were disposed of (without recognition through profit and loss) accordingly in the 2017 reporting year. In the 2018 reporting year, capital expenditure for the third runway of € 55.8 million was recognised (€ 55.4 million of which relates to the capitalisation of the payment obligation arising from the service agreement for the mediation process in connection with the environmental fund).

Further project delays could be caused by complaints from opponents to approval of the third runway, filed with the Supreme Administrative Court. The decision on the next steps and treatment of these legal proceedings now lies with the highest court. >

### › Allowances for doubtful accounts

The Flughafen Wien Group recognised valuation allowances for doubtful trade receivables and for other receivables to reflect expected losses arising from the unwillingness or inability of debtors to meet their payment obligations. The Flughafen Wien Group recognised Stage 2 valuation allowances (“lifetime expected credit loss”) of T€ 211.1 (1 January 2018: T€ 158.0) and Stage 3 valuation allowances (“credit impairment”) of T€ 7,416.2 (1 January 2018: T€ 6,558.8). In the measurement of valuation allowances due to expected credit losses for trade receivables and contract assets, key assumptions are made in the calculation of the weighted average loss rate. These are described under “Accounting policies” and relate among others to notes (21) and (36).

### › Employee-related provisions

The measurement of provisions for severance compensation, pensions and service anniversary bonuses with a combined carrying amount of T€ 140,566.5 (previous year: T€ 130,928.3) and for semi-retirement programmes with a carrying amount of T€ 20,872.3 (previous year: T€ 20,565.3) is based on assumptions regarding the discount rate, retirement age, life expectancy, turnover probabilities, future increases in wages, salaries and pensions, and probabilities of disability.

### › Other provisions

The provisions for pending legal proceedings and other outstanding obligations arising from settlement, arbitration or government proceedings total T€ 2,550.7 (previous year: T€ 2,650.4). The recognition and measurement of these provisions are significantly influenced by management estimates. The assessment of the probability that pending legal proceedings will be successful and lead to a liability as well as the quantification of the possible amount of a related payment obligation are dependent to a significant degree on an assessment of the respective situation. As a result of the uncertainties connected with this assessment, actual losses may differ from the original estimates and the amount of the provision.

With regard to a lawsuit filed against Flughafen Wien AG by a former lessee in New York for US\$ 168 million – due to alleged discrimination – management has come to the conclusion that the suit lacks any factual or legal foundation. A provision for these claims was not recognised in these financial statements. The lawsuit was denied in May 2018 by the court in New York and no further legal recourse has been sought. The matter is thus closed.

### › Deferred taxes

Income taxes must be calculated for every tax jurisdiction in which the Group operates. The anticipated income tax must be calculated for each taxable entity. The temporary differences between the carrying amounts of certain items of the statement of financial position in the consolidated financial statements and in the tax accounts must be assessed. Deferred tax assets of T€ 27,576.3 (previous year: T€ 25,412.2) are recognised to the extent that it is probable that the Group will be able to utilise them in future. The use of deferred tax assets is dependent on the ability to generate sufficient income in the individual tax jurisdictions. Various factors are used to evaluate the probability of the future use of deferred tax assets, which can include past earnings, operating forecasts or tax planning strategies. If actual earnings differ from these estimates or the estimates must be adjusted in future periods, this can have a negative effect on the asset, financial and earnings position of the Group. The impairment of a deferred tax asset leads to derecognition of the relevant item in profit or loss.

### › Tax audit

The external tax audit of Austrian companies included in the consolidated financial statements for the years 2012 to 2016 (including corporate income tax and value added tax) and a review in accordance with section 144 of the Bundesabgabenordnung (BAO – Austrian Fiscal Code) for 2017 and 2018 were begun in the 2018 financial year and provisionally resulted in no material objections. The obligations resulting so far for areas already completed were reported in the 2018 consolidated financial statements. Future developments can lead to adjustments in subsequent periods.

### › Service concession agreements

The Malta Airport Group (sub-group of the Flughafen Wien Group) conducts its commercial and operational activities under a concession granted by the Maltese government in 2002. A detailed analysis found that the Malta Airport Group does not fall within the scope of IFRIC 12 due to the high degree of non-regulated activities.

### › Determining fair value

A number of the Group's accounting policies and disclosures require fair values to be determined for financial and non-financial assets and liabilities. As far as possible, the Group uses data observable on the market to determine fair value. The measurement of fair value is shown under "Accounting policies" and relates among others to note (36).

## V. Changes to significant accounting policies

### › IFRS 9 Financial Instruments

Published in July 2014, IFRS 9 replaces the existing guidelines of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains revised guidelines for the classification and measurement of financial instruments, including a new model of expected credit losses to calculate impairment on financial assets, and new general accounting rules for hedges. It also includes the guidelines for the recognition and derecognition of financial instruments from IAS 39.

The Flughafen Wien Group applied IFRS 9 prospectively for the first time from 1 January 2018, whereby changes in the value of financial assets were recognised in retained earnings or other reserves in the opening statement of financial position as at 1 January 2018. In addition, the Flughafen Wien Group applied consequential amendments to IFRS 7 "Financial Instruments: Disclosures" to the notes for the 2018 financial year. However, these were not applied to the comparative information.

The following table shows the effects of the first-time adoption of IFRS 9 on the opening statement of financial position of the Flughafen Wien Group:

in T€	31. 12. 2017	Adjustments in accordance with IFRS 9	1. 1. 2018
<b>ASSETS</b>			
Non-current other assets	99,129.1	4,195.1	103,324.2
Current receivables and other assets	113,038.2	-142.7	112,895.6
<b>EQUITY &amp; LIABILITIES</b>			
Other reserves	1,941.3	1,501.0	3,442.3
Retained earnings	850,181.4	1,502.7	851,684.0
Deferred tax liabilities	52,432.3	1,048.8	53,481.1

The following table shows the effects of the first-time adoption of IFRS 9 on components of equity:

in T€	Other reserves	Retained earnings	Attributable to shareholders of the parent company	Non-controlling interests	Total
Recognition of impairment in accordance with the expected credit loss model	0.0	-142.7	-142.7	0.0	-142.7
Measurement of equity instruments	3,146.3	0.0	3,146.3	0.0	3,146.3
Reclassification of units held in investment funds from AfS to FVPL	-11.3	11.3	0.0	0.0	0.0
Reclassification of debt instruments (securities) from AfS to FVPL	-1,634.0	1,634.0	0.0	0.0	0.0
<b>Total</b>	<b>1,501.0</b>	<b>1,502.7</b>	<b>3,003.6</b>	<b>0.0</b>	<b>3,003.6</b>

Definition of measurement categories: FVPL = fair value through profit and loss

There are changes under IFRS 9 as compared to IAS 39 affecting the classification and subsequent measurement of financial assets. Firstly, classification now focuses on the nature of the financial instrument, while there are different measurement requirements of debt instruments, equity instruments and derivatives. Furthermore, the business model under which the financial instrument is held must also be taken into account. When choosing the business model, it must be established whether there is an intention to sell the financial instrument, or whether it will be held to maturity.

Financial assets will only be classified and measured in three groups in future: at amortised cost (AC) and at fair value – either through profit and loss (FVPL) or other comprehensive income (FVOCI).

The categories for financial assets under IAS 39 – held to maturity (HtM), loans and receivables (LaR) and available for sale (AfS) – no longer exist under IFRS 9.

Similarly, there are also new regulations on the recognition of impairment: IFRS 9 requires the use of the expected credit loss model, under which loss allowances are generally recognised sooner and at a higher amount compared to the incurred loss model under IAS 39.

The following table shows the original measurement category and carrying amount in accordance with IAS 39, and the new measurement category and carrying amount in accordance with IFRS 9 as at 1 January 2018 (the date of initial application of IFRS 9):

in T€	Classification under IAS 39	Measurement category under IAS 39	Classification and measurement category under IFRS 9	IAS 39 carrying amount	IFRS 9 carrying amount
Funds	AfS	Fair value through OCI	FVPL	107.6	107.6
Debt instruments (securities)	AfS	Fair value through OCI	FVPL	22,178.7	22,178.7
Trade receivables	LaR	Amortised cost	AC	59,227.6	59,100.3
Receivables due from associated companies	LaR	Amortised cost	AC	882.4	880.5
Other receivables	LaR	Amortised cost	AC	6,293.6	6,280.1
Investments (time deposits)	LaR	Amortised cost	AC	106,000.0	106,000.0
Originated loans	LaR	Amortised cost	AC	834.0	834.0
Equity instruments (investments, securities)	AfS	Amortised cost	FVOCI (NR)	770.2	4,965.2
Cash and cash equivalents	Cash reserve	Nominal value = fair value	AC	47,918.7	47,918.7
<b>Total financial assets</b>				<b>244,212.7</b>	<b>248,265.1</b>

Definition of measurement categories:

AC = amortised cost;

FVPL = fair value through profit and loss;

FVOCI (NR) = fair value through other comprehensive income – non-recycling

Compared to the accounting policies previously applied, there are differences in the subsequent measurement of units held in investment funds and debt instruments. In the past, these were assigned to the “available for sale” (AfS) category. The changes in fair value were recognised in other comprehensive income (OCI). In accordance with IFRS 9, units held in investment funds are measured at fair value through profit or loss (FVPL) because the payments in connection with the fund are not solely payments of principal and interest.

The debt instrument measurement category (securities) is a tier 2 capital obligation. As the cash flows in connection with this instrument are not solely payments of principal and interest – interest payments can be waived under certain conditions defined by contract – it will also be measured at fair value through profit or loss (FVPL). Changes in fair value are recognised in other financial result.

In the past, equity instruments and investments were also assigned to the “available for sale” (AfS) category and measured at amortised cost. In accordance with IFRS 9, all equity instruments are designated as “at fair value through other comprehensive income” (FVOCI – no recycling/NR), as they are held for a long-term strategic objective.

Under IFRS 9, the financial assets of the former “loans and receivables” (LAR) category were measured at amortised cost (AC) and are subject to the new and more extensive impairment requirements of IFRS 9.

The first-time application of IFRS 9 had no effect on the Flughafen Wien Group’s accounting policies with regard to financial liabilities. The table below shows the changes relating to the categorisation of financial liabilities:

in T€	Classification under IAS 39	Measurement category under IAS 39	Classification and measurement category under IFRS 9	IAS 39 carrying amount	IFRS 9 carrying amount
Trade payables	FLAC	Amortised cost	AC	46,043.9	46,043.9
Financial liabilities	FLAC	Amortised cost	AC	403,110.4	403,110.4
Other liabilities	FLAC	Amortised cost	AC	37,413.1	37,413.1
<b>Total financial liabilities</b>				<b>486,567.4</b>	<b>486,567.4</b>

Definition of measurement categories:  
AC = amortised cost

The table below reconciles the carrying amounts of financial assets under IAS 39 with the carrying amounts under IFRS 9 as at the date of transition to IFRS 9 on 1 January 2018:

in T€	IAS 39 carrying amount as at 1.1.2018	Reclassi- fication	Measure- ment	IFRS 9 carrying amount as at 1.1.2018
<b>Measured at amortised cost (AC)</b>				
Trade receivables	59,227.6		-127.3	59,100.3
Receivables due from associated companies	882.4		-1.9	880.5
Other receivables	6,293.6		-13.5	6,280.1
Investments (time deposits)	106,000.0			106,000.0
Originated loans	834.0			834.0
Cash and cash equivalents	47,918.7			47,918.7
<b>Measured at amortised cost (AC) - total</b>	<b>221,156.3</b>	<b>0.0</b>	<b>-142.7</b>	<b>221,013.6</b>
<b>Measured at cost</b>				
Equity instruments	770.2	-770.2		0.0
Thereof reclassification to measured at fair value through other comprehensive income		-770.2		
<b>Measured at cost - total</b>	<b>770.2</b>	<b>-770.2</b>	<b>0.0</b>	<b>0.0</b>
<b>Measured at fair value through other comprehensive income (FVOCI)</b>				
Equity instruments		770.2	4,195.1	4,965.2
Thereof reclassification to measured at cost		770.2		
Debt instruments (funds)	107.6	-107.6		0.0
Thereof reclassification to measured at fair value through profit or loss		-107.6		
Debt instruments (securities)	22,178.7	-22,178.7		0.0
Thereof reclassification to measured at fair value through profit or loss		-22,178.7		
<b>Measured at fair value through other comprehensive income (FVOCI) - total</b>	<b>22,286.2</b>	<b>-21,516.1</b>	<b>4,195.1</b>	<b>4,965.2</b>
<b>Measured at fair value through profit or loss (FVPL)</b>				
Debt instruments (funds)		107.6		107.6
Thereof reclassification from measured at fair value through other comprehensive income		107.6		
Debt instruments (securities)		22,178.7		22,178.7
Thereof reclassification from measured at fair value through other comprehensive income		22,178.7		
<b>Measured at fair value through profit or loss (FVPL) - total</b>	<b>0.0</b>	<b>22,286.2</b>	<b>0.0</b>	<b>22,286.2</b>
<b>Total financial assets</b>	<b>244,212.7</b>	<b>0.0</b>	<b>4,052.4</b>	<b>248,265.1</b>



**Impairment in accordance with the expected credit loss model:**

The new provisions require the recognition not just of losses that have already been incurred but those that are expected as well. In determining the extent to which expected losses are recognised, a further distinction must be made as to whether or not the risk of default on financial assets has deteriorated significantly since initial recognition. If this risk has deteriorated and is not classified as low as at the end of the reporting period, all losses expected over the entire term must be recognised from this date. Otherwise only the losses expected over the term of the instrument from future, possible loss events in the next twelve months have to be recognised. The method is described in the accounting policies.

In total, the new calculation due to the first-time application of IFRS 9 resulted in an additional allowance for credit losses on trade receivables, receivables from associated companies and other receivables of T€ 142.7 (as at 1 January 2018). The valuation allowance in accordance with IAS 39 is reconciled with the level as at 1 January 2018 in note (36).

As at the transition date, there were no material impairment losses on level 1 term deposits, loans granted or cash and cash equivalents on account of the credit characteristics and short remaining terms.

**› IFRS 15 Revenue from Contracts with Customers**

The Flughafen Wien Group has applied the new standard IFRS 15 "Revenue from Contracts with Customers" for the first time from 1 January 2018. This standard regulates when and in what amount revenue must be recognised and above all stipulates that useful information must be reported to users of financial statements about the nature, amount and timing of revenue and associated cash flows arising from a contract with a customer. Contracts covered by IAS 17 "Leases" or IFRS 4 "Insurance Contracts", among others, are exempt from IFRS 15.

The Group applied the retrospective method in the transition to IFRS 15. The comparative information was adjusted retrospectively for the comparative period.

Unlike under the regulations applied before, the new standard provides for a single, principle-based, five-step model that must be applied to all contracts with customers. Under this five-step model, the contract with the customer must first be identified (step 1). Step 2 is the identification of the separate performance obligations in the contract. Step 3 is to determine the transaction price, whereby there are explicit provisions on the treatment of variable consideration, financing components, payments to the customer and exchanges. After determining the transaction price, step 4 is the allocation of the transaction price to the individual performance obligations. This is based on the standalone selling price for the individual performance obligations. Finally, step 5 is the recognition of revenue when (or as) the entity satisfies a performance obligation. This requires that control of the goods or service has passed to the customer.

When a contract is entered into, under IFRS 15 it must be determined whether the revenue resulting from the contract is to be recognised at a point in time or over a period of time. It must first be clarified on the basis of specific criteria whether control of the performance obligation is transferred over time. If this is not the case, the revenue must be recognised at the point in time at which control passes to the customer. Examples of >

indications of this are the transfer of legal title, the transfer of material risks and rewards or formal acceptance. However, if control is transferred over a period of time, revenue may only be recognised over time to the extent that progress can be reliably determined using input or output methods. In addition to general principles on revenue recognition, the standard contains detailed implementation guidance on topics such right of return, customer options to additional goods or services, principle-agent relationships and bill and hold arrangements. In addition, the standard includes new regulations on the costs to obtain or fulfil a contract in addition to regulations on when such costs are recognised. Costs that do not meet these criteria are expensed as incurred.

The standard also includes new comprehensive requirements relating to disclosures on revenue in the financial statements.

If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty regarding the consideration is resolved. Such provisions give rise to variable consideration under IFRS 15, which must be estimated at contract inception. IFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group continues to assess individual contracts to determine the estimated variable consideration and related constraint.

The Flughafen Wien Group essentially generates revenue from aviation and non-aviation operations. The significant revenue from contracts with customers is described under "Accounting policies" and in the corresponding notes.

At the Flughafen Wien Group, the effect of the first-time application of IFRS 15 is limited to the additional qualitative and quantitative disclosures regarding revenue from contracts with customers. The Flughafen Wien Group's previous method for recognising revenue largely corresponds to the new regulations. An analysis of contracts with customers and associated performance obligations showed that the first-time application of IFRS 15 resulted in no adjustments of items in the statement of financial position or retained earnings. There were therefore no corresponding reconciliations.

## VI. Notes to the Consolidated Income Statement

### › (1.1) Segment reporting

In accordance with IFRS 8, segment reporting is based on the Group's internal reporting. The operating segments of the Flughafen Wien Group include the business units of Flughafen Wien AG that form the basis for the company's organisation and the individual subsidiaries and investments in companies recorded at equity. These operating segments are aggregated into the following reporting segments: Airport, Handling & Security Services, Retail & Properties, Malta and Other Segments. The Group is managed based on reporting on profit and loss, capital expenditure and employee-related data for the respective divisions of Flughafen Wien AG, plus revenue, EBITDA, EBIT, planned capital expenditure and employee-related data for the individual subsidiaries. Furthermore, the different revenue flows are broken down further for each segment.

The segments of the Flughafen Wien Group are as follows:

#### **Airport**

The Operations business unit of Flughafen Wien AG and the subsidiaries that provide airport services in Austria are combined under the Airport reporting segment. The Operations business unit generally provides the traditional services performed by an airport operator. These services include the operation and maintenance of all aircraft movement areas and the terminals as well as the equipment and facilities for passenger and baggage handling. The fees for these services are, for the most part, subject to fee regulations. The Operations business unit also provides a wide range of services to support airport operations, to deal with emergencies and disruptions and to ensure security.

#### **Handling & Security Services**

The Handling & Security Services segment includes the Handling business unit of Flughafen Wien AG and the subsidiaries that provide services in this segment. The Handling & Security Services segment supplies a variety of services for the handling of aircraft and passengers on scheduled and charter flights. It is also responsible for handling general aviation aircraft and passengers. The General Aviation Center also includes the VIP lounges and the Business Center. In addition, security controls for persons and hand luggage are performed by the Handling & Security Services segment.

#### **Retail & Properties**

The Retail & Properties segment covers the Property and Centre Management business units of Flughafen Wien AG and the subsidiaries that provide services under this segment.

The Retail & Properties segment provides various services to support airport operations, including shopping, food & beverages and parking. Activities for the development and marketing of properties are also included in this segment.

#### **Malta**

The Malta segment includes Malta Airport (Malta International Airport p.l.c., MIA) and its direct investments (hereinafter referred to as the MIA Group). Malta Airport and its investments are responsible for the operation of Malta Airport. In addition to traditio- >

nal aviation services, the companies of the MIA Group also generate revenue from parking and the rental of retail and office space. Handling is performed by two third-party companies under a concession agreement.

### **Other Segments**

The operating segments that are not independently reportable and cannot be aggregated with another reportable segment are combined into the reporting segment "Other Segments" in accordance with IFRS 8.16.

This includes various services provided by individual business units of Flughafen Wien AG or other subsidiaries: technical services and repairs, energy supply and waste disposal, telecommunications and information technology, electromechanical and building services, the construction and maintenance of infrastructure facilities, construction management and consulting.

This segment additionally includes the investments recorded at equity as well as investment holding companies with no operating activities that are not independently reportable.

### **Explanations of the amounts shown**

The accounting principles used to develop the segment data are the same as the accounting principles applied in preparing the IFRS consolidated financial statements. The criteria used by the Flughafen Wien Group to assess segment performance include EBITDA and EBIT (after the deduction of overheads). Depreciation and amortisation are reported separately as depreciation, amortisation and impairment losses (and reversals of impairment losses), and result from the assets allocated to the individual segments. The underlying prices for inter-segment revenue and services reflect market-based standard costs or rates, which are based on internal costs.

Other items such as financial results or tax expense attributable to the individual operating segments are not included under segment information because internal reporting only covers these positions down to and including EBIT, and these other positions are monitored centrally.

Segment assets and liabilities comprise all assets and liabilities that can be allocated to the operating business. In particular, segment assets include intangible assets, property, plant and equipment, trade receivables and other receivables, investments in companies recorded at equity and inventories. The Flughafen Wien Group does not report segment liabilities for each reportable operating segment as these liabilities are monitored centrally. Segment assets do not include the assets shown under "Other (not allocated)" in the reconciliation of segment assets to Group assets. The Group assets designated as not allocated essentially consist of other financial assets, current securities, receivables due from taxation authorities, other receivables and assets, prepaid expenses and cash and cash equivalents, except the assets of the MIA Group.

Segment investments (capital expenditure) include additions to intangible assets, property, plant and equipment and investment property, including invoice corrections.

The information provided by geographic area also includes information on the income generated with external customers and the amounts for non-current assets. The allocation of assets and income to the various geographical areas is based on the location of the unit (subsidiary) that generated the income or owns the assets.

&gt;

The number of employees at the segment level is based on the average number of employees for the financial year, weighted by the level of employment.

**Changes in the 2018 financial year:**

In addition to security services, GetService Dienstleistungsgesellschaft m.b.H. (GETS) also performs other services in connection with airport operations and was assigned to the Handling & Security Services segment as a consolidated subsidiary.

VIE Airport Health Center GmbH (VHC) offers healthcare services and was assigned to the Retail & Properties segment as a consolidated subsidiary.

The segment reporting was adapted to the new internal reporting structure. Buildings that are used almost exclusively by a single business unit are now assigned to this unit. The comparative information was adjusted accordingly (IFRS 8.29).

**Changes in the 2017 financial year:**

The subsidiary Load Control International SK s.r.o. founded in the 2017 financial year is assigned to the Handling & Security Services segment.

### › Segment results 2018

in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
External segment revenue	392,298.5	166,089.2	132,948.8	92,161.8	16,163.0	799,661.3
Thereof revenue from contracts with customers	392,298.5	161,850.0	47,447.8	71,015.1	16,163.0	
Internal segment revenue	30,954.9	72,073.6	13,430.4	0.0	103,627.0	
Segment revenue	423,253.5	238,162.8	146,379.2	92,161.8	119,790.0	
Other external operating income	809.9	782.1	4,555.0	0.0	645.8	6,792.9
Internal other operating income <sup>1</sup>	2,684.1	125.3	1,252.8	0.0	1,441.4	5,503.6
Operating income	426,747.6	239,070.2	152,187.0	92,161.8	121,877.2	
Consumables and other purchased services	4,141.2	9,063.2	1,629.3	3,206.9	24,103.5	42,144.0
Personnel expenses	46,134.4	179,578.8	10,064.4	9,859.9	55,850.0	301,487.5
Other expenses and valuation allowances	46,812.2	8,517.9	15,779.9	25,870.8	24,537.6	121,518.3
Thereof valuation allowance on receivables <sup>2</sup>	857.3	156.5	46.5	18.2	53.3	1,131.7
Pro rata results of companies recorded at equity	0.0	0.0	0.0	0.0	3,566.0	3,566.0
Internal expense	142,566.7	30,332.9	38,937.5	0.0	8,248.7	
<b>Segment EBITDA</b>	<b>187,093.1</b>	<b>11,577.4</b>	<b>85,775.9</b>	<b>53,224.2</b>	<b>12,703.5</b>	<b>350,374.0</b>
Depreciation and amortisation	83,651.7	8,513.5	17,165.9	9,177.6	11,067.9	129,576.6
Segment depreciation and amortisation	83,651.7	8,513.5	17,165.9	9,177.6	11,067.9	129,576.6
<b>Segment EBIT</b>	<b>103,441.4</b>	<b>3,063.9</b>	<b>68,610.0</b>	<b>44,046.6</b>	<b>1,635.6</b>	<b>220,797.5</b>
Segment investments <sup>3</sup>	94,402.8	11,058.4	41,388.1	8,449.0	10,419.7	165,718.0
Segment assets	1,129,556.0	79,379.5	314,802.2	310,855.2	102,386.6	1,936,979.5
Thereof carrying amount of companies recorded at equity					42,909.2	
Other (not allocated)						221,121.7
<b>Group assets</b>						<b>2,158,101.2</b>
Segment employees (average including administration)	559	3,095	107	340	729	4,830

1) Relates to own work capitalised

2) Excluding derecognition of defaulted receivables

3) Including invoice corrections, excluding financial assets

### › Segment results 2017<sup>1</sup>

in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
External segment revenue	368,240.3	160,712.3	126,115.7	82,369.2	15,747.2	753,184.7
Thereof revenue from contracts with customers	368,240.3	157,855.2	45,779.1	63,611.9	15,747.2	
Internal segment revenue	29,204.8	71,224.1	12,432.7	0.0	105,659.2	
Segment revenue	397,445.1	231,936.4	138,548.5	82,369.2	121,406.5	
Other external operating income	546.1	668.9	1,646.2	0.0	1,152.1	4,013.4
Internal other operating income <sup>2</sup>	3,252.5	212.7	1,691.9	0.0	1,321.5	6,478.6
Operating income	401,243.8	232,818.0	141,886.6	82,369.2	123,880.0	
Consumables and other purchased services	3,762.4	7,262.6	856.6	2,897.8	23,505.6	38,285.0
Personnel expenses	42,006.0	170,942.5	10,122.2	8,045.4	51,626.2	282,742.3
Other expenses and valuation allowances	43,114.4	6,025.8	20,746.7	20,826.0	28,314.2	119,027.1
Thereof valuation allowance on receivables <sup>3</sup>	-77.1	-46.7	-10.2	14.3	-4.5	-124.2
Pro rata results of companies recorded at equity	0.0	0.0	0.0	0.0	2,859.7	2,859.7
Internal expense	144,933.1	28,944.7	38,239.3	798.2	5,605.6	
<b>Segment EBITDA</b>	<b>167,427.9</b>	<b>19,642.4</b>	<b>71,921.8</b>	<b>49,801.7</b>	<b>17,688.2</b>	<b>326,482.0</b>
Depreciation and amortisation	84,908.2	7,641.2	17,297.4	9,203.8	13,313.9	132,364.6
Impairment	790.4	1,479.1	0.0	0.0	0.0	2,269.5
Segment depreciation and amortisation	85,698.6	9,120.3	17,297.4	9,203.8	13,313.9	134,634.1
<b>Segment EBIT</b>	<b>81,729.4</b>	<b>10,522.0</b>	<b>54,624.4</b>	<b>40,597.9</b>	<b>4,374.3</b>	<b>191,848.0</b>
Segment investments <sup>4</sup>	26,205.9	8,997.2	35,516.9	14,017.3	18,826.6	103,563.9
Segment assets	1,113,309.0	75,441.1	292,943.7	327,061.3	105,796.3	1,914,551.5
Thereof carrying amount of companies recorded at equity					40,987.2	
Other (not allocated)						148,438.8
<b>Group assets</b>						<b>2,062,990.3</b>
Segment employees (average including administration)	513	2,994	109	307	702	4,624

1) Adjusted to the new reporting structure (IFRS 8.29)

2) Relates to own work capitalised

3) Excluding derecognition of defaulted receivables;  
in the case of minus signs, reversal of valuation allowances on receivables

4) Including invoice corrections, excluding financial assets

>

## Reconciliation of segment assets to group assets

in T€	31. 12. 2018	31. 12. 2017 <sup>1</sup>
<b>Assets by segment</b>		
Airport	1,129,556.0	1,113,309.0
Handling & Security Services	79,379.5	75,441.1
Retail & Properties	314,802.2	292,943.7
Malta	310,855.2	327,061.3
Other Segments	102,386.6	105,796.3
<b>Total assets in reportable segments</b>	<b>1,936,979.5</b>	<b>1,914,551.5</b>
<b>Assets not allocated to a specific segment<sup>2</sup></b>		
Other non-current assets	117,464.0	67,604.7
Securities	28,124.4	22,178.7
Receivables from taxation authorities	8,001.9	3,820.4
Other current receivables and assets	56,213.4	44,241.1
Prepaid expenses	1,472.5	1,077.3
Cash and cash equivalents	9,845.6	9,516.8
<b>Total not allocated</b>	<b>221,121.7</b>	<b>148,438.8</b>
<b>Group assets</b>	<b>2,158,101.2</b>	<b>2,062,990.3</b>

1) Adjusted to the new reporting structure (IFRS 8.29)

2) Not including assets of the MIA Group

## Disclosures for 2018 by region

in T€	Austria	Malta	Slovakia	Group
External revenue	707,499.6	92,161.8	0.0	799,661.3
Non-current assets	1,652,679.8	269,069.3	35,481.4	1,957,230.5

## Disclosures for 2017 by region

in T€	Austria	Malta	Slovakia	Group
External revenue	670,815.6	82,369.2	0.0	753,184.7
Non-current assets	1,565,678.9	270,550.4	34,684.6	1,870,914.0



The assets of the Slovakia region include the investment held by the fully consolidated subsidiary. The investments at Košice Airport account for investment income from companies recorded at equity of € 1.7 million in the 2018 financial year (previous year: € 1.2 million).

### Information on key customers

The Flughafen Wien Group generated revenue from its main customer in the Lufthansa Group (Austrian Airlines, Eurowings, Germanwings, Brussels, Lufthansa, Swiss) of € 319.9 million (previous year: € 310.9 million). Income was generated with this main customer in all segments.

### › (1.2) Revenue and revenue from contracts with customers

The effect of the first-time application of IFRS 15 “Revenue from Contracts with Customers” is shown in “Changes to significant accounting policies”.

The Flughafen Wien Group essentially generates revenue from aviation and non-aviation operations. Aviation operations generate revenue from the Airport's typical business activities, such as traffic fees, ground handling services and concessions.

The Flughafen Wien Group's non-aviation operations comprise rentals (including revenue based on sales) and other revenue. Revenue is reported net of VAT and other taxes that are collected from customers and passed on to taxation authorities.

The revenue from contracts with customers is described in detail under “Accounting policies”.

### Breakdown of revenue into revenue from contracts with customers and other revenue

The Flughafen Wien Group generates revenue from contracts with customers (this mainly relates to the revenue from aviation operations and other revenue from non-aviation operations described above) and other revenue. Other revenue relates to rental income from investment property (see also note (15)) and other revenue from letting.

2018 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Revenue from contracts with customers	392,298.5	161,850.0	47,447.8	71,015.1	16,163.0	688,774.4
Other revenue	0.0	4,239.2	85,501.0	21,146.7	0.0	110,886.9
<b>External segment revenue</b>	<b>392,298.5</b>	<b>166,089.2</b>	<b>132,948.8</b>	<b>92,161.8</b>	<b>16,163.0</b>	<b>799,661.3</b>

2017 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Revenue from contracts with customers	368,240.3	157,855.2	45,779.1	63,611.9	15,747.2	651,233.8
Other revenue	0.0	2,857.0	80,336.6	18,757.3	0.0	101,950.9
<b>External segment revenue</b>	<b>368,240.3</b>	<b>160,712.3</b>	<b>126,115.7</b>	<b>82,369.2</b>	<b>15,747.2</b>	<b>753,184.7</b>

### Breakdown of revenue into aviation and non-aviation

2018 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Aviation	371,561.5	151,916.0	0.0	64,364.1	0.0	587,841.6
Non-Aviation	20,737.1	14,173.2	132,948.8	27,797.7	16,163.0	211,819.8
<b>External segment revenue</b>	<b>392,298.5</b>	<b>166,089.2</b>	<b>132,948.8</b>	<b>92,161.8</b>	<b>16,163.0</b>	<b>799,661.3</b>

2017 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Aviation	349,510.0	149,952.5	0.0	57,903.4	0.0	557,365.8
Non-Aviation	18,730.3	10,759.8	126,115.7	24,465.8	15,747.2	195,818.9
<b>External segment revenue</b>	<b>368,240.3</b>	<b>160,712.3</b>	<b>126,115.7</b>	<b>82,369.2</b>	<b>15,747.2</b>	<b>753,184.7</b>

### Breakdown of revenue by geographical area

2018 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Austria	392,298.5	166,089.2	132,948.8	0.0	16,163.0	707,499.6
Malta	0.0	0.0	0.0	92,161.8	0.0	92,161.8
<b>External segment revenue</b>	<b>392,298.5</b>	<b>166,089.2</b>	<b>132,948.8</b>	<b>92,161.8</b>	<b>16,163.0</b>	<b>799,661.3</b>

2017 in T€	Airport	Handling & Security Services	Retail & Properties	Malta	Other Segments	Group
Austria	368,240.3	160,712.3	126,115.7	0.0	15,747.2	670,815.6
Malta	0.0	0.0	0.0	82,369.2	0.0	82,369.2
<b>External segment revenue</b>	<b>368,240.3</b>	<b>160,712.3</b>	<b>126,115.7</b>	<b>82,369.2</b>	<b>15,747.2</b>	<b>753,184.7</b>

The revenue flows per segment are detailed below:

### Revenue in the Airport segment

in € Mio.	2018	Change	2017
Aircraft-related fees	70.2	5.1%	66.8
Passenger-related fees	262.7	6.0%	247.9
Infrastructure revenue & services	48.7	8.8%	44.8
Passenger services	10.6	22.1%	8.7
<b>Airport segment revenue (external)</b>	<b>392.3</b>	<b>6.5%</b>	<b>368.2</b>
Thereof aviation	371.6	6.3%	349.5
Thereof non-aviation	20.7	10.7%	18.7

### Revenue in the Handling & Security Services segment

in € Mio.	2018	Change	2017
Apron handling	99.6	-3.6%	103.3
Cargo handling	34.1	9.4%	31.2
Security services	5.2	23.0%	4.2
Traffic handling	15.7	18.1%	13.3
General aviation, other	11.5	31.8%	8.8
<b>Handling &amp; Security Services segment revenue (external)</b>	<b>166.1</b>	<b>3.3%</b>	<b>160.7</b>
Thereof aviation	151.9	1.3%	150.0
Thereof non-aviation	14.2	31.7%	10.8

### Revenue in the Retail & Properties segment

in € Mio.	2018	Change	2017
Parking	44.8	4.4%	42.9
Rentals	36.5	5.8%	34.5
Shopping, food and beverage services	51.7	6.0%	48.7
<b>Retail &amp; Properties segment revenue (external)</b>	<b>132.9</b>	<b>5.4%</b>	<b>126.1</b>
Thereof aviation	0.0	n.a.	0.0
Thereof non-aviation	132.9	5.4%	126.1

## Revenue in the Malta segment

in € Mio.	2018	Change	2017
Airport	65.5	11.0%	59.0
Retail & Properties	26.3	14.5%	23.0
Other	0.3	-13.1%	0.4
<b>Malta segment revenue (external)</b>	<b>92.2</b>	<b>11.9%</b>	<b>82.4</b>
Thereof aviation	64.4	11.2%	57.9
Thereof non-aviation	27.8	13.6%	24.5

## Revenue in Other Segments

in € Mio.	2018	Change	2017
Energy supply and waste disposal	8.4	12.7%	7.4
Telecommunications and IT	3.0	2.9%	2.9
Materials management	1.6	7.7%	1.4
Electrical engineering, security equipment, workshops (VAT)	1.2	-6.3%	1.3
Facility management, building maintenance	0.8	-46.5%	1.5
Visitair World	0.6	45.4%	0.4
Other	0.7	-18.1%	0.8
<b>Other Segments revenue (external)</b>	<b>16.2</b>	<b>2.6%</b>	<b>15.7</b>
Thereof aviation	0.0	n.a.	0.0
Thereof non-aviation	16.2	2.6%	15.7

## Contract balances

The following table provides information about receivables and contract assets from contracts with customers:

in T€	Notes	31.12.2018	31.12.2017
Receivables from contracts with customers included in trade and other receivables	(21)	61,105.4	n.a.
Contract assets	(21)	2,062.5	0.0

The contract assets relate to deferred payments from incentive programmes.

In accordance with IFRS 15, no disclosures are made on the remaining performance obligations as at 31 December 2018 that have an expected original term of one year or less.

## Performance obligations

Revenue is measured on the basis of the consideration stipulated in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The table below provides information about the nature and timing of the fulfilment of performance obligations from contracts with customers, including significant payment terms. The associated revenue recognition principles and the accounting methods are shown under "Accounting policies".

Type of product/service	Nature and timing of the fulfilment of performance obligations, including significant payment terms	Revenue recognition in accordance with IFRS 15 <sup>1</sup>
Traffic fees (subject to approval)	Invoices for traffic fee services are issued every two weeks and are usually payable within 8 to 30 days.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
Ground handling services (not subject to approval)	Invoices for ground handling services are issued every two weeks and are usually payable within 8 to 30 days.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
Concession revenue	Invoices for concession revenue are issued every month and are usually payable within 30 days.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
<b>Other revenue from:</b>		
Lounges	Invoices for lounge services are issued every month and are usually payable within 14 days or immediately in cash on occurrence.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly.
Security Energy supply and waste disposal IT services Electrical engineering Workshops Materials management Facility management Building maintenance	Invoices for these miscellaneous other services are issued every month and are usually payable within 14 days. When products are sold (e.g. by the workshops), the customers obtain control immediately when the goods are taken from the warehouse.	The revenue is recognised immediately as the service is rendered or, if the invoice has not yet been issued, deferred accordingly. Revenue from the sale of goods is recognised when the goods are issued to the customer.

1) The breakdown of the transaction price into performance obligations is shown under "Accounting policies"

**› (2) Other operating income**

in T€	2018	2017
Own work capitalised	5,503.6	6,478.6
Income from the disposal of property, plant and equipment and asset available for sale	3,650.2	868.8
Income from the reversal of investment subsidies (government grants)	186.9	223.1
Granting of rights	1,277.7	1,269.2
Income from insurance	159.3	114.8
Other	1,518.8	1,537.3
	<b>12,296.5</b>	<b>10,491.9</b>

**› (3) Expenses for consumables and purchased services**

in T€	2018	2017
Consumables	20,131.0	18,088.2
Energy	18,796.6	16,816.5
Purchased services	3,216.4	3,380.3
	<b>42,144.0</b>	<b>38,285.0</b>

**› (4) Personnel expenses**

in T€	2018	2017
Wages	123,029.1	117,851.7
Salaries	104,323.5	93,822.6
Expenses for severance compensation	9,216.3	7,548.3
Thereof contributions to severance fund	2,357.0	2,165.7
Expenses for pensions	3,058.8	2,969.6
Thereof contributions to pension funds	2,736.7	2,637.3
Expenses for legally required duties and contributions	59,456.5	57,358.5
Other personnel expenses	2,403.4	3,191.4
	<b>301,487.5</b>	<b>282,742.3</b>

## › (5) Other operating expenses and impairment/reversals of impairment on receivables

### Other operating expenses

in T€	2018	2017
Other taxes (not including income taxes)	673.4	626.3
Maintenance	37,257.7	29,941.5
Third-party services	20,205.7	20,178.2
Third-party services from Group companies	14,812.0	12,958.2
Consulting expenses	7,112.7	9,487.4
Marketing and market communication	15,427.2	23,060.2
Postage and telecommunication expenses	1,499.7	1,379.6
Rental and lease payments	4,766.7	3,942.4
Insurance	2,455.0	2,314.0
Travel and training	3,091.9	3,283.6
Damages	1,032.3	596.3
Bad debt losses	44.1	44.5
Losses on the disposal of property, plant and equipment	159.1	53.3
Exchange rate differences, bank charges	591.5	540.3
Miscellaneous operating expenses	11,257.6	10,745.2
	<b>120,386.6</b>	<b>119,151.3</b>

Maintenance expenses cover the upkeep of buildings and equipment and the maintenance of IT equipment, runways, aprons, taxiways and car parks.

Third-party services essentially consist of costs for the baggage reconciliation system and baggage-related services, fees for waste water and garbage disposal, cleaning services, IT services and temporary personnel for the subsidiary Vienna Airport Technik GmbH and Malta International Airport p.l.c.

Consulting expenses include fees paid to lawyers and notaries, tax advisors and the auditors of the annual financial statements in addition to miscellaneous consulting fees.

The expenses for marketing and market communications mainly result from marketing measures, cooperations with airlines and conventional public relations activities.

The auditor provided following services in the past financial year:

in T€	2018	2017
Audits of financial statements	245.9	251.0
Other assurance services	11.3	7.3
Other services	48.5	28.6
	<b>305.7</b>	<b>286.9</b>

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**› Impairment/reversals of impairment on receivables**

in T€	2018	2017
Impairment/reversals of impairment on receivables	1,131.7	-124.2
	1,131.7	-124.2

Further information is shown in note (36).

**› (6) Income from investments recorded at equity**

On account of their operational nature, the results of the companies recorded at equity in the consolidated financial statements of the Flughafen Wien Group are reported within operating EBIT.

in T€	2018	2017
Pro rata results of companies recorded at equity	3,566.0	2,859.7
	3,566.0	2,859.7

As in the previous year, the cumulative total of unrecognised losses is T€ 0.0.

A summary of financial information on associated companies and joint ventures is provided in Appendix 2 "Investments".

**› (7) Depreciation, amortisation and impairment**

in T€	2018	2017
<b>Amortisation of intangible assets</b>		
Depreciation and amortisation	4,816.4	4,530.6
<b>Depreciation of property, plant and equipment</b>		
Depreciation and amortisation	118,789.0	121,923.6
<b>Depreciation on investment property</b>		
Depreciation and amortisation	5,971.2	5,910.4
<b>Total depreciation and amortisation</b>	<b>129,576.6</b>	<b>132,364.6</b>
<b>Impairment on property, plant and equipment</b>		
Impairment on "Vöslau Airfield" CGU	0.0	790.4
Impairment on "Real Estate Cargo" CGU	0.0	1,479.1
<b>Total impairment</b>	<b>0.0</b>	<b>2,269.5</b>

In the **2018 financial year**, no indications of impairment or reversal of impairment were identified. The annual impairment test (goodwill) resulted in no recognition of impairment.

The impairment tests performed in the **2017 financial year** resulted in impairment losses on properties in the Real Estate Cargo and Vöslau Airfield cash-generating units totalling T€ 2,269.5. The recoverable amount for the affected cash-generating unit was calculated based on the fair value less costs to sell. This impairment results from the current estimate of the medium-term development of the market, cost and demand. The impairment of the "Real Estate Cargo" cash-generating unit was recognised in the Retail & Property segment. In the new reporting structure, this impairment is reported



in the Handling & Security Services segment. The impairment of the "Vöslau Airfield" cash-generating unit was allocated to the Airport segment.

### **Measurement method and inputs**

The fair value was calculated based on a measurement model using unobservable inputs (level 3). The model is based on the present value of the net cash flows generated by the properties of the cash-generating unit on the basis of market expectations and includes the expected increase in rents, relocations, occupancy rates and all other costs attributable to these assets. The expected net cash flows are discounted with a WACC ("weighted average cost of capital") of a peer group of the Flughafen Wien Group. The net cash flows reflect the amounts in the 2019 budget (previous year: 2018 budget) and long-term Group controlling forecasts.

### **Significant unobservable inputs for the "Vöslau Airfield" CGU (2017):**

- › Annual increases for rental revenue at the level of the expected consumer price index of 1.8% to 2.0%
- › Occupancy rates for 2018 of 70.7% to 100%, weighted average of 77.9%, increase to weighted average of 97.6% from 2020
- › Utilisation in the hanger 100%
- › Annual medium and long-term traffic growth (aircraft movements) from 2018 – 2025 of 2.1%.
- › Growth rate of 0.0% for perpetual yield
- › Tax rate of 25.0%
- › After-tax WACC of 4.4%

The following changes in the unobservable inputs would lead to a material increase (decrease) in fair value:

- › Increasing (decreasing) rental income per square metre
- › Higher (lower) occupancy rate
- › Decrease (increase) in the discount rate (WACC)
- › Change in traffic growth (aircraft movements)
- › Higher (lower) growth rate for the perpetual yield

### **Significant unobservable inputs for the "Real Estate Cargo" CGU (2017):**

- › Rent increases by type of property of 1.35% to 2.0%
- › Occupancy rates for 2018 between 80.6% and 100%, weighted average: 93.2%. Increase to a weighted average of 96.9% from 2021
- › Growth rate of 0.0% for perpetual yield
- › Tax rate of 25.0%
- › After-tax WACC of 5.3%

The following changes in the unobservable inputs would lead to a material increase (decrease) in fair value:

- › Increasing (decreasing) rental income per square metre
- › Higher (lower) occupancy rate
- › Decrease (increase) in the discount rate (WACC)
- › Higher (lower) growth rate for the perpetual yield

### › (8) Income from investments, excluding companies recorded at equity

in T€	2018	2017
Income from non-consolidated affiliates	0.0	72.0
Income from securities and investments in other companies (FVOCI <sup>1</sup> )	331.4	465.1
	<b>331.4</b>	<b>537.1</b>

Definition of measurement categories:

1) FVOCI = fair value through other comprehensive income

### › (9) Interest income/expense

in T€	2018	2017
Interest and similar income	2,046.8	1,599.6
Interest and similar expenses	-15,859.3	-20,937.6
	<b>-13,812.5</b>	<b>-19,338.0</b>

### › (10) Other financial result

in T€	2018	2017
Income from the disposal of financial assets	0.0	350.9
Measurement of debt instrument (FVPL <sup>1</sup> )	956.0	0.0
	<b>956.0</b>	<b>350.9</b>

Definition of measurement categories:

1) FVPL = fair value through profit and loss

### › (11) Income taxes

in T€	2018	2017
Current income tax expense	61,187.0	52,810.5
Change in deferred taxes	-4,787.5	-6,332.6
	<b>56,399.4</b>	<b>46,477.9</b>

The tax expense of T€ 56,399.4 for 2018 (previous year: T€ 46,477.9) is T€ 4,331.4 (previous year: T€ 3,128.4) higher than the calculated tax expense of T€ 52,068.1 (previous year: T€ 43,349.5) that would result from the application of the corporate tax rate (25%) to profit before income taxes of T€ 208,272.3 (previous year: T€ 173,398.0).

The difference between the calculated tax rate and the effective tax rate reported in the financial statements is explained by the following table:

### › Tax reconciliation

in T€	2018	2017
Profit before taxes	208,272.3	173,398.0
Calculated income tax	52,068.1	43,349.5
Adjustments for foreign tax rates	4,404.4	4,222.6
Investments recorded at equity	-891.4	-714.9
Income from investments (tax-free)	-82.8	-134.3
Recognition of deferred tax assets on loss carryforwards	-313.9	-292.1
Other and permanent differences	-127.2	36.7
<b>Income tax expense for the period</b>	<b>55,057.0</b>	<b>46,467.5</b>
Aperiodic tax expense	1,342.4	10.4
<b>Reported income tax expense</b>	<b>56,399.4</b>	<b>46,477.9</b>
Effective tax rate	27.1%	26.8%

The differences between the carrying amounts in the tax and IFRS accounts and the loss carryforwards as at the end of the reporting period affect the deferred tax liabilities reported in the statement of financial position. For further information see note (31).

### › (12) Earnings per share

The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders and a weighted average of shares outstanding. The diluted earnings per share take into account the average shares outstanding after adjustment for all dilutive effects of potential voting rights.

In the 2018 financial year there were 84,000,000 shares outstanding. This results in earnings per share (basic = diluted) of € 1.63 for the 2018 financial year and € 1.37 for the previous year.

## VII. Notes to the Consolidated Statement of Financial Position

### Non-current assets

#### > (13) Intangible assets

##### > Development from 1.1. to 31.12.2018

in T€	Concessions and rights	Goodwill for "Real Estate Parking"	Goodwill for "Malta"	Total
Net carrying amount as at 1.1.2018	128,144.5	54.2	28,407.6	156,606.3
Additions	2,612.2	0.0	0.0	2,612.2
Transfers	1,302.1	0.0	0.0	1,302.1
Derecognition	-30.0	0.0	0.0	-30.0
Amortisation	-4,816.4	0.0	0.0	-4,816.4
<b>Net carrying amount as at 31.12.2018</b>	<b>127,212.5</b>	<b>54.2</b>	<b>28,407.6</b>	<b>155,674.3</b>

##### As at 31.12.2018

Cost	197,021.8	54.2	28,407.6	225,483.6
Accumulated amortisation	-69,809.3	0.0	0.0	-69,809.3
<b>Net carrying amount</b>	<b>127,212.5</b>	<b>54.2</b>	<b>28,407.6</b>	<b>155,674.3</b>

##### > Development from 1.1. to 31.12.2017

in T€	Concessions and rights	Goodwill for "Real Estate Parking"	Goodwill for "Malta"	Total
Net carrying amount as at 1.1.2017	130,502.8	54.2	28,407.6	158,964.6
Additions	1,630.6	0.0	0.0	1,630.6
Transfers	541.3	0.0	0.0	541.3
Amortisation	-4,530.6	0.0	0.0	-4,530.6
<b>Net carrying amount as at 31.12.2017</b>	<b>128,144.5</b>	<b>54.2</b>	<b>28,407.6</b>	<b>156,606.3</b>

##### As at 31.12.2017

Cost	193,783.8	54.2	28,407.6	222,245.6
Accumulated amortisation	-65,639.3	0.0	0.0	-65,639.3
<b>Net carrying amount</b>	<b>128,144.5</b>	<b>54.2</b>	<b>28,407.6</b>	<b>156,606.3</b>

The item "Concessions and rights" includes a concession to operate Malta Airport with a carrying amount of T€ 117,721.4 (previous year: T€ 120,161.3) and a remaining term of around 48 years as at 31 December 2018.

The material additions and transfers for the financial year relate to purchased software. Expenses of T€ 1,372.3 (previous year: T€ 465.1) for the research and development of individual modules of the airport operations software programme were recognised as expenses in the 2018 financial year.

### **Impairment testing of cash-generating units with goodwill**

An impairment test was performed in the current financial year for a cash-generating unit containing goodwill.

Goodwill of T€ 28,407.6 (previous year: T€ 28,407.6) has been assigned to the "Malta" cash-generating unit.

### **Measurement method and inputs**

The recoverable amount of the "Malta" cash-generating unit is based on its fair value less costs to sell, which was estimated using discounted cash flows. Based on the inputs in the measurement methods used, the measurement was classified as a level 3 fair value. The forecast net cash flows are discounted using weighted average cost of capital (WACC) of the Flughafen Wien Group's peer group, taking into account the sovereign risk premium for Malta. The net cash flows reflect the amounts in the 2019 budget (previous year: 2018 budget) and Group controlling forecasts.

Significant unobservable inputs for the "Malta" CGU:

- › Growth rate of 0.5 % for rough planning period (to 2067) (previous year: 0.5%)
- › Tax rate of 35% (previous year: 35%)
- › After-tax WACC of 5.3% (previous year: 4.6%)

The calculation of the fair value is based on specific cash flow forecasts for five years (detailed planning period) and a further series of payments based on the last year of the detailed planning period with an annual growth rate of 0.5% (previous year: 0.5%) until the end of the concession in July 2067 (rough planning period).

The planned EBITDA is estimated on the basis of general market expectations regarding the future development of aviation in general and traffic development at Malta Airport in particular.

The growth forecast for revenue takes into account the volume and price development of past years and the expected market and price growth momentum for the next five years.

The following changes in the significant unobservable inputs would lead to an increase (decrease) in fair value:

- › Decrease (increase) in the discount rate (WACC)
- › Higher (lower) growth rate in the rough planning period

The estimated recoverable income of the “Malta” cash-generating unit exceeds its carrying amount by approximately €330 million (previous year: €410 million).

Management has determined that a change to two material assumptions considered possible could cause the carrying amount to exceed the recoverable amount. The table below shows the amount by which these two assumptions would have to change for the estimated recoverable amount to equal the carrying amount.

› **Necessary change for the recoverable amount to equal the carrying amount:**

in%	2018	2017
Discount rate (WACC)	10.9	11.4
Growth rate in rough planning period	-7.6	-9.2

› **(14) Property, plant and equipment**

› **Development from 1.1. to 31.12.2018**

in T€	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2018	1,051,502.0	282,128.4	91,855.2	15,886.4	1,441,371.9
Changes in the consolidated group	0.0	0.0	66.0	0.0	66.0
Additions <sup>1</sup>	11,298.0	12,770.6	33,207.6	72,397.3	129,673.5
Transfers <sup>2</sup>	1,988.5	2,478.6	590.0	-7,574.1	-2,517.1
Derecognition	-727.4	-0.8	-164.7	0.0	-893.0
Depreciation	-61,367.3	-34,869.8	-22,551.9	0.0	-118,789.0
<b>Net carrying amount as at 31.12.2018</b>	<b>1,002,693.8</b>	<b>262,507.0</b>	<b>103,002.1</b>	<b>80,709.5</b>	<b>1,448,912.4</b>
<b>As at 31.12.2018</b>					
Cost	1,770,997.5	903,055.5	335,213.3	80,709.5	3,089,975.9
Accumulated depreciation	-768,303.8	-640,548.6	-232,211.2	0.0	-1,641,063.5
<b>Net carrying amount</b>	<b>1,002,693.8</b>	<b>262,507.0</b>	<b>103,002.1</b>	<b>80,709.5</b>	<b>1,448,912.4</b>

1) The additions include invoice corrections of €0.1 million which are accounted for as negative additions.

2) The transfers also include reclassifications to/from assets available for sale

### › Development from 1.1. to 31.12.2017

in T€	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2017	1,064,898.5	299,049.2	83,130.5	8,848.7	1,455,926.9
Additions <sup>1</sup>	21,047.4	17,223.6	31,562.2	13,876.6	83,709.8
Transfers <sup>2</sup>	29,855.7	2,344.9	786.5	-6,838.9	26,148.2
Derecognition	-141.7	-3.0	-75.0	0.0	-219.8
Depreciation	-62,028.7	-36,345.8	-23,549.0	0.0	-121,923.6
Impairment	-2,129.1	-140.4	0.0	0.0	-2,269.5
<b>Net carrying amount as at 31.12.2017</b>	<b>1,051,502.0</b>	<b>282,128.4</b>	<b>91,855.2</b>	<b>15,886.4</b>	<b>1,441,371.9</b>

#### As at 31.12.2017

Cost	1,756,562.6	890,658.8	323,680.4	15,886.4	2,986,788.1
Accumulated depreciation	-705,060.5	-608,530.4	-231,825.2	0.0	-1,545,416.1
<b>Net carrying amount</b>	<b>1,051,502.0</b>	<b>282,128.4</b>	<b>91,855.2</b>	<b>15,886.4</b>	<b>1,441,371.9</b>

1) The additions include invoice corrections of € 0.6 million which are accounted for as negative additions.

2) The transfers also include reclassifications to/from assets available for sale

In "Prepayments and assets under construction" a disposal of T€ 30,367.3 was recognised in both cost and accumulated depreciation in the 2017 financial year. This resulted from derecognising project costs/acquisition-related costs in connection with the construction of the third runway. Further information can be found in "IV. Judgements and estimate uncertainty".

Please see note(7) for information on impairment losses recognised in the 2017 financial year.

No borrowing costs were capitalised in the 2018 financial year (previous year: T€ 0.0).

The following table shows the biggest additions to property, plant and equipment, intangible assets and investment property in the 2018 and 2017 financial years:

**2018 financial year:**

<b>› Airport segment in T€</b>	<b>2018</b>
Third runway (incl. payment obligation arising from the service agreement for the mediation process in connection with the environmental fund)	55,837.9
Terminal development	8,856.3
Taxiways	4,725.9
Fire brigade vehicles	3,871.4
Hangar 8 and 9	1,867.8
High-performance runway snow cutter blower	1,787.3
Traffic construction	1,554.7
<b>› Handling &amp; Security Services segment in T€</b>	<b>2018</b>
Work stairs and engine starter units	2,773.7
Aircraft, diesel and electric towing vehicles	2,076.5
Cars, buses, vans, delivery trucks	1,726.6
Lifting and loading vehicles	1,509.3
Special vehicles	1,199.9
<b>› Retail &amp; Properties segment in T€</b>	<b>2018</b>
Office Park 4	32,308.5
Medical Center tenant improvement	1,846.1
Pharma logistics hall	1,691.0
Land	1,526.5
<b>› Malta segment in T€</b>	<b>2018</b>
Terminal	1,424.4
Apron	1,026.9
Car park	974.4
Taxiway Delta	812.5
<b>› Other Segments in T€</b>	<b>2018</b>
IT hardware	2,680.0
Emergency power systems	1,344.1
Oracle Unifier	924.4
mach2cdm expansions	894.8
Software	888.1



**2017 financial year:**

<b>› Airport segment in T€</b>	<b>2017</b>
Terminal development	5,141.8
Fire brigade vehicles	2,905.9
Taxiways	2,777.0
Administrative and hangar building Bad Vöslau	2,598.6
Transformer station 3/11	2,387.6
Check-in island 5	1,568.4
Construction of loading carousels	806.4
<b>› Handling &amp; Security Services segment in T€</b>	<b>2017</b>
Cars, buses, vans, delivery trucks	1,997.9
Aircraft, diesel and electric towing vehicles	1,994.9
Conveying systems	1,306.0
Engine starter units and work stairs	1,069.4
Special vehicles	975.6
Heating devices	344.1
<b>› Retail &amp; Properties segment in T€</b>	<b>2017</b>
Land	15,753.2
Expansion Air Cargo Centre (ACC) East	11,173.1
Office Park 4	2,662.1
Key service office	1,615.5
Cargo security	1,307.7
Location information tower	1,135.7
Operational buildings	723.9
<b>› Malta segment in T€</b>	<b>2017</b>
Terminal	9,615.5
Service roads	1,048.6
<b>› Other Segments in T€</b>	<b>2017</b>
Generators	2,985.8
IT hardware	2,222.9
Building conversions	2,251.7
Software	1,471.9
Visitor World	1,675.7
Emergency power systems	1,261.3
Video monitoring, access control	1,271.8
Cooling towers	810.9

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## › (15) Investment property

### › Development from 1.1. to 31.12.2018

in T€	Investment property	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2018	130,157.4	2,662.1	132,819.5
Additions	1,079.7	32,352.6	33,432.3
Transfers	1,270.9	0.0	1,270.9
Derecognition	-52.6	0.0	-52.6
Depreciation	-5,971.2	0.0	-5,971.2
<b>Net carrying amount as at 31.12.2018</b>	<b>126,484.1</b>	<b>35,014.7</b>	<b>161,498.8</b>
<b>As at 31.12.2018</b>			
Cost	210,652.0	35,014.7	245,666.7
Accumulated depreciation	-84,167.9	0.0	-84,167.9
<b>Net carrying amount</b>	<b>126,484.1</b>	<b>35,014.7</b>	<b>161,498.8</b>

### › Development from 1.1. to 31.12.2017

in T€	Investment property	Prepayments and assets under construction	Total
Net carrying amount as at 1.1.2017	145,849.2	0.0	145,849.2
Additions	15,561.4	2,662.1	18,223.5
Transfers	-25,342.9	0.0	-25,342.9
Depreciation	-5,910.4	0.0	-5,910.4
<b>Net carrying amount as at 31.12.2017</b>	<b>130,157.4</b>	<b>2,662.1</b>	<b>132,819.5</b>
<b>As at 31.12.2017</b>			
Cost	210,277.8	2,662.1	212,939.9
Accumulated depreciation	-80,120.4	0.0	-80,120.4
<b>Net carrying amount</b>	<b>130,157.4</b>	<b>2,662.1</b>	<b>132,819.5</b>

Investment property consists of buildings and land that are mainly held to generate rental income:

in T€	2018	2017 <sup>1</sup>
Rental income	16,824.1	16,167.2
Operating expenses for rented properties	7,404.3	7,283.8
Operating expenses for vacant properties	260.4	379.6

1) Adjusted

## Fair value

The fair value of investment property was T€ 178,156.7 as at the end of the reporting period (previous year: T€ 154,150.3).

## Measurement method and inputs

The fair value was calculated based on a measurement model using unobservable inputs (level 3). The model is based on the present value of the net cash flows generated by the properties on the basis of market expectations and includes the expected increase in rents, relocations, occupancy rates and all other costs attributable to these assets. The expected net cash flows are discounted with a WACC of a peer group of the Flughafen Wien Group. The net cash flows reflect the amounts in the 2019 budget (previous year: 2018 budget) and long-term Group controlling forecasts.

Significant unobservable inputs:

- › Rent increases by type of property of 0.0% to 2.0% (previous year: 0.0% to 2.0%)
- › Occupancy rates for 2019 of 33% to 100%, weighted average: 93% (previous year: 59.4% to 100.0%, weighted average: 93.6%)
- › Growth rate of 0.0% for perpetual yield (previous year: 0.0%)
- › Tax rates of 25.0% to 35.0% (previous year: 25.0% to 35.0%)
- › After-tax WACC of 4.5% to 5.1% (previous year: 4.4% to 5.3%)

The following changes in the unobservable inputs would lead to a material increase (decrease) in fair value:

- › Increasing (decreasing) rental income per square metre
- › Higher (lower) occupancy rate
- › Decrease (increase) in the discount rate (WACC)
- › Higher (lower) growth rate for the perpetual yield

## › (16) Investments in companies recorded at equity

### › Development from 1.1. to 31.12.

in T€	2018	2017
Net carrying amount as at 1.1.	40,987.2	40,235.1
Pro rata profit for the period	3,566.0	2,859.7
Dividend payment	-1,643.9	-2,107.7
<b>Net carrying amount as at 31.12.</b>	<b>42,909.2</b>	<b>40,987.2</b>

A summary of financial information on associated companies and joint ventures is provided in Appendix 2 "Investments". For details please see note (6).

## › (17) Other assets

in T€	31.12.2018	31.12.2017
Loans and receivables (AC <sup>1</sup> )	938.0	834.0
Thereof loans granted to employees	179.8	247.2
Thereof other loans and receivables	758.2	586.8
Receivables from investments and time deposits (AC <sup>1</sup> )	111,289.1	66,000.0
Equity instruments (FVOCI <sup>2</sup> )	5,238.1	770.2
Thereof shares in non-consolidated affiliates	66.2	137.5
Thereof other investments	4.2	0.0
Thereof securities	5,167.7	632.6
Funds (FVPL <sup>3</sup> )	0.0	107.6
Prepaid expenses <sup>4</sup>	30,770.7	31,417.3
	<b>148,235.8</b>	<b>99,129.1</b>

Definition of measurement categories:

1) AC = amortised cost

2) FVOCI = fair value through other comprehensive income

3) FVPL = fair value through profit and loss

4) Not a financial instrument

**Loans and receivables** include a loan of T€131.7 (previous year: T€153.7) to Société Internationale Télécommunications Aéronautiques SC, loans granted to employees of T€179.8 (previous year: T€247.2), a receivable of T€76.5 (previous year: T€83.1) relating to an investment subsidy from the Austrian Government Environmental Fund, and another loan to the Works Council of Flughafen Wien AG of T€550.0 (previous year: T€350.0).

There are **receivables from investments and time deposits** of T€111,289.1 (previous year: T€66,000.0). The average interest rate for the time deposits is 0.26% (previous year: 0.23%).

The **equity instruments** consist of strategic securities (among others in CESEAG AG) that have been held for a longer period of time of T€5,167.7 (previous year: T€632.6) and shares in non-consolidated affiliates and other investments of T€70.4 (previous year: T€137.5) that are not included in the consolidated financial statements on account of their current immateriality.

### Shares in non-consolidated affiliates (2018 and 2017):

- › VIE Shops Entwicklungs- und Betriebsges. m.b.H.
- › Kirkop PV Farm Limited

The following companies were fully consolidated from 2018 (not consolidated up to 2017):

- › GetService Dienstleistungsgesellschaft m.b.H. (GETS)
- › Vienna Airport Health Center GmbH (VHC)

The funds item relates to units in investment funds of T€107.6 in the previous year.

The **prepaid expenses** item relates to a rent prepayment for a temporary right of use to land (“temporary emphyteusis”). This prepayment is distributed over the term, which is between 58 and 65 years (see “XI. Accounting policies”).

As at 31 December 2018, time deposits of T€ 106,000.0 (previous year: T€ 0.0) were pledged to banks.

## Current assets

### > (18) Inventories

in T€	31. 12. 2018	31. 12. 2017
Consumables and supplies	6,110.6	5,979.5
	6,110.6	5,979.5

In particular, consumables and supplies consist of de-icing materials, fuel, spare parts and other materials used in airport operations. As in the previous year, there were no inventories measured at net realisable value as at the end of the reporting period.

### > (19) Securities

in T€	31. 12. 2018	31. 12. 2017
Debt instrument (AC <sup>1</sup> )	4,982.7	0.0
Debt instrument (FVPL <sup>2</sup> )	23,141.7	22,178.7
	28,124.4	22,178.7

Definition of measurement categories:

1) AC = amortised cost

2) FVPL = fair value through profit and loss

The debt instrument (FVPL) is a tier 2 capital obligation.

### > (20) Assets available for sale

in T€	31. 12. 2018	31. 12. 2017
Assets available for sale	684.5	2,961.3
	684.5	2,961.3

Land with a carrying amount of T€ 684.5 (previous year: T€ 2,961.3) was reported under “Assets available for sale” in accordance with IFRS 5 as at 31 December 2018. The Flughafen Wien Group expects this land to be sold within the next year. The land relates to planned disposals for a commercial and industrial park in the surrounding area and is assigned to Retail & Properties.

The assets are reported at the lower of carrying amount and fair value less costs to sell. No impairment losses were incurred. Accounting in accordance with IFRS 5 did not lead to any recognition of gains or losses as at 31 December 2018 or 31 December 2017. >

## › (21) Receivables, other assets and contract assets

in T€	31.12.2018	31.12.2017
Net trade receivables	65,397.6	59,177.2
Receivables from non-consolidated affiliates	0.0	50.4
Net trade receivables (AC <sup>1</sup> )	65,397.6	59,227.6
Receivables from investments recorded at equity (AC <sup>1</sup> )	663.7	882.4
Other receivables and assets (AC <sup>1</sup> )	11,392.0	6,293.6
Receivables from investments and time deposits (AC <sup>1</sup> )	45,000.0	40,000.0
Contract assets (AC <sup>1</sup> )	2,062.5	0.0
Receivables from taxation authorities <sup>2</sup>	8,001.9	3,820.4
Prepaid expenses <sup>2</sup>	3,334.8	2,814.3
	<b>135,852.5</b>	<b>113,038.2</b>

Definition of measurement categories:

1) AC = amortised cost

2) Not a financial instrument

The payment terms for trade receivables generally range from 8 to 30 days and are classified as current. Details on the Group's impairment methods are shown in the accounting policies, the development of valuation allowances in note (36).

The receivables due from taxation authorities represent advance payments on corporate income taxes and VAT tax credits that were offset against liabilities arising from payroll-related taxes.

The other receivables and assets include short-term investments (time deposits) with a commitment period of more than three months in the amount of T€45,000.0 (previous year: T€40,000.0). The average interest rate for the investment is 0.25% (previous year: 0.18%).

## › (22) Cash and cash equivalents

in T€	31.12.2018	31.12.2017
Cash	295.0	140.9
Checks	2.4	6.0
Bank balances	29,801.4	47,771.8
	<b>30,098.8</b>	<b>47,918.7</b>

All short-term investments had a maximum commitment period of three months at the time the investment was made. The average interest rate on Austrian bank balances was 0.00% as at 31 December 2018 (previous year: 0.00%). The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents include investments in foreign currency of T\$ 709.2 (previous year: T\$ 800.0).

## Equity

### › (23) Share capital

The share capital of Flughafen Wien AG is fully paid in and amounts to T€152,670.0. It is divided into 84,000,000 (previous year: 84,000,000) no-par-value bearer shares with voting and profit-sharing rights, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank. All shares carry the same rights and obligations (“one share – one vote”). There were 84,000,000 (previous year: 84,000,000) shares outstanding as at 31 December 2018.

Earnings per share as shown in the income statement are calculated by dividing the share of net profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding for the financial year. There are no option rights for the issue of new shares. Basic earnings per share are therefore equal to diluted earnings per share.

The proposed dividend is dependent on the approval of the Annual General Meeting, and was therefore not recognised as a liability in the consolidated financial statements. The proposed dividend for the 2018 financial year amounts to €0.89 (previous year: €0.68) per share.

### › (24) Capital reserves

Capital reserves comprise a T€92,221.8 premium generated by the stock issue in the 1992 financial year and a T€25,435.5 premium from the share capital increase in the 1995 reporting year. The capital reserves are the same as those in the separate financial statements of Flughafen Wien AG.

### › (25) Other reserves

The component items of other reserves are described below. The development of these reserves is shown in the statement of changes in equity:

- a) Change in fair value of equity instruments reserve (FVOCI): The Group recognises changes in the fair value of certain investments in equity instruments in other comprehensive income, as described in XI. Accounting policies. These changes are accumulated in the FVOCI reserve in equity. The Group transfers amounts from this reserve to retained earnings when the corresponding equity instruments are derecognised.
- b) Revaluation of intangible assets: Revaluation surplus from the pro rata increase by the hidden reserves of the existing shares held in MMLC and the MIA Group at the time of first-time consolidation (2006) in accordance with IFRS 3.59 (2004).

- c) Revaluations from defined benefit plans: Actuarial gains and losses on the provisions for severance compensation and pensions, which result from experience-based adjustments or changes in actuarial assumptions, are recognised directly in other comprehensive income during the period incurred.
- d) Currency translation reserve: This reserve covers all differences resulting from the translation of the annual financial statements of foreign subsidiaries from their functional currency to the Group's reporting currency.

### › (26) Retained earnings

Retained earnings comprise the profits generated by the Group after the deduction of dividends. The maximum amount available for distribution to the shareholders of the parent company is the amount reported as "Net retained profits" in the separate financial statements of Flughafen Wien AG prepared in accordance with Austrian generally accepted accounting principles as at 31 December 2018.

### › (27) Non-controlling interests

Non-controlling interests represent shares held by third parties in the equity of consolidated subsidiaries.

The non-controlling interests in Malta Mediterranean Link Consortium Limited (MMLC) amount to 4.15% (previous year: 4.15%) as at the end of the reporting period, and indirectly to 51.56% in Malta International Airport p.l.c. and its subsidiaries (MIA Group) (previous year: indirectly 51.56%).

The equity instruments include shares in CEESEG AG and other investments. The non-controlling interests in the Slovakian subsidiary BTS Holding a.s. "v likvidácii" (in liquidation) are the shares held by the co-shareholder Raiffeisen-Invest-Gesellschaft m.b.H.

The development of non-controlling interests is shown in the statement of changes in equity.

For details of material non-controlling interests, see Appendix 3.



## Non-current liabilities

### › (28) Non-current provisions

in T€	31.12.2018	31.12.2017
Severance compensation	91,405.9	85,877.3
Pensions	17,175.0	17,328.9
Service anniversary bonuses	31,985.6	27,722.1
Semi-retirement programmes	20,872.3	20,565.3
Miscellaneous provisions	1,245.0	1,609.4
	<b>162,683.7</b>	<b>153,103.0</b>

### Defined benefit severance compensation plans for Austrian Group companies

Legal regulations and collective bargaining agreements grant employees who joined the company before 1 January 2003 a lump-sum payment on termination or retirement. The amount of this severance compensation is based on the length of service with the company and the amount of the compensation at the end of employment.

Employees who joined the company after 31 December 2002 no longer have a direct claim to legal severance compensation from their employer. For these employment contracts, severance compensation obligations are met through regular payments to an employee benefit fund. This severance compensation model only requires the employer to make regular contributions. Collective bargaining agreements also exist for these employees (wage-earning employees: entry by 30 June 2014, salaried employees: entry by 31 October 2014), for which provisions have been recognised.

This defined benefit plan exposes the Flughafen Wien Group to actuarial risks, e. g. interest rate risks.

### Actuarial assumptions

Information on the actuarial assumptions can be found under "XI. Accounting policies".

### › Development of the provision for severance compensation

in T€	2018	2017
Provision recognised as at 1.1. = present value (DBO) of obligations	85,877.3	85,049.8
Changes in the consolidated group	39.0	0.0
Net expense recognised in profit or loss	5,784.6	5,881.1
Actuarial gains (-)/losses (+) recognised in other comprehensive income	5,672.0	1,524.6
Thereof from financial assumptions	3,498.2	0.0
Thereof from demographic assumptions	133.3	0.0
Thereof from experience-based assumptions	2,040.4	1,524.6
Severance compensation payments	-5,966.9	-6,578.2
Provision recognised as at 31.12. = present value (DBO) of obligations	<b>91,405.9</b>	<b>85,877.3</b>

&gt;

The cumulative actuarial differences (after deduction of deferred taxes) on the provisions for severance compensation that were recognised in other comprehensive income amounted to T€ -28,769.3 as at the end of the reporting period (previous year: T€ -24,514.8).

**Personnel expenses include the following:**

in T€	2018	2017
Service cost	4,679.4	4,786.1
Interest expense	1,105.2	1,095.0
<b>Severance compensation expense recognised as personnel expenses<sup>1</sup></b>	<b>5,784.6</b>	<b>5,881.1</b>

1) Not including voluntary severance payments

The expected payments for severance compensation obligations in the coming financial year total T€ 6,537.0 (previous year: T€ 6,076.5).

**Maturity profile of commitments**

As at 31 December 2018, the weighted average remaining term of the defined benefit obligation was 10.0 years (previous year: 10.0 years).

**Sensitivity analyses**

The following actuarial assumptions used to calculate the defined benefit obligation are considered material. Changes in these assumptions would have the following effect on the obligation:

Change in the defined benefit obligation (DBO) from severance compensation in T€	Increase (+1%)	Decrease (-1%)
Discount rate	-8,518.4	10,030.6
Future wage and salary increases	9,199.6	-8,013.2

**Defined benefit pension plans**

**Defined benefit pension plans for Austrian Group companies**

Flughafen Wien AG has concluded individual agreements for the payment of supplementary defined pension benefits to former managers. These commitments were not covered by plan assets as at the end of the reporting period (or the end of the previous year).

Employees who joined the company before 1 September 1986 had a claim to defined benefit pension subsidies based on works agreements. These payments were dependent on the length of employment and final compensation. In autumn 2001 active employees were given the option of receiving a one-time settlement payment equal to 100% of the provision for pensions as at 31 December 2000, as calculated in accordance with Austrian commercial law, and transferring to a contribution-based pension fund model with no requirement for subsequent contributions on the part of the employer. A total of 588 employees accepted this offer at the beginning of 2002. Retired employees who did not accept the settlement offered in 2001 still have a claim to pension payments.

### Defined benefit pension plans for Maltese Group companies

On the basis of the Pensions Ordinance (Cap 93), Malta Airport grants pension subsidies to individual active employees who joined the public sector before 15 January 1979 and who were taken on by the company. As in the previous year, there are no plan assets for this obligation as at the end of the reporting period.

Employees of Malta Airport are also granted defined benefit pension subsidies based on collective agreements.

These defined benefit plans expose the Flughafen Wien Group to actuarial risks, e. g. longevity or interest rate risks.

### Actuarial assumptions

Information on the actuarial assumptions can be found under "XI. Accounting policies".

### Defined contribution pension plans for Austrian Group companies

For employees who joined the company between 1 September 1986 and 1 November 2014, Flughafen Wien AG has concluded a works agreement for retirement, invalidity and survivors' pensions through a contract with a pension fund (defined contribution plan).

The company makes payments equal to 2.5% of monthly wages and salaries for all employees covered by the works pension agreement as long as their employment relationship remains in effect. In addition, employees can make additional contributions to the fund. Employees' claims to retirement and survivors' pensions arising from contributions made by the employer are transferred to the pension fund five years after the start of contribution payments. These amounts become vested after a further five years.

A defined contribution pension plan was not set up for employees who joined the company after 1 November 2014. No further contributions to pension funds are made for these employees.

#### › Development of the provision for pensions

in T€	2018	2017
Provision recognised as at 1.1. = present value (DBO) of obligations	17,328.9	18,225.2
Net expense recognised in profit or loss	242.0	247.7
Actuarial gains (-)/losses (+) recognised in other comprehensive income	966.6	-259.7
Thereof from financial assumptions	-47.8	0.0
Thereof from demographic assumptions	923.0	0.0
Thereof from experience-based assumptions	91.4	-259.7
Pension payments	-1,362.5	-884.3
Provision recognised as at 31.12. = present value (DBO) of obligations	17,175.0	17,328.9

The cumulative actuarial differences (after deduction of deferred taxes) on pension provisions that were recognised in other comprehensive income amounted to T€ -2,056.9 as at the end of the reporting period (previous year: T€ -1,327.6).

>

**Personnel expenses include the following:**

in T€	2018	2017
Service cost	76.1	69.5
Interest expense	165.9	178.2
<b>Pension expenses recognised as personnel expenses<sup>1</sup></b>	<b>242.0</b>	<b>247.7</b>

1) Not including contributions to pension funds or other pension expenses

The expected payments for pension obligations in the coming financial year total T€ 1,026.6 (previous year: T€ 993.4).

**Maturity profile of commitments**

As at 31 December 2018, the weighted average remaining term of the defined benefit obligation was 12.7 years (previous year: 13.6 years).

**Sensitivity analyses**

The following actuarial assumptions used to calculate the defined benefit obligation are considered material. Changes in these assumptions would have the following effect on the obligation:

Change in the defined benefit obligation (DBO) from pensions in T€	Increase (+1%)	Decrease (-1%)
Discount rate	-1,253.2	1,419.5
Increase in pensions during payment phase	1,164.3	-1,029.0

**Provisions for anniversary bonuses for Austrian Group companies**

Employees at the Vienna Airport site are entitled to receive special long-service bonuses. The specific entitlement criteria and amount of the bonus are regulated by the collective bargaining agreements for the employees of public airports in Austria.

**› Development of the provision for service anniversary bonuses**

in T€	2018	2017
Provision recognised as at 1.1. = present value (DBO) of obligations	27,722.1	25,954.7
Changes in the consolidated group	11.2	0.0
Net expense recognised in profit or loss	5,046.4	2,637.2
Service anniversary payments	-794.1	-869.7
<b>Provision recognised as at 31.12. = present value (DBO) of obligations</b>	<b>31,985.6</b>	<b>27,722.1</b>

**Personnel expenses include the following:**

in T€	2018	2017
Service cost	1,886.2	1,807.6
Interest expense	354.0	330.2
Actuarial gains (-)/losses (+) recognised in profit or loss	2,806.1	499.3
Service anniversary bonuses recognised as personnel expenses	5,046.4	2,637.2

**Provisions for semi-retirement programmes for Austrian Group companies**

Provisions were recognised for the expenses arising from the obligation to make supplementary payments (so-called "wage/salary equalisation") to employees working under semi-retirement programmes and the costs for additional work in excess of the agreed part-time employment. Equalisation payments are recognised as other long-term employee benefits and therefore distributed/incurred pro rata over the active working phase, taking into account an actual average minimum length of service (salaried employees: 24 years; wage-earning employees: 15 years).

**> Development of the provision for semi-retirement programmes**

in T€	2018	2017
Provision recognised as at 1.1. = present value (DBO) of obligations	20,565.3	20,638.2
Net expense recognised in profit or loss	5,749.5	5,062.1
Payments for semi-retirement programmes	-5,442.5	-5,135.1
Provision recognised as at 31.12. = present value (DBO) of obligations	20,872.3	20,565.3

**Personnel expenses include the following:**

in T€	2018	2017
Service cost	3,993.7	3,453.6
Interest expense	52.7	53.7
Actuarial gains (-)/losses (+) recognised in profit or loss	1,703.1	1,554.8
Semi-retirement expenses recognised as personnel expenses	5,749.5	5,062.1

**Miscellaneous provisions**

in T€	1.1.2018	Transfer <sup>1</sup>	Addition	31.12.2018
Miscellaneous provisions	1,609.4	364.4	0.0	1,245.0

1) Transfer between current and non-current provisions

in T€	1.1.2017	Transfer <sup>1</sup>	Addition	31.12.2017
Miscellaneous provisions	3,434.4	3,434.4	1,609.4	1,609.4

1) Transfer between current and non-current provisions

>

## › (29) Non-current and current financial liabilities

in T€	31.12.2018	31.12.2017
Current financial liabilities (AC <sup>1</sup> )	57,016.5	46,962.7
Non-current financial liabilities (AC <sup>1</sup> )	300,000.0	356,147.6
<b>Financial liabilities</b>	<b>357,016.5</b>	<b>403,110.4</b>

Definition of measurement categories:

1) AC = amortised cost

Current financial liabilities include cash advances of €32.0 million (previous year: €18.2 million).

### The remaining terms of the financial liabilities are as follows:

in T€	31.12.2018	31.12.2017
Up to one year	57,016.5	46,962.7
Over one year and up to five years	100,000.0	107,488.2
Over five years	200,000.0	248,659.4
	<b>357,016.5</b>	<b>403,110.4</b>

### Financial liabilities developed as follows:

in T€	Non-current financial liabilities	Current financial liabilities	Total
As at 1.1.2018	356,147.6	46,962.7	403,110.4
Addition <sup>1</sup>	0.0	32,016.4	32,016.4
Repayments	-31,147.6	-46,962.7	-78,110.3
Reclassification	-25,000.0	25,000.0	0.0
<b>As at 31.12.2018</b>	<b>300,000.0</b>	<b>57,016.5</b>	<b>357,016.5</b>

1) Primarily relates to current cash advances

in T€	Non-current financial liabilities	Current financial liabilities	Total
As at 1.1.2017	396,310.3	63,917.0	460,227.3
Addition <sup>1</sup>	0.0	47,100.0	47,100.0
Repayments	-11,400.0	-92,816.9	-104,216.9
Reclassification	-28,762.7	28,762.7	0.0
<b>As at 31.12.2017</b>	<b>356,147.6</b>	<b>46,962.7</b>	<b>403,110.4</b>

1) Relates to current cash advances

All financial liabilities were concluded in euro. The average interest rate on financial liabilities is 4.21% (previous year: 4.17%).

Information on collateral can be found in notes (17) and (36).

**› (30) Other non-current liabilities**

in T€	31.12.2018	31.12.2017
Other financial liabilities (AC <sup>1</sup> )	9,118.1	8,758.3
Deferred income <sup>2</sup>	30,076.4	30,370.3
Investment subsidies <sup>2</sup>	335.2	486.5
	<b>39,529.8</b>	<b>39,615.0</b>

Definition of measurement categories:

- 1) AC = amortised cost,
- 2) Not a financial instrument

The other financial liabilities relate to rent expenses recognised on a straight-line basis over the term of the lease.

Deferred income includes rental prepayments by Austro Control GmbH for the air traffic control tower completed in 2005 and other prepayments received for existing properties. The lease for the air traffic control tower has a term of 33 years ending in April 2038.

Flughafen Wien AG received non-repayable investment subsidies from public authorities in the period from 1977 to 1985. Flughafen Wien AG also received investment subsidies from the European Union in 1997, 1998 and 1999. The investment allowances received from the Republic of Austria from 2002 to 2004 are accounted for as government grants and recognised in profit or loss over the useful life of the relevant item of property, plant and equipment.

› (31) Deferred taxes

in T€	31.12.2018	01.01.2018 <sup>1</sup>	31.12.2017
<b>Deferred tax assets</b>			
Intangible assets and property, plant and equipment	2,528.4	2,678.9	2,678.9
Provisions for severance compensation	11,150.4	10,170.6	10,170.6
Provisions for pensions	2,737.3	2,778.7	2,778.7
Provisions for service anniversary bonuses	3,975.1	3,047.1	3,047.1
Tax loss carryforwards	606.0	292.1	292.1
Other liabilities	4,954.8	4,672.7	4,672.7
Other provisions	542.1	617.0	617.0
Other assets/liabilities	1,082.3	1,155.2	1,155.2
	<b>27,576.3</b>	<b>25,412.2</b>	<b>25,412.2</b>
<b>Deferred tax liabilities</b>			
Intangible assets and property, plant and equipment	72,169.2	76,765.5	76,765.5
Debt and equity instruments	1,600.3	1,593.4	544.7
Other assets/liabilities	881.3	534.4	534.4
	<b>74,650.7</b>	<b>78,893.3</b>	<b>77,844.5</b>
<b>Total net deferred taxes</b>	<b>-47,074.4</b>	<b>-53,481.1</b>	<b>-52,432.3</b>

1) Opening statement of financial position adjusted due to the first-time application of IFRS 9

The following tables show the development and allocation of the total change in deferred taxes to components recognised in profit or loss and components recognised in other comprehensive income:

› Development of deferred tax assets

in T€	2018	2017
As at 1.1.	25,412.2	23,847.7
Changes in the consolidated group	33.6	0.0
Changes recognised in profit and loss	475.6	1,248.2
Changes recognised in other comprehensive income: Revaluation from defined benefit plans	1,654.9	316.2
As at 31.12.	<b>27,576.3</b>	<b>25,412.2</b>



**› Development of deferred tax liabilities**

in T€	2018 <sup>1</sup>	2017
As at 1.1.	78,893.3	82,794.7
Changes in the consolidated group	-8.9	0.0
Changes recognised in profit and loss	-4,311.9	-5,084.4
Changes recognised in other comprehensive income:	78.3	134.1
Thereof equity instruments (FVOCI)	78.3	0.0
Thereof securities/debt instruments current assets	0.0	219.3
Thereof securities/rights non-current assets	0.0	-85.1
<b>As at 31.12.</b>	<b>74,650.7</b>	<b>77,844.5</b>

1) Opening statement of financial position adjusted due to the first-time application of IFRS 9

The calculation of the current and deferred taxes was based on the applicable corporate income tax rate of 25 % for the Austrian companies and 35 % for Malta. The deferred tax assets and deferred tax liabilities held by the Austrian companies were netted out. The calculation of taxes in foreign countries is based on the applicable tax rates (35.0 % for Malta and 21.0 % for Slovakia).

The change in equity relates to gains and losses from financial instruments recognised in other comprehensive income and the remeasurement of defined benefit plans.

Deferred taxes were not recognised for investments recorded at equity or shares in subsidiaries and joint ventures. Temporary differences of T€4,608.2 (previous year: T€2,686.1) relate to investments and joint ventures recorded at equity, which would lead to deferred tax liabilities of T€1,152.1 (previous year: T€671.5).

Deferred tax assets of T€882.8 had not been recognised as at 31 December 2018 (previous year: T€1,383.4). These amounts are for deferred tax assets on loss carryforwards.

**Current liabilities****› (32) Current provisions**

in T€	31.12.2018	31.12.2017
Unused vacation	12,658.2	9,945.9
Other claims by employees	15,746.4	12,381.2
Income taxes	11,042.0	10,318.3
Goods and services not yet invoiced	59,162.5	51,228.3
Outstanding discounts	37,052.8	19,676.9
Miscellaneous provisions	15,403.8	14,601.2
	<b>151,065.8</b>	<b>118,151.8</b>

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**› Development from 1.1. to 31.12.2018**

in T€	1.1.2018	Consolidated group	Utilisation	Reversal	Addition <sup>1</sup>	31.12.2018
Unused vacation	9,945.9	68.1	-417.5	0.0	3,061.6	12,658.2
Other claims by employees	12,381.2	19.0	-7,356.4	-2,547.1	13,249.7	15,746.4
Income taxes	10,318.3	0.0	-10,262.9	-26.7	11,013.3	11,042.0
Goods and services not yet invoiced	51,228.3	1.6	-37,201.8	-949.7	46,084.1	59,162.5
Outstanding discounts	19,676.9	0.0	-18,778.1	-898.8	37,052.8	37,052.8
Miscellaneous provisions	14,601.2	0.0	-8,297.9	-1,199.9	10,300.5	15,403.8
	<b>118,151.8</b>	<b>88.7</b>	<b>-82,314.5</b>	<b>-5,622.3</b>	<b>120,762.0</b>	<b>151,065.8</b>

1) Including transfers

The provisions for other claims by employees mainly consist of accrued overtime pay, other remuneration and performance bonuses.

The provisions for outstanding discounts relate to discounts to which the airlines are entitled and cover the period until the end of the reporting period.

Miscellaneous current provisions essentially consist of provisions for damages, legal proceedings and other obligations.

**› (33) Trade payables**

in T€	31.12.2018	31.12.2017
To third parties (AC <sup>1</sup> )	39,671.8	42,824.5
To non-consolidated affiliates (AC <sup>1</sup> )	13.8	774.2
To companies recorded at equity (AC <sup>1</sup> )	1,693.0	2,445.2
	<b>41,378.6</b>	<b>46,043.9</b>

Definition of measurement categories:

1) AC = amortised cost

**> (34) Other current liabilities**

in T€	31.12.2018	31.12.2017
Amounts due to companies recorded at equity	9,003.8	4,497.5
Customers with credit balances	1,853.8	2,279.6
Miscellaneous liabilities	31,505.8	14,751.7
Accrued wages	8,135.7	7,126.0
<b>Subtotal financial liabilities (AC<sup>1</sup>)</b>	<b>50,499.1</b>	<b>28,654.9</b>
Other tax liabilities <sup>2</sup>	1,013.5	839.2
Other deferred income <sup>2</sup>	3,054.9	2,575.9
Other social security liabilities <sup>2</sup>	7,604.5	7,285.2
Investment subsidies <sup>2</sup>	186.9	222.5
	<b>62,359.0</b>	<b>39,577.7</b>

Definition of measurement categories:

1) AC = amortised cost

2) Not a financial instrument

Miscellaneous liabilities include outstanding payment obligations arising from the service agreement for the mediation process in connection with the environmental fund of T€ 16,779.4 (previous year: T€ 0.0).

The other deferred income essentially consists of the current portion of rental pre-payments by Austro Control GmbH for the air traffic control tower.

## VIII. Consolidated Cash Flow Statement

### › (35) Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement was prepared using the indirect method. Information on the components of cash and cash equivalents is provided under note (22).

Interest payments and dividends received are included under cash flow from operating activities. The dividend paid by Flughafen Wien AG is included under cash flow from financing activities.

Purchases of (investment in) intangible assets, property, plant and equipment (including investment property) and financial assets in prior years that did not lead cash outflows in the financial year (previous year: did not lead to cash outflows) resulted in the deduction of T€ 20,872.8 (previous year: T€ 10,380.0) from payments made for purchases of non-current assets (previous year: payments made).

## IX. Financial instruments and risk management

### › (36) Additional disclosures on financial instruments

The effect of the first-time application of IFRS9 on the financial instruments of the Flughafen Wien Group is explained under V. "Changes to significant accounting policies". IFRS9 was applied for the first time without retrospective adjustment of comparative information. The reclassification and adjustments resulting from the new rules on impairment are therefore not shown in a retrospectively adjusted statement of financial position as at 31 December 2017, but rather in the opening statement of financial position as at 1 January 2018.

### Receivables and contract assets

The Group applies the simplified approach in accordance with IFRS9 in order to measure expected credit losses, so lifetime expected credit losses (Stage2) are used for all trade receivables, receivables from associates, other receivables and contract assets. The method is described in XI. "Accounting policies". On this basis, the valuation allowance for receivables and contract assets as at 31 December 2018 was calculated as follows:

31.12.2018 in T€	Weighted loss	Gross receivable <sup>1</sup>	Valuation allowance	Credit impaired <sup>2</sup>
No default	0.47%	66,477.3	309.4	Yes & no
Up to 1 month	0.70%	8,822.0	61.9	No
Up to 3 months	0.76%	3,339.8	25.2	No
Up to 6 months	0.95%	942.7	8.9	Yes & no
Up to 12 months	86.67%	395.6	342.8	Yes & no
Over 12 months	96.00%	7,165.8	6,879.1	Yes
<b>Total</b>		<b>87,143.1</b>	<b>7,627.3</b>	

1) Gross trade receivables (AC), gross receivables from associates (AC), contract assets (AC) and other receivables (AC) not including time deposits

2) Stage 3 lifetime expected credit losses (valuation allowance) in the event of credit impairment

The closing balances of the valuation allowance for receivables and contract assets as at 31 December 2018 are reconciled with the opening balance as follows:

in T€	2018	2017	
		Specific valuation allowance	Global (individual) valuation allowances
<b>As at 1 January (IAS 39)</b>	<b>6,574.2</b>	<b>6,957.1</b>	<b>14.5</b>
Adjustment due to first-time application of IFRS 9	142.7		
<b>As at 1 January (IFRS 9)</b>	<b>6,716.9</b>		
Allocation	1,186.8	109.0	0.9
Consumption	-221.2	-273.2	
Reversal	-55.1	-234.1	
<b>As at 31 December</b>	<b>7,627.3</b>	<b>6,558.8</b>	<b>15.4</b>

Receivables and contract assets are derecognised if there is no longer a reasonable expectation of recovery. Indicators that there is no longer a reasonable expectation of recovery include a debtor's failure to commit to a repayment plan vis-à-vis the Group and the failure to make contractual payments for a period of more than 90 days of default.

in T€	2018			Total	2017	
	12-month ECL	Life Time ECL <sup>1</sup>	Credit Impairment <sup>2</sup>			Impairment
	Stage 1	Stage 2	Stage 3			
<b>As at 1 January (IAS 39)</b>				<b>6,574.2</b>	<b>6,971.6</b>	
Adjustment due to first-time application of IFRS 9				142.7		
<b>As at 1 January (IFRS 9)</b>	<b>0.0</b>	<b>158.0</b>	<b>6,558.8</b>	<b>6,716.9</b>		
Allocation		71.2	1,115.6	1,186.8	109.9	
Consumption			-221.2	-221.2	-273.2	
Reversal			-55.1	-55.1	-234.1	
Transfer to lifetime ECL	0.0	0.0		0.0		
Transfer to lifetime ECL – credit impaired <sup>3</sup>		-18.1	18.1	0.0		
<b>As at 31 December</b>	<b>0.0</b>	<b>211.1</b>	<b>7,416.2</b>	<b>7,627.3</b>	<b>6,574.2</b>	

1) Stage 2 lifetime expected credit losses (valuation allowance)

2) Stage 3 lifetime expected credit losses (valuation allowance) in the event of credit impairment

3) Transfer to lifetime expected credit losses – credit impaired

Of the above impairment losses of T€7,627.3, T€1,942.1 relates to receivables from contracts with customers and T€5,685.2 to receivables that do not come from contracts with customers.

## Debt instruments not related to receivables

All debt instruments measured at amortised cost are deemed to have “low credit risk”, so the valuation allowance to be recognised is limited to the 12-month expected credit losses. The management considers the criterion of low credit risk, e.g. for listed promissory notes and time deposits, to be met if there is an investment grade rating from at least one of the major rating agencies. Other instruments are deemed to have low credit risk if the risk of non-fulfilment is low and the issuer is at all times able to meet its contractual payment obligations in the near term. The method is described under XI. “Accounting policies”.

The other financial assets measured at amortised cost comprise time deposits, current securities and originated loans.

The calculation of the 12-month credit losses (all debt instruments are currently in Stage 1) gave an amount for these debt instruments that was not recognised in profit or loss on account of its immateriality.

The Flughafen Wien Group currently holds no debt instruments that are measured at fair value through other comprehensive income

## Cash and cash equivalents

The Flughafen Wien Group only maintains bank balances at banks with a good investment grade. The calculation of the 12-month credit losses gave an amount for cash and cash equivalents that was not recognised in profit or loss on account of its immateriality.

## Comparative information as per IAS 39

The following tables show the maturity structure of receivables, originated loans, other financial assets and current securities in addition to the development of valuation allowances:

2017 in T€	Carrying amount after valuation allowance 31.12.2017	Thereof neither impaired nor past due	Thereof not impaired but past due by the following ranges				
			up to 30 days	from 31 to 90 days	from 91 to 180 days	from 181 to 360 days	more than 360 days
Remaining term up to 1 year	106,403.6	97,512.0	400.4	5,999.5	409.4	1,068.4	0.0
Remaining term over 1 year	66,834.0	66,834.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>173,237.6</b>	<b>164,346.0</b>	<b>400.4</b>	<b>5,999.5</b>	<b>409.4</b>	<b>1,068.4</b>	<b>0.0</b>

There were no indications as at the end of the reporting period that debtors would be unable to meet their obligations for the payment of receivables or originated loans that were neither impaired nor past due.

The valuation allowances essentially relate to trade and other receivables and developed as shown above.

The expenses for the full derecognition of receivables (essentially trade receivables) amounted to T€ 44.5 in the 2017 reporting period.

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The following table shows an analysis of the length of time by which adjusted receivables were past due as at the end of the reporting period on 31 December 2017:

2017 in T€	Carrying amount before valuation allowance 31.12.2017	Specific valuation allowance 31.12.2017	Global (individual) valuation allowance 31.12.2017	Carrying amount after valuation allowance 31.12.2017
Past due < 1 year	688.5	233.9	6.0	448.5
Past due > 1 year	6,899.6	6,324.9	9.3	565.4
<b>Total</b>	<b>7,588.1</b>	<b>6,558.8</b>	<b>15.4</b>	<b>1,013.9</b>

### Financial liabilities – term structure

The following tables show the contractually agreed conditions and (discounted) interest and principal payments on the primary financial liabilities held by the Flughafen Wien Group:

2018 in T€	Currency	Carrying amount 31.12.2018	Gross Cashflows 31.12.2018	< 1 year	Cashflows 1–5 years	> 5 years	Interest rate <sup>1</sup>
Fixed-interest financial liabilities	EUR	325.000,0	422.920,7	39.469,2	146.364,1	237.087,4	4,62%
Other financial liabilities	EUR	32.016,5	32.016,5	32.016,5			0,00%
Trade payables	EUR	41.378,6	41.378,6	41.378,6			
Other liabilities	EUR	59.617,3	59.617,3	50.499,1		9.118,1	
<b>Total</b>		<b>458.012,4</b>	<b>555.933,0</b>	<b>163.363,5</b>	<b>146.364,1</b>	<b>246.205,5</b>	

1) Weighted average as at the end of the reporting period, including any guarantee fees

2017 in T€	Currency	Carrying amount 31.12.2017	Gross Cashflows 31.12.2017	< 1 year	Cashflows 1–5 years	> 5 years	Interest rate <sup>1</sup>
Fixed-interest financial liabilities	EUR	351.833,8	465.540,4	42.547,1	151.032,4	271.961,0	4,67%
Variable interest financial liabilities	EUR	51.276,6	53.711,2	20.503,8	8.744,8	24.462,5	0,77%
Trade payables	EUR	46.043,9	46.043,9	46.043,9			
Other liabilities	EUR	37.413,1	37.413,1	28.654,9		8.758,3	
<b>Total</b>		<b>486.567,4</b>	<b>602.708,6</b>	<b>137.749,6</b>	<b>159.777,2</b>	<b>305.181,8</b>	

1) Weighted average as at the end of the reporting period, including any guarantee fees



T€ 325,000.0 (previous year: T€ 351,833.8) of bank loans are secured by guarantees in accordance with the respective contracts. These guarantors receive a fee for these commitments. The credit agreement with the European Investment Bank (EIB) of T€ 400,000.0 (current balance: T€ 325,000.0) defines terms for the liability of qualified guarantors.

This listing includes all instruments that were in the portfolio on 31 December 2018 and for which payments were already contractually agreed. Variable rate interest payments on financial instruments were based on interest rates last set before 31 December 2018. Financial liabilities repayable at any time are always assigned to the earliest time band.

Financial liabilities in the amount of T€ 0.0 (previous year: T€ 60.0) are secured by shares (in subsidiaries).

### **Carrying amounts, amounts recognised and fair values by measurement category**

Management assumes that – with the exception of the items listed below – the carrying amounts of financial assets and financial liabilities reported at amortised cost essentially reflect fair value.

Trade receivables, originated loans and other receivables predominantly have short remaining terms and are therefore essentially at fair value. Trade payables and other liabilities also have predominantly short remaining terms, hence the amounts recognised for these items are approximately their fair value.

The fair value of the fair value through profit and loss (FVPL) fund is based on a listed fund (level 1). The debt instruments in the FVPL category relate to a tier 2 capital obligation (level 2). The equity instruments are investments and securities that are assigned to level 3 in the absence of an active market or quoted price. These are held by the Flughafen Wien Group for a longer period of time for strategic reasons. These equity instruments are measured through other comprehensive income (OCI).

The fair values of financial liabilities to banks (bank loans) and other financial liabilities are calculated using the present value of the payments connected with these liabilities in accordance with the yield curve applicable to their respective remaining terms and an appropriate credit spread (level 2).

No items were reclassified between levels 1 and 2 in the reporting period.

### Measurement method and inputs:

The table below shows the measurement methods used to determine fair values as well as the significant unobservable inputs.

Financial instrument	Level	Measurement method	Input factors
Funds	1	Market value	Market price
Debt instruments (securities)	2	Market value	Price derived from market price
Equity instruments (securities)	3	Net present value approach	Equity costs, future profit distribution
Equity instruments (investments)	3	Net present value approach	Cost as a best estimate (on account of immateriality)

Level 3 equity instruments (securities) are measured according to a net present value approach. The measurement model considers the present value of the expected dividends discounted by a risk-adjusted discount rate.

The significant unobservable inputs for level 3 equity instruments (securities) are as follows:

- › Expected future cash flows from dividends 31 December 2018: around T€ 420 p.a.
- › Risk-adjusted discount rate 31 December 2018: 8.29%

The dividends received from these equity instruments in the current financial year total T€ 331.4 (previous year: T€ 465.1).

The estimated level 3 fair value would increase (decrease) as follows if the discount rate were to be adjusted by +/- 0.25%:

in T€	Sensitivity	
	Carrying amount in event of	
	reduction of discount rate	rise in discount rate
Discount rate +/- 0.25%	5,398.1	5,093.3

Level 3 - Measurement of financial instruments:

in T€	
Carrying amount as at 1.1.2018 <sup>1</sup>	4,956.2
Additions	31.1
Derecognition	-71.3
Net gain on remeasurement (recognised in other comprehensive income in other reserves)	313.1
<b>Carrying amount as at 31.12.2018</b>	<b>5,238.1</b>

1) Adjusted due to the first-time application of IFRS 9

The following tables show the carrying amounts and fair values of financial assets and liabilities, broken down by measurement category. The information on the fair value of financial assets and liabilities that are not recognised at fair value is for information purposes only. As the items "Receivables and other assets" and "Other liabilities" contain both non-financial assets and non-financial liabilities, the line "Non-financial instruments" has been added in order to ensure the reconciliation of the carrying amounts to the corresponding statement of financial position item.

ASSETS		Carrying amounts		
		Non-current assets	Current assets	
Amounts in T€	Measurement category	Other financial assets	Securities	Receivables and other assets
<b>31 December 2018</b>				
<b>Financial assets carried at fair value</b>				
Funds	FVPL	0.0		
Debt instruments (securities)	FVPL		23,141.7	
Equity instruments (investments, securities)	FVOCI	5,238.1		
<b>Financial assets not recognised at fair value</b>				
Trade receivables <sup>1</sup>	AC			65,397.6
Receivables due from associated companies <sup>1</sup>	AC			663.7
Receivables and contract assets <sup>1</sup>	AC			13,454.5
Investments (time deposits)	AC	111,289.1		45,000.0
Originated loans <sup>1</sup>	AC	938.0		
Debt instruments (securities) <sup>1</sup>	AC		4,982.7	
Cash and cash equivalents <sup>1</sup>	AC			
<b>Non-financial instruments</b>				
Other receivables and accruals	n. a.	30,770.7		11,336.7
<b>Total</b>		<b>148,235.8</b>	<b>28,124.4</b>	<b>135,852.5</b>

1) Fair value equals amortised cost

<b>31 December 2017</b>				
<b>Financial assets carried at fair value</b>				
Rights	AfS	0.0		
Funds	AfS	107.6		
Debt instruments (securities)	AfS		22,178.7	
<b>Financial assets not recognised at fair value</b>				
Trade receivables	LaR			59,227.6
Receivables due from associated companies	LaR			882.4
Other receivables	LaR			6,293.6
Investments (time deposits)	LaR	66,000.0		40,000.0
Originated loans	LaR	834.0		
Equity instruments (securities) <sup>1</sup>	AfS	632.6		
Investments in other companies <sup>1</sup>	AfS	137.5		
Cash and cash equivalents	Cash reserve			
<b>Non-financial instruments</b>				
Other receivables and accruals	n. a.	31,417.3		6,634.7
<b>Total</b>		<b>99,129.1</b>	<b>22,178.7</b>	<b>113,038.2</b>

1) Information on this has been omitted owing to immateriality (and lack of a quoted price).

		Fair value				
Cash and cash equivalents	Total	Level 1	Level 2	Level 3	Total	Measurement category under IFRS9
	0.0	0.0			0.0	Fair value through profit and loss (P&L)
	23,141.7		23,141.7		23,141.7	Fair value through profit and loss (P&L)
	5,238.1			5,238.1	5,238.1	Fair value through other comprehensive income (OCI)
	65,397.6					Amortised cost
	663.7					Amortised cost
	13,454.5					Amortised cost
	156,289.1					Amortised cost
	938.0					Amortised cost
	4,982.7					Amortised cost
30,098.8	30,098.8					Nominal value = fair value
	42,107.4					
30,098.8	342,311.5					

		Measurement category under IAS39				
	0.0		0.0		0.0	Fair value not recognised in profit or loss
	107.6	107.6			107.6	Fair value not recognised in profit or loss
	22,178.7		22,178.7		22,178.7	Fair value not recognised in profit or loss
	59,227.6					Amortised cost
	882.4					Amortised cost
	6,293.6					Amortised cost
	106,000.0					Amortised cost
	834.0					Amortised cost
	632.6					Cost
	137.5					Cost
47,918.7	47,918.7					Nominal value = fair value
	38,052.0					
47,918.7	282,264.7					

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EQUITY & LIABILITIES		Carrying amount			
		Non-current liabilities		Current liabilities	
Amounts in T€	Measurement category	Financial liabilities	Other liabilities	Financial liabilities	Trade payables
<b>31 December 2018</b>					
Financial liabilities recognised at fair value					
n. a.					
Financial liabilities not recognised at fair value					
Trade payables <sup>1</sup>	AC				41,378.6
Financial liabilities <sup>1</sup>	AC	300,000.0		57,016.5	
Other liabilities <sup>1</sup>	AC		9,118.1		
<b>Non-financial instruments</b>					
Other liabilities and accruals	n.a.		30,411.7		
<b>Total</b>		<b>300,000.0</b>	<b>39,529.8</b>	<b>57,016.5</b>	<b>41,378.6</b>
1) Fair value equals amortised cost					
<b>31 Dezember 2017</b>					
Financial liabilities recognised at fair value					
n. a.					
Financial liabilities not recognised at fair value					
Trade payables	FLAC				46,043.9
Financial liabilities	FLAC	356,147.6		46,962.7	
Other liabilities	FLAC		8,758.3		
<b>Non-financial instruments</b>					
Other liabilities and accruals	n.a.		30,856.7		
<b>Total</b>		<b>356,147.6</b>	<b>39,615.0</b>	<b>46,962.7</b>	<b>46,043.9</b>

Definition of measurement categories from 1 January 2018:

FVPL = fair value through profit and loss

FVOCI = fair value through other comprehensive income

AC = amortised cost

		Fair value				
Other liabilities	Total	Level 1	Level 2	Level 3	Total	Measurement category under IFRS 9
	41,378.6					Amortised cost
	357,016.5		387,146.3		387,146.3	Amortised cost
50,499.1	59,617.3					Amortised cost
11,859.8	42,271.5					
62,359.0	500,283.9					

						Measurement category under IAS 39
	46,043.9					Amortised cost
	403,110.4		458,710.3		458,710.3	Amortised cost
28,654.9	37,413.1					Amortised cost
10,922.8	41,779.6					
39,577.7	528,346.9					

Definition of measurement categories up to 31 December 2017:

LaR = loans and receivables

AfS = available-for-sale

FLAC = financial liabilities measured at amortised cost

## Net results by measurement category

	From interest/ dividends income	From interest expense	
<b>2018 in T€</b>			
Cash and cash equivalents	1.3	-0.1	
Financial assets measured at fair value (FVOCI and FVPL)	1,711.4		
Thereof from funds			
Thereof debt instruments (securities)	1,380.0		
Thereof equity instruments (investments, securities)	331.4		
Financial assets at amortised cost (AC)	665.5		
Financial liabilities at amortised cost (AC)	0.0	-15,859.2	
<b>Total</b>	<b>2,378.2</b>	<b>-15,859.3</b>	

Explanation: The expenses for valuation allowances include defaults of T€ 44.1

## Comparative information as per IAS 39

	From interest/ dividends income	From interest expense	
<b>2017 in T€</b>			
Cash reserve	161.9	-0.6	
Loans and receivables (LaR)	57.8	-27.2	
Available-for-sale financial assets (AfS)	1,917.1		
Financial liabilities at amortised cost (FLAC)		-20,909.9	
<b>Summe</b>	<b>2,136.7</b>	<b>-20,937.6</b>	



From subsequent measurement				From disposal	Net result 2018
At fair value through profit or loss	At fair value through other comprehensive income	Foreign currency translation	Valuation allowance		
		0.9			0.9
956.0	313.1				1,269.1
-7.0					
963.0					
	313.1				
		-2.8	-1,175.8		-1,178.5
		-1.3			-1.3
956.0	313.1	-3.1	-1,175.8	0.0	90.2

From subsequent measurement				From disposal	Net result 2017
At fair value through other comprehensive income	Foreign currency translation	Valuation allowance			
	-13.8				-13.8
		79.6			79.6
880.9				-340.5	540.5
					0.0
880.9	-13.8	79.6		-340.5	606.3

The interest and dividends from financial assets measured at amortised cost (AC) or at fair value either through other comprehensive income (FVOCI) or through profit or loss (FVPL) are recognised in interest income/expense. The Flughafen Wien Group recognises the other components of net results under other financial results, with the exception of the valuation allowances on trade and other receivables.

Net interest expenses from financial liabilities measured at amortised cost (AC) of T€ 15,859.2 (previous year: T€ 20,909.9) essentially include interest expense from bank loans. This item also includes the interest on and discounted from other financial liabilities.

The changes in value of equity instruments measured at fair value through other comprehensive income (FVOCI) relate among other things to CEESEG AG. T€ 313.1 was recognised in the financial year, or T€ 234.8 net of deferred taxes.

Further information can be found in XI. "Accounting policies" and V. "Changes to significant accounting policies".

### **Comparative information as per IAS 39**

In connection with the recognition of changes in value of available-for-sale financial assets through other comprehensive income, gains on remeasurement of T€ 880.9 gross or T€ 661.7 net of deferred taxes were recognised in other comprehensive income in the 2017 financial year. The net result from the disposal in the 2017 financial year relates to the disposal of a right (gross: minus T€ 340.5; net: minus T€ 255.3).

## **› (37) Risk management**

### **Financial risks**

The financial assets, liabilities and planned transactions of the Flughafen Wien Group are exposed to a variety of market risks that include the risks resulting from changes in interest rates, exchange rates and stock market prices. The goal of financial risk management is to limit these market risks through the continuous optimisation of operating and financial activities. The measures to achieve these objectives are contingent on the expected risk, and include the selected use of derivative and non-derivative hedging instruments. Only those risks that could influence the Group's cash flows are hedged. Derivative financial instruments are exclusively used for hedging purposes, and never for trading or other speculative reasons. In order to minimise credit risk, hedges are only concluded with leading financial institutions that have a first-class credit rating.

The basic principles of the Group's financial policy are defined each year by the Management Board and monitored by the Supervisory Board. The Group treasury department is responsible for the implementation of financial policy and ongoing risk management. Certain transactions require the prior approval of the business unit manager and, if specific limits are exceeded, the approval of the Management Board, which is provided with regular information on the scope and volume of the Group's current risk exposure. The treasury department views the effective management of liquidity risk and market risk as one of its primary duties.

**Liquidity risk**

The objective of liquidity management is to ensure that the Group is able to meet its payment obligations at all times. Liquidity management is based on short-term and long-term liquidity forecasts, which are subject to variance analyses and adjusted if necessary. The Group's business units provide the treasury department with information that is used to develop a liquidity profile. This active management of cash flows is used to optimise net financing costs. Certain components of financial investments are held in the form of rights (investment funds, bonds) and time deposits that serve as a liquidity reserve and can be sold at any time.

Additional quantitative information is provided under note (36).

**Credit risk**

The Flughafen Wien Group is exposed to risks arising from its business operations and the risk of default that is connected with certain investment and financing activities. In the investment and financing area, transactions are concluded almost exclusively with partners that have a good or very good credit rating (S&P, Moody's). Contract partners that are not rated by these agencies must have an excellent credit standing. The Group only acquires shares in investment funds that are directed by recognised international asset management companies. In the operating business, outstanding receivables are monitored continuously and on a centralised basis. The risk resulting from default is minimised by short payment periods, agreements for the provision of collateral such as deposits or bank guarantees, and the increased use of direct debit and automatic collection procedures. The Group uses an impairment matrix in order to determine the expected credit losses of the receivables. The credit risk associated with receivables can be considered low as the majority of receivables are due and payable within a short period of time and are based on long-term relationships with customers.

The carrying amount of financial assets represents the maximum default and credit risk as there were no material agreements (e. g. settlement agreements) as at the end of the reporting period that would reduce the maximum risk of default.

Additional quantitative information is provided under note (36). Information on other financial obligations and risks is included in note (39).

**Interest rate risk**

Interest rate risk represents the risk that the fair value or the future payment flows generated by a financial instrument could fluctuate because of changes in market interest rate levels. Interest rate risk includes the present value risk on fixed interest financial instruments and the risk associated with cash flows from variable interest financial instruments, and relates above all to long-term financial instruments. These longer terms are less important in the operating area, but can be material for financial assets, securities and financial liabilities.

The Flughafen Wien Group is exposed to interest rate risk mainly in the euro zone.

In order to present market risks, IFRS7 requires the disclosure of sensitivity analyses that demonstrate the effects of hypothetical changes in relevant risk variables on earnings and equity. The Flughafen Wien Group is not only exposed to interest rate risks, but also to foreign exchange risks and price risks arising from investments in other companies. The periodic effects are determined by evaluating the hypothetical changes in

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risk variables on financial instruments as at the end of the reporting period. This procedure assumes that the amount determined as at this date is representative for the year as a whole.

Interest rate risks are presented in the form of sensitivity analyses as required by IFRS7. These analyses show the effects of changes in interest rates on interest payments, interest income and expenses and other components of earnings and equity. The interest rate sensitivity analyses are based on the following assumptions:

- › Changes in the interest rates of primary financial instruments with fixed interest rates only affect earnings that are measured at fair value. Therefore, fixed-interest financial instruments carried at amortised cost are not exposed to interest rate risk as defined in IFRS7.
- › Changes in the interest rates of primary variable rate financial instruments affect earnings and are included in the sensitivity calculations for earnings.

At the end of the 2018 financial year, the Flughafen Wien Group had no variable interest financial instruments.

If market interest rates had been 100 basis points higher/lower as at 31 December 2017, earnings for 2017 would have been T€311.5 lower or T€311.5 higher. Taking into account the tax effect, equity would have been T€230.7 lower or T€230.7 higher. The theoretical impact on earnings results from the potential effect of floating (variable) rate securities and financial liabilities.

### Foreign exchange risk

Foreign exchange risks arise in connection with financial instruments that are denominated in a currency other than the functional currency of the Group company in which they are measured. For the purposes of IFRS, there is no foreign exchange risk on financial instruments that are denominated in the functional currency. Differences resulting from the translation of financial statements from a foreign currency into the Group currency are not affected by the provisions of IFRS7.

The Flughafen Wien Group is exposed to foreign exchange risks in connection with investments, financing measures and operating activities. Foreign exchange risks in the investment area primarily arise in connection with the purchase and sale of investments in foreign companies. As at the end of the reporting period, the Group was not exposed to any material risks from transactions (regarding investment area) denominated in a foreign currency.

The individual Group companies conduct their business activities almost entirely in their respective functional currency (euro), which is also the reporting currency of the Flughafen Wien Group. For this reason, the Group's foreign exchange risk in the operating area is considered to be low.

In accordance with IFRS7, foreign exchange risks are presented in the form of a sensitivity analysis. The relevant risk variables are all non-functional currencies in which the Group holds financial instruments. The foreign exchange sensitivity analyses are based on the following assumptions:

Material primary monetary financial instruments – which include receivables, interest-bearing securities and debt instruments, cash and cash equivalents and interest-

bearing liabilities – are primarily denominated in functional currency. Changes in foreign exchange rates therefore essentially have no effect on earnings or equity.

Interest income from and expenses for financial instruments are also primarily recognised in functional currency. As a result, changes in the foreign exchange rates relating to these items have no effect on earnings or equity.

The risks to the Flughafen Wien Group arising from changes in foreign exchange rates were therefore considered to be immaterial as at the end of the reporting period.

### Other price risks

In connection with the presentation of market risks, IFRS7 also requires the disclosure of information on the effects of hypothetical changes in risk variables on the price of financial instruments. The relevant risk variables include, above all, stock market prices or indexes. The quantitative effects of such changes are shown in note (36).

### Capital management

Financial management in the Flughafen Wien Group is designed to support a sustainable increase in the value of the company and also maintain a capital structure that will ensure an excellent credit rating.

Gearing represents an indicator for financial management. It is defined as the ratio of net debt (non-current and current financial liabilities less cash and cash equivalents and current securities, non-current and current investments and current securities) to equity as shown in the Consolidated Statement of Financial Position. The main instruments used for managing gearing are an increase or decrease in financial liabilities and the strengthening of the equity base through the retention of earnings or the adjustment of dividend payments. Management has not defined a specific target for gearing, but it should not exceed 60% over the medium-term. This goal remains unchanged from the previous year. The following table shows the development of gearing:

in T€	2018	2017
Financial liabilities	357,016.5	403,110.4
Cash and cash equivalents	-30,098.8	-47,918.7
Current and non-current investments <sup>1</sup>	-156,289.1	-106,000.0
Current securities	-28,124.4	-22,178.7
<b>Net debt</b>	<b>142,504.3</b>	<b>227,013.0</b>
Carrying amount of equity	1,296,993.5	1,210,956.2
<b>Gearing</b>	<b>11.0%</b>	<b>18.7%</b>

1) Current and non-current investments are other investments and time deposits

Gearing declined year-on-year, above all due to the repayment of financial liabilities and the increase in investments.

The ratio of net debt to EBITDA is also used to manage the financial structure. The company's medium-term goal is limit the EBITDA/net debt ratio to a maximum of 2.5. In the financial year, the ratio was 0.4 (previous year: 0.7).

Neither Flughafen Wien AG nor its subsidiaries are subject to minimum capital requirements defined by external sources.

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## X. Other disclosures

### › (38) Leases

#### Operating leases

##### Flughafen Wien as the lessor:

The following table shows the lease payments arising from non-cancellable leases in which the Flughafen Wien Group is the lessor. They primarily relate to the rental of operating and commercial buildings at the Vienna Airport and Malta Airport sites (including investment property).

in T€	2018	2017
Lease payments recognised as income in the reporting period	177,399.3	165,049.5
Thereof conditional payments from revenue-based rents	43,690.0	40,718.5
Future minimum lease payments:		
Up to one year	114,993.6	102,584.8
Over one and up to five years	237,817.5	247,972.5
Over five years	209,370.0	190,041.4

##### Flughafen Wien as lessee:

in T€	2018	2017 <sup>1</sup>
Lease payments recognised as expenses in the reporting period	3,181.8	3,138.1
Thereof conditional payments from expense based rents	0.0	0.0
Future minimum lease payments:		
Up to one year	2,095.0	2,640.0
Over one and up to five years	8,358.4	10,670.3
Over five years	132,663.3	132,391.0

1) Adjusted

Payments under operating leases include rent to be paid to the government of Malta for a temporary right of use ("temporary emphyteusis"). The terms of these leases range between 58 and 65 years. The lease payments are periodically adjusted according to an index. Lease expenses are recognised on a straight-line basis over the term of the lease.

## Finance Leasing

In the 2018 consolidated financial statements of the lessor (Flughafen Wien Group), rental agreements relating to properties essential to flight operations (hangars, flight operation buildings and workshops) are recognised as finance leases.

At the time the contract was concluded, a rent prepayment was received and the beneficial ownership transferred to the lessee (finance lease). The rent prepayment was offset against the lease receivable.

### > (39) Other obligations and risks

Flughafen Wien AG is required to assume the costs of the "Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung" (the employee foundation), which essentially consist of corporate income tax and administrative costs, in the form of subsequent contributions.

In accordance with section 7(4) of the charter of the Schwechat Waste Water Association dated 10 December 2003, Flughafen Wien AG is liable as a member of this organisation for T€ 672.3 in loans relating to the construction and expansion of the sewage treatment facilities (previous year: T€ 977.7).

As at the end of the reporting period Malta International Airport p.l.c. had a legal dispute with the Maltese government (amount in dispute: around €4.3 million; previous year: around €4.3 million) and receivables from individual employees. The Flughafen Wien Group believes that all claims are unfounded.

If the construction of the third runway is approved, a payment obligation, derived from traffic figures, arising from the service agreement for the mediation process will be triggered in connection with the environmental fund within eight weeks of the notification of construction commencement. A figure of approx. €7.9 million is derived for this obligation on the basis of the traffic figures determined as at 31 December 2018.

Information on commitments for pension and pension subsidy payments is provided under note (28).

As at the end of the reporting period, obligations for the purchase of intangible assets amounted to €0.4 million (previous year: €0.8 million) and obligations for the purchase of property, plant and equipment to €32.2 million (previous year: €30.2 million).

### › (40) Composition of the consolidated group

The consolidated financial statements include all subsidiaries, joint ventures and associated companies, with the exception of two subsidiaries (previous year: four).

As in the previous year, the two subsidiaries were not included in the consolidated financial statements because their economic significance and influence on the asset, financial and earnings position of the Group are immaterial to a true and fair view of the asset, financial and earnings position of the Flughafen Wien Group. The consolidated revenue of these companies amounted to less than 1.0% of consolidated revenue for the financial year (previous year: less than 1.0%). The internal materiality thresholds were defined to ensure that only individually immaterial subsidiaries are not included in consolidation.

#### The group of companies included in consolidation changed as follows in the 2018 financial year

	Domestic	International	Total
Flughafen Wien AG	1	0	1
<b>Subsidiaries</b>			
31.12.2017	20	14	34
Relocation of registered office	1	-1	0
Addition to the consolidated group	2	0	2
<b>31.12.2018</b>	<b>23</b>	<b>13</b>	<b>36</b>
<b>Companies recorded at equity</b>			
<b>Joint venture</b>			
31.12.2017 = 31.12.2018	2	1	3
<b>Associated companies</b>			
31.12.2017 = 31.12.2018	1	0	1
Consolidated group as at 31.12.2017	24	15	39
<b>Consolidated group as at 31.12.2018</b>	<b>27</b>	<b>14</b>	<b>41</b>

City Air Terminal Betriebsgesellschaft m. b. H., Letisko Košice – Airport Košice, a. s., and "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH are included in the consolidated financial statements at equity even though Flughafen Wien AG directly or indirectly controls the majority of voting rights. These companies are considered to be under joint control because key decisions on corporate policies are made in cooperation with the co-shareholders.

The companies included in the consolidated financial statements and the respective consolidation methods are listed in appendix 1 to the notes. The disclosures on subsidiaries, joint ventures, associates and non-controlling interests can be found in appendices 2 and 3 to the notes and the corresponding sections of the notes.



## Changes in the consolidated group in 2018

First-time consolidation	As at	Type of consolidation	Share of capital	Note
GetService Dienstleistungsgesellschaft m. b. H.	1.1.2018	Full consolidation	100%	Addition <sup>1</sup>
VIE Airport Health Center GmbH	1.1.2018	Full consolidation	100%	Addition <sup>1</sup>

1) Added to full consolidation on account of their increased importance to the operations of the Flughafen Wien Group

The companies GetService Dienstleistungsgesellschaft m.b.H. (GETS) and VIE Airport Health Center GmbH (VHC) were added to the consolidated group in 2018 on account of their increased importance to the operations of the Flughafen Wien Group. By 31 December 2017, these two companies were not included in the consolidated financial statements on account of their immateriality.

In addition to security services, GetService Dienstleistungsgesellschaft m.b.H. (GETS) also performs other services in connection with airport operations and was assigned to the Handling & Security Services segment as a consolidated subsidiary.

VIE Airport Health Center GmbH (VHC) offers healthcare services and was assigned to the Retail & Properties segment as a consolidated subsidiary.

## Changes in the consolidated group in 2017

First-time consolidation	As at	Type of consolidation	Share of capital	Note
Load Control International SK s.r.o	27.2.2017	Full consolidation	100%	Newly founded

The subsidiary Load Control International SK s. r. o with headquarters in Košice in the Slovak Republic was founded by Flughafen Wien AG by way of certificate of incorporation of 27 February 2017. The company is allocated to the Handling & Services segment.

### › (41) Related party disclosures

Related companies include non-consolidated affiliates of the Flughafen Wien Group, associated companies, the shareholders of Flughafen Wien AG (the state of Lower Austria and the city of Vienna each hold 20% of shares and Airports Group Europe S.à.r.l. holds 39.80%) and their material subsidiaries in addition to the members of management in key positions. The Flughafen Wien Group maintains business relations with companies in which the state of Lower Austria and the city of Vienna hold direct or indirect investments; these entities are also classified as related companies in the sense of IAS 24. Transactions with these companies are carried out at arm's length. The transactions performed with these entities in the sense of IAS 24 were everyday transactions relating to operating activities and were immaterial as a whole. Purchases are made at ordinary market prices less standard volume rebates or other rebates granted on the basis of the business relationship.

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The business relationships between Flughafen Wien AG and non-consolidated affiliates are immaterial. Information on the receivables from and liabilities to related entities can be found under the note to the relevant line item. The services provided by non-consolidated affiliates led to expenses of T€ 0.0 in the financial year (previous year: T€ 1,911.3). The services provided by "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2) led to expenses of T€ 14,812.0 in the financial year (previous year: T€ 11,046.9).

In the 2018 financial year, the Flughafen Wien Group generated revenue of T€ 1,495.6 (previous year: T€ 1,164.6) from the joint venture City Air Terminal Betriebsgesellschaft m.b.H., T€ 602.2 (previous year: T€ 514.1) from the joint venture "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2) and T€ 657.4 (previous year: T€ 529.9) from the associate SCA Schedule Coordination Austria GmbH. Revenue generated from City Air Terminal Betriebsgesellschaft m.b.H essentially relates to services of Flughafen Wien AG and its subsidiaries that are needed for railway operations (baggage handling, security services, station operations, IT services, etc.). Revenue from the associated company SCA Schedule Coordination Austria GmbH relates to offsetting by Flughafen Wien AG for personnel services, IT services and other services. Revenue from the GET2 joint venture essentially relates to services for Flughafen Wien AG.

Total loans and receivables from joint ventures recorded at equity amounted to T€ 639.8 (previous year: T€ 847.8) on 31 December 2018, while total loans and receivables from associated companies recorded at equity amounted to T€ 23.9 (previous year: T€ 34.6).

As at the same date, liabilities to the joint ventures recorded at equity amounted to T€ 10,691.8 (previous year: T€ 6,940.1), while liabilities to associated companies recorded at equity amounted to T€ 5.0 (previous year: T€ 2.7).

#### **Natural related parties:**

No material transactions were conducted between the Flughafen Wien Group and persons in key management positions or their close family members. Relations with executive bodies of the company are described under note (42).

### **› (42) Disclosures on executive bodies and employees**

The following table shows the average number of employees in the Flughafen Wien Group (not including Management Board members or managers):

	2018	2017
Wage-earning employees	3,010	2,950
Salaried employees	1,820	1,674
	<b>4,830</b>	<b>4,624</b>

The members of the management Board of Flughafen Wien AG received the following remuneration for their work in the 2018 and 2017 financial years:

**> Management Board remuneration in 2018 (payments)**

in T€	Fixed compensation 2018	Performance-based compensation for 2017	Non-cash remuneration 2018	Total remuneration 2018
Dr. Günther Ofner	338.2	164.5	8.6	511.4
Mag. Julian Jäger	338.2	164.5	8.9	511.7
	676.5	329.0	17.6	1,023.1

**> Management Board remuneration in 2017 (payments)**

in T€	Fixed compensation 2017	Performance-based compensation for 2016	Non-cash remuneration 2017	Total remuneration 2017
Dr. Günther Ofner	329.0	189.3	9.5	527.8
Mag. Julian Jäger	329.0	189.3	8.9	527.2
	658.0	378.5	18.4	1,055.0

The remuneration system for the members of the Management Board and first and second level of management is comprised of fixed and performance-based components. The performance-based compensation paid out in 2018 was for bonuses for the 2017 financial year. In 2017, the performance-based compensation paid out represents bonuses for the 2016 financial year. There are no stock option plans for management.

The company makes payments equalling 15% of their respective salary into a pension fund on behalf of Julian Jäger and Günther Ofner. The contribution for each member of the Management Board regarding the 2018 financial year amounted to T€75.4 (previous year: T€77.7).

For other employees, exceptional performance and the achievement of agreed targets are rewarded in the form of bonuses.

Remuneration paid to former members of the Management Board amounted to T€452.9 in the reporting year (previous year: T€441.6).

**Expenses for persons in key management positions**

Key management includes Management Board, the authorised signatories of Flughafen Wien AG, the management of MIA and the members of the Supervisory Board of Flughafen Wien AG. The following table shows the remuneration paid to these persons, including the changes in provisions:

**› Expenses in the 2018 financial year**

in T€	Supervisory Board	Management Board	Key employees
Short-term benefits	179.1	1,145.0	3,288.4
Post-employment benefits (contributions to pension funds)	0.0	150.8	40.1
Other long-term benefits	0.0	0.0	23.9
Termination benefits	0.0	0.0	130.9
<b>Total</b>	<b>179.1</b>	<b>1,295.8</b>	<b>3,483.3</b>

**› Expenses in the 2017 financial year**

in T€	Supervisory Board	Management Board	Key employees
Short-term benefits	180.9	1,115.1	3,109.5
Post-employment benefits (contributions to pension funds)	0.0	155.5	40.3
Other long-term benefits	0.0	0.0	19.2
Termination benefits	0.0	0.0	106.4
<b>Total</b>	<b>180.9</b>	<b>1,270.6</b>	<b>3,275.4</b>

Payments of T€180.4 were made to the members of the Supervisory Board in the reporting year (previous year: T€180.8).

**› (43) Significant events after the reporting period**

No events occurring after the reporting period relevant to measurement or recognition on 31 December 2018 – such as pending legal proceedings, claims for damages, or other obligations or impending losses that would have to be reported or disclosed in accordance with IAS 10 – were known or they were already included in these consolidated financial statements.

## XI. Accounting policies

### › (44) Measurement

The consolidated financial statements are generally prepared at amortised cost. An exception to this is made for derivative financial instruments, financial assets measured at fair value (FVPL or FVOCI) and deferred taxes. A note to this effect can be found in the respective accounting policies.

The consolidated financial statements are prepared using management judgements and estimates that can affect the consolidated financial statements. Judgements and estimates with a material impact are presented separately under "Judgements and estimate uncertainty".

The financial statements of Flughafen Wien AG and its subsidiaries are consolidated on the basis of uniform accounting policies. The annual financial statements of all the companies included in consolidation are prepared as at the same date as the consolidated financial statements.

### › (45) Principles of consolidation

#### Subsidiaries

The consolidated financial statements contain the financial statements for the parent company and for the companies it controls. The Group specifically controls an investee when, and only when, it presents all the following characteristics:

- › it has control over the investee (i.e. the Group is able, based on current legislation, to control those activities of the investee that have a significant influence on its returns) and
- › is exposed to risks from or has rights to variable returns from its involvement with the investee and
- › has ability to utilise its control so as to influence the amount of returns from the investee.

If the Group does not have a majority of the voting rights or comparable rights in an investment, it takes into account all relevant issues and circumstances when assessing whether it has control of this investee. These include:

- › A contractual agreement with the other voters
- › Rights resulting from other contractual agreements
- › The Group's voting rights and potential voting rights

If indications arise from the issues and circumstances that one or more of the three control elements have changed, the Group must check again as to whether it controls an investee. The consolidation of a subsidiary starts on the day on which the Group gains control over the subsidiary. It ends when the Group loses control over the subsidiary. >

The accounting policies of subsidiaries were changed, where necessary, and adapted to local accounting principles to ensure the application of uniform policies throughout the Group.

All intercompany balances, business transactions and income and expenses are eliminated. Any gains or losses resulting from intercompany transactions that are included in the carrying amount of assets such as inventories or non-current assets are also eliminated.

Changes in the investment that do not lead to a loss of control over the subsidiary are accounted for as transactions with shareholders of the parent company. If the acquisition of a non-controlling interest results in a difference between the return compensation and the respective share of the carrying amount of the net assets in the subsidiary, this difference is recognised directly in equity. Gains or losses on the sale of non-controlling interests are also recognised directly in equity.

In accordance with IFRS, acquired subsidiaries are accounted for using the acquisition method. The cost of the acquisition represents the fair value of the assets surrendered and equity instruments issued plus any liabilities arising or assumed as at the transaction date. It also includes the fair value of reported assets or liabilities resulting from a contingent consideration agreement. Acquisition-related costs are recognised as expenses. On first-time consolidation, the identifiable assets, liabilities and contingent liabilities resulting from a business combination are measured at fair value as at the acquisition date.

Goodwill represents the excess of the fair value of consideration, the value of any non-controlling interest in the acquired company and the fair value of any previously held equity interests as at the acquisition date over the Group's share of net assets measured at fair value. Non-controlling interests are measured as at the purchase date at the proportionate share of the acquiree's identifiable net assets. If an acquisition takes place below market value – i.e. the acquisition cost is lower than the net assets of the acquired company measured at fair value – this negative amount is reviewed again and subsequently recognised in the Consolidated Income Statement.

Non-controlling interests are reported separately under equity on the Consolidated Statement of Financial Position.

### **Associated companies and joint ventures**

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control of those policies.

A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations that are used to determine significant influence or joint control are comparable to those that are required to determine control over subsidiaries.

The Group's investments in associated companies and joint ventures are recorded at equity.

Under the equity method, interests in associated companies and joint ventures are reported at cost on first-time recognition using the equity method. This carrying

amount is subsequently increased or decreased by the share of profit or loss attributable to the Flughafen Wien Group and by any distributions, capital contributions or capital withdrawals. Goodwill related to an associated company or joint venture is included in the carrying amount of the investment and is not amortised. In the periods following the first-time recognition of a business combination, any differences between the carrying amount and the fair value of assets and liabilities are remeasured, amortised or reversed in accordance with the treatment of the corresponding items. If the application of IAS 39 indicates that an investment could be impaired, the full carrying amount is tested for impairment.

## › (46) Accounting policies

### Foreign currency translation

The reporting currency and functional currency of all Group companies is the euro.

Foreign currency transactions in the individual company financial statements are translated into the functional currency at the exchange rate in effect on the date of the transaction. Monetary items in foreign currency are translated at the exchange rate in effect as at the end of the reporting period. Differences arising from foreign currency translation are recognised in profit or loss as a net amount.

### Intangible assets

Intangible assets with a finite useful life are measured at cost and amortised on a straight-line basis over a useful life of four to twenty years. The useful life of the Malta Airport concession is 61 years (as is the term of the concession, beginning from date of first-time consolidation in 2006). If there are indications of impairment and the recoverable amount – the higher of fair value less costs to sell and the value in use of the asset – is less than the carrying amount, an impairment loss is recognised.

Internally generated intangible assets are measured at cost when the relevant criteria are met and amortised over their useful life. The useful life of these assets is eight years.

Borrowing costs and development expenses are capitalised when the relevant criteria are met and subsequently amortised over the useful life of the asset.

Intangible assets with indefinite useful lives are measured at cost. These assets are not amortised, and are instead tested for impairment each year and written down to their recoverable amount if necessary. If the reasons for a previously recognised impairment loss cease to exist, the carrying amount of the relevant asset is increased accordingly; this procedure is not applied to previously impaired goodwill.

Goodwill is not amortised, and is instead tested for impairment by determining the recoverable amount of the cash-generating unit (CGU) to which it was allocated (“impairment only approach”).

### Property, plant and equipment

Property, plant and equipment are measured at cost less straight-line depreciation. The cost of internally generated assets comprises direct costs and an appropriate share of material and production overheads plus production-based administrative expenses. Cost includes the purchase price plus any direct costs that are required to bring the asset to the intended location and operating condition. Borrowing costs that are directly >

related to the acquisition, construction or production of qualifying assets are capitalised as part of cost. In cases where major components of property, plant or equipment must be replaced at regular intervals, the Group recognises these components as separate assets with a specific useful life and depreciates them accordingly. The cost of major inspections is recognised in the carrying amount of the item of property, plant and equipment if the recognition criteria are met. All other maintenance and service costs are expensed as incurred. The depreciation period reflects the expected useful life and is regularly checked.

Depreciation is based on the following Group-wide useful lives:

	Years
Operational buildings	33.3-50
Terminal 3 components:	
Building shell	50
Facade	25
Interior furnishings	20
Technical equipment	25
Other buildings	10-50
Take-off and landing runways, taxiways, aprons	20-60
Technical noise protection	20
Other facilities	7-20
Technical equipment and machinery	5-20
Motor vehicles	2-10
Other equipment, operating and office equipment	2-15

### Investment property

Investment property comprises all property that is held to generate rental income or for capital appreciation, and is not used in the operating area. It also includes land held for a future use that cannot be determined at the present time. If the property is used in part for business operations, the relevant share is allocated to this category of use. Investment property is carried at depreciated cost. Borrowing costs are capitalised as part of cost. Depreciation is calculated over a period of 10 to 40 years based on the straight-line method. The fair value of investment property is determined independently of measurement based at amortised cost. As there are no active market prices for the Vienna-Schwechat airport site, its fair value is determined using assumed market data. The fair value is calculated internally by applying the capitalised income method as at the end of the reporting period. Additional information on measurement methods and key parameters can be found under note (15).

### Assets available for sale

Non-current assets or disposal groups that comprise assets and liabilities are classified as available for sale or held for distribution if it is highly likely that they will be realised predominantly by sale or distribution and not by continued use.

These assets or disposal groups are generally reported at the lower of carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is initi-



ally allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis – with the exception that no loss is allocated to inventories, financial assets, deferred tax assets or investment property, which are still measured according to the Group's other accounting policies. Impairment losses on first-time classification as available for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

As soon as they are classified as available for sale or held for distribution, intangible assets and property, plant and equipment are no longer depreciated or amortised and each investee is no longer recorded at equity.

### **Impairment and reversals thereof on intangible assets, property, plant and equipment and investment property**

Intangible assets, property, plant and equipment and investment property that show signs of impairment are tested by comparing the respective carrying amount with the recoverable amount. If it is not possible to assign future cash flows that are independent of other assets to the assets, the impairment test is performed on the next higher group of assets (cash-generating unit). If the recoverable amount is less than the carrying amount, an impairment loss is recognised to reduce the asset or cash-generating unit to this lower amount. In cases where the reasons for previously recognised impairment losses cease to exist, the impairment loss is accordingly reversed.

The recoverable amount of the cash-generating unit (CGU) represents the higher of the value in use or fair value less the cost of disposal. The value in use is calculated according to the discounted cash flow (DCF) method, which involves the preparation of cash flow forecasts for the expected useful life of the asset or cash-generating unit. The discount rate used for the calculation reflects the risk associated with the asset or cash-generating unit. If market prices or other level 1 inputs are not available, the fair value is also calculated using a discounted cash flow method, though taking into account market expectations regarding the expected cash flows and interest rate.

The individual assets of the Flughafen Wien Group are aggregated with other assets until a group is identified that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This type of group is designated as a cash-generating unit (CGU). The Flughafen Wien Group follows the concept of mutual (complementary) production or technical service relationships or legal dependence between individual assets to assess the independence of cash inflows. However, it also takes into account the manner in which the investment decisions are made (e.g. extension of a terminal). However, if the products of a group of assets can be sold on an active market, this forms a CGU even if the products are used by other units of the company either in whole or in part.

### **Leases**

A lease is an agreement under which a lessor conveys the right to use an asset for an agreed period of time to a lessee in exchange for a payment. The Flughafen Wien Group acts as both a lessor and a lessee.

A lease that transfers the material opportunities and risks connected with the ownership of the leased asset to the lessee is classified as a finance lease in accordance with IAS 17. All other leases are classified as operating leases.

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**The Group as a lessee**

If beneficial ownership is attributable to the Flughafen Wien Group as the lessee (finance lease), the leased asset is recognised as a non-current asset at the lower of the present value of future minimum lease payments and fair value. The asset is subsequently depreciated over the shorter of its useful life and the term of the lease. Any impairment losses are charged to the carrying amount of the leased asset. The future payment obligations resulting from finance leases are recognised under other financial liabilities. Lease payments are divided into interest expenses and repayments of the lease liability such that the remaining liability incurs a constant rate of interest.

Payments under operating leases are recognised as an expense on a straight-line basis over the term of the lease unless a different method better reflects the Group's expected economic benefit from the assets. Contingent payments under operating leases are recognised as an expense in the period in which they are incurred.

As described in note (38), the minimum lease payment under operating leases includes rent for land to be paid to the government of Malta for a temporary right of use ("temporary emphyteusis"). The terms of these leases range between 58 and 65 years. The lease payments are periodically adjusted according to an index. Lease expenses are recognised on a straight-line basis over the term of the lease.

**The Group as a lessor**

In cases where the Flughafen Wien Group is the lessor and beneficial ownership remains with the lessor (operating lease), the leased assets are capitalised at cost and depreciated accordingly. Income from operating leases is recognised on a straight-line basis over the term of the lease unless some other method appears more appropriate.

On first-time recognition of a finance lease, a lease receivable is recognised in the amount of the net investment under the lease. Lease payments are divided into interest payments and repayments of the lease receivable such that the receivable incurs a constant rate of interest.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost is calculated based on the moving average price method. Net realisable value is the estimated proceeds from a sale in the ordinary course of business less the estimated costs still necessary to complete and sell the assets. Any impairment that could result from reduced usability is also included.

## Provisions for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses

The provisions for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses are calculated in accordance with actuarial principles using the projected unit credit method and obligations are measured at the amount of the defined benefit obligation (DBO). For severance compensation and pension provisions, actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they are incurred; the comparable changes in provisions for service anniversary bonuses and semi-retirement programmes are expensed as incurred. Remeasurement recognised in other comprehensive income is a component of retained earnings and will not be reclassified to the Consolidated Income Statement. Past service cost is recognised as personnel expenses when the plan amendment occurs. All other changes, such as service cost or interest expense, are reported under personnel expenses.

The calculation of the defined benefit obligation takes into account future wage and salary increases.

Employee turnover (for severance compensation and service anniversary bonuses) was included in the calculation for the Austrian Group companies in the form of annual turnover probabilities based on actual employee turnover in the Group (ten-year average). No turnover probabilities were included for employees in semi-retirement programmes.

### Employee turnover for severance compensation (combined with probability of pay-outs)

Austrian companies (VIE)		2018	2017
Wage-earning employees:	From 1st year	at 6.9%: 28.2%	at 6.9%: 28.2%
	Until 25th year	at 7.0%: 85.2%	at 7.0%: 85.2%
Salaried employees:	From 1st year	at 8.9%: 42.8%	at 8.9%: 42.8%
	Until 25th year	at 7.1%: 86.6%	at 7.1%: 86.6%

Austrian companies (subsidiaries)		2018	2017
Wage-earning employees:	From 1st year	at 6.9%: 28.0%	at 6.9%: 28.0%
	Until 25th year	at 1.1%: 0.0%	at 1.1%: 0.0%
Salaried employees:	From 1st year	at 8.9%: 42.8%	at 8.9%: 42.8%
	Until 25th year	at 1.0%: 0.0%	at 1.0%: 0.0%

### Employee turnover for service anniversary bonuses

Austrian companies		2018	2017
Wage-earning employees:	From 1st year	6.9%	6.9%
	Until 25th year	1.1%	1.1%
Salaried employees:	From 1st year	8.9%	8.9%
	Until 25th year	1.0%	1.0%

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For the Austrian Group companies, the notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Budget Concomitant Act), taking all transition regulations into account. The retirement age for female employees reflects a gradual increase in the retirement age for women in keeping with Austrian law.

The F.W.Pagler AVÖ2018-P mortality tables (mixed) (previous year: AVÖ2008-P (mixed)) form the biometric basis for the calculation of the provisions for the Austrian companies, whereby the specifications for salaried employees apply to the provision for pensions. The probabilities of disability were adjusted individually to the Flughafen Wien Group. Life expectancies for men (79 years) and women (83 years) were used for the Maltese companies.

The demographic parameters were unchanged year-on-year.

The obligations for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses were calculated on the basis of the following parameters:

	2018	2017
<b>Austrian companies</b>		
Discount rate (pensions, severance compensation, service anniversary bonuses)	1.30%	1.30%
Discount rate (semi-retirement programmes)	0.30%	0.30%
Wage and salary increases (severance compensation, service anniversary bonuses)	3.83%	3.41%
Pension increases (only for pensions)	2.10%	2.10%
<b>Maltese companies</b>		
Discount rate (pensions)	1.80%	1.60%
Pay increases	3.00%	3.00%

The discount rate was based on the investment yields applicable as at the end of the respective reporting period.

Payments required by defined contribution plans (contributions to pension plans and legally required employee severance compensation funds) are recognised in profit or loss in the period to which they relate under personnel expenses.

## Other provisions

Other provisions include legal or constructive obligations to third parties, which are based on past transactions or events and are expected to lead to an outflow or resources that can be reliably estimated. These provisions reflect all recognisable risks related to the assumed settlement amount and are based on the best possible estimate. A provision is not recognised if it is not possible to reliably estimate the amount of the obligation. Provisions are discounted if the resulting effect is material. Expenses resulting from the interest adding back to other provisions are included in the costs of the respective provisions. Income from the reversal of provisions is recognised in the item affected by the provision.

## Government grants

Government grants are recognised at fair value when it is reasonably certain that the Group will meet the relevant conditions attached to the grants and it is reasonably certain the grants will actually be received.

Government grants for costs are recognised as income over the periods required to match them with the costs they are intended to compensate.

Government grants for the purchase of property, plant and equipment ("investment subsidies") are reported under current or non-current liabilities and recognised as income on a straight-line basis over the useful life of the related asset. The special investment allowances granted by the Republic of Austria are treated as investment subsidies.

## Measurement of fair value

The Group measures financial instruments and non-financial assets at fair value as at the end of each reporting period. The fair values of financial instruments carried at amortised cost are listed in note (36).

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In measuring fair value it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either on the principal market for the asset or liability, or the most advantageous market for the asset or liability if there is no principal market.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability. It is assumed that the market participants act in their economic best interest.

The Flughafen Wien Group applies measurement methods that are appropriate in the circumstances and for which there are sufficient data to measure fair value. In doing so, the use of relevant, observable inputs is maximised and that of unobservable inputs is minimised.

All assets and liabilities for which the fair value has been calculated or reported in the financial statements are assigned to the following levels of the fair value hierarchy based on the lowest input factor that is material overall for measurement.

### Level 1

The market price (stock exchange price) represents the fair value for financial assets and financial liabilities that are traded on active liquid markets at standardised terms and conditions. This method is also applied to listed redeemable obligations, promissory notes and perpetual bonds.

### Level 2

The fair value of the financial assets and financial liabilities in this category, which are not traded on an active market, is derived directly (i.e. similar to market price) or indirectly (i.e. similar to prices or quoted prices) from market prices.

### Level 3

This category includes financial assets and financial liabilities (except derivatives) whose fair value is determined by applying recognised measurement models and parameters that are not based on observable market inputs.

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## Financial instruments and other financial assets

The Group assigns its financial assets to the following measurement categories:

- › Subsequently measured at fair value (either through other comprehensive income or through profit or loss), and
- › Measured at amortised cost.

The classification depends on the entity's business model for managing financial assets and contractual cash flows.

In the case of assets measured at fair value, gains and losses are recognised either through profit or loss or through other comprehensive income. In the case of investments in equity instruments not held for trading, this depends on whether the Group irrevocably decided on initial recognition to measure the equity instruments at fair value through other comprehensive income.

The Group only reclassifies debt instruments if the business model for managing such assets changes.

On initial recognition, the Group recognises a financial asset at fair value plus – in the case of a financial asset not subsequently measured at fair value through profit or loss – the transaction costs directly attributable to the acquisition of this financial asset. Transaction costs of financial assets measured at fair value through profit or loss are recognised as expenses in profit or loss.

Financial assets with embedded derivatives are viewed in their entirety when it is determined whether their cash flows are solely payments of principal and interest.

### Debt instruments

The subsequent measurement of debt instruments depends on the Group's business model for managing the financial asset and the asset's cash flow characteristics. The Group classifies its debt instruments as follows:

- › At amortised cost (AC): Assets that are held to collect contractual cash flows and for which these cash flows are solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is recognised in interest income using the effective interest rate method. Gains or losses on derecognition are recognised under other financial results in the income statement.
- › At fair value through profit or loss (FVPL): Assets that do not meet the criteria for the "measured at amortised cost" (AC) or "at fair value through other comprehensive income" (FVOCI) categories are allocated to the "at fair value through profit or loss" (FVPL) category. Gains or losses from a debt instrument that is subsequently measured at FVPL are recognized net under other financial results in the income statement in the period in which they arise.

### Equity instruments

The Group subsequently measures all equity instruments held at fair value. If the management of the Group has decided to recognise effects from the change in the fair value of equity instruments in other comprehensive income, these gains or losses are not subsequently reclassified to profit or loss after the instrument is derecognised. Dividends from such instruments continue to be recognised in financial results in profit or loss when the Group's claim to the receipt of payments is substantiated.

The equity instruments include shares in CEESEG AG and other investments. In the absence of an active market or quoted price, the fair value of the shares in CEESEG AG must be calculated using a net present value approach (level 3). A review of the fair value of other investments found that the cost is the best estimate of fair value.

### Impairment of financial assets

The Group has the following types of financial assets subject to the model of expected credit losses:

- › Receivables
- › Debt instruments measured at amortised cost

Cash and cash equivalents are likewise subject to the impairment requirements of IFRS 9, but the identified impairment loss was immaterial.

### Receivables and contract assets

Receivables include trade receivables, receivables from associates and other receivables. The Group applies the simplified approach in order to measure expected credit losses, so lifetime expected credit losses (Stage 2) are used for all trade receivables, other receivables and receivables from associates. To measure the expected credit losses, these receivables were grouped on the basis of shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles of the revenue over a period of five years and the historical defaults in this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that affect the customers' ability to settle the receivables. The Group has identified the gross domestic product, unemployment rates, inflation and future passenger growth rates of the countries in which it sells services as relevant factors. Receivables are derecognised if there is no longer a reasonable expectation of recovery. Impairment losses on receivables are recognised in other operating expenses. Amounts generated in subsequent periods and already written down in previous periods are recognised in the same item.

### Debt instruments

Debt instruments include time deposits, originated loans and current securities. The general impairment requirements apply to time deposits, loans granted (without a significant financing component) and current securities, whereby the expected default over the next 12 months is calculated first (Stage 1). The expected default over the entire term of the financial instruments is only calculated when there is a significant deterioration in the debtor's credit characteristics.

The Group considers a financial asset to be in default if:

- › It is unlikely that the debtor will be able to pay its full credit obligation to the Group without the Group having to resort to measures such as the realisation of collateral (if available), or
- › The financial asset is more than 90 days past due.

From the Group's perspective, a bond has a low default risk if its credit risk rating meets the global definition of "investment grade". The Group considers this criterion to be met in the event of a rating of Baa3 or higher from Moody's or a corresponding rating from another agency (e.g. Standard & Poor's).

Lifetime expected credit losses (Stage 2) are expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month credit losses (Stage 1) are the portion of expected credit losses that result from all possible default events within 12 months of the reporting date.

The maximum period to be taken into account when estimating expected credit losses is the maximum contract term in which the Group is exposed to credit risk.

## Receivables

Trade receivables are initially carried at fair value or – if they do not contain significant financing components – at the transaction price and subsequently at amortised cost according to the effective interest rate method, less valuation allowances.

## Cash and cash equivalents

Cash and cash equivalents, which include bank accounts and short-term deposits with credit institutions, have a remaining term of up to three months at the date of acquisition. These items are measured at fair value, which generally reflects the nominal value.

## Liabilities

Financial liabilities are recognised at an amount equal to the actual funds received, which generally reflects fair value. Any material difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method, and reported under financial results. Trade payables and other liabilities are carried at amortised cost.

## Financial liabilities

Financial liabilities are measured at amortised cost.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in profit or loss, as are gains or losses on the derecognition of financial liabilities.

## Income taxes

Income taxes include current and deferred taxes. The provisions for taxation essentially include domestic and foreign income tax obligations, and comprise both the current year and any obligations from previous years. The liabilities are calculated in accordance with the tax regulations of the countries where the Group conducts its business activities.



Flughafen Wien AG is the Group parent as defined by section 9(8) of the Körperschaftsteuergesetz (KStG – Austrian Corporate Income Tax Act) of 1988. In this function, the Group parent apportions and charges the applicable share of taxes to the member companies of the Group; if a Group company generates a loss, the relevant credit is only made when this company again generates taxable profit. This settlement of tax charges leads to a reduction in the tax expense shown in the income statement of the Group parent. If there are any subsequent deviations, the tax settlements with Group companies are adjusted accordingly.

In accordance with the liability approach, deferred tax assets and deferred tax liabilities are recognised for temporary differences between the carrying amounts on the Consolidated Statement of Financial Position and the tax accounts, and for tax loss carryforwards. Deferred tax assets are recognised when it is probable that sufficient taxable profit will be available to utilise a deductible temporary difference.

Deferred tax assets and liabilities are only recognised on temporary differences arising from shares in subsidiaries and companies recorded at equity if there is an intention to sell the investment and the gain on the disposal will be taxable. Deferred taxes are measured in accordance with the tax regulations that are valid or were enacted as at the end of the reporting period for the financial statements. Therefore, the tax rates expected in future are applied to the reversal of temporary differences.

## **Revenue from contracts with customers and other income**

The Group applied IFRS 15 for the first time as at 1 January 2018. Information on first-time applications is provided in the section on changes to significant accounting policies.

The Flughafen Wien Group essentially generates revenue from aviation and non-aviation operations. Aviation operations essentially generate revenue from traffic fees, ground handling services and concessions.

### **Traffic fees (subject to approval):**

Some fees are subject to the approval of the civil aviation authority. These fees relate to the use of the airport infrastructure and include landing, parking, passenger and infrastructure fees. The calculation of the landing, parking and airside infrastructure fee is based on the maximum take-off weight (MTOW) of the aircraft, while the landside infrastructure fee, passenger fee and security fee are based on the number of passengers. The infrastructure fee for fuelling is based on the volume of fuel. The billing of these fees is the same for all customers and is regulated in a fee schedule. There is also an incentive system for customers.

The entire fee from these service agreements with airlines is allocated across all services (performance obligation) based on their standalone selling price (transaction price). The standalone selling price is determined on the basis of the schedule of fees charged by the Group for services in separate transactions. Variable, fee-reducing discounts and rebates based on the incentive system are taken into account in calculating and allocating the transaction price. The Flughafen Wien Group exercises the portfolio approach practical expedient in assessing these contracts.

**Ground handling services (not subject to approval):**

Fees not subject to approval include ground handling services. Revenue is generated primarily from ramp handling, cargo handling and passenger handling. Cargo handling services and standalone selling prices are regulated in the cargo regulations. The ramp handling contracts are based on the International Air Transport Association (IATA)'s standard ground handling agreement. In these contracts, service obligations are defined on the basis of the individual services offered and a transaction price per turnaround and aircraft type. These contracts do not include fixed transaction prices for service obligations performed over time. If individual service obligations (individual services) are required in addition to the contractually defined service packages, they can be purchased as extras on the basis of the current price list. The transaction price is allocated to the service obligations on the basis of the relative standalone selling prices or on the basis of the current standalone selling prices when additional service obligations are purchased. The Flughafen Wien Group exercises the portfolio approach practical expedient in assessing these contracts.

**Concession revenue:**

Concession revenue (Malta ground handling) comprises revenue for the right to perform ground handling services at Malta Airport and is distributed over the term of the concession on an accrual basis in line with the respective contract. The transaction price is calculated according to a fee structure based on various underlying parameters (departing passengers, aircraft movements, MTOW, cargo volume, fuelling volume). Revenue is recognised if a reasonably certain inflow of resources can be assumed and its amount can be reliably determined.

The Flughafen Wien Group's non-aviation operations comprise rentals (including revenue based on sales) and other revenue.

**Rentals including revenue based on sales:**

Rental revenue is recognised on a straight-line basis over the term of the lease in accordance with IAS 17. Rental incentives granted to tenants are recognised as a component of the total rental income over the term of the lease. Revenue based on sales (variable rents) is recognised on an accrual basis based on the revenue generated.

**Other revenue:**

In addition to the above, the Flughafen Wien Group also generates revenue from lounges, security, energy supply and waste disposal, IT services, electrical engineering, workshops, materials management, facility management and building maintenance.

**Finance income and financing expenses**

The Group's finance income and financing expenses include:

**Interest income and interest expense:**

Interest income (interest expense) is recognised when it is probable that the economic benefits will flow to (flow from) the Group and the amount of the income (expense) can be measured reliably. Interest income (interest expense) is deferred in line with the outstanding nominal amount using the effective interest rate. The effective interest rate is the interest rate by which the expected future cash receipts (payments) are discounted

over the term of the financial asset such that the net carrying amount of this asset (financial liability) is reached exactly at first-time recognition. Interest income (interest expense) is recognised in the financial results.

**Dividends:**

Income is recognised when the legal right to payment arises; this is the time when the shareholders resolve the dividend. Dividends are reported in the financial results.

**Net gains or losses from financial assets measured at FVPL**

For information on the recognition of net gains from debt instruments measured at FVPL, see the remarks under “Financial instruments and other financial assets”.

**› (47) Adoption of new and amended standards and interpretations**

In the financial year the Group applied all new or amended standards and interpretations that were issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and endorsed by the EU to the extent that these standards and interpretations were relevant to the business activities of the Group and already effective. In particular, the following standards of the IASB were adopted for the first time in the financial year:

■ IFRS 9 Financial Instruments	Effective for reporting periods beginning on or after 1 January 2018.
■ IFRS 15 Revenue from Contracts with Customers	Effective for reporting periods beginning on or after 1 January 2018.
■ Clarification of IFRS 15 Revenue from Contracts with Customers	Effective for reporting periods beginning on or after 1 January 2018.
■ Amendments to IFRS 2 Share-Based Payment – Classification and Measurement	Effective for reporting periods beginning on or after 1 January 2018.
■ Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	Effective for reporting periods beginning on or after 1 January 2018.
■ Amendments to IAS 40 Investment Property	Effective for reporting periods beginning on or after 1 January 2018.
■ IFRIC 22 Foreign Currency Transactions and Advance Consideration	Effective for reporting periods beginning on or after 1 January 2018.
■ Annual Improvements (2014-2016)	Effective for reporting periods beginning on or after 1 January 2017 or 1 January 2018.

The effects of the first-time application of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” were presented in detail under “Changes to significant accounting policies”.

**Amendments to IAS 40 Transfers of Investment Property**

The amendments to IAS 40 serve to clarify in which cases the classification of a property as “investment property” starts and ends if the property is under construction or in development. Because of the previous exhaustive list, the classification of property under construction or development was not clearly regulated. This list is now explicitly designated as non-exhaustive, so property under construction or development can also be included in the requirements.

There are no material effects on the consolidated financial statements of the Flughafen Wien Group, as the Flughafen Wien Group already classified “investment property” under construction as such.

**Other standards**

All other new or improved standards applied for the first time have no material effect on the Group’s asset, financial and earnings position.

## › (48) New standards that have not been adopted

The following standards and interpretations had been issued as at the end of the reporting period, but did not require mandatory application during the financial year

■ IFRS 14 Regulatory Deferral Accounts	The European Commission has decided not to endorse this provisional standard as EU law. It is awaiting the final standard.
■ IFRS 16 Leases	Effective for reporting periods beginning on or after 1 January 2019.
■ Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Adoption deferred indefinitely
■ IFRIC 23 Uncertainty over Income Tax Treatments	Effective for reporting periods beginning on or after 1 January 2019.
■ IFRS 17 Insurance Contracts	Effective for reporting periods beginning on or after 1 January 2021; not endorsed by the EU as at the end of the reporting period.
■ Annual Improvements (2015-2017)	Effective for reporting periods beginning on or after 1 January 2019; not endorsed by the EU as at the end of the reporting period.
■ Amendments to IAS 28 Investments in Associates and Joint Ventures	Effective for reporting periods beginning on or after 1 January 2019; not endorsed by the EU as at the end of the reporting period.
■ Amendments to IFRS 9 Prepayment Features with Negative Compensation	Effective for reporting periods beginning on or after 1 January 2019.
■ Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	Effective for reporting periods beginning on or after 1 January 2019; not endorsed by the EU as at the end of the reporting period.
■ Revision of the IFRS Conceptual Framework	Effective for reporting periods beginning on or after 1 January 2020; not endorsed by the EU as at the end of the reporting period.
■ Amendments to IFRS 3 Business Combinations	Effective for reporting periods beginning on or after 1 January 2020; not endorsed by the EU as at the end of the reporting period.
■ Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies: Definition of Material	Effective for reporting periods beginning on or after 1 January 2020; not endorsed by the EU as at the end of the reporting period.

There are no plans for the voluntary early adoption of the above standards and interpretations. The expected impact of the amended standards is described below:

### IFRS 16 Leases

With the introduction of IFRS 16, the distinction between finance leases and operating leases for lessees currently required under IAS 17 will no longer apply in future.

For all leases the lessee recognises a lease liability in its statement of financial position for the obligation to make future lease payments. At the same time, the lessee capitalises a right of use to the underlying asset. This is in the amount of the present value of the future lease payments plus directly attributable costs. As under the provisions of IAS 17 for finance leases, the lease liability is written down over the term of the lease. The right of use is amortised, which leads to higher expenses at the start of the lease term. Short-term leases and leased items of low value are excluded.

For lessors, however, the regulations of the new standard are similar to the current provisions of IAS 17. Leases will still be classified as either finance leases or operating leases. A lease is classified as a finance lease if all the risks and rewards of ownership are substantially transferred to the lessee; all other leases are operating leases. The criteria of IAS 17 have been adopted for classification under IFRS 16.

IFRS 16 also contains several other regulations on reporting, disclosures in the notes and sale-and-lease-back transactions.

The Flughafen Wien Group is applying IFRS 16 from 1 January 2019 and intends to use the simplified transition method (modified retrospective). The comparative period will not be adjusted. Right-of-use assets for leases will be measured at the amount of the lease liability on acquisition.

The Flughafen Wien Group completed the process for identifying leases this year. The analysis revealed the following leases both as lessor and lessee:

**The Flughafen Wien Group as lessor:**

The Flughafen Wien Group (FWAG) leases properties in Austria and Malta to various customers. Rental agreements are concluded for fixed period. The conditions include both fixed rental payments and revenue-based rents. The Group does not expect any changes to its current classification and accounting for leases as a lessor due to the application of IFRS 16. The changes relate to additional disclosures in the notes for the Flughafen Wien Group.

**The Flughafen Wien Group as lessee:**

The Flughafen Wien Group rents various land, properties and equipment. The leases are concluded with various terms ranging between one and 100 years.

The Flughafen Wien Group will utilise the following exemptions in accordance with IFRS 16:

- › Short-term leases with a term < 12 months
- › Leases of "low-value assets" (< € 5,000)

Furthermore, leases that end in the 2019 financial year will not be accounted for in accordance with IFRS 16.

A single interest rate will be applied for similar leases (term, volume). The Group does not intend to apply the portfolio approach.

The Group intends to utilise the option to exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Provisions for impending losses in connection with operating leases will be reversed at the date of transition, as the measurement of the right-of-use asset recognises them as write-downs in the carrying amount.

The Flughafen Wien Group has identified the following areas that are currently classified as operating leases:

- › Rent of a cargo property at the Vienna site
- › Rent of land at the Vienna site
- › Rent of land and airport-specific property at the Malta site (incl. aerodrome licence and emphyteutical right)
- › Rent of combination copiers
- › Rent of smoking booths

As at 31 December 2018, the Flughafen Wien Group had obligations for minimum lease payments from non-cancellable operating leases of € 143.1 million (see note 38).

The Flughafen Wien Group expects the following changes to the opening statement of financial position as at 1 January 2019 (in rounded figures):

- › Recognition of right-of-use assets of € 55 million
- › Reclassification of prepayments to right-of-use assets of € 32 million
- › Recognition of lease liabilities of € 50 million
- › Reduction of other liabilities and other provisions of € 11 million
- › Increase in deferred taxes of € 6 million
- › Increase in equity of € 10 million

The Group expects earnings after taxes to fall by around € 0.5 million in 2019 as a result of the adoption of the new requirements. EBITDA and EBIT will increase by € 3.5 million and € 1.5 million, respectively.

In net terms, there will be no material effects on cash flow from operating activities or cash flow from financing activities.

#### **Other standards**

The other amended standards and interpretations are not expected to have any material effect on the consolidated financial statements.

Schwechat, 5 March 2019

#### **The Management Board**



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO

# Group companies of Flughafen Wien AG

Company	Abbreviation	Parent company	Country	Share owned <sup>1</sup>	Type of consolidation	Segment
Flughafen Wien AG	VIE		Austria		FC	All except Malta
Flughafen Wien Immobilienverwertungsgesellschaft m. b. H.	IVW	VIE	Austria	100.0%	FC	Airport, Retail & Properties
Flugplatz Vöslau BetriebsGmbH	LOAV	VAH	Austria	100.0%	FC	Airport
Mazur Parkplatz GmbH	MAZU	VIEL	Austria	100.0%	FC	Retail & Properties
VIE International Beteiligungsmanagement Gesellschaft m. b. H.	VINT	VIAB	Austria	100.0%	FC	Other
VIE Liegenschaftsbeteiligungsgesellschaft m. b. H.	VIEL	VIE	Austria	100.0%	FC	Retail & Properties
VIE Office Park Errichtungs- und Betriebsgesellschaft m. b. H.	VOPE	VIEL	Austria	100.0%	FC	Retail & Properties
Vienna Aircraft Handling Gesellschaft m. b. H.	VAH	VIE	Austria	100.0%	FC	Handling & Security Services
Vienna Airport Business Park Immobilienbesitzgesellschaft m. b. H.	BPIB	VIEL	Austria	100.0%	FC	Retail & Properties
Vienna Airport Technik GmbH	VAT	VIE	Austria	100.0%	FC	Other
Vienna International Airport Beteiligungsholding GmbH	VIAB	VIE	Austria	100.0%	FC	Other
Vienna International Airport Security Services Ges. m. b. H.	VIAS	VIE	Austria	100.0%	FC	Handling & Security Services
VIE Office Park 3 BetriebsGmbH	VWTC	VIEL	Austria	100.0%	FC	Retail & Properties
VIE Logistikzentrum West GmbH & Co KG	LZW	VIEL	Austria	100.0%	FC	Airport
VIE Immobilien Betriebs GmbH	IMB	VIEL	Austria	100.0%	FC	Retail & Properties
VIE Flugbetrieb Immobilien GmbH	VFI	BPIB	Austria	100.0%	FC	Retail & Properties
Airport Services VIE IMMOBILIEN GmbH	BPL	VIEL	Austria	100.0%	FC	Retail & Properties
Alpha Liegenschaftsentwicklungs GmbH	ALG	BPIB	Austria	100.0%	FC	Retail & Properties
Office Park 4 Errichtungs- und Betriebs GmbH	BLG	VIEL	Austria	100.0%	FC	Retail & Properties
VIE Airport Baumanagement GmbH	VAB	VIE	Austria	100.0%	FC	Other

1) Direct and indirect in total

#### Type of consolidation

FC = full consolidation

EQ = equity method

NC = not consolidated for reasons of immateriality



Company	Abbreviation	Parent company	Country	Share owned <sup>1</sup>	Type of consolidation	Segment
Vienna Passenger Handling Services GmbH	VPHS	VIE	Austria	100,0%	FC	Handling & Security Services
GetService Dienstleistungsgesellschaft m. b. H.	GETS	VIAS	Austria	100,0%	FC	Handling & Security Services
Vienna Airport Health Center GmbH	VHC	VIEL	Austria	100,0%	FC	Retail & Properties
VIE FINANCE HOLDING GmbH formerly VIE Malta Finance Holding Ltd.	VFH	VIE	Austria	100,0%	FC	Other
BTS Holding, a. s. „v likvidácii“	BTSH	VIE	Slovakia	81,0%	FC	Other
KSC Holding, a. s.	KSCH	VIE	Slovakia	100,0%	FC	Other
Load Control International SK s. r. o	LION	VIE	Slovakia	100,0%	FC	Handling & Security Services
VIE (Malta) Limited	VIE Malta	VINT	Malta	100,0%	FC	Other
VIE Malta Finance Ltd.	VIE MF	VIE MFH	Malta	100,0%	FC	Other
VIE Operations Holding Limited	VIE OPH	VINT	Malta	100,0%	FC	Other
VIE Operations Limited	VIE OP	VIE OPH	Malta	100,0%	FC	Other
MMLC Holdings Malta Limited	MMLCH	VINT	Malta	100,0%	FC	Other
Malta Mediterranean Link Consortium Limited	MMLC	VIE Malta	Malta	95,9%	FC	Other
Malta International Airport p. l. c.	MIA	MMLC	Malta	48,4%	FC	Malta
Airport Parking Limited	APL	MIA	Malta	48,4%	FC	Malta
Sky Parks Development Limited	SPD	MIA	Malta	48,4%	FC	Malta
Sky Parks Business Centre Limited	SBC	MIA	Malta	48,4%	FC	Malta
City Air Terminal Betriebsgesellschaft m. b. H.	CAT	VIE	Austria	50,1%	EQ	Other
SCA Schedule Coordination Austria GmbH	SCA	VIE	Austria	49,0%	EQ	Other
Letisko Košice – Airport Košice, a. s.	KSC	KSCH	Slovakia	66,0%	EQ	Other
„GetService“-Flughafen-Sicherheits- und Servicedienst GmbH	GET2	VIAS	Austria	51,0%	EQ	Other
Flughafen Parken GmbH	FPG	VIE	Germany	16,66%	NC	Other
VIE Shops Entwicklungs- und Betriebsges. m. b. H.	SHOP	VIE	Austria	100,0%	NC	Other
Kirkop PV Farm Limited	KPV	MIA	Malta	48,4%	NC	Malta

1) Direct and indirect in total

# Investments of Flughafen Wien AG

Amounts shown in accordance with national GAAP where IFRS unavailable

## › 1. Subsidiaries fully consolidated in the consolidated financial statements:

### a) Austrian subsidiaries

#### › Vienna Aircraft Handling Gesellschaft m. b. H. (VAH)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** This company offers a full range of services for all divisions of general aviation and for business aviation in particular. Its key revenue drivers are private aircraft handling and aircraft handling services for Flughafen Wien AG in the general aviation sector (including fuelling and parking).

Amounts in T€	2018	2017
Revenue	13,840.6	11,490.9
Net profit for the period	2,047.4	1,259.8
Other comprehensive income	-23.7	4.7
<b>Comprehensive income</b>	<b>2,023.7</b>	<b>1,264.5</b>
Current and non-current assets	12,226.2	11,702.9
Current and non-current liabilities	2,907.1	2,442.7
<b>Net assets</b>	<b>9,319.1</b>	<b>9,260.2</b>

#### › Flugplatz Vöslau BetriebsGmbH (LOAV)

**Registered office:** Bad Vöslau

**Share owned:** 100% VAH

**Object of the company:** Operation and development of Vöslau Airport and the planning, construction and operation of buildings and equipment.

Amounts in T€	2018	2017
Revenue	1,334.8	1,084.0
Net profit/loss for the period	191.7	-528.3
Other comprehensive income	-2.9	-1.0
<b>Comprehensive income</b>	<b>188.7</b>	<b>-529.3</b>
Current and non-current assets	6,323.9	4,462.7
Current and non-current liabilities	2,010.2	337.8
<b>Net assets</b>	<b>4,313.7</b>	<b>4,124.9</b>

### › Mazur Parkplatz GmbH (MAZU)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIEL
<b>Object of the company:</b> Operation of the Mazur car park and parking facilities.	

Amounts in T€	2018	2017
Revenue	3,040.6	3,118.2
Net profit for the period	1,675.8	1,682.6
Other comprehensive income	0.0	0.5
<b>Comprehensive income</b>	<b>1,675.8</b>	<b>1,683.1</b>
Current and non-current assets	6,418.8	6,366.4
Current and non-current liabilities	384.2	327.6
<b>Net assets</b>	<b>6,034.6</b>	<b>6,038.8</b>

### › Vienna International Airport Beteiligungsholding GmbH (VIAB)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE
<b>Object of the company:</b> Acquisition of and investment in international subsidiaries and equity investments, participation in international airport privatisation projects. The company serves as a holding company for the subsidiary VINT.	

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit/loss for the period	3,504.4	-0.3
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>3,504.4</b>	<b>-0.3</b>
Current and non-current assets	122,667.8	121,401.3
Current and non-current liabilities	12.1	0.0
<b>Net assets</b>	<b>122,655.7</b>	<b>121,401.3</b>

### › VIE International Beteiligungsmanagement Gesellschaft m. b. H. (VINT)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIAB
<b>Object of the company:</b> Founding and management of local project companies for international acquisitions; consulting and project management.	

Amounts in T€	2018	2017
Revenue	857.9	812.5
Net profit for the period	6,258.9	12,449.6
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>6,258.9</b>	<b>12,449.6</b>
Current and non-current assets	127,253.5	124,625.1
Current and non-current liabilities	181.8	312.4
<b>Net assets</b>	<b>127,071.6</b>	<b>124,312.7</b>

### › Flughafen Wien Immobilienverwertungsgesellschaft m. b. H. (IVW)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** The commercial leasing of assets, in particular property, and the acquisition of properties and buildings at the site of Flughafen Wien AG.

Amounts in T€	2018	2017
Revenue	18,282.6	17,888.0
Net profit for the period	8,543.1	8,004.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>8,543.1</b>	<b>8,004.7</b>
Current and non-current assets	62,609.0	62,417.4
Current and non-current liabilities	1,752.6	2,104.2
<b>Net assets</b>	<b>60,856.4</b>	<b>60,313.3</b>

### › VIE Liegenschaftsbeteiligungsgesellschaft m. b. H. (VIEL)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** The company serves as a holding company for the BPIB, VOPE, MAZUR, LZW, IMB, ALG, BLG, BPL, VHC and VWTC subsidiaries, the purpose of which is the purchase, development and marketing of the properties they own.

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	5,208.7	3,819.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>5,208.7</b>	<b>3,819.0</b>
Current and non-current assets	53,880.5	56,371.7
Current and non-current liabilities	5,000.1	9,000.0
<b>Net assets</b>	<b>48,880.4</b>	<b>47,371.7</b>

### › VIE Office Park Errichtungs- und Betriebsgesellschaft m. b. H. (VOPE)

**Registered office:** Schwechat

**Share owned:** 100% VIEL

**Object of the company:** Development of properties, in particular Office Park 2.

Amounts in T€	2018	2017
Revenue	4,549.8	4,345.7
Net profit for the period	1,446.1	1,193.6
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1,446.1</b>	<b>1,193.6</b>
Current and non-current assets	30,064.8	31,037.0
Current and non-current liabilities	10,702.5	11,920.8
<b>Net assets</b>	<b>19,362.3</b>	<b>19,116.2</b>

› Vienna Airport Business Park  
Immobilienbesitzgesellschaft m. b. H. (BPIB)

Registered office:	Schwechat
Share owned:	99% VIEL 1% IVW
<b>Object of the company:</b> Purchase and marketing of properties.	

Amounts in T€	2018	2017
Revenue	4,108.9	3,514.0
Net profit for the period	3,927.5	953.4
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>3,927.5</b>	<b>953.4</b>
Current and non-current assets	114,841.2	110,561.9
Current and non-current liabilities	83,568.5	81,456.8
<b>Net assets</b>	<b>31,272.7</b>	<b>29,105.2</b>

› VIE Office Park 3 BetriebsGmbH (VWTC)

Registered office:	Schwechat
Share owned:	99% VIEL 1% BPIB
<b>Object of the company:</b> Rental and development of property, in particular Office Park 3.	

Amounts in T€	2018	2017
Revenue	3,722.7	3,560.3
Net profit for the period	1,100.0	1,265.5
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1,100.0</b>	<b>1,265.5</b>
Current and non-current assets	16,133.9	14,814.4
Current and non-current liabilities	3,438.3	3,218.8
<b>Net assets</b>	<b>12,695.6</b>	<b>11,595.6</b>

› VIE Logistikzentrum West GmbH & Co KG (LZW)

Registered office:	Schwechat
Share owned:	99.7% VIEL 0.3% IVW

**Object of the company:** The object of the company is property development, the rental of buildings owned by the company on third-party land (winter services and maintenance hall) and administration of its own assets.

Amounts in T€	2018	2017
Revenue	1,886.9	1,835.4
Net profit for the period	616.8	581.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>616.8</b>	<b>581.7</b>
Current and non-current assets	14,213.1	14,624.5
Current and non-current liabilities	3,561.9	4,008.5
<b>Net assets</b>	<b>10,651.2</b>	<b>10,616.1</b>

### › VIE Immobilien Betriebs GmbH (IMB)

**Registered office:** Schwechat

**Share owned:** 100% VIEL

**Object of the company:** Operation of properties and acting as general partner in subsidiaries and second-tier subsidiaries of Flughafen Wien Aktiengesellschaft.

Amounts in T€	2018	2017
Revenue	22.4	9.7
Net profit for the period	1.5	1.4
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1.5</b>	<b>1.4</b>
Current and non-current assets	715.9	688.7
Current and non-current liabilities	205.5	179.8
<b>Net assets</b>	<b>510.3</b>	<b>508.9</b>

### › VIE Flugbetrieb Immobilien GmbH (VFI)

**Registered office:** Schwechat

**Share owned:** 94% BPIB 6% IMB

**Object of the company:** Rental and management of flight operations buildings.

Amounts in T€	2018	2017
Revenue	1,840.8	1,259.1
Net loss/profit for the period	-78.9	519.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-78.9</b>	<b>519.1</b>
Current and non-current assets	87,401.0	87,100.2
Current and non-current liabilities	77,957.9	77,578.2
<b>Net assets</b>	<b>9,443.1</b>	<b>9,522.0</b>

### › Alpha Liegenschaftsentwicklungs GmbH (ALG)

**Registered office:** Schwechat

**Share owned:** 100% VIEL

**Object of the company:** The object of the company is the development of property projects, the rental and sale of properties, facility and property management and the performance of associated consulting and services.

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net loss for the period	-137.1	-67.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-137.1</b>	<b>-67.1</b>
Current and non-current assets	15,584.1	14,248.7
Current and non-current liabilities	14,256.5	14,284.1
<b>Net assets</b>	<b>1,327.5</b>	<b>-35.4</b>

### › Office Park 4 Errichtungs- und Betriebs GmbH (BLG)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIEL

**Object of the company:** The object of the company is the development of property projects, the rental and sale of properties, facility and property management and the performance of associated consulting and services.

Amounts in T€	2018	2017
Revenue	46.7	0.0
Net loss for the period	-310.5	-152.4
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-310.5</b>	<b>-152.4</b>
Current and non-current assets	40,547.6	2,998.2
Current and non-current liabilities	40,981.0	3,121.0
<b>Net assets</b>	<b>-433.4</b>	<b>-122.8</b>

### › Airport Services VIE IMMOBILIEN GmbH (BPL)

<b>Registered office:</b>	Fischamend
<b>Share owned:</b>	94% BPIB 6% IMB

**Object of the company:** The object of the company is the development of property projects, the rental and sale of properties, facility and property management and the performance of associated consulting and services.

Amounts in T€	2018	2017
Revenue	40.4	19.3
Net loss for the period	-39.1	-70.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-39.1</b>	<b>-70.1</b>
Current and non-current assets	3,276.1	3,293.1
Current and non-current liabilities	1,925.7	1,903.7
<b>Net assets</b>	<b>1,350.3</b>	<b>1,389.4</b>

### › Vienna Airport Technik GmbH (VAT)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** The company provides services for the electrical facilities sector. It also builds electrical and supply facilities, in particular technical equipment for airports, and installs electrical infrastructure.

Amounts in T€	2018	2017
Revenue	41,338.5	44,920.9
Net profit for the period	45.7	1,659.8
Other comprehensive income	-1.1	-2.0
<b>Comprehensive income</b>	<b>44.6</b>	<b>1,657.8</b>
Current and non-current assets	8,250.1	10,464.3
Current and non-current liabilities	6,842.4	7,451.2
<b>Net assets</b>	<b>1,407.7</b>	<b>3,013.1</b>

### › Vienna International Airport Security Services Ges. m. b. H. (VIAS)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** VIAS is responsible for the performance of security controls (passengers and hand luggage) on behalf of the Federal Ministry of the Interior. It also performs services for other aviation customers (wheelchair transport, oversized baggage control, document control, etc.). The company also participates in tenders for the provision of security services for airports through its Austrian subsidiaries.

Amounts in T€	2018	2017
Revenue	51,518.5	51,093.1
Net profit for the period	6,557.3	8,099.1
Other comprehensive income	-115.2	25.1
<b>Comprehensive income</b>	<b>6,442.1</b>	<b>8,124.2</b>
Current and non-current assets	27,417.2	26,360.8
Current and non-current liabilities	13,324.2	10,529.9
<b>Net assets</b>	<b>14,093.0</b>	<b>15,830.9</b>



### › VIE Airport Baumanagement GmbH (VAB)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Provision of all types of construction and construction-related services, including for construction projects of Flughafen Wien AG and other contractors.

Amounts in T€	2018	2017
Revenue	1,182.7	3,209.8
Net loss/profit for the period	-2.7	77.8
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-2.7</b>	<b>77.8</b>
Current and non-current assets	35.5	342.2
Current and non-current liabilities	0.1	229.0
<b>Net assets</b>	<b>35.5</b>	<b>113.1</b>

### › Vienna Passenger Handling Services GmbH (VPHS)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Provision of ground handling services as defined by the Flughafen-Bodenabfertigungsgesetz (Austrian Airport Ground Handling Act). The services are consistent with those detailed in the appendix to the Austrian Airport Ground Handling Act.

Amounts in T€	2018	2017
Revenue	6,731.3	4,505.6
Net profit for the period	43.9	219.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>43.9</b>	<b>219.1</b>
Current and non-current assets	1,305.9	964.8
Current and non-current liabilities	790.3	493.2
<b>Net assets</b>	<b>515.6</b>	<b>471.7</b>

### › GetService Dienstleistungsgesellschaft m. b. H. (GETS)

**Registered office:** Schwechat

**Share owned:** 100% VIAS

**Object of the company:** Provision of all types of security services related to airport operations.

Amounts in T€	2018	2017 <sup>1</sup>
Revenue	2,804.7	2,574.9
Net profit for the period	28.0	41.7
Other comprehensive income	2.8	2.4
<b>Comprehensive income</b>	<b>30.8</b>	<b>44.1</b>
Current and non-current assets	1,587.2	895.6
Current and non-current liabilities	1,088.9	397.1
<b>Net assets</b>	<b>498.2</b>	<b>498.5</b>

1) adjusted

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### › VIE Airport Health Center GmbH (VHC)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIEL
<b>Object of the company:</b> VHC offers healthcare services.	

Amounts in T€	2018	2017
Revenue	222.7	0.0
Net loss for the period	-533.7	-35.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-533.7</b>	<b>-35.1</b>
Current and non-current assets	1,089.7	21.2
Current and non-current liabilities	1,613.5	11.2
<b>Net assets</b>	<b>-523.7</b>	<b>10.0</b>

### › VIE FINANCE HOLDING GmbH (VFH) formerly VIE Malta Finance Holding Ltd. (VIE MFH) with registered office in Luqa, Malta

<b>Registered office:</b>	Bad Vöslau
<b>Share owned:</b>	99.8% VIE, 0.2% VIAB
<b>Object of the company:</b> Holding company for the subsidiary VIE Malta Finance Ltd.	

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	57.0	2,038.3
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>57.0</b>	<b>2,038.3</b>
Current and non-current assets	16,915.7	16,784.3
Current and non-current liabilities	54.5	15.2
<b>Net assets</b>	<b>16,861.2</b>	<b>16,769.1</b>

## b) Slovakian subsidiaries

## › BTS Holding a. s. "v likvidácii" (BTSH)

Registered office: Bratislava, Slovakia

Share owned: 47.7% VIE 33.3% VINT

Object of the company: Performance of consulting and other services for airports. It was also intended that the company will hold the planned equity investment in Bratislava Airport.

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	-13.2	-142.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-13.2</b>	<b>-142.1</b>
Current and non-current assets	500.3	513.1
Current and non-current liabilities	6.5	6.1
<b>Net assets</b>	<b>493.7</b>	<b>507.0</b>

## › KSC Holding a. s. (KSCH)

Registered office: Bratislava, Slovakia

Share owned: 47.7% VIE 52.3% VINT

Object of the company: The object of the company, in addition to holding the 66% investment in Košice Airport, is the performance of consulting services.

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	1,653.9	1,202.3
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1,653.9</b>	<b>1,202.3</b>
Current and non-current assets	36,427.7	34,773.4
Current and non-current liabilities	13.7	13.3
<b>Net assets</b>	<b>36,414.0</b>	<b>34,760.1</b>

## › Load Control International SK s. r. o (LION)

Registered office: Košice, Slovakia

Share owned: 100% VIE

Object of the company: Preparation of loadsheets.

Amounts in T€	2018	2017 <sup>1</sup>
Revenue	400.6	177.4
Net profit for the period	11.5	6.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>11.5</b>	<b>6.7</b>
Current and non-current assets	128.5	72.7
Current and non-current liabilities	104.9	60.5
<b>Net assets</b>	<b>23.6</b>	<b>12.2</b>

1) Founded 27 February 2017

&gt;

## c) Maltese subsidiaries

## › VIE (Malta) Limited (VIE Malta)

Registered office: Luqa, Malta

Share owned: 99.8% VINT 0.2% VIAB

Object of the company: Performance of consulting and other services for airports.  
Holding of the equity investment in Malta Mediterranean Link Consortium Ltd.  
and Malta International Airport plc.

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	4,217.2	3,232.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>4,217.2</b>	<b>3,232.1</b>
Current and non-current assets	62,592.5	68,296.4
Current and non-current liabilities	13,032.5	19,653.6
<b>Net assets</b>	<b>49,560.0</b>	<b>48,642.8</b>

## › VIE Malta Finance Ltd. (VIE MF)

Registered office: Luqa, Malta

Share owned: 99.95% VIE MFH 0.05% VIAB

Object of the company: Purchase and sale, investment and trading in financial instruments.

Amounts in T€	2018	2017
Umsatzerlöse	0.0	0.0
Periodenergebnis	390.1	401.3
Sonstiges Ergebnis	0.0	-93.6
<b>Gesamtergebnis</b>	<b>390.1</b>	<b>307.7</b>
Kurz- und langfristige Vermögenswerte	22,305.2	21,857.4
Kurz- und langfristige Schulden	21,913.1	21,720.0
<b>Nettovermögen</b>	<b>392.1</b>	<b>137.4</b>

## › VIE Operations Holding Limited (VIE OPH)

Registered office: Luqa, Malta

Share owned: 99.95% VINT 0.05% VIAB

Object of the company: Holding company for VIE Operations Limited.

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	499.0	1,075.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>499.0</b>	<b>1,075.0</b>
Current and non-current assets	245.7	587.9
Current and non-current liabilities	144.7	510.9
<b>Net assets</b>	<b>101.0</b>	<b>77.0</b>

### › VIE Operations Limited (VIE OP)

**Registered office:** Luqa, Malta

**Share owned:** 99.95% VIE OPH 0.05% VINT

**Object of the company:** Performance of support, consulting and other services in connection with international airports.

Amounts in T€	2018	2017
Revenue	141.6	798.2
Net profit for the period	48.2	502.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>48.2</b>	<b>502.1</b>
Current and non-current assets	131.2	336.3
Current and non-current liabilities	106.4	61.6
<b>Net assets</b>	<b>24.8</b>	<b>274.6</b>

### › MMLC Holdings Malta Limited (MMLCH)

**Registered office:** Luqa, Malta

**Share owned:** 100% VINT

**Object of the company:** Holding company for the equity investment in Malta Mediterranean Link Consortium Ltd. (MMLC).

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	2,006.4	1,314.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2,006.4</b>	<b>1,314.1</b>
Current and non-current assets	17,809.8	15,805.0
Current and non-current liabilities	2,463.1	16.0
<b>Net assets</b>	<b>15,346.7</b>	<b>15,789.0</b>

### › Malta Mediterranean Link Consortium Ltd. (MMLC)

**Registered office:** La Valetta, Malta

**Share owned:** 57.1% VIE Malta 38.8% MMLCH

**Object of the company:** Holding company for the equity investment in Malta International Airport p.l.c. (MIA).

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	5,365.4	5,356.1
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>5,365.4</b>	<b>5,356.1</b>
Current and non-current assets	49,605.4	49,557.2
Current and non-current liabilities	25.4	69.1
<b>Net assets</b>	<b>49,580.0</b>	<b>49,488.1</b>

### › Malta International Airport plc. (MIA)

**Registered office:** Luqa, Malta

**Share owned:** 10.1% VIE Malta 40.0% MMLC

**Object of the company:** Operation of Malta International Airport.

Amounts in T€	2018	2017
Revenue	88,056.1	78,447.4
Net profit for the period	29,085.3	25,179.4
Other comprehensive income	31.1	3.9
<b>Comprehensive income</b>	<b>29,116.4</b>	<b>25,183.3</b>
Current and non-current assets	170,173.0	182,489.5
Current and non-current liabilities	56,745.3	84,674.3
<b>Net assets</b>	<b>113,427.7</b>	<b>97,815.1</b>

### › Airport Parking Limited (APL)

**Registered office:** Luqa, Malta

**Share owned:** 100% MIA

**Object of the company:** Operation of the car park and parking facilities at Malta Airport.

Amounts in T€	2018	2017 <sup>1</sup>
Revenue	2,415.0	2,462.2
Net profit for the period	350.7	358.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>350.7</b>	<b>358.7</b>
Current and non-current assets	2,187.9	1,526.6
Current and non-current liabilities	893.9	583.2
<b>Net assets</b>	<b>1,294.1</b>	<b>943.4</b>

1) Adjusted

### › Sky Parks Development Limited (SPD)

**Registered office:** Luqa, Malta

**Share owned:** 100% MIA

**Object of the company:** Development and management of office buildings at Malta Airport.

Amounts in T€	2018	2017 <sup>1</sup>
Revenue	1,957.8	1,852.8
Net profit for the period	387.6	-1,814.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>387.6</b>	<b>-1,814.7</b>
Current and non-current assets	18,336.6	19,142.3
Current and non-current liabilities	19,422.6	20,615.8
<b>Net assets</b>	<b>-1,086.0</b>	<b>-1,473.6</b>

1) Adjusted

### › Sky Parks Business Center Limited (SBC)

**Registered office:** Luqa, Malta

**Share owned:** 100% MIA

**Object of the company:** Operation of office buildings (Skypark) at Malta Airport.

Amounts in T€	2018	2017
Revenue	3,732.2	3,517.7
Net profit for the period	512.1	427.2
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>512.1</b>	<b>427.2</b>
Current and non-current assets	2,132.0	1,623.9
Current and non-current liabilities	1,158.9	1,163.0
<b>Net assets</b>	<b>973.1</b>	<b>461.0</b>

## › 2. Joint ventures included in the consolidated financial statements at equity:

### › City Air Terminal Betriebsgesellschaft m. b. H. (CAT)

Type of holding:	Joint venture
Registered office:	Schwechat
Share owned:	50.1% VIE

**Object of the company:** Operation of the City Airport Express as a railway operator from the "Wien-Mitte" transit centre to and from Vienna International Airport; operation of check-in facilities at the "Wien-Mitte" transit centre combined with baggage logistics for airport passengers; consulting for third parties on the organisation and implementation of traffic connections between airports and cities.

Amounts in T€	2018	2017
Revenue	14,519.9	13,252.5
Net profit for the period	2,482.3	2,132.5
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2,482.3</b>	<b>2,132.5</b>

The above net profit includes the following amounts:

Amounts in T€	2018	2017
Depreciation and amortisation	708.2	699.7
Interest income	0.0	0.1
Interest expenses	0.1	0.7
Income tax expense or income	818.0	701.4

Amounts in T€	31.12.2018	31.12.2017
Current assets	9,929.0	6,032.8
Non-current assets	6,097.2	6,217.6
Current liabilities	3,146.2	1,826.6
Non-current liabilities	194.7	220.8
<b>Net assets</b>	<b>12,685.4</b>	<b>10,203.1</b>

The assets and liabilities listed above include the following amounts:

Amounts in T€	31.12.2018	31.12.2017
Cash and cash equivalents	14.6	9.0
Current financial liabilities <sup>1</sup>	0.0	0.0
Non-current financial liabilities <sup>1</sup>	0.0	0.0

1) Not including trade payables, other liabilities, or provisions



The reconciliation of proportional net assets to the carrying amount is as follows:

Amounts in T€	2018	2017
Share of net assets of the company as at 1. 1. (proportional equity)	5,111.7	4,768.3
Total comprehensive income attributable to the Group	1,243.6	1,068.4
Dividend paid and capital repayments	0.0	-724.9
<b>Carrying amount as of 31. 12.</b>	<b>6,355.4</b>	<b>5,111.7</b>

#### » „GetService“-Flughafen-Sicherheits- und Servicedienst GmbH (GET2)

Type of holding:	Joint venture
Registered office:	Schwechat
Share owned:	51% VIAS

**Object of the company:** Provision of security services, personnel leasing, cleaning including snow removal, etc.

Amounts in T€	2018	2017
Revenue	15,552.6	11,773.7
Net profit for the period	1,218.6	1,045.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>1,218.6</b>	<b>1,045.7</b>

The above net profit includes the following amounts:

Amounts in T€	2018	2017
Depreciation and amortisation	328.8	308.6
Interest income	0.0	0.0
Interest expenses	0.5	0.6
Income tax expense or income	347.5	300.7

Amounts in T€	31. 12. 2018	31. 12. 2017
Current assets	3,024.7	2,483.3
Non-current assets	1,242.3	1,246.7
Current liabilities	2,674.0	2,335.6
Non-current liabilities	139.9	130.0
<b>Net assets</b>	<b>1,453.1</b>	<b>1,264.4</b>

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The assets and liabilities listed above include the following amounts:

Amounts in T€	31. 12. 2018	31. 12. 2017
Cash and cash equivalents	6.3	2.6
Current financial liabilities <sup>1</sup>	0.0	0.0
Non-current financial liabilities <sup>1</sup>	0.0	0.0

1) Not including trade payables, other liabilities, or provisions

The reconciliation of proportional net assets to the carrying amount is as follows:

Amounts in T€	2018	2017
Share of net assets of the company as at 1. 1. (proportional equity)	644.9	641.9
Total comprehensive income attributable to the Group	621.5	533.3
Dividend paid	-525.3	-530.4
Carrying amount as of 31. 12.	741.1	644.9

#### › Letisko Košice – Airport Košice, a. s. (KSC)

Type of holding:	Joint venture
Registered office:	Košice, Slovakia
Share owned:	66% KSCH
Object of the company:	Operation of Košice Airport.

Amounts in T€	2018 <sup>1</sup>	2017
Revenue	13,345.9	11,401.9
Net profit for the period	2,576.5	1,922.8
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>2,576.5</b>	<b>1,922.8</b>

1) Preliminary figures

The above net profit includes the following amounts:

Amounts in T€	2018 <sup>1</sup>	2017
Depreciation and amortisation	835.6	757.7
Interest income	17.2	19.6
Interest expenses	0.0	0.0
Income tax expense or income	704.2	445.7

1) Preliminary figures

Amounts in T€	31.12.2018 <sup>1</sup>	31.12.2017
Current assets	18,581.5	16,982.9
Non-current assets	38,059.2	37,538.8
Current liabilities	2,684.3	1,391.4
Non-current liabilities	578.2	614.3
<b>Net assets</b>	<b>53,378.2</b>	<b>52,515.9</b>

1) Preliminary figures

The assets and liabilities listed above include the following amounts:

Amounts in T€	31.12.2018 <sup>1</sup>	31.12.2017
Cash and cash equivalents	17,079.9	15,209.2
Current financial liabilities <sup>2</sup>	0.0	0.0
Non-current financial liabilities <sup>2</sup>	0.0	0.0

1) Preliminary figures

2) Not including trade payables, other liabilities, or provisions

The reconciliation of proportional net assets to the carrying amount is as follows:

Amounts in T€	31.12.2018 <sup>1</sup>	31.12.2017
Share of net assets of the company as at 1.1. (proportional equity)	34,660.5	34,262.7
Adjustment to comprehensive income (related to prior periods)	-16.5	-33.1
Total comprehensive income attributable to the Group	1,700.5	1,269.1
Other	242.8	244.2
Dividend paid	-1,105.9	-839.6
<b>Carrying amount as of 31.12.</b>	<b>35,481.4</b>	<b>34,903.3</b>

1) Preliminary figures

### › 3. Associated companies included in the consolidated financial statements at equity:

#### › SCA Schedule Coordination Austria GmbH (SCA)

Type of holding:	Associated company
Registered office:	Schwechat
Share owned:	49% VIE

**Object of the company:** Schedule coordinator for airports in Austria, e. g. the company allocates time slots to aircraft in accordance with EU law, principles defined by the IATA and applicable legal regulations, and also carries out other activities that are directly or indirectly related to the business of the company.

Amounts in T€	2018 <sup>1</sup>	2017
Revenue	954.2	928.2
Net profit for the period	34.4	44.7
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>34.4</b>	<b>44.7</b>
Current and non-current assets	759.0	744.0
Current and non-current liabilities	126.4	119.8
<b>Net assets</b>	<b>632.6</b>	<b>624.2</b>

1) Preliminary Figures

Amounts in T€	31. 12. 2018	31. 12. 2017
Carrying amount of the investments in SCA	331.4	327.3

#### › 4. Investments not included in the consolidated financial statements:

##### › VIE Shops Entwicklungs- und Betriebsges. m. b. H (SHOP)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE
<b>Object of the company:</b> Planning, development, marketing and operation of shops at airports in Austria and other countries, and the acquisition and management of other companies.	

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net loss for the period	-3.1	-3.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>-3.1</b>	<b>-3.0</b>
Current and non-current assets	15.3	18.3
Current and non-current liabilities	0.2	0.1
<b>Net assets</b>	<b>15.1</b>	<b>18.2</b>

##### › Kirkop PV Farm Limited (KFL)

<b>Registered office:</b>	Luqa, Malta
<b>Share owned:</b>	100% MIA
<b>Object of the company:</b> The main activity of the company is to explore the opportunities of photovoltaic power generation.	

Amounts in T€	2018	2017
Revenue	0.0	0.0
Net profit for the period	0.0	0.0
Other comprehensive income	0.0	0.0
<b>Comprehensive income</b>	<b>0.0</b>	<b>0.0</b>
Current and non-current assets	1.2	1.2
Current and non-current liabilities	0.0	0.0
<b>Net assets</b>	<b>1.2</b>	<b>1.2</b>

## Material non-controlling interests

The following table contains a summary of financial information for the sub-group Malta International Airport plc – which contains material non-controlling interests. This information was prepared using the same accounting policies as the Group and amendments were made to the fair value as at the acquisition date. The Malta International Airport plc sub-group is assigned to the Malta Segment. The “Others” column contains aggregate information on subsidiaries with immaterial non-controlling interests. These are the companies MMLC and BTSH.

### 2018 financial year

in T€	MIA Group before elimination of intercompany transactions	Elimination of intercompany transactions
Percentage of non-controlling interests (indirect)	51.56%	51.56%
Percentage of non-controlling interests (direct)	49.90%	49.90%
<b>Goodwill</b>	<b>28,407.6</b>	<b>0.0</b>
<b>Other non-current assets</b>	<b>240,661.7</b>	<b>0.0</b>
<b>Current assets</b>	<b>41,785.9</b>	<b>0.0</b>
<b>Non-current liabilities</b>	<b>48,359.1</b>	<b>0.0</b>
<b>Current liabilities</b>	<b>47,795.8</b>	<b>-40.0</b>
<b>Net assets</b>	<b>214,733.5</b>	<b>40.0</b>
<b>Net assets of non-controlling interests</b>	<b>96,069.6</b>	
<b>Revenue</b>	<b>92,161.8</b>	<b>0.0</b>
<b>Net profit for the period</b>	<b>28,344.4</b>	<b>0.0</b>
<b>Other comprehensive income</b>	<b>31.5</b>	<b>0.0</b>
<b>Comprehensive income</b>	<b>28,375.9</b>	<b>0.0</b>
<b>Net profit attributable to non-controlling interests</b>	<b>14,614.4</b>	<b>0.0</b>
<b>Other comprehensive income attributable to non-controlling interests</b>	<b>16.3</b>	<b>0.0</b>
<b>Total comprehensive income attributable to non-controlling interests</b>	<b>14,630.6</b>	<b>0.0</b>
<b>Cash flow from operating activities</b>	<b>36,779.8</b>	
<b>Cash flow from investing activities</b>	<b>-8,348.5</b>	
<b>Cash flow from financing activities</b>	<b>-46,546.6</b>	
thereof dividend to non-controlling interests	-6,751.5	
<b>Net increase (reduction) in cash and cash equivalents</b>	<b>-18,115.3</b>	

MIA Group after elimination of intercompany transactions	Others before elimination of intercompany transactions	Elimination of intercompany transactions	Others after elimination of intercompany transactions	Total
51.56%				
49.90%				
28,407.6	0.0	0.0	0.0	
240,661.7	49,506.2	-49,506.2	0.0	
41,785.9	599.5	0.0	599.5	
48,359.1	0.0	0.0	0.0	
47,755.8	31.9	18.6	50.5	
214,740.3	50,073.8	-49,524.8	549.0	
96,069.6	2,151.6	-2,058.6	93.0	96,162.6
92,161.8	0.0	0.0	0.0	
28,344.4	5,352.2	-5,399.5	-47.3	
31.5	0.0	0.0	0.0	
28,375.9	5,352.2	-5,399.5	-47.3	
14,614.4	220.1	-224.1	-3.9	
16.3	0.0	0.0	0.0	
14,630.6	220.1	-224.1	-3.9	14,626.7
	5,368.9			
	0.0			
	-5,333.6			
	-218.9			-6,970.3
	35.3			

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## 2017 financial year

in T€	MIA Group before elimination of intercompany transactions	Elimination of intercompany transactions
Percentage of non-controlling interests (indirect)	51.56 %	51.56 %
Percentage of non-controlling interests (direct)	49.90 %	49.90 %
Goodwill	28,407.6	
Other non-current assets	242,144.5	0.0
Current assets	56,510.9	0.0
Non-current liabilities	80,249.3	0.0
Current liabilities	46,931.5	-254.0
<b>Net assets</b>	<b>199,882.3</b>	<b>254.0</b>
<b>Net assets of non-controlling interests</b>	<b>88,412.3</b>	
Revenue	82,369.2	0.0
Net profit for the period	23,673.8	801.0
Other comprehensive income	3.9	0.0
<b>Comprehensive income</b>	<b>23,677.7</b>	<b>801.0</b>
Net profit attributable to non-controlling interests	12,206.2	0.0
Other comprehensive income attributable to non-controlling interests	2.0	0.0
<b>Total comprehensive income attributable to non-controlling interests</b>	<b>12,208.2</b>	<b>0.0</b>
Cash flow from operating activities	42,793.5	
Cash flow from investing activities	-14,080.3	
Cash flow from financing activities	-26,861.4	
thereof dividend to non-controlling interests	-6,751.5	
<b>Net increase (reduction) in cash and cash equivalents</b>	<b>1,851.7</b>	



MIA Group after elimination of intercompany transactions	Others before elimination of intercompany transactions	Elimination of intercompany transactions	Others after elimination of intercompany transactions	Total
51.56%				
49.90%				
28,407.6	0.0	0.0	0.0	
242,144.5	49,506.2	-49,506.2	0.0	
56,510.9	564.1	0.0	564.1	
80,249.3	0.0	0.0	0.0	
46,677.5	75.1	22.4	97.5	
200,136.3	49,995.2	-49,528.5	466.6	
88,412.3	2,150.3	-2,056.4	93.9	88,506.2
82,369.2	0.0	0.0	0.0	
24,474.7	5,214.0	-5,412.0	-198.0	
3.9	0.0	0.0	0.0	
24,478.7	5,214.0	-5,412.0	-198.0	
12,206.2	195.2	-224.6	-29.4	
2.0	0.0	0.0	0.0	
12,208.2	195.2	-224.6	-29.4	12,178.9
	5,178.4			
	0.0			
	-6,150.0			
	-145.3			-6,896.7
	-971.6			

# Statement of the Members of the Management Board

In accordance with § 124 (1) Z3 of the Austrian Stock Corporation Act 2018

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

Schwechat, 5 March 2019

**The Management Board**



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO

# Auditor's report

## Report on the Consolidated Financial Statements

### Audit Opinion

We have audited the consolidated financial statements of

**Flughafen Wien Aktiengesellschaft,  
Schwechat**

and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheet as at 31 December 2018 and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

### › Basis for our Opinion

We conducted our audit in accordance with the AP Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## › Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

In our opinion the key audit matters are the following:

1. Investments in Property, Plant and Equipment and Investment Property (Recognition and Valuation)
2. Recognition and Disclosures concerning the Third Runway Project

## › 1. Investments in Property, Plant and Equipment and Investment Property (Recognition and Valuation)

Refer to notes section IV. as well as note (46) and (7)

### Risk for the Financial Statements

Valuation and recognition of property, plant and equipment and investment property is of particular significance, because property, plant and equipment and investment property in the amount of EUR 1.610,4 Mio. represent 75% of Flughafen Wien AG's total assets.

Due to the test requirements related to ongoing construction projects, the determination of the acquisition and production cost of property plant and equipment and investment property is subject to uncertainty.

In case there is an indication that an asset may be impaired or an impairment loss recognized in prior periods may no longer exist or may have decreased (triggering events), Management assesses property, plant and equipment and investment property through comparing the recoverable amount of the cash-generating unit to which the asset belongs with the carrying amount of the cash-generating unit. Determination whether impairment tests have to be performed is based on estimates and judgments. Valuation depends substantially on the Management Board's estimate of future cashflows for purposes of the discounted cash flow calculation, the underlying discount rates, growth rates as well as the underlying planning periods. In the financial year 2018 Management did not identify triggering events for impairment losses or reversals of impairment losses.

### Our Response

In the course of our audit we obtained an understanding of the relevant processes and internal controls with respect to the recognition of property, plant and equipment and investment property and tested the operating effectiveness of selected internal controls. In order to evaluate the existence and accuracy of accrued acquisition and production costs we analysed the documents posted with respect to additions to property, plant and equipment whether they resulted from incoming invoices or cost accruals. We discussed the status and progress of a sample of investment projects with the responsible persons. We further agreed capitalized costs with underlying incoming invoices on a sample basis.

In order to assess whether triggering events have occurred, we obtained an understanding of the planning assumptions as well as the relevant processes and internal controls through inquiry of the members of the Management Board and the executive team. Additionally, we tested the operating effectiveness of selected internal controls. We further analysed the documentation ("trigger list") provided to us and compared the underlying estimates and assumptions with our understanding gained in the course of the audit of the consolidated financial statements, in particular with the analyses of the actual figures. We evaluated the appropriateness of the underlying estimates in determining the discount rates by comparison with market and industry specific benchmarks and we obtained an understanding of the calculation model for determining the discount rates.

## ➤ 2. Recognition and Disclosures concerning the Third Runway Project

Refer to notes section IV. as well as note (14) and (39)

### Risk for the Financial Statements

Flughafen Wien AG pursues the construction project parallel runway (project third runway).

On 9 February 2017, a ruling from the Federal Administrative Court overturning the project was served. Flughafen Wien AG appealed against this decision (of 2 February 2017) to the Austrian Constitutional Court. The Constitutional Court allowed this appeal on 29 June 2017 and revoked the decision by the Federal Administrative Court.

During further proceedings in the financial year 2018 the Federal Administrative Court revised its decision on 28 March 2018 and approved construction of the third runway under additional conditions. These conditions are currently under review and the project is continuing as a top priority. In the light of the positive decision dated 28 March 2018 the Management Board determined that the capitalization requirements are now met. As of prior year's reporting date these were not considered to be met due to the observations of the ongoing proceedings and therefore a disposal (without recognition through profit and loss) of the fully written down acquisition-related costs was recorded in the financial year 2017. In the financial year 2018, capital expenditure for the third runway of EUR 55,8 mio. was recognized, of which EUR 55,4 mio. relate to the capitalisation of the payment obligation arising from the service agreement for the mediation process in connection with the environmental fund. Further project delays could be caused by complaints from opponents to the approval of the third runway, filed with the Supreme Administrative Court.

The presentation and disclosures with respect to the third runway project are based on discretionary judgement.

### Our Response

We evaluated and discussed Management Board's assessment that the capitalization requirements for the third runway project are now considered fulfilled by reviewing the legal basis and under consideration of the relevant accounting principles. We also evaluated, when and according to which accounting guidance an impact of the change in accounting estimate in respect of the capitalisation requirements have to be accounted for.

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In addition, we reconciled the capitalized payment obligation arising from the service agreement for the mediation process in connection with the environmental fund of EUR 55,4 mio. to the underlying calculations, details and legal basis.

We further assessed the appropriateness of the disclosures in the notes.

### › Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

### › Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

#### **Moreover:**

› We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

- › We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- › We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- › We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- › We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- › We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- › We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- › We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- › From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

# Report on Other Legal Requirements

## › Group Management Report

In accordance with the Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements. It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

Management is responsible for the preparation of the group management report in accordance with the Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

## Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

## Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

## › Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report. We expect the annual report to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information as soon as it becomes available, to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.



### › **Additional Information in accordance with Article 10 AP Regulation**

At the Annual General Meeting dated 2 May 2018, we were elected as group auditors. We were appointed by the Supervisory Board on 16 August 2018. We have been the Group's auditors from the year ended 31 December 2007, without interruption.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

### › **Engagement Partner**

The engagement partner is Mrs Heidi Schachinger.

Vienna, 5 March 2019

#### **KPMG Austria GmbH**

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

**Heidi Schachinger**

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.



**Management Report for  
the Financial Year 2018**

# Flughafen Wien AG

## Description of the business model

As a civil airport operator, Flughafen Wien Aktiengesellschaft manages Vienna Airport and offers the entire range of related services. In addition to operational airport operations, this includes ground handling services, security services and other services.

The operating activities of Flughafen Wien AG are divided into several areas.

The Operations segment is responsible for the operation and maintenance of all movement areas of the terminals, the facilities involved in passenger and baggage handling, as well as security controls for passengers and hand luggage at Vienna Airport.

The provision of ground and cargo handling, as well as other services for the handling of aircraft and passengers, are located in the area of 'Handling Services'.

'Centre Management' and 'Real Estate Management' are responsible for the areas of shopping and F&B, advertising, parking and the rental of office and cargo space.

These areas are supported by the Information Systems, Finance and Accounting, Secretary General, Audit, Communications, Planning, Construction & Facility Management, Strategy, Controlling & Investment Management, Human Resources and Central Purchasing departments.

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Note: Arithmetic differences can occur when adding rounded amounts and percentages due to the use of computer-aided tools. The same applies to other information such as headcount, traffic data, etc.

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## The business environment

The development of the economy and exchange rates, political crises and other events that lead to the cancellation of flights and routes in addition to less frequent flights have a major influence on aviation performance. As an international hub in Central Europe, the economic development of Vienna Airport is primarily influenced by economic trends in the euro area and – given its geographical location – those in the Central and Eastern Europe (CEE) region in particular. The same applies to the airports of Malta and Košice, which are also significantly influenced by the general economic development in their region. Another key factor for FWAG is the economic and political situation in the Far East, the Middle East and Russia.

The economic upward trend continued in 2018. According to current estimates, the global economy, as measured by global GDP, expanded by 3.7% (2017: 3.8%). The global economy is forecast to grow by 3.5% again in 2019 – an initial indication that the current economic upturn has already passed its peak (Sources: International Monetary Fund - World Economic Outlook, January 2019; OECD - Economic Outlook, November 2018).

Growth in industrialised nations is mainly underpinned by the USA, which has been in a continuous expansion phase since 2010. Economic growth of 2.9% is expected here in 2018, driven in particular by an extensive tax reform. However, the peak of the growth phase is likely to have been reached in the USA, too. Interest rate hikes by the US Federal Reserve (Fed), uncertainties in relation to the trade conflict with China and consequently weaker investment activity mean that subdued growth is to be expected in the coming years. (Sources: International Monetary Fund - World Economic Outlook, January 2019; OECD - Economic Outlook, November 2018)

Emerging economies are also displaying a very sound development, with commodity-exporting countries benefiting from a higher price level. (Source: OeNB - Economic Outlook for Austria, December 2018).

In the second half of 2018, growth momentum in the euro area suffered a setback as a result of fears over Brexit, punitive tariffs imposed in the trade conflict with the USA, and the unstable situation in Italy. Economic growth of 1.9% is anticipated in 2018 (2017: 2.5%). This stable but slightly lower growth trajectory will continue until 2020 (1.5% - 1.7% annual growth). Unemployment in the euro area is also developing positively. At 8.4%, it is at its lowest level since 2009 and is expected to decrease further to 7.5% by 2020.

Currently the Austrian economy is in a phase of extraordinarily strong growth. Economic growth in 2018 came to 2.7% in real terms. However, the current economic upturn seems to have passed its peak, with growth of 2.0% anticipated for 2019. The current growth phase is also influencing the situation on the labour market. The forecast unemployment rate fell from 5.5% in the previous year to 4.9% in 2018 and will decrease further to 4.5% by 2021. The inflation rate remained unchanged year-on-year at 2.1% (sources: OeNB - Economic Outlook for Austria, December 2018; WIFO - Economic Outlook, December 2018).

## Tourism in Austria

Tourism in Vienna had another record year in 2018 with growth of 3.8% to around 16.1 million overnight stays. Foreign guests accounted for 81.5% of overnight stays. The strongest growth by region was achieved by travellers from China (+15.8%), Southeast Asia (+21.8%) and Taiwan (+27.7%). Overnight stays by Austrian guests were also up by 4.7% (source: Statistik Austria).

## Travel in Austria

In the first three quarters of 2018, the number of holidays and business trips among the Austrian population was again higher than in the previous year. A total of around 16.6 million holidays were taken during this period (2017: 15.8 million). Business trips also increased from 2.5 million to 2.6 million in the same period. Growth was particularly strong for holidays in the second and third quarters (source: Statistik Austria, Vacation and Business Travel by the Austrian Population).

## Traffic at Vienna Airport 2018

### › New passenger record (up 10.8 %) due to significant growth at Austrian Airlines and low-cost carriers

Traffic indicators	2018	Change in %	2017	2016
MTOW (in mill. tonnes)	9.6	+8.4	8.8	8.7
Passengers (in million)	27.0	+10.8	24.4	23.4
Thereof local passengers (in million)	20.3	+13.6	17.8	17.1
Thereof transfer passengers (in million)	6.7	+3.7	6.4	6.2
Flight movements	241,004	+7.3	224,568	226,395
Cargo (air cargo and trucking; in tonnes)	295,427	+2.6	287,962	282,726
Seat load factor in %	76.0	n.a.	74.8	73.4
Number of destinations	205	+5.1	195	186
Number of airlines	74	+0.0	74	74

In 2018, the passenger volume at Vienna Airport rose by 10.8% to a total of 27,037,292 travellers, representing a new record. Key factors for the positive trend particularly included more frequent flights with Austrian Airlines and the new stationing of the airlines Laudamotion, Level and Wizz Air in Vienna. The number of local passengers at Vienna Airport totalled 20,263,501, representing an increase of 13.6%. Vienna Airport's hub function is underscored by a 3.7% increase to 6,679,300 transfer passengers. >

The number of aircraft movements rose significantly by 7.3% in 2018 to 241,004 take-offs and landings (2017: 224,568). The maximum take-off weight (MTOW) increased by 8.4% to 9,573,254 tonnes (2017: 8,834,035 tonnes). The average seat load factor (scheduled and charter) increased by 1.3 percentage points to 76.0%.

74 airlines regularly flew to Vienna Airport in 2018, serving 205 destinations in 71 countries. New additions included the long-haul destinations Tokyo, Cape Town and Shenzhen.

### › Comparison of traffic at European airports in 2018 (extract)

	Passengers in thousands	Change vs. 2017 in%	Aircraft movements <sup>1</sup>	Change vs. 2017 in%
London <sup>2</sup>	159,007.6	+3.3%	1,017,417	-3.3%
Paris <sup>3</sup>	105,343.7	+3.8%	709,979	+0.8%
Istanbul <sup>4</sup>	102,251.6	+8.4%	672,974	+2.8%
Amsterdam	71,053.1	+3.7%	499,449	+0.5%
Frankfurt	69,510.3	+7.8%	500,886	+7.8%
Madrid	57,861.4	+8.4%	394,373	+6.2%
Rome <sup>5</sup>	48,803.5	+4.2%	339,982	+3.0%
Milan <sup>6</sup>	46,840.3	+6.5%	370,451	+4.6%
Munich	46,253.5	+3.8%	392,238	+2.2%
Zurich	31,068.3	+5.8%	260,457	+3.1%
Vienna	27,037.2	+10.8%	239,275	+7.4%
Prague	16,797.0	+9.0%	139,788	+5.4%
Budapest	14,854.6	+13.5%	107,208	+12.1%

1) Aircraft movements according to ACI: Movements not including general aviation and other aircraft movements

2) London Heathrow, Gatwick, Stansted, London City

3) Paris Charles de Gaulle, Paris Orly

4) Istanbul Atatürk, Istanbul Sabiha Gökçen

5) Rome Fiumicino, Rome Ciampino

6) Milan Malpensa, Milan Linate, Bergamo

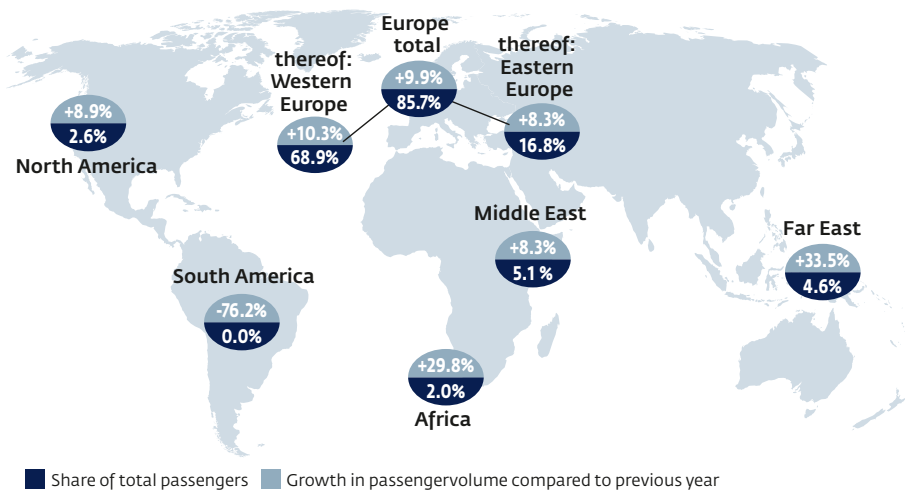
Source: ACI Europe Traffic Report, December 2018

The development of the relevant European airports is monitored on an ongoing basis using defined key performance indicators. For example, it can be seen that Vienna Airport was the second most punctual hub in the Lufthansa Group in 2018.

## › Development of passenger numbers at Vienna Airport

### › Departing passengers in 2018 (scheduled and charter) by region

Region	2018	2017	Change in %	Share 2018 in %	Share 2017 in %	Change Share in percentage points
Western Europe	9,293,609	8,422,206	+10.3	68.9	69.3	-0.4
Eastern Europe	2,261,764	2,087,591	+8.3	16.8	17.2	-0.4
Far East	618,561	463,307	+33.5	4.6	3.8	+0.8
Middle East	685,705	633,335	+8.3	5.1	5.2	-0.1
North America	352,427	323,673	+8.9	2.6	2.7	-0.1
Africa	272,454	209,833	+29.8	2.0	1.7	+0.3
Latin America	2,790	11,731	-76.2	0.0	0.1	-0.1
	<b>13,487,310</b>	<b>12,151,676</b>	<b>+11.0</b>	<b>100.0</b>	<b>100.0</b>	



Departing passengers, development 2018 versus 2017 and Share of total passengers

The Western Europe region – especially Spain and Italy – benefited from increased capacity at Austrian Airlines and various new routes offered by Laudamotion, easyJet, Wizz Air and Level. As a result, the traffic volume increased by 10.3% to 9,293,609 departing passengers. However, the share of the passenger volume attributable to the Western Europe region fell slightly to 68.9% (2017: 69.3%).

The number of passengers departing for Eastern European destinations rose by 8.3% to 2,261,764 in 2018, chiefly driven by new routes with Wizz Air and more frequent flights with Austrian Airlines. The share of travellers to this region decreased slightly by 0.4 percentage points to 16.8%.

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The Far East significantly expanded its share of the passenger volume to 4.6% (2017: 3.8%). This was attributable to increased capacity for Bangkok and Taipei and the return of Tokyo as a destination for Austrian Airlines. As a result, the number of departing passengers rose by 33.5% to 618,561. There were 8.3% more travellers bound for destinations in the Middle East at a total of 685,705, with new routes with Wizz Air and increased capacity at Austrian Airlines for flights to Tel Aviv having a positive impact. The share of the passenger volume attributable to this region came to 5.1% (2017: 5.2%). The number of passengers departing to North America climbed by 8.9% to 352,427, corresponding to a market share of 2.6% (2017: 2.7%). More frequent flights to Addis Abeba with Ethiopian Airlines resulted in an increase of 29.8% to 272,454 passengers departing to African destinations. Their share of the passenger volume rose by 0.3 percentage points to 2.0%. Due to the discontinuation of flights to Havana, Punta Cana and Varadero, Latin America was the only region to record a decline in its passenger volume.

› Top five destinations in 2018 (departing passengers)

Destinations	2018	Change in %	2017	2016
1. London	682,545	+13.4	602,134	604,168
2. Frankfurt	601,045	+0.5	597,923	591,631
3. Berlin	530,712	+22.6	432,824	400,230
4. Zurich	490,587	-1.3	496,935	492,252
5. Paris	443,001	+9.7	403,675	407,057

› Development in passenger volume in Central and Eastern Europe in 2018 (departing passengers)

Destinations	2018	Change in %	2017	2016
1. Moscow	290,602	+3.4	280,974	208,622
2. Bucharest	228,746	+11.8	204,539	199,145
3. Sofia	155,655	-1.8	158,436	157,415
4. Kiev	132,968	+22.1	108,907	108,405
5. Warsaw	129,366	+18.9	108,781	102,067
6. Belgrade	98,344	+2.1	96,366	90,307
7. Prague	82,304	+5.8	77,783	70,721
8. Zagreb	81,581	+2.2	79,787	77,761
9. Tirana	81,565	-1.3	82,622	75,802
10. Sarajevo	69,580	+9.0	63,850	59,274
Other	911,053	+10.4	825,546	759,040
<b>Departing passengers</b>	<b>2,261,764</b>	<b>+8.3</b>	<b>2,087,591</b>	<b>1,908,559</b>



› Development of passenger volume  
on long-haul routes in 2018 (departing passengers)

Destinations	2018	Change in %	2017	2016
1. Bangkok	177,205	+43.3	123,689	110,959
2. Taipei	131,829	+67.4	78,763	63,939
3. Beijing	67,760	-6.7	72,611	58,158
4. Shanghai	66,968	+15.1	58,165	45,373
5. Chicago	65,448	+23.4	53,039	68,065
6. Newark	57,785	+13.7	50,810	52,782
7. Washington	54,168	+4.5	51,844	53,192
8. Toronto	51,428	+10.3	46,610	55,197
9. New York	47,942	+6.6	44,972	54,978
10. Los Angeles	46,655	+19.6	39,011	0
Other	267,633	+24.6	214,845	232,389
<b>Departing passengers</b>	<b>1,034,821</b>	<b>+24.0</b>	<b>834,359</b>	<b>795,032</b>

› Development of passenger volume  
to Middle East in 2018 (departing passengers)

Destinations	2018	Change in %	2017	2016
1. Dubai	227,034	-1.4	230,229	212,457
2. Tel Aviv	206,581	+19.6	172,738	166,011
3. Doha	101,262	+13.7	89,062	84,961
4. Tehran	59,879	+0.4	59,669	54,689
5. Amman	45,105	+12.5	40,100	36,106
Other	45,844	+10.4	41,537	65,073
<b>Departing passengers</b>	<b>685,705</b>	<b>+8.3</b>	<b>633,335</b>	<b>619,297</b>

### › Passenger volume by airline in 2018

Airline	2018	Change in %	2017	Share in % in 2018	Share in % in 2017
Austrian Airlines	12,850,423	+8.9	11,801,152	47.5	48.4
Eurowings/Germanwings	2,484,008	+10.0	2,258,414	9.2	9.3
easyJet <sup>1</sup>	1,332,009	+64.4	810,370	4.9	3.3
Lufthansa	919,347	+1.6	905,232	3.4	3.7
Laudamotion	593,211	n.a.	0	2.2	0.0
Turkish Airlines	545,790	+9.1	500,238	2.0	2.1
British Airways	482,381	+4.0	463,743	1.8	1.9
SWISS	469,377	+1.5	462,297	1.7	1.9
Emirates	447,387	-3.3	462,539	1.7	1.9
Wizz Air	444,578	n.a.	205	1.6	0.0
Other	6,468,781	-3.9	6,728,615	23.9	27.6
Thereof Lufthansa Group <sup>2</sup>	16,931,593	+8.3	15,631,457	62.6	64.1
Thereof low-cost carriers (LCC)	6,404,765	+58.5	4,041,960	23.7	16.6
<b>Total passengers</b>	<b>27,037,292</b>	<b>+10.8</b>	<b>24,392,805</b>	<b>100.0</b>	<b>100.0</b>

1) Including easyJet Switzerland

2) Lufthansa Group (100% subsidiaries): Austrian Airlines, Lufthansa, Germanwings, Eurowings, SWISS, Brussels Airlines

### › Development of key airlines at Vienna Airport

Vienna Airport's biggest customer – Austrian Airlines – enjoyed an excellent performance thanks to expanded services and higher capacity utilisation, achieving an 8.9% increase in passenger numbers. However, its share of total passenger volume decreased to 47.5% (2017: 48.4%).

Eurowings (including Germanwings) posted a 10.0% increase in passengers as a result of various new routes and more frequent flights on existing routes, and kept its share of the total passenger volume stable at 9.2% (2017: 9.3%).

easyJet moved up to third place with a market share of 4.9% (2017: 3.3%). Primarily due to the addition of Berlin Tegel, it generated a substantial increase in passengers of 64.4%. The low-cost carriers newly stationed at the site also performed well. Laudamotion flew 593,211 passengers in total, while Wizz Air and Level reported 444,578 and 351,982 passengers respectively.

### › Growth in cargo volume (+2.6 %)

In 2018, the cargo sector continued to hold its ground very well against the second cargo handling provider (Swissport) with a market share of 95.5%. Flughafen Wien AG handled 282,168 tonnes of cargo in the reporting year, an increase of +3.3% compared to 2017. The positive development is chiefly due to strong imports (up 7.3%), while export and trucking volumes remained stable year-on-year. Total cargo turnover at Vienna Airport in 2018 (including the second cargo handling provider) amounted to 295,427 tonnes. This corresponds to growth of +2.6%. Compared to the previous year, air cargo handled climbed by +4.4% to 215,921 tonnes. The trucking volume decreased by 1.9% to 79,506 tonnes.

## Fee and incentive policy at Vienna Airport

Fees are regulated by the Austrian Airport Charges Act, which has been in effect since 1 July 2012.

Vienna Airport has a fee system that is highly attractive by international comparison. As at 1 January 2018, fees were adjusted on the basis of a price cap formula that was agreed between airlines and the Austrian civil aviation authority (Austrian Ministry for Transport, Innovation and Technology (bmvit)) and is embedded in the Austrian Airport Charges Act.

After appropriate consultation with the airlines, Flughafen Wien AG applied for the following fee adjustments from 1 January 2018, which were approved by the Austrian civil aviation authority:

- › Landing fee, infrastructure fee airside, parking fee: +0.54%
- › Passenger fee, infrastructure fee landside, security fee: +0.69%
- › Fuelling infrastructure fee: -0.13%

The PRM (passengers with reduced mobility) fee was increased to € 0.46 per departing passenger.

Including the increase in line with the price cap formula and a surcharge of € 0.51 as a result of new EU regulations regarding explosives detection, the security fee was € 8.40 per departing passenger in 2018.

The transfer incentive, which is intended to boost Vienna Airport's role as a transfer airport, was € 12.50 per departing transfer passenger in 2018. In addition, the volume incentive was used to encourage sustainable passenger volumes of airlines with a base in Vienna. If certain conditions are met, a start-up for the development of additional passenger growth is also granted in the form of the new success-based incentive.

In 2018, Flughafen Wien AG also continued its growth incentive programme – comprising destination and frequency incentives in addition to a high-frequency incentive – which promotes the role of Vienna Airport as a bridgehead between east and west in the long term.

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The aim of the fee adjustments implemented on 1 January 2018 and the continuation/expansion of the successful incentive programme was to consolidate the competitiveness of Vienna Airport's fee structures and to stimulate strategically important inter-continental routes and traffic to destinations in Eastern and Central Europe.

## Revenue in 2018

Flughafen Wien AG's revenue rose by 4.7% from € 675.5 million in 2017 to € 707.3 million. The positive effect of passenger growth is offset by adjustments to incentives, which are intended to strengthen airline bases at the Vienna site, as a result of which the airport's revenue does not rise to the same extent as the number of passengers. Rental and concession revenue, parking revenue and airport lounge revenue also developed positively.

In the reporting year, airport revenue rose by 6.2% or € 21.7 million to € 370.3 million. Revenue from landing fees also increased as a result of the increase in aircraft movements and MTOW. Passenger-related fees also increased due to passenger growth. This is countered by higher incentives, with the transfer of marketing expenses into the incentives system also having an effect.

Handling revenue also slightly increased by 0.8% or € 1.1 million in the reporting year to € 148.2 million (2017: € 147.1 million). Despite higher de-icing revenue, revenue from apron handling fell on account of contract changes. In contrast, revenue from cargo handling increased in line with the cargo volume handled and due to additional revenue from document handling. After a difficult year in 2017 (decline due to NIKI and airberlin), revenue from traffic handling climbed again. The average market share of VIE handling (aircraft/movements) in total volume at Vienna Airport declined slightly to 84.0% (2017: 87.0%). Non-aviation revenue including revenue from Group companies increased by 5.0% or € 9.0 million in 2018 to € 188.8 million. The positive development is largely due to rental and concessions revenue in addition to the positive development in airport lounges. Parking revenue also increased significantly in the reporting year.

## Earnings

The development of earnings at Flughafen Wien AG in the 2018 financial year can be summarised as follows:

### › Income statement, summary

Amounts in € million	2018	C. in %	2017
Revenue	707.3	4.7	675.5
Other operating income (including own work capitalised)	6.7	-27.3	9.2
<b>Operating income</b>	<b>714.0</b>	<b>4.3</b>	<b>684.6</b>
Operating expenses, not including depreciation, amortisation and impairment	-474.2	3.7	-457.5
<b>EBITDA</b>	<b>239.7</b>	<b>5.5</b>	<b>227.1</b>
Depreciation, amortisation and impairment	-100.3	-5.6	-106.3
<b>EBIT</b>	<b>139.4</b>	<b>15.4</b>	<b>120.8</b>
Financial result	10.8	n.a.	3.7
<b>EBT</b>	<b>150.2</b>	<b>20.6</b>	<b>124.6</b>
Income taxes	-32.4	24.7	-26.0
<b>Net income for the period</b>	<b>117.9</b>	<b>19.5</b>	<b>98.6</b>

In 2018, Flughafen Wien AG again increased its revenue by 4.7% or € 31.8 million to € 707.3 million. Aviation income grew by 4.6% to € 518.5 million due to the good traffic result. Non-aviation revenue also rose by 5.0% to € 188.8 million.

Other operating income (including own work capitalised) was € 2.5 million lower than the previous year's level at € 6.7 million. Own work capitalised remained nearly constant year-on-year at € 2.3 million (2017: € 2.2 million). Income from disposals and write-ups of fixed assets amounted to € 0.6 million (2017: € 0.8 million). While income from the reversal of provisions was higher than the previous year's € 1.8 million at € 2.9 million, other operating income fell by € 3.3 million to € 0.8 million. A non-recurring effect due to claims for repayment was recognised in the previous year.

Operating income therefore rose by 4.3% or € 29.3 million in the reporting year to € 714.0 million on account of the positive revenue development.

### › Operating expenses up 1.9% to € 574.5 million

Amounts in € million	2018	2017
Consumables, purchased services	69.9	66.5
Personnel expenses	237.9	222.9
Other operating expenses	166.5	168.1
Depreciation, amortisation and impairment	100.3	106.3
<b>Total operating expenses</b>	<b>574.5</b>	<b>563.8</b>

Expenses for consumables and services used rose from € 66.5 million to € 69.9 million in 2018. The cost of materials increased by € 2.2 million to € 13.6 million due to higher consumption of de-icing materials, fuel and materials. Energy expenses also rose by € 1.4 million to € 15.1 million in the reporting year. The cost of purchased services was down slightly on the previous year at € 41.2 million (2017: € 41.4 million).

Personnel expenses rose by 6.7% or € 14.9 million to € 237.9 million (2017: € 222.9 million). Pay rises under collective bargaining agreements, additions to provisions and increased overtime and compensatory rest caused by delays and flight disruptions resulted in an increase in wages by € 1.4 million to € 90.0 million. Salary expenses increased by € 6.9 million to € 82.2 million due among other things to the higher average headcount (salaried employees) and higher additions to provisions, partly as a result of updating actuarial parameters. The total average headcount (wage-earning and salaried employees, in FTE) increased slightly by 0.8% to 3,159 (2017: 3,133).

Expenses for severance compensation rose by € 5.6 million to € 13.7 million (2017: € 8.1 million) due to higher provisioning requirements caused by updating actuarial parameters. For this reason, expenses for pensions likewise increased by € 1.3 million to € 3.9 million (2017: € 2.6 million).

Social security expenses increased by € 0.4 million to € 45.8 million (2017: € 45.3 million) in line with gross remuneration. In contrast, other employee benefit expenses decreased by € 0.6 million to € 2.3 million.

Other operating expenses decreased by € 1.5 million year-on-year to € 166.5 million (2017: € 168.1 million). This is attributable to several effects. While expenses for marketing and market communication declined by € 8.8 million to € 9.3 million due partly to the transfer of these expenses into the incentive system, maintenance expenses rose by € 6.7 million to € 28.4 million in the reporting year. Third-party services from Group companies also grew by € 4.0 million to € 94.1 million, primarily due to purchased maintenance and cleaning services. By contrast, legal, auditing and consulting costs were reduced by € 2.8 million to € 4.6 million. Valuation allowances of € 1.2 million (2017: € 2.7 million) had to be made on receivables in the reporting year.

### › EBITDA up 5.5 % at € 239.7 million

Flughafen Wien AG's earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 5.5 % in the reporting year to € 239.7 million (2017: € 227.1 million).

#### › Depreciation and amortisation of € 100.3 million

Amounts in € million	2018	2017
Depreciation, amortisation and impairment	100.3	104.8
Impairments	0.0	1.5
Capital expenditure (incl. financial assets)	151.3	84.8

Investments in intangible assets amounted to € 2.9 million in 2018 while investments in property, plant and equipment were at € 110.4 million (including reclassifications). Financial assets were up as a result of investment of € 38.0 million, largely due to loans granted to subsidiaries.

Depreciation and amortisation decreased by € 4.5 million to € 100.3 million year-on-year, mainly as a result of lower amortisation in the area of technical equipment and buildings.

In the 2017 financial year, impairment of € 1.5 million was recognised in Vienna Airport's cargo business.

### › EBIT rises by 15.4 % to € 139.4 million (2017: € 120.8 million)

As a result of the lower impact from depreciation and amortisation and the increased operating earnings, EBIT at Flughafen Wien AG increased by 15.4%, or € 18.6 million to € 139.4 million.

### › Positive financial results of € 10.8 million

The financial results increased significantly from € 3.7 million to € 10.8 million in the reporting year. This is largely due to higher income from investments in subsidiaries and other investments of Flughafen Wien AG of € 26.2 million (2017: € 21.6 million).

Net interest result improved by € 1.7 million to minus € 15.8 million due to lower interest expenses resulting from the repayment (less borrowings) of financial liabilities in the reporting year and higher interest income from investment in time deposits.

### › Earnings before taxes up 20.6 % to € 150.2 million

Flughafen Wien AG generated a profit before taxes of € 150.2 million in 2018 (2017: € 124.6 million). Tax expenses amounted to € 32.4 million (2017: € 26.0 million). Net income for the year therefore increased by 19.5% year-on-year to € 117.9 million (2017: € 98.6 million).

# Financial, asset and capital structure

## › Finance sheet structure of Flughafen Wien AG

	2018	2017
<b>Assets</b>		
Fixed assets in %	85.4	88.4
Current assets <sup>1</sup> in %	14.6	11.6
<b>Total assets in T€</b>	<b>1,883,487.6</b>	<b>1,774,632.2</b>
<b>Equity and liabilities</b>		
Equity <sup>2</sup> in %	52.4	52.2
Liabilities in %	47.6	47.8
<b>Total equity and liabilities in T€</b>	<b>1,883,487.6</b>	<b>1,774,632.2</b>

1) Including prepaid expenses and deferred tax assets

2) Including government grants

Total assets of Flughafen Wien AG amounted to € 1,883.5 million as at 31 December 2018, an increase of 6.1% as against 2017 (2017: € 1,774.6 million). The capital-intensive nature of the company's business activities is reflected in the share of fixed assets of 85.4% (2017: 88.4%). Current assets increased in the area of other receivables in particular on account of the investment in time deposits.

The share of equity (including government grants) rose slightly by 0.2 percentage points compared to 2017 to 52.4%, from € 926.7 million to € 987.2 million. The repayment of financial liabilities reduced the share of liabilities slightly to 47.6% (2017: 47.8%).

## › Assets

In the reporting year, fixed assets increased by 2.6% from € 1,568.9 million to € 1,609.0 million. The carrying amount of intangible assets rose by 7.4% to € 8.4 million (2017: € 7.9 million). Additions, including reclassifications of € 2.9 million, were offset by amortisation of € 2.3 million.

Property, plant and equipment was the largest component of assets with a carrying amount of € 1,183.5 million: Additions (including reclassifications) of € 110.4 million were offset by depreciation of € 98.0 million and carrying amount disposals of € 1.0 million.

The carrying amount of land and buildings including buildings on third-party land declined by 4.7% to € 887.5 million. Capital expenditure (additions to fixed assets and the completion of assets formerly under construction) amounted to € 8.6 million, while depreciation was recognised in the amount of € 51.4 million in 2018.

The item "Technical equipment and machinery" also declined to € 152.0 million (2017: € 171.3 million) as a result of the recognition of depreciation of € 29.6 million and additions (including reclassifications from assets under construction) of € 10.3 million.

A total of € 25.2 million was invested in other equipment, operating and office equipment in 2018 (additions to assets and completion of assets formerly under construction). Depreciation in the financial year amounted to € 17.1 million. The carrying amount as at 31 December 2018 was € 64.5 million (2017: € 56.5 million).



Projects under construction, including prepayments, amounted to € 79.6 million as at the end of the reporting period (2017: € 13.3 million), which also include payments in connection with the third runway and the terminal development projects.

The shares in subsidiaries were nearly unchanged in the reporting year at € 267.4 million. Loans to subsidiaries include repayments of € 9.9 million and new loans of € 37.8 million.

Current assets (not including prepaid expenses or deferred taxes) increased by 34.7% to € 246.9 million in 2018 (2017: € 183.3 million). This is essentially due to higher other receivables, which include time deposits of € 156.1 million. Trade receivables increased by 6.9% from € 44.7 million to € 47.8 million as a result of growth in revenue. Receivables from subsidiaries likewise increased by one-third from € 9.0 million to € 11.8 million. In contrast, receivables from companies in which an investment is held halved to € 0.3 million (2017: € 0.6 million).

Inventories increased slightly by 4.8% to € 3.9 million (2017: € 3.7 million), while the purchase of a bond is reflected in the increase in securities from € 12.1 million to € 17.0 million. Cash and cash equivalents (not including time deposits) increased from € 1.3 million to € 3.3 million.

Prepaid expenses rose by € 0.4 million to € 1.5 million on account of higher prepayments. Deferred tax assets amounted to € 26.1 million against € 21.4 million in the previous year and mainly related to deferred taxes for employee-related provisions and fixed assets.

## › Equity and liabilities

Flughafen Wien AG's equity (including government grants) rose by 6.5% to € 987.2 million in the reporting year (2017: € 926.7 million). The net income for the year of € 117.9 million was offset by the dividend of € 57.1 million paid for the 2017 financial year.

Provisions rose by 16.5% to € 262.2 million in the reporting year (2017: € 225.0 million). This was chiefly due to higher other provisions for outstanding discounts/incentives and higher other personnel provisions.

Liabilities to financial institutions fell by 3.5% to € 357.0 million as a result of the repayment of financial liabilities (less borrowings). Trade payables likewise fell by 6.7% to € 31.4 million as at the end of the reporting period (2017: € 33.7 million). Liabilities to subsidiaries increased by 4.3% year-on-year to € 179.2 million (2017: € 171.9 million); these include financing liabilities and other liabilities regarding funds invested for subsidiaries. Liabilities to companies in which an investment is held likewise increased by € 3.7 million to € 10.6 million on account of funds invested for these companies.

Other liabilities included the outstanding payment obligation arising from the service agreement for the mediation process in connection with the environmental fund, which increased the carrying amount of other liabilities from € 19.7 million to € 35.8 million. Deferred income included net reversals of € 0.8 million.

## › Cash flow statement

in T€	2018	2017
<b>Net cash flow from operating activities:</b>		
Net income for the year	117,862.5	98,599.9
+ Depreciation, amortisation and impairment	100,298.9	106,293.2
- Write-ups of financial assets	-88.8	-192.4
- Change in government grants	-186.3	-222.5
+/- Change in employee-related provisions	9,161.9	1,374.7
+/- Change in other non-current provisions	275.8	-121.2
-/+ Gains (-)/losses (+) on disposals of tangible assets and property, plant and equipment	-487.4	-775.3
-/+ Increase/decrease in inventories	-179.2	-53.2
-/+ Increase/decrease in trade receivables	-3,087.5	-5,698.2
-/+ Change in receivables from Group companies	-2,496.9	4,259.8
-/+ Increase/decrease in other receivables and assets, and prepaid expenses	-1,172.1	-443.4
+/- Increase/decrease in trade payables and other provisions, including tax payments	15,333.8	11,656.1
+/- Increase/decrease in liabilities to Group companies	11,096.4	7,310.8
+/- Increase/decrease in other liabilities and deferred income	1,579.0	964.6
	<b>247,910.2</b>	<b>222,953.0</b>
<b>Net cash flow from investing activities:</b>		
- Payments for investments in tangible assets and property, plant and equipment	-93,854.7	-55,186.6
+ Payments from intangible assets and property, plant and equipment	1,297.4	953.4
- Payments for investments in financial assets	-38,026.4	-19,748.6
- Payments for securities	-4,982.7	0.0
+ Payments from short-term investments	40,000.0	20,000.0
- Payments for short-term investments	-90,089.4	-86,000.0
+ Proceeds from disposal of financial assets and current securities	9,888.9	11,269.6
	<b>-175,766.9</b>	<b>-128,712.2</b>
<b>Net cash flow from financing activities:</b>		
- Dividend payments	-57,120.0	-52,500.0
+/- Change in medium- and short-term financial liabilities	-13,017.3	-41,134.7
	<b>-70,137.3</b>	<b>-93,634.7</b>
<b>Change in cash and cash equivalents</b>	<b>2,005.9</b>	<b>606.1</b>
+ Cash and cash equivalents at the beginning of the period	1,268.4	662.3
<b>Cash and cash equivalents at the end of the period</b>	<b>3,274.3</b>	<b>1,268.4</b>

## Capital expenditure

Capital expenditure for intangible assets, property, plant and equipment, and financial assets rose from € 84.8 million to € 151.3 million in 2018. Capital expenditure included € 110.4 million for tangible assets and € 2.9 million for intangible assets. Financial assets include capital expenditure of € 38.0 million, primarily for loans.

The largest additions to property, plant and equipment related to capital expenditure for the third runway of € 55.8 million (of which € 55.4 million for the payment obligation arising from the service agreement for the mediation process in connection with the environmental fund). Furthermore, capital expenditure was recognised for terminal development of € 8.9 million, and € 15.5 million was invested in vehicles (including special vehicles).

## Branches

Flughafen Wien AG had no branches in the 2018 financial year or the previous year.

## Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. In particular, financial assets include financial investments such as consolidated and other investments, securities, trade receivables, loans and other receivables, primary and derivative financial assets and cash and cash equivalents. Financial liabilities usually grant the creditor a claim to receive cash and cash equivalents or other financial assets. In particular, they include liabilities due to financial institutions, trade payables and derivative financial liabilities. Financial assets and financial liabilities are usually reported without netting, except in cases where there is a legally enforceable right to offset the amounts and settlement will take place on a net basis.

Vienna Aircraft Handling Gesellschaft m.b.H. was granted an option that provides for Flughafen Wien AG to acquire the shares in Flugplatz Vöslau BetriebsGmbH at a fixed purchase price of cost plus all grants recognised on the holding (T€ 8,673.4).

# Financial and capital management

Financial management at Flughafen Wien AG uses a system of performance indicators based on carefully selected and coordinated figures. These key performance indicators define the tightrope between growth, profitability and financial security that FWAG walks in the pursuit of its primary goal to generate profitable growth.

The protection of high profitability is a stated long-term goal of management. Depreciation and amortisation have a significant influence on FWAG's earnings figures. In order to permit an independent assessment of the operating strength and performance of the individual business segments, EBITDA (earnings before interest, taxes, depreciation, amortisation and impairment) is defined as the key indicator together with the EBITDA margin, which is the ratio of EBITDA to revenue. The EBITDA margin was 33.9% in the 2018 financial year after 33.6% in the previous year.

The optimisation of the financial structure has top priority. At Group level, this financial security is measured by the gearing ratio, which compares net debt with the carrying amount of equity. The ratio of net debt to EBITDA is also used to manage the financial structure.

Financial liabilities were down in 2018 as against 2017 on account of repayments (less borrowings). Cash and cash equivalents, including time deposits (other receivables, € 156.1 million, 2017: € 106.0 million), climbed by € 52.1 million to € 159.4 million as at the end of the reporting period.

In addition to the EBITDA margin, the return on equity (ROE) is also used to assess the company's profitability. ROE compares net profit for the period with the average reported equity for the financial year.

## › Profitability indicators in € million and %

	2018	2017
EBIT in € million	139.4	120.8
EBITDA in € million	239.7	227.1
EBIT margin in %	19.7	17.9
EBITDA margin in %	33.9	33.6
ROE in %	12.3	10.9

Definition of indicators:

### EBIT margin

EBIT = earnings before interest and taxes

Formula: EBIT/revenue

### EBITDA margin

EBITDA = earnings before interest, taxes, depreciation and amortisation

Formula: (EBIT + depreciation and amortisation)/revenue

**ROE**

Return on equity after tax

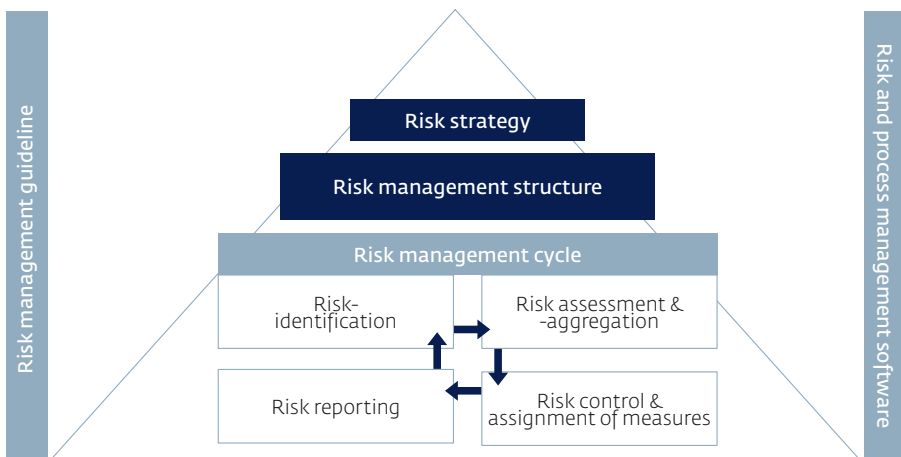
Formula: Net income for the year/average equity  
(including public sector investment grants)

Average equity: (equity in the prior year + equity in the current year)/2

## Risks of future development

### › Risk management system

Flughafen Wien AG (FWAG) uses a risk management system that identifies, analyses, assesses and suitably handles relevant risks to track key risks and opportunities of future business development quickly and comprehensively. This system is shown in the following diagram:



Source: adapted from Denk, Exner-Merkelt, Ruthner (2008): Corporate Risk Management

The principles of the risk management system for the entire Group are uniformly based on the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) enterprise risk management standards. These standards are operationalised and implemented in a separate policy. Given its specific organisational framework, Malta Airport has issued its own risk management policy, which is based on the uniform Group-wide standards referred to above. These guidelines define the risk principles and the formalised structure and process organisation for the performance of risk management tasks and agendas.

In terms of organisational structure, risk management at Flughafen Wien AG is located within strategic controlling. While all risk management activities are coordinated centrally by this function, all employees of FWAG are required to actively participate in risk management in their areas of activity in order to integrate the function into their ongoing business processes. Risk owners and risk officers in the business units and affiliated companies are particularly responsible for this.

The risk management cycle, consisting of risk identification, risk assessment and -aggregation, risk control and assignment of measures, and final reporting, runs efficiently on the basis of these persons and their defined roles. This process is accompanied by comprehensive documentation of Flughafen Wien AG's entire risk management system in the form of process and risk management software that serves as a central database for all identified risks and associated measures.

The internal control system (ICS) also covers aspects of risk management in the sense of ensuring the reliability of operational reporting and compliance with the associated laws and provisions in addition to protecting the assets of the Flughafen Wien Group. In addition, the internal audit department of Flughafen Wien AG regularly evaluates business practices and organisational processes for compliance with Group guidelines, security and efficiency. The Management Board therefore has access to all necessary instruments and structures to identify risks early on and to implement appropriate countermeasures to avert or minimise these risks. The existing systems are evaluated on a regular basis and extended as required.

Risk management is complemented by Group-wide opportunity management, used to identify new earnings potential in all areas of the company at an early stage and to develop them to market readiness. For further information, refer to the following text section.

The key developments in the four main risk classes of the Flughafen Wien Group are described below.

### › Economic, political and legal risks

The development of business at the Flughafen Wien Group is significantly influenced by global, European and regional aviation trends, which in turn are heavily dependent on general economic conditions. Economic fluctuations or a sustained slowdown in economic growth can therefore have a decisive influence on the business performance of the company.

The macroeconomic environment in Europe is characterised by growth at a high level. GDP grew by 2.5% in the euro zone in 2017. For 2018, growth is expected to be 1.9% and for 2019 it is expected to be 1.8% (source: OECD, November 2018).

In Austria, growth for 2018 has been forecast at 2.7%, which is well above average for the euro zone (source: WIFO, 20 December 2018; OeNB, December 2018). Over the mid-term, strong growth looks set to continue. However, according to the forecast this growth will begin to slow in 2019. Growth rates between 1.5% and 2.0% are expected until 2023 (source: WIFO, October/December 2018).

Uncertainties in the geopolitical field persist in the shape of the political tension between the European Union and Russia. The European Union sanctions on the Russian Federation are having a negative effect on traffic volume from and to Russia, but the low point has likely passed. In 2018, passenger volume for travel between Austria and Russia increased further.

In the opinion of economic experts, the pending departure of the UK from the European Union will have only a minor impact on the Austrian economy, and thus on the volume of traffic at Vienna Airport, on account of the relatively low intensity of economic ties between Austria and the UK.

The ongoing negotiations are relevant for Malta Airport. The UK accounts for around 24.6% (2018) of the total passenger volume. This could result in short-term negative effects on the traffic volume.

The IMF has forecast the negative Brexit impact on Austria to be no more than 0.5% given the below-average economic ties with the UK, even in the event of a "hard Brexit" (sources: IHS, February 2017; IMF, July 2018). Thus the impact on traffic volume at Vienna Airport is to be classified as low.

Selectively the possible depreciation of pound sterling and the resulting reduction in purchasing power of British passengers could have a negative effect on revenue in the area of shopping and food & beverages services.

After the House of Commons rejected the exit agreement negotiated between the governments of the UK and EU on 15 January 2019, the outcome of Brexit remains uncertain. If there is in fact a hard Brexit without a contractual agreement on the terms, this may cast doubt on countries' rights and/or recognition of legal aviation standards and regulations between the EU and UK. In some cases, this could result in short-term negative effects on traffic volume between Austria and destinations in the UK. However, all in all the extent of this risk is limited. In 2018, the UK accounted for 6% of passenger volume (in terms of departing passengers) at Vienna Airport.

Political tension and terrorist threats in individual countries and regions have a negative impact on bookings in the respective tourist destinations. In the past, however, it has been observed that such declines were of a short-term nature or were compensated by other destinations. Negative effects on the volume of traffic at Vienna Airport would only arise if these substitution effects are only partial or alternative destinations are served by private transport. Furthermore, negative sales effects are possible in duty free if passengers from non-EU destinations avoid destinations within the internal market.

It remains to be seen how the gradual re-introduction of US sanctions against Iran will affect traffic. However, no negative effects were seen in 2018.

The EU Commission and EU legislators are still working on the details of the Aviation Package presented in December 2015. In particular, the revisions to the EASA (European Union Aviation Safety Agency) basic regulation have already been completed. EASA will have more authority, some of which is new.

The evaluation of the fee directive is scheduled for completion by the end of 2019. The mandatory application of a uniform, single-till rule for calculating airport fees for all EU airports with 5 million passengers or more is under discussion. If this rule took effect, it would significantly reduce the earnings of airport operations.

For the evaluation of the ground handling services regulation (BVD), a roadmap was published in February 2019 that provides for evaluation by 2021. It is not yet known whether another effort will be made to further deregulate the ground handling services market.

To date, there has been little progress in counteracting capacity bottlenecks in the Single European Sky. Capacity bottlenecks cause significant delays that in turn cause airlines and airports to incur high costs.

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Aviation has also been included in the European Union Emission Trading System (EU ETS) since 2012. The ICAO (International Civil Aviation Organization) has now agreed on a procedure for reducing or offsetting climate-damaging emissions from aviation. The costs of the ETS certificates are likely to rise significantly in the years ahead, because in Phase 4 of European emissions trading (starting in 2021) a further reduction in ETS certificates is expected.

Furthermore, changes in regulatory requirements or relevant legal principles can influence the company's results. These political and regulatory risks are monitored and assessed on an ongoing basis. FWAG does not anticipate any changes to the current regulations on permissible flight operating times or current night flight rules. Flughafen Wien AG has placed cooperation with the surrounding communities and their authorities on a broad and very stable basis in the form of the dialogue forum. The focus is on a transparent information policy and a comprehensive integration of cities and communities affected by noise emissions from aviation.

Non-compliance with legal requirements can give rise to liability on the part of management or the Management Board. Compliance with the relevant regulations is therefore ensured by internal guidelines, such as the Issuer Compliance Guideline and the Market Abuse Regulation (MAR). To prevent the misuse or distribution of insider information, permanent areas of non-disclosure have been established by Flughafen Wien AG, which are supplemented by temporary areas of non-disclosure as needed. A variety of organisational measures and control mechanisms has also been implemented to monitor these processes on a regular basis. As the contents of the Issuer Compliance Guideline have now been conclusively regulated in the MAR and its supplementary acts with its objective of achieving complete harmonisation, for reasons of conformity to European legislation the Issuer Compliance Guideline was repealed on 3 January 2018.

On 19 December 2018, the Austrian Constitutional Court announced its decision on the Court of Auditors' audit authority for Flughafen Wien AG. As at 1 June 2017, there is no factual or other control of the airport by public authorities – and therefore the Court of Auditors is not entitled to perform audits.

The lawsuit filed by former lessee Rakesh Sardana against FWAG in New York for \$ 168 million (currently some € 147 million) due to alleged discrimination was denied in May 2018 by the court in New York and no further legal recourse has been sought. The matter is thus closed.



## › Market and competitive risks

From a global standpoint, industry association IATA (International Air Transportation Association) maintains its positive outlook for the aviation industry, forecasting global passenger growth of 5.6% in 2019 (2018: 6.1%), measured in terms of departing passengers, and significant freight growth of 3.7% (2018: 4.1%), measured in terms of freight and mail tonne kilometres (Source: IATA Economic Performance of Airline Industry 12/2018).

2018 was a successful year overall for the aviation industry. Customers are benefiting from lower costs and more offers. Solid economic growth is keeping demand above capacity growth (Source: IATA 12/2018). For European airlines, IATA is forecasting a total profit of US\$ 7.4 billion after taxes for 2019 (2018: US\$ 7.5 billion).

Despite this positive trend, the market and competitive situation in European aviation remains very competitive, not least due to the very aggressive price and growth policy of airlines operating in the low-cost carrier (LCC) market segment. It is therefore assumed that the consolidation of the industry observed last year will continue in the coming years. On a regional basis the market consolidation can lead to a concentration of market share which can result in strong market power of individual airlines or airline groups.

It is expected that in the coming years, growth in traffic within Europe will be driven predominantly by low-cost carriers and the secondary brands of the traditional network carriers. This is a major challenge for the traditional network carriers in particular. For airports, this development means that competition for low-cost traffic will become more intense on the one hand and, on the other, the pressure from network carriers on their respective hub airports to keep rates and input costs as low as possible will continue to rise. Both aspects are likely to negatively impact the income that airports can achieve per passenger, and will also demand intensive efforts to increase cost efficiency and productivity.

Austrian Airlines is FWAG's biggest customer and accounts for 47.5% in 2018 (2017: 48.4%) of total passenger traffic at the Vienna site. Austrian Airlines' strategic focus and its long-term development as a strong network carrier have a significant influence on the commercial success of FWAG, and are therefore under constant observation and analysis by the business areas responsible. In the past year, Austrian Airlines increased the number of passengers transported by 8.5% (or 8.9% in Vienna) and expanded its offering (measured as the number of seat kilometres available) by 9.7% (2017: +6.6%).

In 2018, the long-haul flight capacity of Austrian Airlines was increased with the introduction of a Boeing 777, which contributed significantly to passenger growth in long-distance travel. In addition, a major overhaul of the route network was completed to eliminate non-profitable flights and, as a result, the frequency of flights to North America and China has been increased.

In January 2019, Austrian Airlines announced a new strategy for the enhancement and reinforcement of its Vienna hub. Its plans include moving four Bombardier DH8-Q400s to Vienna (these are currently in use by affiliate SWISS), a capex package of € 200 million for expansion of the Airbus fleet, and network consolidation by closing down crew bases in the federal states. Flughafen Wien AG considers this package essential for the continuation of its growth-oriented network strategy, with a focus on east-west traffic. A change in this would adversely affect the position of Vienna Airport as a major European aviation hub and lead to declines in transfer volumes.

However, some uncertainty still remains regarding the renewal of the long-haul fleet. In early 2018, Lufthansa AG announced that it had still made no decision on replacing its six Boeing 767s.

The specific impact of the insolvency of the airberlin Group and purchase of the aircraft from NIKI's bankruptcy by Laudamotion on Vienna Airport remained low in 2018, as losses were more than offset by growth achieved by other airlines. Above all, Austrian Airlines, easyJet, the Wings Group and Wizz Air reported a rise in passenger volume.

In the immediate catchment area of Vienna Airport, the activities at Bratislava Airport continue to be regarded as particularly relevant and remain under close observation.

Overall FWAG counteracts market risk with marketing measures and competitive fee and incentive models that apply equally to all airlines. In particular, the company's goal is to share the airlines' market risk and thereby promote strategically important intercontinental routes and traffic to destinations in Central and Eastern Europe.

The airport investments in Malta (fully consolidated) and Košice (recorded at equity) are not only exposed to the above industry risks, but also to additional local challenges and market risks. Overall, the development of traffic volumes at the two airports was highly positive in the past year.

Malta is currently very popular as a holiday destination and is increasingly becoming a year-round tourist destination. Passenger growth in 2018 was 13.2%, an outstanding result after a record 2017.

However, the further economic performance of home carrier Air Malta remains uncertain. It had a market share of around 29.9% in 2018 (of total passenger traffic at Malta Airport). The loss of the airline would have negative repercussions on passenger traffic and thus the results of Malta Airport in the short term. In the medium and long term, however, it is expected that new airlines or those already represented at the site would increase their capacity and serve the existing demand.

The current Brexit negotiations are also relevant for Malta Airport. Because the UK accounts for the largest market with some 24.6% (2018) of total passenger volume and, as mentioned above, there is still uncertainty in respect to Brexit, there may be short-term negative effects on traffic volume as well.

Passenger volume at Košice Airport increased by 9.1% year-on-year, despite the decision by Wizz Air to close its base at Košice Airport and operate just one route instead of the previous four. Passenger volume growth was good in general at Košice Airport, highlighted by the new routes to Düsseldorf and Munich (both by Eurowings) that began in October 2018, among other things. However, as airlines are making cost improvements and restructuring plans, there is a risk that flights to and from regional airports may be cut or reduced. This risk became reality at Košice Airport in January 2019 when Czech Airlines (CSA) discontinued its flights to Bratislava.

In handling services, Flughafen Wien AG was able to successfully protect its leading market position in ramp, traffic and cargo handling in the reporting year. The foundation for this strong standing in competition with other service providers is formed by specially designed service packages and high quality standards. The risk of losing market share is buffered by the existence and prioritization of renewals for long-term service agreements with the most important key accounts (Austrian Airlines, Eurowings and Lufthansa).

The impact of the market consolidation resulting from the insolvency of airberlin and NIKI airlines had, as mentioned above, very little impact on the Handling Services seg-

ment. Aircraft movements in 2018 were nearly compensated in full by Austrian Airlines, Eurowings and Laudamotion in terms of handling as well.

However, the increasing market power of the airlines continues to increase the price pressure on upstream service providers and handling services in particular. In light of these challenges, in 2018 a multitude of measures were launched to increase efficiency in workflows along the entire value chain, which are being introduced gradually in 2019.

The trend towards using larger aircraft, as seen in recent years, is set to continue. For example, Austrian Airlines has announced that it will decommission its existing fleet of Dash 8-400s by 2021 and replace them with larger Airbus A320s. Thus, FWAG assumes that growth in movements will be lower than passenger growth in years to come. This reduces future growth potential for ramp handling. However, the use of larger aircraft will also mean higher average proceeds per aircraft handled, so the reduced momentum in volume growth can be compensated for in part by the prices.

Due to heavier pressure from the competition, the market share of ramp handling decreased slightly in 2018. This is due to the fact that some new carriers at Vienna Airport, who have strong volume growth, did not become handling customers of Flughafen Wien AG. In all, volume growth for ramp handling by Flughafen Wien AG grew by 3.6% in terms of movements in 2018, which is positive.

In the cargo business, the dominant market position of a few airlines (e.g. Lufthansa Cargo) and forwarding agents represents a certain risk. FWAG is working to further diversify its portfolio and thereby reduce this risk by continuously monitoring the airlines and acquiring new customers. The cargo business is also highly sensitive to economic fluctuations.

In the Retail & Properties segment, FWAG rents out buildings and space that are used primarily by companies whose business development is dependent on that of air traffic (retailers, airlines, etc.). Therefore this business is subject not only to the general risks of the real estate market, but also to the risks of changes in passenger volumes and changes in passengers' buying power, such as in connection with the devaluation of the relevant domestic currency against the euro (currency risks). Due to revenue-based contractual components, this is linked to effects on FWAG's revenue situation in the retail and property sectors.

## › Finance and investment risks

The FWAG treasury department is responsible for the efficient management of interest rate and market risks and evaluates the respective risk positions on a regular basis as part of risk controlling. Interest rate risk results in particular from floating interest rates on financial liabilities and assets. The gradual reduction of floating rate financial liabilities has already significantly reduced the potential impact of interest rate changes on FWAG.

The EIB (European Investment Bank) credit agreement in place defines terms for the liability of qualified guarantors. Following the conclusion of a new guarantee agreement, three banks are liable to the EIB as guarantors for the remainder of the loan at this time, currently € 325 million. The interest rate is fixed for the remaining term.

Detailed information on financial risks – including liquidity risk, credit risk, interest rate risk and foreign exchange risk – and the financial instruments used to counter these risks can be found in note (37) to the consolidated financial statements. >

The general and specific market risks already referred to above, in addition to country-specific political and regulatory risks in Malta and Slovakia, can adversely affect the medium-term planning of the investments in Malta and Košice airports and lead to impairment on assets, goodwill and the carrying amounts of investments.

FWAG's capex projects are exposed to various risks – including the loss of suppliers, higher construction costs, or changes in planning – that could increase the intended expenditures. Therefore, in the pre-project phase, a full risk assessment is already performed for the relevant capex project. Subsequent risk monitoring is handled by a standardized analytical and evaluation process with project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations. The provisions to be complied with regarding project organisation, audits and approvals within the framework of the handling of construction projects are defined by FWAG in a separate construction manual (BHB) as a mandatory corporate instruction (directive).

All capex projects take account of the forecast traffic volume. The increase in passenger numbers projected by experts over the medium and long term forms the basis for the timely and needs-driven provision of new capacity and the calculation of returns on specific projects. This significantly reduces the investment risk of new projects (e.g. due to low utilisation).

The construction of the "Parallel runway 11R/29L" (third runway) is a key project for FWAG's long-term development and growth potential. After the positive first instance ruling regarding the "Parallel runway 11R/29L" (third runway) project, a second instance hearing at the Austrian Federal Administrative Court was held at the beginning of January 2015.

On 9 February 2017, a ruling from the Federal Administrative Court overturning the project was served. Flughafen Wien AG appealed against this decision (of 2 February) 2017 to the Austrian Constitutional Court. The Constitutional Court allowed this appeal on 29 June 2017 and revoked the decision by the Federal Administrative Court.

The Federal Administrative Court then had to revise its decision and on 28 March 2018 approved construction of the third runway under additional conditions. These conditions are currently under review and the project is continuing as a top priority, given that Vienna Airport will reach its capacity limits in the existing two-runway system after 2025 based on foreseeable passenger development.

Further project delays could be caused by complaints from opponents to approval of the third runway, filed with the Supreme Administrative Court. The decision on the next steps and treatment of these legal proceeding now lies with the highest court.

All assets were measured based on the assumption that Vienna Airport will maintain its position as an east-west hub.

## › Operating risks

Besides the factors described above, the development of traffic at Vienna Airport is also significantly influenced by national and external factors such as terrorism, war, or other latent risks (e.g. pandemics, closing of air space due to natural disasters, strikes, etc.). Local damage risks, such as fire, natural disasters, accidents, or terrorism on site, as well as theft of or damage to property, likewise constitute operating risks. Vienna Airport takes key precautions against such events in the form of appropriate safety and fire protection measures, emergency plans and high safety standards. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specific security measures for customers. These risks are also covered by insurance (aviation liability insurance, terror liability insurance, etc.).

As Vienna Airport plays a critical role as a key infrastructure provider and backbone of international integration in the entire Eastern European region, particularly high demands are made of the availability, the reliability, the quality and the data security of the ICT (information and communication technology) systems used. The inclusion of risk management in planning processes allows for the early identification, analysis and assessment of risks in ICT projects and, if required, the implementation of appropriate measures to reduce risk. The major operating risks in the area of information and communications technology include potential failures of central infrastructure facilities and services, the impairment of basic supply, the destruction of central ICT infrastructure and the potential loss of sensitive data.

State-of-the art monitoring systems and emergency procedures have been implemented for all critical ICT systems – such as Vienna Airport's core system, "mach2", or the ERP (enterprise resource planning) system SAP – which support the early identification, analysis and handling of problems and ensure a high degree of reliability. Given the business requirements, ICT systems are generally implemented redundantly and, if necessary, with high availability, so that a failure of individual components does not endanger the availability of overall systems. To check and secure the failure concepts, regularly emergency tests are implemented. In addition to measures and controls already implemented, these systems are the focus of continuous development to guarantee compliance with the latest technical and legal requirements.

The basic infrastructure (electricity, heating, refrigeration, water and waste water) is exposed to risks in connection with the availability of central systems. Measures have been and are being continuously developed to achieve the greatest possible reliability (e.g. ring circuits).

In this reporting year, there was a focus on increasing failsafe performance. Measures were implemented, particularly in respect to redundancy concepts of ICT systems which were supported by regular examinations on the basis of failure and switchover tests. Generally, however, despite all the measures taken, there remains a certain residual risk with regard to the availability of the infrastructure due to the possible occurrence of force majeure.

Plans for emergency measures, crisis management and operational continuity management have also been enacted at Malta International Airport. These are regularly reviewed and updated to ensure the possibility of a fast and effective response to operational disruptions.

FWAG is aware of the great importance of motivated and committed employees for the attainment of corporate goals. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee ties. Numerous steps have also been implemented to increase occupational safety and to minimise absences due to illness.

### › General risk assessment

A general evaluation of FWAG's risk situation did not identify any risks to the company as a going concern, hence its continued existence is secured going forward. FWAG generates sufficient funds to pursue the airport expansion as planned.

## Opportunities management

In order to establish new customer-oriented products and services and thus access new sources of revenue, FWAG has an opportunities management system. Opportunities Management is a corporate platform with the objective of identifying and assessing new business areas for the company, and if appropriate supporting their implementation.

Opportunities Management is based on the open-innovation approach, which means that innovation processes are opened to the outside in a structured manner. In addition to internal corporate channels, promising ideas are identified in the context of benchmarking against other companies and airports. In the context of cooperation with start-ups, universities and other partners, new concepts are also developed.

Numerous projects were underway in 2018: the establishment of a co-working space and innovation/technology centre in the Airport City, expansion of conference facilities (both part of the Office Park 4 under construction), the use of various technologies relating to location-based services (such as Bluetooth beacons and geofencing) to enable location-based services and asset tracking, construction of a pet hotel, and digital visualisation of FWAG services using 360-degree images.

# Report on the key features of the internal control system for accounting processes

In accordance with section 82 of the Austrian Stock Corporation Act, the Management Board is responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the company's requirements. The following section explains how the Management Board of FWAG satisfies this legal requirement.

For subsidiaries, the respective managers are responsible for developing and implementing an internal control and risk management system for accounting processes that meets the needs of the particular company. These managers also represent the final authority for ensuring compliance with all related Group guidelines and directives.

The structure and design of FWAG's internal control system (ICS) was defined in a policy. The objective of FWAG's internal control system is to ensure the reliability of financial reporting and compliance with all applicable laws and regulations. The ICS in a broader sense also comprises safeguarding assets and ensuring of the completeness of activity recording and invoicing.

The description of the major features of these internal controls is based on the structure of the internationally recognised COSO model (Committee of Sponsoring Organizations of the Treadway Commission). Accordingly, the internal control system comprises the following components: control environment, risk assessment, control activities, information and communication and monitoring. The relevant processes involve the identification and assessment of the financial and accounting risks to which the company is exposed as well as the implementation of appropriate controls. The documentation for the control system is maintained in standard software that also supports the process-related depiction of risks and controls.

## › Control environment

The corporate culture within which management and employees operate has a significant influence on the control environment. FWAG works actively to improve communications and to convey its principal values as a means of anchoring moral standards, ethics and integrity in the company and in interaction with other parties. An important contribution in this area is the voluntary code of conduct implemented by FWAG, which defines the rules for giving and accepting gifts and invitations.

The implementation of the internal control system for accounting processes is regulated by internal guidelines and directives. The related responsibilities were adjusted to meet the needs of the company and thereby create a satisfactory control environment.

## › Risk assessment

Attention is focused on risks that are considered to be material. Materiality is based on a combination of probability of occurrence and potential effects (amount of damage). For the latter, the consolidated and annual financial statements are the key criteria. To deter- >

mine probability of occurrence, starting in 2019 an expanded evaluation model with a number of qualitative aspects will be used on the basis of a weighted scoring model. Account will be taken of such factors as complexity and degree of automation of processes or the presence of specific organizational backup measures. The results of this expanded risk assessment will be used as a basis for planning the effectiveness test by Internal Audit.

From time to time, estimates must be made on future developments when preparing the consolidated and annual financial statements. This poses an imminent risk that the future business development may deviate from these planning assumptions. In particular, the following circumstances or positions in the consolidated financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables, impending losses from pending business and the valuation of investments in other companies and property, plant and equipment (see also section IV. "Judgements and estimate uncertainty" in the notes to the consolidated financial statements). The company draws on external experts or obtains a validation from external sources, peer group comparisons and other suitable instruments in order to minimise the risk of inaccurate estimates.

### › Control activities

Control activities are carried out by management and assigned persons promptly and in support of the accounting processes. Potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the variance-based analysis of results by management and the controlling department to the specific reconciliation of accounts and the analysis of routine accounting processes.

Control activities to guarantee IT security represent an integral part of the internal control system. Access to sensitive functions and data is restricted. SAP (incl. SAP-BPC) enterprise reporting software and PC Konsol are used for accounting and financial reporting purposes. The functionality of the accounting system is among others guaranteed by automated IT controls.

### › Information and communication

The guidelines and directives for financial reporting are updated regularly by management, and communicated to all involved employees via the intranet or internal announcements. Activities at management level are intended to ensure compliance with all accounting guidelines and directives, and to identify and communicate weaknesses and opportunities for the improvement of accounting processes. The accounting staff also attend regular training courses that cover changes in international accounting policies and practices, in order to minimise the risk of errors.

### › Monitoring

Management, the controlling department, the audit department and the Supervisory Board are responsible for continuous monitoring of the internal control systems in FWAG. In addition, the individual department heads and senior managers are responsible for monitoring activities in their respective areas. Specific persons have been designated as the responsible control authorities.



The checks are reviewed for their effectiveness each year by Internal Audit. The operational effectiveness (performance of checks as defined) and the design effectiveness (accuracy or suitability of the checks) is reviewed and evaluated. During the annual ICS review with all organizational units and subsidiaries of the Flughafen Wien Group, the results of this effectiveness review are the basis for ongoing system improvements with a view to a continuous improvement process.

The results of monitoring activities are reported to the Audit Committee and the Supervisory Board.

## Research and development

The Information Systems service unit is the central, internal service provider for information and communication technology (ICT). It operates all ICT system deployed in the various corporate units. Optimising the ICT systems and processes takes place on an ongoing basis.

Key topics implemented in 2018 were the following:

### › Loading process planning technology upgrade

The system used for planning the aircraft loading process is a proprietary system and is to be upgraded in order to provide users with new functions and a state-of-the-art user interface. In 2018, the ramp agent module was completed. The loadsheeting agent module is currently being upgraded.

### › CDM (Collaborative Decision Making)

In cooperation with Austro Control, ongoing work is taking place to improve the CDM process (Collaborative Decision Making). Work is being done to achieve "fully implemented" status.

For the development and introduction of new systems, € 1.4 million was recognised in the Information Systems business unit in the 2018 financial year (2017: € 1.1 million). On a yearly average, some eight employees were involved in Research & Development topics (2017: approximately six employees).

A key research project in cooperation with TU Vienna has been designed to increase energy efficiency. The software for Smart Airport City is to be rolled out in 2019.

# Non-financial declaration required by section 243b of the Austrian Commercial Code

Sustainability is not just one of many important issues to the management and employees of Flughafen Wien AG. The careful use of resources, responsibility for the surrounding area and its citizens, for passengers, employees, partners and customers is deeply rooted in the corporate culture of Flughafen Wien AG.

Flughafen Wien AG (FWAG) is unconditionally committed to its ecological, social and economic responsibility. In doing so, it is important to pursue the various goals in a balanced way and to play an active part in the sustainable development of both the company and the region.

Further information on the business model can be found at the beginning of the management report under "Flughafen Wien AG".

Every third year, Vienna Airport publishes a sustainability report that provides comprehensive information to stakeholders such as employees, owners, customers, business partners, local residents and non-governmental organisations about activities, developments and key performance indicators in the areas of business, social matters and the environment. The key indicators and data shown in the sustainability report are updated once a year at [www.viennaairport.com/sustainability\\_report](http://www.viennaairport.com/sustainability_report). The 2017 Sustainability Report reports on the years 2015 to 2017 and the future sustainability goals. It corresponds to the standards of the Global Reporting Initiative (GRI standards) and reached the application level "In Accordance Core" and also includes the industry-specific, additional indicators for airport operators. The report was audited externally by TÜV Süd.

## › Key non-financial performance indicators

In order to define material sustainability aspects of the company, a process was initiated which integrates not only employees but also relevant external stakeholders. This took place in the context of regular stakeholder communication, e.g. the Dialogue Forum established for this purpose or in regular customer surveys. In addition, a survey was implemented including the relevant stakeholders. This resulted in a Materiality Matrix that forms the foundation for non-financial performance indicators of Flughafen Wien AG. This Materiality Matrix is the basis for the Vienna Airport's sustainability report.

The Materiality Matrix covers 24 topics. More detail is given below about the following topics:

- 1) Environmental issues
- 2) Social issues and employee matters
- 3) Respect of human rights
- 4) Combating corruption and bribe

## › Sustainability management

In order to track the “sustainability” target on an ongoing basis and as an important element of corporate activity, Flughafen Wien has defined a sustainability programme from which the targets and measures are derived. These are then examined and further developed on an ongoing basis. The team responsible coordinates and implements the sustainability agendas. The sustainability strategy finds expression in the four corporate values:

- › **Customer orientation:** “Our top priority is to meet the needs of our customers. We see ourselves as service providers. We treat our customers in a friendly and respectful manner, taking account of their individual wishes. Fair dealing and honest communication with our customers and business partners is important for us. Here we leave nothing to chance and set high standards with our compliance system.”
- › **Professionalism:** “Our work is characterised by the highest levels of professionalism and commitment. We are proud that we perform our tasks carefully, reliably and safely, and we integrate new technologies and procedures into our processes to make further improvements. As professionals we manage the various aspects of sustainability and deal with current challenges in a professional manner. We set sustainability targets and report regularly on our progress. Such as with climate protection where we are treading new paths with Airport Carbon Accreditation, or in the matter of security, where our security concept ensures airport operations without danger.”
- › **Efficiency:** “We use our economic and natural resources and energy sparingly, efficiently and responsibly. We consider ourselves to be an economic engine in the region and with a well thought out site development set challenging accents for the “Airport City”. In doing so, intensive dialogue with our stakeholders is a key focus. After all, we want to design a sustainable (regional) development together.”
- › **Respect:** “We treat each other with trust and honesty, seeing errors as an incentive to improve. We respect the views and achievements of others, and we give each other mutual support. In their diversity, the employees of Flughafen Wien AG are a factor driving the success of our company, a factor we want to nurture and extend. For this reason, we want to make even more efforts for an attractive working environment, equality of opportunity and providing interesting career options.”

# 1) Environmental issues

FWAG is committed to protective and conscientious interaction with the environment and pledges to comply with all environmental laws, regulations, binding agreements and official requirements and to continuously minimise its negative ecological impact. First and foremost, the FlughafenWien Group has set the goal of further reducing its energy consumption, reducing the effects of noise emissions while further reducing Vienna Airport's CO<sub>2</sub> emissions, so that it will become CO<sub>2</sub>-neutral over the medium term. The Flughafen Wien Group is committed to ongoing dialogue with the stakeholders in this regard. After all, in many instances the airport's activities have a positive impact on customers and passengers, such as in the areas of energy conservation, facility management, and waste disposal.

Vienna Airport has established a comprehensive and systematic energy and environmental management system (EMS) and subjects itself to an environmental audit in line with the Eco-Management and Audit Scheme (EMAS) with which the European Union places the highest requirements in the world on environmental management systems, and in accordance with ISO 14001. Initial entry in the EMAS register took place in December 2015, with monitoring audits being conducted in October 2016 and October 2017. The company was re-certified in 2018.

EMAS provides important guidelines for organising environmental protection in a successful fashion, for preserving resources and recognising environmental risks at an early stage. In addition, with EMAS the airport meets the requirements of the Austrian Energy Efficiency Act.

Within the scope of EMS, environmental aspects and their impact are recorded, relevant topics identified and assessed on the basis of cost-benefit analyses. Subsequently, environmental policy, objectives and measures are determined and their progress and the performance of the overall system regularly examined on the basis of specified key performance indicators, annual management reviews and in the context of internal and external audits.

EMS also secures legal compliance of the operation in respect to environmental law. To do this all regulations relating to the environment (laws, directives, notifications) are identified, recorded in an environmental database with the resulting obligations being implemented and monitored. Responsibility for the successful implementation of the EMS is with the Management Board and the executives according to the Flughafen Wien Group line organisation. The environmental manager in the Operations Environmental Management department coordinates and manages all internal and external activities relating to environmental protection. Here he is supported by an environmental team constituted from those responsible for specific topics in the various corporate divisions.

Vienna Airport has recently improved markedly in all material environmental aspects. This is underscored by the continuous improvement in financial results at the same time as the 26.7% increase in energy efficiency between 2012 and 2018. In addition, another € 0.9 million (2017: € 1.1 million) was invested at Flughafen Wien AG in environmental protection in 2018 (not including the noise protection programme). Projects were focused on the reduction of pollutant and noise emissions in order to minimise the effects of flight operations on the environment – and above all on neighbouring residents.

## › Risks

To minimise the risk on the environment resulting from air traffic and airport operations, the Flughafen Wien Group is committed to responsible and conservative use of available resources. Alongside the focus on measures and projects in its own airport operations, the Flughafen Wien Group also participates in international initiatives and programs of the aviation industry. The measures implemented in the framework of the integrated environmental management aim not only to minimise the general environmental risks, but also to reduce the consumption of resources, pollutant and noise emissions.

## › Energy efficiency programme

The Flughafen Wien Group has implemented an energy efficiency programme and has already realised numerous projects. The photovoltaic systems at the Vienna Airport site with their 2,640 solar modules have an output of some 720 kWp, which generates annual output of about 750,000 kWh. The photovoltaic system on the roof of the Air Cargo Center, which covers some 8,000 m<sup>2</sup>, is among Austria's largest.

## › Smart Airport City

To optimize the consumption of power, cooling and heating, Flughafen Wien AG and TU Wien (Vienna University of Technology) launched a development project in 2017 to create a prototype for a computer-assisted "virtual city," which can simulate and subsequently improve the consumption of electricity, cooling or heating. On this basis, scenarios for maintenance, improvement and expansion to the Smart Airport City are designed in order to optimize capacity and manage consumption as well as possible.

## › Aircraft noise management

Throughout Europe, road and rail traffic are the main causes of noise pollution, followed by air traffic. Take-offs and landings and ground noise such as taxiing movements and engine run-ups are the main sources of noise at airports. The Federal Environmental Noise Protection Regulations regulate the threshold values connected to flight noise that, to protect the local population, must not be exceeded – namely a day-evening-night noise index of 65 dB. However, Vienna Airport's commitment goes significantly beyond these statutory requirements: The airport's noise control programme, for example, includes the daytime protection zone with an equivalent continuous sound level of over 54 dB. The night-time protection zone starts at a continuous sound level as low as over 45 dB.

## › Noise protection

The Vienna Airport noise protection programme that was started in 2005 as part of the mediation contract aims to protect the health and improve the quality of life of people who live close to the airport.

Where the continuous sound level exceeds 54 dB during the day and 45 dB during the night, the airport assumes between 50% and 100% of the costs for noise protection measures, for example, the installation of soundproof windows and doors. Until the >

end of 2018, building expert opinions were prepared for 6,295 properties, and optimal noise protection was installed in 2,966 of these properties. One positive side effect of this is that the improved building insulation and lower heating costs have reduced CO<sub>2</sub> emissions in the affected areas by around 1,300 tonnes per year.

Flughafen Wien AG has also agreed to purchase, at fair value, the properties located in a noise zone where the continuous sound level exceeds 65 dB(A) during the day and 57 dB(A) at night. So far, this option has been taken up by two of the approximately 60 property owners who were offered it.

### › Night flights

In accordance with an agreement reached during the mediation process, the number of aircraft movements at Vienna Airport between 11:30 p.m. and 5:30 a.m. should remain constant at the 2009 level, a target that was not met in the reporting year due to excessive delays from bad weather and bottlenecks in European air space. The actual number of aircraft movements in 2018 was 630 more than the level of 4,700 defined in the mediation contract. Over the entire term of this regulation from 2007 to 2018, the actual number of aircraft movements was 1,229 (around 2.1%) fewer than the cumulative target of 58,098 aircraft movements. Plans call for a further step-by-step reduction in the number of aircraft movements to 3,000 per year, starting three years before the third runway comes into service. Details of night flights at Vienna Airport can be found in the evaluation report that will be released by the dialogue forum around the middle of the year at [www.dialogforum.at](http://www.dialogforum.at).

### › Emissions and climate protection

The operation of an airport, especially aircraft handling operations and land-side traffic, contributes, albeit to a lesser degree, to general airborne emissions. All emissions are recorded without gaps in the area around the airport as part of air quality monitoring and through the production of an annual carbon footprint. Measures and programmes are developed on an ongoing basis with airlines to systematically minimise emissions. With the help of a carbon footprint, FWAG also takes part in the Airport Carbon Accreditation System (ACAS) programme managed by the Airports Council International Europe (ACI Europe) [www.airportcarbonaccreditation.org](http://www.airportcarbonaccreditation.org). Vienna Airport was given Level 1 certification back in 2013, in 2015 there was the move up to Level 2 and in October 2016 Level 3 certification was achieved for the first time.

For the third time in the reporting year, Flughafen Wien AG filed for Level 3 certification, which involved a further reduction of CO<sub>2</sub> emissions on site with greater involvement of all companies operating at the airport. To reach this Level 3 all companies located at the site had to be integrated in measures to reduce CO<sub>2</sub>.

### › Waste

Unavoidable waste is appropriately sorted and, depending on the options available, assigned for reuse or recycling. The total volume of waste at Vienna Airport in 2018 amounted to 4,326 tonnes (2017: 4,456 tonnes).

### › Water consumption

Vienna Airport's water supply is provided by four wells owned by the airport. In 2018, due to higher passenger volumes, water consumption rose by approximately 65,500 m<sup>3</sup> compared with 2017 to 511,211 m<sup>3</sup>.

### › Sustainable procurement

Sustainable, environmentally friendly procurement, meaning the purchase of "green" products and services that are also manufactured and performed in accordance with social standards is a key company target. Regional providers are also taken into account.

In Austria, the "National action plan for sustainable procurement" was launched under the guidance of the Ministry of the Environment. In this way, sustainable criteria are taken into consideration in the procurement process and the action plan is implemented jointly. The action plan has been in effect since autumn 2010 with the Federal Procurement Agency (BBG). Some procurement by the Flughafen Wien Group has also been handled via the BBG. Vienna Airport is also subject to some requirements under the Bundesvergabegesetz (Austrian Federal Public Procurement Act).

The largest suppliers in terms of order value belong to the sectors of construction, petroleum processing, metal working, special vehicles, technology and various services such as IT and airport handling. Measured in terms of order value, most of the contractors are regional to the airport: 69% of the 35 largest suppliers are from Vienna and lower Austria, 14% from other Austrian states and 17% from Europe.

› Selected indicators

Vienna Airport site		2018	Change	2017
Traffic units	TU	29,238,913	10.3%	26,496,620
Passengers	PAX	27,037,292	10.8%	24,392,805
Consumption of electrical energy per traffic unit	kWh/TU	3.24	-8.0%	3.52
Consumption of electrical energy	MWh	94,739	1.5%	93,358
Heat consumption per traffic unit	kWh/TU	1.66	-17.4%	2.01
Heat consumption	MWh	48,591	-8.8%	53,304
Cooling consumption per traffic unit	kWh/TU	1.10	1.0%	1.09
Cooling consumption	MWh	32,146	11.4%	28,846
Fuel consumption per traffic unit	kWh/TU	1.15	-4.1%	1.20
Fuel consumption	MWh	33,587	5.8%	31,733
Total energy requirements per traffic unit	kWh/TU	6.05	-10.1%	6.73
Total energy requirements	MWh	176,918	-0.8%	178,395
Total energy requirements from renewable sources per traffic unit	kWh/TU	3.24	21.1%	2.68
Total energy requirements from renewable sources	MWh	94,739	33.7%	70,883
Share of renewable energy in total energy requirements	%	53.5	n.a.	39.7
Water consumption <sup>1</sup>	Litre/TU	17.5	3.9%	16.8
Waste water <sup>1</sup>	Litre/TU	15.6	11.3%	14.0
Total waste	Kg/TU	0.15	-12.0%	0.17

1) 2017 figures adjusted



## 2) Social issues and employee matters

The average number of employees at Flughafen Wien AG increased in the reporting year from 3,133 to 3,159 (plus 0.8%).

### › Selected indicators

Employees	2018	Change	2017
Number of employees (average)	3,159	0.8%	3,133
Thereof wage-earning employees	1,982	-1.5%	2,011
Thereof salaried employees	1,177	5.0%	1,122
Number of employees (end of the reporting period)	3,143	0.8%	3,120
Average age in years	41.8	n.a.	41.9
Length of service in years	11.7	n.a.	12.1
Share of women in %	12.2	n.a.	11.8
Training expenses in T€	1,627.4	-19.5%	2,021.5
Reportable accidents <sup>1</sup>	131	19.1%	110

1) Related to Flughafen Wien AG and Austrian subsidiaries

### › Strategy and management

Flughafen Wien AG regards its employees as its central resource, as its performance as a service company depends decisively on the specialist competence, performance, experience and well as the motivation and commitment of each and every individual employee.

The Group-wide core tasks of the Human Resources (HR) department are recruitment, training and continuing professional development, strategic staff development and payroll policy. A major challenge for the HR department lies in overseeing the continuous change process in the company. The issue of corporate culture is also driven extensively by the employee surveys implemented over the last few years. In the context of an anonymous employee survey, implemented by an external market research institute, Vienna Airport obtained information on the status quo again in 2018 in relation to employee satisfaction and motivation. The survey results confirmed overall positive development of the company. Job satisfaction rose and appreciation, respect and transparency are put into practice more frequently. The management development programme successfully implemented in recent years is having a positive effect. The results were communicated to all employees in the first half of 2018 and in the second half of the year, measures for improvement in the following subject areas were defined: overall company perspective and cross-departmental cooperation, management evaluations, and conflict/failure culture. According to the 2018 IFES study, FWAG is the most attractive employer in eastern Austria.

## › Risks

In the Flughafen Wien Group, motivated, committed and highly qualified employees are essential for the success of the company. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee loyalty, and various initiatives to increase job security and minimize sick leave have been promoted. Flexible working time models and the central integration of Human Resources development measures to reduce risk (including education and training) support risk reduction.

## › Recruitment, training and continuing professional development

FWAG received the accolade “Best Airport Staff Europe” from the aviation rating agency Skytrax in 2016 and 2017, and ranked second in 2018 as evidence that its programmes work.

The basis for success in Human Resources development is filling open positions with candidates which best meet the requirements of the position. The open positions are advertised both on the internal and external job market.

To further promote human resources work in the company, the Career and Development Center was initiated in 2017. It aims to support the professional development of employees and accompany managers in this task. In 2018, a total of 40 employees were newly nominated to the Center and 16 found a new role thanks to the Center. Currently, 30 people are registered with the Center.

Employees’ training needs are discussed and noted at the mandatory annual performance appraisal. It is not just technical training that is of great importance here. The key focus is also on personal development measures. Employees are offered numerous seminars and workshops on topics such as leadership, languages, IT, and health and safety, which are summarised in the annual training catalogue. At Vienna Airport a broad-based manager development programme was launched back in 2015. In 2018, management development was identified in 17 evaluation workshops (for 140 managers).

To retain and even extend the high level of knowledge and skills is a key area for the next three years. In all, in 2018 Flughafen Wien AG spent € 1.6 million for further training measures. This is some € 515 per employee (based on an annual average of 3,159 employees at the parent company).

Training apprentices and trainees is very important at Flughafen Wien AG. On the basis of theoretical training in the vocational school and practical deployment in the company, apprentices and trainees receive additional assistance on the basis of numerous seminars. Alongside English classes and IT training, Flughafen Wien AG places great emphasis on the development and progression of social skills. The international scope of training at the airport is also evident from the exchange programme. Apprentices get the opportunity to learn about other airports during internships in foreign countries. In 2018, apprentices were assigned in Belfast and Portsmouth.

## › Performance-related remuneration for management

The salary of the members of the Management Board and members of the first and second management levels have a performance-related component. The level of this variable remuneration is determined on the basis of qualitative and quantitative targets.

### › Employee foundation

More than 15 years ago, Flughafen Wien AG founded an independent employee foundation. It ensures that all employees have a direct stake in the success of Flughafen Wien AG. This foundation holds 10% of the shares in Flughafen Wien AG, distributing the dividends received by them to company employees. The executive bodies of the foundation are defined in the articles of association and operate entirely independently of Flughafen Wien AG. Dividend income of € 5.7 million was paid out in 2018 for the 2017 financial year. On average, this corresponds to around 64% of a monthly 2017 basic salary or basic wage per employee.

### › Labour trust

The Steyr labour trust provides goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times or for health reasons. Flughafen Wien AG has been a member of this trust for many years, in keeping with its responsibility to former employees. In 2018, four employees joined the foundation. This raises the total number of employees who have undergone training with this initiative to 101 as of 2018.

### › Pension provisions – company pension fund and benefit fund

For all employees of Flughafen Wien AG who joined before 1 November 2014 in addition to the statutory pension insurance and any private pension provision, the company transfers 2.5% of the monthly salary per employee to a company pension fund. Furthermore, each employee is given the option of making additional provision by transferring the same amount. If employees conclude additional accident or health insurance policies or make other pension provisions, they also receive an allowance. After a thorough evaluation, management and employee representatives decided to change company pension funds. Since 1 January 2018, it has been managed by Niederösterreichische Vorsorgekasse (NÖVK).

### › Voluntary benefits

Flughafen Wien AG offers a variety of voluntary benefits to increase the motivation and strengthen employees' sense of identification with the company. Examples include free transport to work with the City Airport Train (CAT) and bus connections to Vienna and the neighbouring communities.

In addition, on the basis of the findings of the company-wide employee survey at the end of 2015 the provision of meals for employees was reorganised and financial support provided; other changes were made in 2018.

In the new Health Center Vienna Airport, Flughafen Wien AG provides comprehensive specialist care with appointments on short notice for employees.

› **Work and family**

Family-friendly policies of the company are of crucial importance for an appropriate work-life balance. Day care facilities are available for all companies at the Vienna site. The extended, flexible opening hours provide employees even in shift jobs with reliable supervision for their children once they start crawling. The airport day care centre has received numerous awards for its excellent services and high pedagogical standards.

Since 2012, Flughafen Wien AG has granted a so-called “Daddy’s month” for employees. Within the first three months after the birth of his child, the employee has the right to take leave for up to 28 consecutive calendar days while still receiving 50% of their monthly pay. 61 fathers took advantage of this opportunity in 2018.

In 2018, Flughafen Wien AG was again awarded the federal “career and family” quality seal. The seal is given to companies with particularly family-friendly policies.

› **Workplace health and safety – Preventive Services**

Safety and health are an essential factor for employee satisfaction and performance. Preventive Services performs annual walk-throughs, training and consultations. Together with management, employee representatives and the employees themselves, Preventive Services works constructively and continuously on compliance with the legal requirements and performance of measures in line with the hazard assessment.

Occupational health management has launched the “GEMEINSAM GESUND” (Healthy Together) programme based on the principles of the BGF (Occupational Health Promotion) charter and has also received the BFG quality seal. Among the focal points of 2018 was addiction prevention.

Since September, further emphasis has been placed on the analysis of and measures for preventing workplace accidents. In 2018, the number of reportable accidents per 1,000 employees rose for the first time since 2012 – one effect of the particular challenges from above-average passenger growth, especially for the operational areas.

Vienna site	2016	2017	2018	Change
Reportable accidents	119	110	131	+19.1%
Per 1,000 employees	27.1	25.2	29.3	+4.1

› **Diversity**

For a company providing services, diversity is a central issue. The importance of diversity at Vienna Airport can be seen by the fact that over 54 nationalities, belonging to 13 different religious faiths, are currently represented among the employees of Flughafen Wien AG and its subsidiaries. All service processes run smoothly in spite of this great cultural diversity thanks primarily to the comprehensive training measures that make it easier for employees to integrate and understand their duties.

### › Promotion of women

The proportion of women within the Flughafen Wien Group was approximately 24% in 2018. This low rate can be attributed to the proportion of specialist activities at Vienna Airport – two thirds of employees working at the airport perform heavy manual labour. In order to make Vienna Airport more attractive as an employer to women as well, specific measures have been implemented to support work-life balance and suitable career opportunities have been created.

It is a clear goal of the company to increase the share of women – especially in management positions. The share of women at Flughafen Wien AG is currently 13.2% across all four management levels. Equal opportunities and equal treatment at the workplace are a fundamental requirement in the Flughafen Wien Group. 20% of the shareholder representatives on the Supervisory Board of Flughafen Wien AG are female.

### › Flexible working time models

Flexible and individualised working time models meet the needs of employees to the best possible extent. Flexitime schemes are found, above all, in the company's commercial functions. Furthermore, the option was created for all employees to consume pay components (e.g. service bonuses) as time off. Part-time training, training leave models and sabbaticals are also offered.

### › Older employees

The raising of the effective retirement age requires employees to stay with the company for longer. In turn, this requires the implementation of extensive preparatory and organisational measures in advance, as many of our employees are constantly exposed to high stress. Appropriate programmes and accompanying measures, the facilitation of mobility within the company and the preferred offer of suitable jobs to this group of employees are being handled by the Career and Development Center.

### › People with special needs

Vienna Airport works intensively with nine charities, associations and institutions to continuously improve accessibility. Of the various focus areas, 150 individual measures were jointly decided upon, most of which have also already been implemented. The whole process is overseen by working groups with representatives from charity organisations.

### 3) Respect of human rights

The company is committed to observing and respecting human rights. Flughafen Wien AG and its affiliates do not have any business sites in countries with a poor understanding of human rights, but operate entirely within the European Union. As a provider of infrastructure and services, Flughafen Wien AG also obtains finished products from its suppliers and has no influence on their supply chain.

Alongside the corporate values, the Code of Conduct contains important principles for the activities of all employees with internal and external partners. As the trust of customers, shareholders, employees and the public has a material impact on the performance of the Flughafen Wien Group, integrity is a key element within the corporation.

The corporate values of the Flughafen Wien Group are reflected in the daily work. Respect to all employees, customers and business partners requires open and unbiased communication across all levels, which is put into practice at FWAG in many types of events.

### 4) Combating corruption and bribery

The company actively communicates its corporate objectives to all employees by applying clear regulations and regular training. Teaching basic values such as morals, ethics and integrity in the company and treating each other with respect is of the greatest importance here. The relevant guidelines are provided by the Code of Conduct of Flughafen Wien AG. A whistleblower hotline has been available since autumn 2015.

In organisational terms, the Secretary General arranges the necessary support and sees to it that conduct is in compliance with the law. The head of the department is simultaneously the senior Group compliance officer. He also arranges training for the relevant staff and provides information on current new legal requirements, for example, in the area of anti-corruption law in internal workshops.

As a sectoral contracting entity, for its procurement Flughafen Wien AG is subject to some regulations of the Austrian Federal Public Procurement Act. This implements all precautions for avoiding incipient corruption. This is supported by the activities of corporate procurement and corporate controlling combined by the vigorous implementation of the two-person principle.

#### › Issuer compliance

The obligations of the EU Market Abuse Regulation and the Stock Exchange Act on which it is based are implemented by Vienna Airport in an internal policy.

To prevent abuse or forwarding of insider information, internal non-disclosure areas have been established. This covers all employees and executive bodies of Flughafen Wien AG working in Austria and abroad, but also third-party service providers, who have potential access to inside information. A variety of organisational measures and control mechanisms have also been implemented to monitor these processes on a regular basis. Thus each employee who works in a compliance-relevant area receives personal training on how to deal with confidential information.

In order to increase awareness for “issuer compliance” in the rest of the company, all employees are informed on this topic in the intranet and in articles of the in-house employee magazine.

## Disclosures required by section 243a of the Austrian Commercial Code

### › 1. Share capital and shares

The share capital of Flughafen Wien AG is fully paid in and amounts to € 152,670,000. Following the share split on 27 June 2016, it is divided into 84,000,000 bearer shares, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank. All shares carry the same rights and obligations (“one share – one vote”).

Further details on the articles of association and the shares are available on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com).

### › 2. Investments of over 10% in the company

Airports Group Europe S.à. r.l. holds 39.8% of the shares. The city of Vienna and the state of Lower Austria each hold 20.0% and Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) holds 10.0% of the share capital of Flughafen Wien AG. The company is not aware of any other shareholders with a stake of 10.0% or more in share capital.

### › 3. Syndication agreement

Two shareholders – the state of Lower Austria (via NÖ Landes-Beteiligungsholding GmbH) and the city of Vienna (via Wien Holding GmbH) – hold 40% of the company’s shares in a syndicate. The syndication agreement provides for joint exercise of voting rights in the Annual General Meeting and mutual acquisition rights in the event of paid transfer of syndicated investments to third parties. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval.

### › 4. Shares with special control rights

The company is not aware of any special control rights on the part of shareholders.

## › 5. Control of voting rights for the shares held by the employee foundation

The voting rights for the shares held by the Flughafen Wien employee foundation are exercised by the managing board of this entity. The appointment and dismissal of the foundation's Managing Board requires consent from the Advisory Board of Flughafen Wien Mitarbeiterbeteiligung Privatstiftung. The Advisory Board requires simple majority to do so. The Advisory Board is comprised of five members, with two members each delegated by employees and the employer. These four members unanimously elect a fifth person to serve as the chairman of the Advisory Board.

## › 6. Appointment and dismissal of members of the Management and Supervisory Board

In accordance with the Austrian Corporate Governance Code, the company's articles of association permit the appointment of a person to the Management Board for the last time in the calendar year in which the candidate reaches the age of 65. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches the age of 70. There are no other provisions governing the appointment or dismissal of members of the Management Board or Supervisory Board or the amendment of the company's articles of association that are not derived directly from Austrian law.

## › 7. Share buyback and authorised capital

The Management Board has been granted no explicit rights that are not derived directly from Austrian law, in particular with respect to the issue or repurchase of shares in the company.

## › 8. Change of control

The agreement on the loan from the EIB (European Investment Bank) of € 400.0 million (current balance: € 325.0 million) is subject to a change of control clause. In the event of an actual, impending, or justifiably assumed change of control (in accordance with the following definition), these financial liabilities could be called prematurely and related collateral may be cancelled if there are reasons to assume the change will or could have a negative impact on the future fulfilment of the financial liability and Flughafen Wien AG does not take actions within a certain period of time to provide this contract partner with collateral that is deemed acceptable. A change of control is defined as an event that leads to (i) a direct or indirect reduction in the investment held jointly by the state of Lower Austria and the city of Vienna in Flughafen Wien AG to less than 40% of the total number of voting shares or (ii) a natural person or legal entity that currently does not exercise control over Flughafen Wien AG gains control over Flughafen Wien AG (e. g. either directly or indirectly, through the ownership of shares, economic circumstances or in another manner, and either alone or together with third parties (i) acquires more than 50% of the voting shares in Flughafen Wien AG or (ii) the right to nominate the majority of members to the decision-making bodies of Flughafen Wien AG or exercises control over these persons.



### › 9. Compensation agreements in the event of a public takeover

There are no agreements for compensation between the company and the members of its Management Board, Supervisory Board or employees that would take effect if a public takeover bid is made.

## Corporate governance

The corporate governance report for the 2018 financial year is published on the Flughafen Wien AG website at [www.viennaairport.com](http://www.viennaairport.com) in accordance with section 243c of the Austrian Commercial Code.

## Supplementary report

### › Traffic development at Vienna Airport

The number of passengers handled at Vienna Airport increased by 24.4% in January 2019 to 1,830,923. Vienna Airport reported a 6.2% increase in transfer passengers compared to January 2018 to 376,568 in January 2019. The number of local passengers rose by 30.6% in the same period to 1,448,127. Cargo volume declined slightly, by 2.8% to 21,226 tonnes handled. Aircraft movements were up by 15.3%, the maximum take-off weight increased by 19.5%.

### › Vienna Airport 2019 fees

As at 1 January 2019, the fees at Vienna Airport were adjusted as follows based on the index formula defined by Austrian Airport Fee Act:

› Landing fee, infrastructure fee airside, parking fee:	+1.065%
› Passenger fee, infrastructure fee landside, security fee:	+0.715%
› Fuelling infrastructure fee:	+0.896%

The PRM fee remained at € 0.46 per departing passenger.

The security fee for 2019 was € 8.46 per departing passenger taking account of the increase under the price cap formula.

## Outlook

The Austrian economy generated real GDP growth of some 2.7% last year. Economic momentum slowed over the year, however. Therefore, Oesterreichische Nationalbank (OeNB) is forecasting GDP growth of 2.0% or 1.9% for the years 2019 and 2020.

Inflation in Austria was 2.1% in 2018, and is expected to remain at this level in 2019 (source: OeNB, Konjunktur aktuell December 2017; Konjunktur aktuell January 2018).

Including the investments in Malta Airport and Košice Airport, the Flughafen Wien Group is forecasting passenger growth of between 8-10% for 2019. In 2019, Group revenue should exceed € 820 million and Group EBITDA be higher than € 370 million. From today's perspective, the group earnings after tax figure of at least € 165 million is expected. Net debt should be reduced to below € 150 million. Capital expenditure of around € 220 million is intended in 2019.

Vienna Airport is forecasting passenger growth of more than 10% to some 30 million passengers for the Vienna site in 2019. As things stand, initial impetus for this is expected from factors such as new routes to Montreal (YUL) by Austrian Airlines, to Toronto (YYZ) by Air Canada and to Tokyo Haneda (HND) by All Nippon Airways (ANA). For short and medium-haul fleet, new connections will be added by Vueling, Wizz Air, Laudamotion, LEVEL and Volotea.

Schwechat, 5 March 2019

### The Management Board



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO





Annual Financial  
Statements 2018  
of Flughafen Wien AG



# Balance Sheet

as at 31 December 2018

ASSETS	31.12.2018 in €	31.12.2017 in T€
<b>A Non-current assets</b>		
I. Intangible assets		
1. Concessions and rights	8,447,121.85	7,864.9
II. Property, Plant and Equipment		
1. Land and buildings	887,510,934.75	931,003.5
2. Technical equipment and machinery	151,958,287.58	171,348.9
3. Other equipment, operating and office equipment	64,490,772.40	56,464.0
4. Prepayments made and construction in progress	79,568,720.22	13,336.5
Subtotal II	1,183,528,714.95	1,172,152.9
III. Financial assets		
1. Shares in subsidiaries	267,374,897.39	267,339.9
2. Loans granted to subsidiaries	144,147,452.53	116,158.6
3. Investments in other companies	4,120,886.50	4,116.7
4. Non-current securities (rights)	659,538.52	632.6
5. Other loans granted	758,177.39	586.8
Subtotal III	417,060,952.33	388,834.7
<b>Subtotal A)</b>	<b>1,609,036,789.13</b>	<b>1,568,852.4</b>
<b>B Current assets</b>		
I. Inventories		
1. Consumables and Supplies	3,876,249.27	3,697.0
II. Receivables and other assets	222,756,590.47	166,271.0
Thereof with a remaining term < 1 year	111,489,830.35	100,023.8
Thereof with a remaining term > 1 year	111,266,760.12	66,247.2
III. Securities and shares		
1. Miscellaneous securities and shares	17,032,700.00	12,050.0
IV. Cash on hand and deposits with financial institutions	3,274,345.45	1,268.4
<b>Subtotal B)</b>	<b>246,939,885.19</b>	<b>183,286.4</b>
<b>C Prepaid expenses</b>	<b>1,455,172.00</b>	<b>1,094.9</b>
<b>D Deferred tax assets</b>	<b>26,055,771.55</b>	<b>21,398.6</b>
<b>TOTAL ASSETS</b>	<b>1,883,487,617.87</b>	<b>1,774,632.2</b>

<b>EQUITY AND LIABILITIES</b>	<b>31.12.2018 in €</b>	<b>31.12.2017 in T€</b>
<b>A Equity</b>		
I. Unpaid, subscribed and paid in share capital	152,670,000.00	152,670.0
II. Capital reserves (allocated)	117,657,318.52	117,657.3
III. Reserves (retained earnings)		
1. Statutory reserve	2,579,158.88	2,579.2
2. Other reserves (voluntary reserves)	639,092,020.31	595,992.0
Subtotal III	641,671,179.19	598,571.2
IV. Net retained profit,		
Thereof profit carryforward: € 3,738.12; previous year: T€ 3.8	74,766,249.84	57,123.7
<b>Subtotal A)</b>	<b>986,764,747.55</b>	<b>926,022.2</b>
<b>B Government grants</b>	<b>459,013.83</b>	<b>645.3</b>
<b>C Provisions</b>		
1. Provisions for severance compensation	87,532,209.05	82,363.0
2. Provisions for pensions	13,017,557.85	12,697.3
3. Provisions for taxes	9,633,787.50	6,719.2
4. Other provisions	152,057,899.38	123,254.9
<b>Subtotal C)</b>	<b>262,241,453.78</b>	<b>225,034.4</b>
<b>D Liabilities</b>	<b>614,066,470.60</b>	<b>602,166.1</b>
Thereof with a remaining term < 1 year	237,023,779.40	199,602.4
Thereof with a remaining term > 1 year	377,042,691.20	402,563.7
<b>E Deferred income</b>	<b>19,955,932.11</b>	<b>20,764.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,883,487,617.87</b>	<b>1,774,632.2</b>

# Income statement

from 1 January to 31 December 2018

		1. 1. - 31.12.2018 in €	1. 1. - 31.12.2017 in T€
1.	Revenue	707,302,987.64	675,469.4
2.	Own work capitalised	2,256,710.48	2,154.6
3.	Other operating income		
	a) Income from disposals and write-ups of non-current assets with the exception of financial assets	584,672.46	830.0
	b) Income from the reversal of provisions	2,856,122.83	1,835.3
	c) Income from the reversal of investment subsidies (government grants)	186,306.80	222.5
	d) Miscellaneous	782,514.97	4,127.4
	<b>Subtotal 3.</b>	<b>4,409,617.06</b>	<b>7,015.3</b>
4.	<b>Operating income (subtotal of No. 1 to 3)</b>	<b>713,969,315.18</b>	<b>684,639.3</b>
5.	Cost of materials and other purchased services		
	a) Cost of materials	28,666,158.52	25,040.3
	b) Cost of purchased services	41,187,447.37	41,446.1
	<b>Subtotal 5.</b>	<b>69,853,605.89</b>	<b>66,486.4</b>
6.	Personnel expenses		
	a) Wages	89,983,216.03	88,632.7
	b) Salaries	82,208,918.27	75,322.5
	c) Social security expenses	65,663,745.10	58,993.7
	Thereof in respect of pensions	3,933,716.34	2,622.1
	Thereof in respect of severance compensation and contributions to employee severance compensation funds	13,658,994.86	8,102.9
	Thereof expenses for legally required duties and payroll-related duties and mandatory contributions	45,764,891.74	45,332.7
	<b>Subtotal 6.</b>	<b>237,855,879.40</b>	<b>222,948.9</b>
7.	Depreciation, amortisation and impairment	100,298,934.62	106,293.2
	Thereof write-downs on non-current assets € 0.00; previous year: T€ 1,479.1		



8.	Other operating expenses		
	a) Taxes, if not included in no. 18	553,766.69	520.3
	b) Miscellaneous	165,983,951.93	167,549.8
	Subtotal 8.	166,537,718.62	168,070.1
	<b>Subtotal 5.-8.</b>	<b>574,546,138.53</b>	<b>563,798.6</b>
9.	<b>Operating profit (subtotal of 4 to 8)</b>	<b>139,423,176.65</b>	<b>120,840.6</b>
10.	Income from investments in other companies,	26,163,862.16	21,576.6
	Thereof from subsidiaries: € 25,819,742.16; previous year: T€ 20,373.8		
11.	Income from other securities and loans granted,	335,879.29	251.4
	Thereof from subsidiaries: € 326,857.02; previous year: T€ 242.3		
12.	Other interest and similar income,	1,369,681.08	1,050.3
	Thereof from subsidiaries: € 12,814.13; previous year: T€ 23.2		
13.	Income from the disposal and write-up of financial assets	88,825.00	192.4
14.	Expenses for financial assets and current securities,	0.00	790.4
	Thereof write-downs: € 0.00; previous year: T€ 0.0		
	Thereof from subsidiaries: € 0.00; previous year: T€ 790.4		
15.	Interest and similar expenses,	17,137,660.84	18,545.2
	Thereof relating to subsidiaries: € 1,431,486.87; previous year: T€ 1,431.5		
16.	<b>Financial results (subtotal of 10 to 15)</b>	<b>10,820,586.69</b>	<b>3,735.1</b>
17.	<b>Profit before taxes</b>	<b>150,243,763.34</b>	<b>124,575.8</b>
18.	Income taxes,	-32,381,251.62	-25,975.8
	Thereof deferred tax income	4,657,216.57	4,183.0
19.	<b>Net income for the period</b>	<b>117,862,511.72</b>	<b>98,599.9</b>
20.	Addition to reserves	43,100,000.00	41,480.0
21.	Profit carryforward from the previous year	3,738.12	3.8
22.	<b>Net retained profit</b>	<b>74,766,249.84</b>	<b>57,123.7</b>



# Notes to the Financial Statements for the 2018 Financial Year

# General Information on the 2018 Annual Financial Statements

## › Information on the company

Flughafen Wien Aktiengesellschaft (AG) and its subsidiaries are service companies in the field of the construction and operation of civil airports and all related facilities. As a civil airport operator, Flughafen Wien AG manages Vienna Airport. The company's headquarters are located in Schwechat, Austria. Its address is Flughafen Wien AG, Postfach 1, A-1300 Wien-Flughafen, Austria. Flughafen Wien AG is listed in the register of companies of the Korneuburg Regional and Commercial Court under FN 42984 m.

The major operating permits held by Flughafen Wien AG are as follows:

On 27 March 1955, in accordance with section 7 of the Luftverkehrsgesetz (Austrian Air Traffic Act) of 21 August 1936, the Austrian Federal Ministry for Transport and State-owned Entities issued a permit to Flughafen Wien Betriebsgesellschaft m.b.H. to create and operate the Vienna-Schwechat Airport for general traffic purposes and for runway 11/29.

On 15 September 1977, in accordance with section 78(2) of the Luftfahrtgesetz (LFG – Austrian Aviation Act) (Federal Gazette BGBl. no. 253/1957), the Federal Ministry for Transport issued an operating permit for instrument runway 16/34, including taxiways and lighting systems.

In 2017, Vienna Airport was certified by the Austrian Federal Ministry for Transport, Innovation and Technology in accordance with the requirements of the Commission Regulation (EU) No 139/2014. The relevant certificate which is valid until cancelled was issued on 14 December 2017. The EU certification of European passenger airports serves to create and maintain a standard, high level of safety for civil aviation in Europe. >

### › General information

The annual financial statements as at 31 December 2018 were prepared in accordance with the provisions of the Unternehmensgesetzbuch (UGB – Austrian Commercial Code) in its current version.

The annual financial statements were prepared in accordance with the principles of proper accounting (section 201(2) UGB) and the general principle of providing a true and fair view of the asset, financial and earnings position of the company (section 222(2) UGB). In particular, the prudence principle was observed and impending losses were expensed but unrealised gains were not recognised. All assets, provisions and obligations were recognised in full and measured individually, whereby valuation was free of arbitrariness.

The previous form of the presentation was retained in the preparation of these annual financial statements.

To improve clarity, receivables and liabilities are broken down in accordance with section 223(6) 2 UGB in the notes.

The company is the parent of the Flughafen Wien AG consolidated group.

Rounding differences can occur in the annual financial statements as a result of using rounded figures. The same applies to other information such as headcount, etc.

### › Legal relationships

As at 31 December 2018, there was a profit-and-loss transfer agreement with the subsidiary Vienna Aircraft Handling Gesellschaft m.b.H.

### › Size classification

The company is classified as a large corporation in accordance with section 221(3) UGB.

### › Structure and accounting methods

The balance sheet and the income statement were prepared in accordance with the structure and accounting provisions of sections 195 to 211 and 222 to 235 UGB. The income statement was prepared in accordance with the total cost (nature of expenditure) format in line with section 231(2) UGB.

The continuation of the company as a going concern was assumed in measurement.

The measurement methods used to date have been retained.

# Accounting and valuation methods

## FIXED ASSETS

### › Intangible assets and property, plant and equipment

Purchased intangible assets and property, plant and equipment are carried at acquisition or production cost, less amortisation, depreciation and impairment. Production cost also includes appropriate amounts of materials and production overheads, but not interest.

The company's assets have the following useful lives: intangible assets: four to 20 years; facilities installed on property: 10 to 20 years; buildings: 10 to 50 years; technical equipment and machinery: four to 20 years; other equipment, operating and office equipment: four to 15 years; and technical noise protection: 20 years.

Assets are depreciated or amortised beginning on the recognition date, i.e. the date the asset is placed in use. Depreciation and amortisation are calculated on a straight-line basis and starting with the month the asset is placed in use (pro rata temporis).

Low-value assets are written off completely in the year of purchase.

Intangible assets and property, plant and equipment that show signs of impairment are tested by comparing the respective carrying amount with their fair value. If the fair value is less than the carrying amount, the asset is written down to the lower fair value if the impairment is expected to be permanent. The fair value is calculated in accordance with the discounted cash flow method using forecasts for cash flows over the estimated useful life. The discount rate used for the calculation reflects the risk associated with the asset.

As a result of the ongoing construction project and the associated audit requirements, estimates have to be made in connection with determining the acquisition/production cost of property, plant and equipment with regard to accruals.

Write-ups on fixed assets are recognised when the reasons for the impairment no longer apply. Write-ups are permitted up to the net carrying amount that would have applied without impairment, taking into account normal depreciation and amortisation.

### › Financial assets

Financial assets are measured at cost. Non-interest bearing loans granted by the company are discounted, while interest-bearing loans are carried at the nominal value as at the balance sheet date. Impairment and write-ups (up to maximum of acquisition cost) are recognised only if the circumstances are considered to be permanent.

## CURRENT ASSETS

In accordance with section 206 UGB, current assets are carried at the lower of cost or market value.

Foreign currency assets are measured using the exchange rate in effect on the date of acquisition or the lower rate on the balance sheet date. Foreign currency liabilities are measured using the exchange rate in effect on the date of acquisition or the higher rate on the balance sheet date.

Write-ups on current assets are recognised when the reasons for impairment no longer apply.

### › Inventories

Inventories are carried at the lower of cost or market value. Inventory risks resulting from the duration of storage and diminished usability are accounted for with valuation allowances.

Inventories were measured using the weighted average price method or, in certain cases, the fixed price method. In individual cases, write-downs were recognised to reflect low turnover.

### › Receivables and other assets

Identifiable risks related to receivables are reflected in individual valuation allowances and global individual valuation allowances.

### › Deferred taxes

Deferred taxes are recognised in accordance with section 198(9) and (10) UGB in line with the liability approach and without discounting on the basis of the current corporation tax rate of 25%.

## PROVISIONS AND LIABILITIES

### › Provisions

Provisions are recognised in the amount of expected use in line with the prudence principle. Detailed information on the calculation of the provisions for severance compensation, pensions, service anniversary bonuses and semi-retirement programmes for older employees is provided under the respective balance sheet items.

In line with the prudence principle, other provisions take into account all risks discernible at the time of the preparation of the balance sheet and obligations of uncertain amounts and merits in the amount deemed necessary by prudent business judgement.

Any differences arising from the use of updated biometric data (F. W. Pagler AVÖ 2018-P mortality tables (mixed) as compared to AVÖ 2008-P) for employee-related provisions (severance compensation, service anniversary bonuses, pensions) were recognised as expenses in the 2018 financial year and were not distributed. These differences amounted to T€ 923.0 for the pension provision, T€ 104.4 for the provision for severance compensation and T€ 2,796.3 for the provision for service anniversary bonuses.

### › Liabilities

Liabilities are reported at their settlement amount.

### › Derivative financial instruments

The subsidiary Vienna Aircraft Handling Gesellschaft m.b.H. was granted an option that provides for Flughafen Wien AG to acquire the shares in Flugplatz Vöslau BetriebsGmbH at a fixed purchase price of cost plus all grants recognised on the holding (T€ 8,673.4).

The company held no other derivative financial instruments as at the balance sheet date.

# Notes to the Balance Sheet

## ASSETS

### Non-current assets

The development of the individual items of fixed assets is shown in the statement of changes in fixed assets (see appendix).

#### › Intangible assets and property, plant and equipment

The intangible assets of T€ 8,447.1 increased by 7.4% or T€ 582.2 and relate essentially to concessions and rights.

Property, plant and equipment moved up by 1.0% or T€ 11,375.9 to T€ 1,183,528.7. This includes land and buildings, technical equipment and machinery, other equipment, operating and office equipment as well as prepayments made and assets under construction.

The value of land included under land and buildings is T€ 96,321.9 (2017: T€ 95,027.2).

The carrying amounts of prepayments made and assets under construction were T€ 13,336.5 as at 31 December 2017, and increased to T€ 79,568.7 by 31 December 2018 as a result of additions less reclassifications.

The construction of the "Parallel runway 11R/29L" (third runway) constitutes a key project for FWAG's long-term development and growth potential. After the positive first instance ruling regarding the "Parallel runway 11R/29L" (third runway) project, a second instance hearing at the Austrian Federal Administrative Court was held at the beginning of January 2015.

On 9 February 2017, a ruling from the Federal Administrative Court overturning the project was served to Flughafen Wien AG. Flughafen Wien AG appealed against this decision of 2 February 2017 to the Austrian Constitutional Court. The Constitutional Court allowed this appeal on 29 June 2017 and revoked the decision by the Federal Administrative Court.

The Federal Administrative Court then had to revise its decision and on 28 March 2018 it approved the construction of the third runway subject to additional conditions. A review of the conditions is underway and the project is still being pursued energetically, as – based on the currently foreseeable passenger development – Vienna Airport will reach its capacity limits with the existing two-runway system after 2025.

As a result of the Federal Administrative Court's positive finding on 28 March 2018 regarding the construction of the third runway, the capitalisation requirements are now met. As at the end of the prior-year reporting period, these requirements were not considered to be met based on experience from the ongoing proceedings, and a disposal (without recognition through profit and loss) of the fully impaired acquisition-related costs was therefore carried out in the 2017 reporting year. In the 2018 reporting year, investments for the third runway were recognised in the amount of € 55.8 million, including € 55.4 million in connection with the environmental fund for the payment obligation from the service contract for the mediation process.



Further delays to the project could arise as a result of the appeals against the approval of the third runway that have been filed with the Higher Administrative Court by opponents of the runway. The decision on further proceedings and on the handling of these legal actions now lies with the highest-level court.

### › Financial assets

Loans to subsidiaries included write-ups to reflect the reversal of the discount from a shareholder loan (IVW) of T€ 88.8 (2017: T€ 192.4).

A total of T€ 6,756.6 (2017: T€ 5,405.4) of the loans are due within one year.

The shares in subsidiaries were not written up in the 2018 financial year or in the previous year.

Non-current securities comprise the following:

Amounts in T€	2018	2017
Shares	521.8	494.9
Other	137.7	137.7
	659.5	632.6

In the 2018 financial year, 713 shares in CEESEG AG were acquired at cost in the amount of T€ 26.9.

## Current assets

### › Receivables and other assets

Receivables and other assets break down as follows:

› 31.12.2018		Receivables with a remaining term			
Amounts in T€	Up to one year	From one to five years	Over five years	Total	
1. Trade receivables	47,760.1	0.0	0.0	47,760.1	
2. Receivables due from subsidiaries	11,760.3	0.0	0.0	11,760.3	
3. Receivables due from companies in which an investment is held	341.1	0.0	0.0	341.1	
4. Other receivables and assets	51,628.4	111,266.8	0.0	162,895.1	
	<b>111,489.8</b>	<b>111,266.8</b>	<b>0.0</b>	<b>222,756.6</b>	

› 31.12.2017		Receivables with a remaining term			
Amounts in T€	Up to one year	From one to five years	Over five years	Total	
1. Trade receivables	44,672.6	0.0	0.0	44,672.6	
2. Receivables due from subsidiaries	8,959.7	0.0	0.0	8,959.7	
3. Receivables due from companies in which an investment is held	644.8	0.0	0.0	644.8	
4. Other receivables and assets	45,746.8	66,247.2	0.0	111,994.0	
	<b>100,023.8</b>	<b>66,247.2</b>	<b>0.0</b>	<b>166,271.0</b>	

Valuation allowances of T€6,795.1 had been recognised for trade receivables as at the end of the reporting period (2017: T€5,816.3).

A global individual valuation allowance of T€77.1 (2017: T€12.6) was recognised.

As in the previous year, receivables due from subsidiaries resulted essentially from invoices for the provision of goods and services and contracts for the transfer of profit and loss.

The key items of other receivables are as follows:

Amounts in T€	2018	2017
Receivables from the investment in time deposits	156,089.4	106,000.0
Receivables from taxes	1,180.8	2,704.4
Receivables from credit card companies	1,324.6	1,362.7
Miscellaneous receivables	4,300.3	1,926.9
<b>Total</b>	<b>162,895.1</b>	<b>111,994.0</b>

Other receivables and assets include T€1,324.6 (2017: T€1,362.7) in credit card settlements that will be recognised in cash after the end of the reporting period.

In 2018 the receivables from taxes essentially related to corporation tax receivables of T€ 5,643.1 (2017: T€ 5,556.3) and VAT tax credits that were offset against liabilities arising from payroll-related taxes. In the 2018 reporting year, the total receivable amounts to T€ 1,180.8 (2017: T€ 2,704.4).

### › Current securities

Current securities consist of the following:

Amounts in T€	Carrying amount 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
RLB NÖ tier 2 capital	12,050.0	13,942.9	12,050.0	13,362.7
Hypo NOE bond	4,982.7	5,026.3	0.0	0.0
<b>Total</b>	<b>17,032.7</b>	<b>18,969.2</b>	<b>12,050.0</b>	<b>13,362.7</b>

No write-ups to current securities were possible in the 2018 financial year.

### › Deferred taxes

Deferred taxes as at the balance sheet date were recognised for temporary differences between the tax carrying amounts and those based on the commercial code of the following items:

Amounts in T€	31.12.2018	31.12.2017
<b>Deferred tax assets</b>		
Intangible assets and property, plant and equipment	10,493.3	7,662.0
Personnel provisions	15,631.4	13,793.3
Loans	59.2	80.9
Other provisions	2,026.4	2,156.0
	<b>28,210.2</b>	<b>23,692.2</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment	-2,154.4	-2,293.6
	<b>-2,154.4</b>	<b>-2,293.6</b>
<b>Total net deferred taxes</b>	<b>26,055.8</b>	<b>21,398.6</b>

# Equity and liabilities

## Equity

### › Share capital

The share capital amounts to T€152,670,000 as at 31 December 2018. It is divided into 84,000,000 (2017: 84,000,000) no-par-value bearer ordinary shares with voting and profit-sharing rights, which are securitised by a global certificate deposited with Oesterreichische Kontrollbank.

### › Capital reserves

Capital reserves comprise a T€92,221.8 premium generated by the stock issue in the 1992 financial year and a T€25,435.5 premium from the share capital increase in 1995.

### › Reserves (retained earnings)

The legal reserve is unchanged year-on-year at T€2,579.2.

Other reserves (including unallocated reserves) rose by T€43,100.0 from T€595,992.0 to T€639,092.0

### › Net retained profit

Net retained profit amounted to T€74,766.2 (2017: T€57,123.7).

The following table shows the development of net retained profit in the reporting year:

Amounts in T€	
Net retained profit as at 31.12.2017	57,123.7
- Distribution of profit	-57,120.0
+ Net income for the year	117,862.5
- Addition to reserves (retainend earnings)	-43,100.0
Net retained profit as at 31.12.2018	74,766.2

### › Government grants

The company received non-repayable investment subsidies from public authorities in the period from 1977 to 1985. Flughafen Wien AG also received investment subsidies from the European Union in 1997, 1998 and 1999. The investment allowances received from the Republic of Austria from 2002 to 2004 are accounted for as government grants and recognised in profit or loss over the useful life of the relevant item of property, plant and equipment. Government grants are reported separately after equity in line with the statutory structure for the statement of financial position. The development of government grants can be seen in Appendix 3.

## › Provisions

The calculation of the **provision for severance compensation** at Flughafen Wien AG as at 31 December 2018 was based on an actuarial expert opinion, which was prepared in accordance with IFRS (IAS 19). A discount rate of 1.30% (2017: 1.30%) and the projected unit credit method were used for the calculation. The notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Budget Concomitant Act), taking all transition regulations into account; an early retirement age was applied for manual labourers and night-shift manual labourers. The F. W. Pagler AVÖ 2018-P mortality tables (mixed) with disability probabilities adapted to the Flughafen Wien Group's workforce were used as the biometric basis (2017: AVÖ 2008-P). An increase in salaries of 3.83% (2017: 3.41%) was assumed. As in the previous year, the provision for severance compensation was recognised on the basis of employee turnover (combined with probability of pay-outs) using a graduated scale ranging from one to 25 years of service, with separate scales for wage-earning employees (6.9% with 28.2% probability of pay-outs to 7.0% with 85.2%) and salaried employees (8.9% with 42.8% probability of pay-outs to 7.1% with 86.6%). The actuarial gains and losses of minus T€ 5,485.8 (2017: minus T€ 1,561.0) are recognised immediately in profit or loss under personnel expenses.

**Provisions for pensions** were calculated in accordance with actuarial principles based on IFRS (IAS 19). A discount rate of 1.30% (2017: 1.30%) and the projected unit credit method were used for the calculation. The F. W. Pagler AVÖ 2018-P mortality tables (salaried employees) were used as the biometric basis (2017: AVÖ 2008-P). The notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Budget Concomitant Act), taking all transition regulations into account. An assumed increase of 3.83% (2017: 3.41%) was applied to salaries and a pension increase of 2.10% (2017: 2.10%) was assumed. Employee turnover was not included in the calculation as no active employees (2017: one active employee) have defined benefit claims. The actuarial gains and losses of minus T€ 1,014.4 (2017: plus T€ 259.7) are recognised immediately in profit or loss under personnel expenses.

**Provisions for service anniversary bonuses** were calculated in accordance with the actuarial principles based on the regulations under IFRS (IAS 19). A discount rate of 1.30% (2017: 1.30%) and the projected unit credit method were used. The F. W. Pagler AVÖ 2018-P mortality tables (mixed) with disability probabilities adapted to the Flughafen Wien Group's workforce were used as the biometric basis (2017: AVÖ 2008-P). The notional retirement age was taken as the earliest possible date for (early) retirement permitted by the 2004 pension reform (2003 Budget Concomitant Act), taking all transition regulations into account; an early retirement age was applied for manual labourers and night-shift manual labourers. An increase in salaries of 3.83% (2017: 3.41%) was assumed. The provisions for service anniversary bonuses include employee turnover probabilities ranging from one to 25 years of service, also with separate scales for wage-earning employees (6.9% to 1.1%) and salaried employees (8.9% to 1.0%). The actuarial gains and losses of minus T€ 2,541.8 (2017: minus T€ 607.9) are recognised immediately in profit or loss under personnel expenses.

**Provisions for semi-retirement programmes** were calculated in accordance with actuarial principles based on IFRS (IAS 19). A discount rate of 0.3% (2017: 0.3%) and the projected unit credit method were used for the calculation. An increase in salaries of 3.83% (2017: 3.41%) was assumed. Incidental wage costs of 7.3% and employer's social >

security contributions of 21.48% (up to the maximum contribution threshold under Austrian social security law) were taken into account. The actuarial gains and losses of minus T€1,692.0 (2017: minus T€1,525.3) are recognised immediately in profit or loss under personnel expenses.

Interest expenses relating to provisions for severance compensation, pensions, semi-retirement programmes and service anniversary bonuses and the effect of a change in the interest rate are recognised under personnel expenses.

**Other provisions** include essentially the following provisions: service anniversary bonuses T€29,474.2 (2017: T€25,801.9), provisions for semi-retirement programmes T€20,782.7 (2017: T€20,506.9), unused holiday T€10,141.4 (2017: T€8,243.9), bonuses for the reporting year and previous years T€3,030.5 (2017: T€2,355.4), goods and services not yet invoiced T€19,145.6 (2017: T€17,319.4), discounts T€37,052.8 (2017: T€19,676.9), various employee-related expenses T€8,897.0 (2017: T€6,468.7) and a provision for an impending loss from a put option of T€6,352.8 granted to Vienna Aircraft Handling Ges.m.b.H for the acquisition of Flugplatz Vöslau BetriebsGmbH (2017: T€6,352.8).

## › Liabilities

Liabilities break down as follows:

<b>› 31.12.2018</b>	<b>Liabilities with a remaining term</b>			
<b>Amounts in T€</b>	<b>up to one year</b>	<b>from one to five years</b>	<b>over five years</b>	<b>Total</b>
1. Liabilities to financial institutions	57,016.5	100,000.0	200,000.0	357,016.5
2. Trade payables	31,449.6	0.0	0.0	31,449.6
3. Liabilities due to subsidiaries	102,188.6	16,000.0	61,042.7	179,231.2
4. Liabilities due to companies in which an investment is held	10,610.2	0.0	0.0	10,610.2
5. Other liabilities	35,759.0	0.0	0.0	35,759.0
thereof taxes	0.0	0.0	0.0	0.0
thereof social security liabilities	5,980.1	0.0	0.0	5,980.1
	<b>237,023.8</b>	<b>116,000.0</b>	<b>261,042.7</b>	<b>614,066.5</b>

The remaining terms of the previous year were as follows:

<b>› 31.12.2017</b>		<b>Liabilities with a remaining term</b>		
Amounts in T€	up to one year	from one to five years	over five years	Total
1. Liabilities to financial institutions	45,033.8	100,000.0	225,000.0	370,033.8
2. Trade payables	33,724.4	0.0	0.0	33,724.4
3. Liabilities due to subsidiaries	94,315.5	16,000.0	61,563.7	171,879.2
4. Liabilities due to companies in which an investment is held	6,865.9	0.0	0.0	6,865.9
5. Other liabilities	19,662.9	0.0	0.0	19,662.9
thereof taxes	0.0	0.0	0.0	0.0
thereof social security liabilities	5,914.8	0.0	0.0	5,914.8
	<b>199,602.4</b>	<b>116,000.0</b>	<b>286,563.7</b>	<b>602,166.1</b>

Liabilities due to subsidiaries include T€ 88,000.0 (2017: T€ 90,563.7) relating to financing activities, the investment of affiliates' cash and cash equivalents at the parent company and trade payables.

Liabilities due to companies in which an investment is held mostly result from bank balances deposited for City Air Terminal Betriebsgesellschaft m.b.H. and "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH.

Other liabilities include the following expenses that will be recognised in cash after the balance sheet date: wages and salaries of T€ 6,017.2 (2017: T€ 6,806.3) from payroll accounting for December 2018/2017, social security expenses of T€ 5,980.1 (2017: T€ 5,914.8) and deferred interest of T€ 166.9 (2017: T€ 181.8). The "Other liabilities" item also includes outstanding payment obligations from the service contract for the mediation process of T€ 16,779.4 (previous year: T€ 0.0) in connection with the environmental fund.

As at 31 December 2018 and in the previous year, time deposits in the amount of T€ 106,000.0 (previous year: T€ 0.0) were pledged to banks.

### › Deferred income

Deferred income essentially consists of T€ 18,454.3 (2017: T€ 19,408.8) in rental prepayments received for the air traffic control tower.

### › Contingent liabilities

Contingent liabilities amounted to T€ 108,548.7 in total as at 31 December 2018 (2017: T€ 55,631.4). These break down as follows:

In accordance with section 7(4) of the charter of the Schwechat Waste Water Association dated 10 December 2003, Flughafen Wien AG is liable for T€ 672.3 in loans relating to the construction and expansion of the sewage treatment facilities (2017: T€ 977.7).

Flughafen Wien AG has issued a guarantee for the payment of liabilities from leases for the subsidiary Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H., currently amounting to T€ 47,184.7 (2017: T€ 51,853.6).

>

Flughafen Wien AG issued an open-ended comfort letter on behalf of VIE Office Park 3 BetriebsGmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€2,800.0 (2017: T€2,800.0).

Flughafen Wien AG issued an open-ended comfort letter on behalf of Vienna Airport Health Center GmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€3,000.0.

Flughafen Wien AG issued an open-ended comfort letter on behalf of Alpha Liegenschaftsentwicklungs GmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€210.7.

Flughafen Wien AG issued an open-ended comfort letter on behalf of Office Park 4 Errichtungs- und Betriebs GmbH to cover current and future liabilities. This comfort letter carries a maximum liability of T€54,681.0.

### › Other financial obligations

The company had purchase obligations for intangible assets and property, plant and equipment totalling €25.1 million as at the balance sheet date (2017: €28.3 million).

Flughafen Wien AG is required to assume the costs of the "Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung" (the employee foundation), which consist essentially of corporate income tax, in the form of subsequent contributions.

The following table shows the obligations to third parties arising from the use of property, plant and equipment not shown on the balance sheet:

#### › Remaining term from one to five years

Amounts in T€	2019	2019-2023
Liabilities from operating leases	459.7	1,595.0
Liabilities from operating leases with subsidiaries	1,888.7	7,554.7
Liabilities from a contract for participation rights with subsidiaries	18,282.6	91,412.9
<b>Total</b>	<b>20,631.0</b>	<b>100,562.6</b>

If a decision on the construction of the third runway is made, this will trigger a payment obligation from the service contract for the mediation process, which is calculated on the basis of the traffic figures, in connection with the environmental fund within eight weeks of the start of construction being announced. A figure of approx. €7.9 million is derived for this obligation on the basis of the traffic figures determined as at 31 December 2018.



## Notes to the Income Statement

### › Revenues

Amounts in T€	2018	2017 <sup>1</sup>
Airport revenue	370,285.7	348,554.3
Handling revenue	148,220.2	147,105.3
<b>Aviation revenue</b>	<b>518,505.9</b>	<b>495,659.7</b>
Lease, rental and usage revenue, parking revenue	125,956.1	119,167.5
Other revenue	62,840.9	60,642.3
<b>Non-aviation revenue</b>	<b>188,797.0</b>	<b>179,809.8</b>
<b>Total revenue</b>	<b>707,303.0</b>	<b>675,469.4</b>
Thereof with subsidiaries <sup>2</sup>	31,603.1	31,368.2

1) Adjusted

2) Including companies in which an investment is held

Aviation revenue comprises airport and handling revenue. Non-aviation revenue consists of revenue generated by energy supply and waste disposal services, IT services, rentals and concessions, passenger services and other services.

All revenue was generated in Austria.

Aviation revenue increased by 4.6% to T€ 518,505.9. The revenue upturn is due to the positive traffic growth (passengers: 10.8%, MTOW: 8.4%, cargo: 2.6%) and fee adjustments. However, this is offset by adjustments to incentives which are intended to strengthen airline bases at the Vienna site, as a result of which revenue does not increase at the same rate as traffic growth.

Flughafen Wien AG's non-aviation revenue rose by 5.0% to T€ 188,797.0 and resulted essentially from higher lease, rental and usage revenue.

### › Cost of materials and other purchased services

The cost of materials and other purchased services was T€ 69,853.6 after T€ 66,486.4 in the previous financial year. The increase is attributable to higher consumption of deicing materials, fuel, other materials and electricity. This increase is countered by lower expenses from charges passed on.

### › Personnel expenses

Flughafen Wien AG's personnel expenses increased by 6.7% year-on-year to T€ 237,855.9 (2017: T€ 222,948.9).

Wage costs increased by T€ 1,350.5 to T€ 89,983.2, and salary costs rose by T€ 6,886.4 to T€ 82,208.9.

Expenses for severance compensation and contributions to employee severance compensation funds break down as follows:

Amounts in T€	2018	2017
Expenses for severance compensation	11,951.9	6,506.9
Contributions to employee severance compensation funds	1,707.1	1,596.0
<b>Total expenses for severance compensation</b>	<b>13,659.0</b>	<b>8,102.9</b>

Personnel expenses include the following components for service anniversary bonuses:

Amounts in T€	2018	2017
Addition to/reversal of the provision for service anniversary bonuses		
in wages (addition)	836.3	766.1
in salaries (addition)	3,630.2	1,677.8
in wages (utilisation)	-287.3	-303.7
in salaries (utilisation)	-506.8	-566.1
<b>Total change in provision</b>	<b>3,672.4</b>	<b>1,574.2</b>

In the 2018 financial year, T€3,933.7 (2017: T€2,622.1) was recognised as expenses for pensions, T€2,736.7 of which (2017: T€2,637.3) was paid into defined contribution pension funds and T€1,197.0 (2017: reversal of T€15.2) into defined benefit pensions.

### › Depreciation, amortisation and impairment

Depreciation and amortisation decreased by 5.6% or T€5,994.3 year-on-year to T€100,298.9.

In the 2017 financial year, impairment of T€1,479.1 was recognised. The write-down to net present value relates to the impairment of cargo buildings. No impairment was recognised in the 2018 financial year.

## › Other operating expenses

Other operating expenses comprise the following:

Amounts in T€	2018	2017
Services from Group companies	94,055.6	90,082.3
Maintenance	28,403.1	21,714.4
Third-party services	10,377.7	10,419.8
Marketing and market communication	9,327.2	18,147.8
Legal, audit and consulting fees	4,595.2	7,361.8
Other operating expenses	3,590.4	5,319.3
Travel and training costs	2,502.4	2,814.0
Insurance	2,046.5	1,981.4
Rentals and leasing	1,733.7	1,526.7
Postage and telecommunication expenses	1,306.9	1,208.9
Damages	1,118.8	634.7
Additions to valuation allowances	1,156.2	2,673.0
Transportation	675.0	659.8
Other taxes	553.8	520.3
Losses on disposals of fixed assets	97.3	54.7
Miscellaneous	4,997.9	2,951.2
<b>Total</b>	<b>166,537.7</b>	<b>168,070.1</b>

Information on expenses for the auditor of the annual financial statements in the financial year can be found in the notes to the consolidated financial statements of Flughafen Wien AG.

## › Financial result

Income from investments includes income from the transfer of profit by Vienna Aircraft Handling GmbH of T€ 1,964.7 (2017: T€ 1,260.8).

## › Income taxes

Flughafen Wien AG has been the head of a tax group as defined in section 9 of the Körperschaftsteuergesetz (KStG – Austrian Corporate Income Tax Act) since 2005. The Group parent apportions and charges or credits (in the event of a loss) the applicable share of corporation taxes to the member companies of the Group. Income tax expenses (not including deferred taxes) amounted to T€ 37,038.5 (2017: T€ 30,158.8) and include the tax expense of the parent company for the current financial year and a prior-period expense of T€ 1,128.7.

Deferred tax income amounts to T€ 4,657.2 (2017: T€ 4,183.0). The net amount of negative tax allocations is T€ 526.1 (2017: T€ 397.5), while the net amount of positive tax allocations is T€ 9,388.0 (2017: T€ 8,932.1).

## Other Disclosures

### › Significant events after the balance sheet

There were no relevant events after the balance sheet date.

### › Appropriation of earnings

It is proposed to use the net retained profits of T€ 74,766.2 to pay a dividend of € 0.89 per share, or € 74,760,000.00 in total, and to carry forward the remainder (€ 6,249.84) to new account.

### › Corporate bodies and employees

**The members of the Supervisory Board in the 2018 financial year are listed below:**

Bettina GLATZ-KREMSNER  
Ewald KIRSCHNER  
Wolfgang RUTTENSTORFER  
Karin REST  
Gerhard STARSICH  
Herbert PAIERL  
Robert LASSHOFER  
Richard GRASL (until 19 November 2018)  
Lars BESPOLKA  
Werner KERSCHL

**Delegated by the Works Council:**

Thomas SCHÄFFER  
Heinz STRAUBY  
Herbert FRANK  
Thomas FAULHUBER  
David JOHN

**Chairman/Chairwoman of the Supervisory Board:**

Bettina GLATZ-KREMSNER (from 2 May 2018)  
Ewald KIRSCHNER (until 2 May 2018)

**His/her Deputies:**

Ewald KIRSCHNER (from 2 May 2018)  
Bettina GLATZ-KREMSNER (until 2 May 2018)  
Wolfgang RUTTENSTORFER

**The members of the Management Board in 2018 were:**

Julian JÄGER  
Günther OFNER

The average number of employees (not including the Management Board) was as follows:

	2018	2017
Wage-earning employees	1,982	2,011
Salaried employees	1,177	1,122
<b>Total employees</b>	<b>3,159</b>	<b>3,133</b>

The members of the Management Board of Flughafen Wien AG received the following remuneration for their work in 2017 and 2018 financial years:

#### › Management Board remuneration in 2018 (payments)

Amounts in T€	Fixed remuneration 2018	Performance-based remuneration for 2017	Non-cash remuneration 2018	Total remuneration 2018
Günther Ofner	338.2	164.5	8.6	511.4
Julian Jäger	338.2	164.5	8.9	511.7
	<b>676.5</b>	<b>329.0</b>	<b>17.6</b>	<b>1,023.1</b>

#### › Management Board remuneration in 2017 (payments)

Amounts in T€	Fixed remuneration 2017	Performance-based remuneration for 2016	Non-cash remuneration 2017	Total remuneration 2017
Günther Ofner	329.0	189.3	9.5	527.8
Julian Jäger	329.0	189.3	8.9	527.2
	<b>658.0</b>	<b>378.5</b>	<b>18.4</b>	<b>1,055.0</b>

The remuneration system for the members of the Management Board and first and second level of management is comprised of fixed and performance-based components. The performance-based compensation paid out in 2018 was for bonuses for the 2017 financial year. In 2017, the performance-based compensation paid out represents bonuses for the 2016 financial year. There are no stock option plans for management.

The company makes payments equalling 15% of their respective salary into a pension fund on behalf of Julian Jäger and Günther Ofner. The contribution for each member of the Management Board regarding the 2018 financial year amounted to T€75.4 (2017: T€77.7).

Total remuneration paid to former members of the Management Board amounted to T€ 452.9 (2017: T€ 441.6).

Total expenses for severance compensation and pensions for the members of the Management Board and key employees, not including former members of the Management Board, amounted to T€ 321.8 (2017: T€ 302.2). The comparable amount for other employees was T€ 17,270.9 (2017: T€ 10,422.8).

The members of the Supervisory Board received attendance fees (payments) of T€ 180.4 in 2018 (2017: T€ 180.8).

There were no outstanding receivables from advances or loans granted to the members of the Supervisory Board or Management Board as at the balance sheet date.

Schwechat, 5 March 2019

**The Management Board**



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO



# Appendix to the Notes

## Appendix 1 to the Notes

### ► Statement of changes in fixed assets from 1 January to 31 December 2018

Development of acquisition/production cost						
Fixed assets	As at 1.1.018	Additions	Reclassifica- tions	Disposals	As at 31.12.2018	As at 1.1.2018
<b>I. Intangible assets</b>						
1. Concessions and rights	41,906,590.81	866,943.67	2,010,115.69	623,182.14	44,160,468.03	34,041,688.71
<b>Total</b>	<b>41,906,590.81</b>	<b>866,943.67</b>	<b>2,010,115.69</b>	<b>623,182.14</b>	<b>44,160,468.03</b>	<b>34,041,688.71</b>
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>						
1. Land and buildings, including buildings on third-party land	1,464,383,135.34	1,935,441.10	6,694,183.42	775,804.85	1,472,236,955.01	533,379,659.48
2. Technical equipment and machinery	815,591,163.92	1,241,601.07	9,086,184.61	2,872,580.13	823,046,369.47	644,242,313.13
3. Other equipment, operating and office equipment	240,794,771.33	23,304,049.26	1,887,077.00	11,185,447.90	254,800,449.69	184,330,764.71
4. Prepayments made and construction in progress	13,336,518.66	85,909,762.28	-19,677,560.72	0.00	79,568,720.22	0.00
<b>Total</b>	<b>2,534,105,589.25</b>	<b>112,390,853.71</b>	<b>-2,010,115.69</b>	<b>14,833,832.88</b>	<b>2,629,652,494.39</b>	<b>1,361,952,737.32</b>
<b>III. Financial assets</b>						
1. Shares in subsidiaries	267,356,897.39	35,000.00	0.00	0.00	267,391,897.39	17,000.00
2. Loans granted to subsidiaries	116,572,361.05	37,750,000.00	0.00	9,850,000.00	144,472,361.05	413,733.52
3. Investments in other companies	4,116,686.50	4,200.00	0.00	0.00	4,120,886.50	0.00
4. Non-current securities (rights)	632,622.77	26,915.75	0.00	0.00	659,538.52	0.00
5. Other loans granted	586,820.34	210,266.17	0.00	38,909.12	758,177.39	0.00
<b>Total</b>	<b>389,265,388.05</b>	<b>38,026,381.92</b>	<b>0.00</b>	<b>9,888,909.12</b>	<b>417,402,860.85</b>	<b>430,733.52</b>
<b>Total</b>	<b>2,965,277,568.11</b>	<b>151,284,179.30</b>	<b>0.00</b>	<b>25,345,924.14</b>	<b>3,091,215,823.27</b>	<b>1,396,425,159.55</b>



Accumulated depreciation					Carrying amounts		
	Additions	Write-ups	Reclassifications	Disposals	As at 31.12.2018	As at 31.12.2018	As at 1.1.2018
	2,293,921.02	0.00	0.00	622,263.55	35,713,346.18	8,447,121.85	7,864,902.10
	2,293,921.02	0.00	0.00	622,263.55	35,713,346.18	8,447,121.85	7,864,902.10
	51,390,625.74	0.00	0.00	44,264.96	584,726,020.26	887,510,934.75	931,003,475.86
	29,550,279.68	0.00	0.00	2,704,510.92	671,088,081.89	151,958,287.58	171,348,850.79
	17,064,108.18	0.00	0.00	11,085,195.60	190,309,677.29	64,490,772.40	56,464,006.62
	0.00	0.00	0.00	0.00	0.00	79,568,720.22	13,336,518.66
	98,005,013.60	0.00	0.00	13,833,971.48	1,446,123,779.44	1,183,528,714.95	1,172,152,851.93
	0.00	0.00	0.00	0.00	17,000.00	267,374,897.39	267,339,897.39
	0.00	88,825.00	0.00	0.00	324,908.52	144,147,452.53	116,158,627.53
	0.00	0.00	0.00	0.00	0.00	4,120,886.50	4,116,686.50
	0.00	0.00	0.00	0.00	0.00	659,538.52	632,622.77
	0.00	0.00	0.00	0.00	0.00	758,177.39	586,820.34
	0.00	88,825.00	0.00	0.00	341,908.52	417,060,952.33	388,834,654.53
	100,298,934.62	88,825.00	0.00	14,456,235.03	1,482,179,034.14	1,609,036,789.13	1,568,852,408.56

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# Investments of Flughafen Wien AG<sup>1</sup>

## Appendix 2 to the Notes

### › Flughafen Wien Immobilienverwertungsgesellschaft m. b. H. (IVW)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** The object of IVW comprises the commercial leasing of assets, in particular property, and the acquisition of properties and buildings at the site of Flughafen Wien AG.

in T€	2018	2017
Equity	60,860.7	60,317.5
Revenue	18,282.6	17,888.0
Net income for the year	8,543.1	8,004.7

### › Vienna Aircraft Handling Gesellschaft m. b. H. (VAH)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** This company offers a full range of services for all divisions of general aviation and for business aviation in particular. Its key revenue drivers are private aircraft handling and aircraft handling services for Flughafen Wien AG in the general aviation sector (including fuelling and parking).

in T€	2018	2017
Equity	8,699.8	8,699.8
Revenue	13,840.6	11,490.9
Net income for the year	1,964.7	1,260.8

1) Austrian companies according to UGB

### › Vienna Airport Technik GmbH (VAT)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** The company provides services for the electrical facilities sector. It also builds electrical and supply facilities, in particular technical equipment for airports, and installs electrical infrastructure.

in T€	2018	2017
Equity	1,353.7	2,960.0
Revenue	41,338.9	44,922.0
Net income for the year	43.7	1,647.4

### › Vienna International Airport Security Services Ges. m. b. H. (VIAS)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** VIAS is responsible for the performance of security controls (passengers and hand luggage) on behalf of Flughafen Wien AG. It also performs services for other aviation customers (wheelchair transport, oversize baggage control, document control, etc.). The company also participates in tenders for the provision of security services for airports through its Austrian subsidiaries.

in T€	2018	2017
Equity	14,046.1	15,783.9
Revenue	51,518.5	51,237.4
Net income for the year	6,442.2	8,135.2

### › VIE Liegenschaftsbeteiligungsgesellschaft m. b. H. (VIEL)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	100% VIE

**Object of the company:** The company serves as a holding company for the BPIB, VOPE, MAZUR, LZW, IMB, ALG, BLG, BPL, VHC and VWTC subsidiaries, the purpose of which is the purchase, development and marketing of the properties they own.

in T€	2018	2017
Equity	47,216.4	45,745.9
Revenue	0.0	0.0
Net income for the year	5,170.6	3,771.4

### › Vienna International Airport Beteiligungsholding GmbH (VIAB)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Acquisition of and investment in international subsidiaries and equity investments, participation in international airport privatisation projects. The company serves as a holding company for the subsidiary VINT.

in T€	2018	2017
Equity	122,655.7	121,401.0
Revenue	0.0	0.0
Net income/loss for the year	3,504.6	-0.5

### › VIE Shops Entwicklungs- und Betriebsges. m. b. H. (VIE-Shops)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Planning, development, marketing and operation of shops at airports in Austria and other countries, and the acquisition and management of other companies.

in T€	2018	2017
Equity	15.1	18.2
Revenue	0.0	0.0
Net loss for the year	-3.1	-3.0

### › City Air Terminal Betriebsgesellschaft m. b. H. (CAT)

**Registered office:** Schwechat

**Share owned:** 50.1% VIE

**Object of the company:** Operation of the City Airport Express as a railway operator from the "Wien-Mitte" transit centre to and from Vienna International Airport; operation of check-in facilities at the "Wien-Mitte" transit centre combined with baggage logistics for airport passengers; consulting for third parties on the organisation and implementation of traffic connections between airports and cities.

in T€	2018	2017
Equity	12,124.6	10,169.0
Revenue	14,519.9	13,252.5
Net income for the year	1,955.5	2,131.6

### › SCA Schedule Coordination Austria GmbH (SCA)

<b>Registered office:</b>	Schwechat
<b>Share owned:</b>	49% VIE

**Object of the company:** Schedule coordinator for airports in Austria, e.g. the company allocates time slots to aircraft in accordance with EU law, principles defined by the IATA and applicable legal regulations, and also carries out other activities that are directly or indirectly related to the business of the company.

	2018 <sup>1</sup>	2017
Equity	632.6	624.2
Revenue	954.2	928.2
Net income for the year	34.4	44.7

1) Preliminary figures

### › BTS Holding a. s. „v likvidácii“ (BTSH)

<b>Registered office:</b>	Bratislava, Slovakia
<b>Share owned:</b>	47.7% VIE 33.3% VINT

**Object of the company:** Performance of consulting and other services for airports. It was also intended that the company will hold the planned equity investment in Bratislava Airport.

IFRS figures in T€	2018	2017
Equity	493.7	507.0
Revenue	0.0	0.0
Net loss for the year	-13.2	-142.1

### › KSC Holding a. s. (KSCH)

<b>Registered office:</b>	Bratislava, Slovakia
<b>Share owned:</b>	47.7% VIE 52.3% VINT

**Object of the company:** The object of the company, in addition to holding the 66% investment in Košice Airport, is the performance of consulting services.

IFRS figures in T€	2018	2017
Equity	36,414.0	34,760.1
Revenue	0.0	0.0
Net income for the year	1,653.9	1,202.3

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### › VIE Airport Baumanagement GmbH (VAB)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Provision of all types of construction and construction-related services, including for construction projects of Flughafen Wien AG and other contractors.

in T€	2018	2017
Equity	30.6	110.3
Revenue	1,182.7	3,210.0
Net loss/income for the year	-4.8	74.5

### › Vienna Passenger Handling Services GmbH (VPHS)

**Registered office:** Schwechat

**Share owned:** 100% VIE

**Object of the company:** Provision of ground handling services as defined by the Flughafen-Bodenabfertigungsgesetz (Austrian Airport Ground Handling Act). The services are consistent with those detailed in the appendix to the Austrian Airport Ground Handling Act.

in T€	2018	2017
Equity	515.1	471.3
Revenue	6,737.3	4,510.3
Net income for the year	43.9	219.1

### › VIE Finance Holding GmbH (VFH) formerly VIE Malta Finance Holding Ltd. (VIE MFH)

**Registered office:** Bad Vöslau

**Share owned:** 99.8% VIE 0.2% VIAB

**Object of the company:** Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS figures in T€	2018	2017
Equity	16,861.2	16,769.1
Revenue	0.0	0.0
Net income for the year	57.0	2,038.3

### › Load Control International SK s.r.o (LION)

**Registered office:** Košice, Slovakia

**Share owned:** 100% VIE

**Object of the company:** The object of the company is the preparation of load sheets.

IFRS figures in T€	2018	2017
Equity	23.6	12.2
Revenue	400.6	177.4
Net income for the year	11.5	6.7

# Development of Government Grants

## Appendix 3 to the Notes

Amounts in €	As at 1.1.2018	Disposal	Reversal	Addition	As at 31.12.2018
<b>Property, Plant and Equipment</b>					
1. Land and buildings	551,339.71	0.00	159,590.79	0.00	391,748.92
2. Technical equipment and machinery	76,294.82	0.00	23,826.54	0.00	52,468.28
3. Other equipment, operating and office equipment	17,686.10	0.00	2,889.47	0.00	14,796.63
<b>Total</b>	<b>645,320.63</b>	<b>0.00</b>	<b>186,306.80</b>	<b>0.00</b>	<b>459,013.83</b>

# Statement of the Members of the Management Board

In accordance with § 124 (1) Z3 of the Austrian Stock Corporation Act 2018

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Schwechat, 5 March 2019

## The Management Board



**Günther Ofner**  
Member, CFO



**Julian Jäger**  
Member, COO



# Auditor's report

## Report on the Financial Statements

### Audit Opinion

We have audited the financial statements of

**Flughafen Wien Aktiengesellschaft,  
Schwechat**

which comprise the Balance Sheet as of 31 December 2018, the income statement for the year then ended, and the notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2018, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

### › Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## › Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

In our opinion the key audit matters are the following:

1. Investments in Property, Plant and Equipment (Recognition and Valuation)
2. Recognition and Disclosures concerning the Third Runway Project

## › 1. Investments in Property, Plant and Equipment (Recognition and Valuation)

Refer to notes page 269.

### **Risk for the Financial Statements**

Valuation and recognition of property, plant and equipment is of particular significance, because property, plant and equipment in the amount of EUR 1.183,5 Mio. represent 63% of Flughafen Wien AG's total assets.

Due to the test requirements related to ongoing construction projects, the determination of the acquisition and production cost of property plant and equipment is subject to uncertainty.

In case there is an indication that an asset may be impaired or an impairment loss recognized in prior periods may no longer exist or may have decreased (triggering events), Management assesses property, plant and equipment through comparing the recoverable amount of the cash-generating unit to which the asset belongs with the carrying amount of the cash-generating unit. Determination whether impairment tests have to be performed is based on estimates and judgements. Valuation depends substantially on the Management Board's estimate of future cashflows for purposes of the discounted cash flow calculation, the underlying discount rates, growth rates as well as the underlying planning periods. In the financial year 2018 Management did not identify triggering events for impairment losses or reversals of impairment losses.

### **Our Response**

In the course of our audit we obtained an understanding of the relevant processes and internal controls with respect to the recognition of property, plant and equipment and tested the operating effectiveness of selected internal controls. In order to evaluate the existence and accuracy of accrued acquisition and production costs we analysed the documents posted with respect to additions to property, plant and equipment whether they resulted from incoming invoices or cost accruals. We discussed the status and progress of a sample of investment projects with the responsible persons. We further agreed capitalized costs with underlying incoming invoices on a sample basis.

In order to assess whether triggering events have occurred, we obtained an understanding of the planning assumptions as well as the relevant processes and internal controls through inquiry of the members of the Management Board and the executive team. Additionally, we tested the operating effectiveness of selected internal controls. We further analysed the documentation ("trigger list") provided to us and compared the underlying estimates and assumptions with our understanding gained in the course of the audit of the financial statements, in particular with the analyses of the actual figures. We evaluated the appropriateness of the underlying estimates in determining the discount rates by comparison with market and industry specific benchmarks and we obtained an understanding of the calculation model for determining the discount rates.

## ➤ 2. Recognition and Disclosures concerning the Third Runway Project

Refer to notes page 272 f.

### **Risk for the Financial Statements**

Flughafen Wien AG pursues the construction project parallel runway (project third runway).

On 9 February 2017, a ruling from the Federal Administrative Court overturning the project was served. Flughafen Wien AG appealed against this decision (of 2 February 2017) to the Austrian Constitutional Court. The Constitutional Court allowed this appeal on 29 June 2017 and revoked the decision by the Federal Administrative Court.

During further proceedings in the financial year 2018 the Federal Administrative Court revised its decision on 28 March 2018 and approved construction of the third runway under additional conditions. These conditions are currently under review and the project is continuing as a top priority. In the light of the positive decision dated 28 March 2018 the Management Board determined that the capitalization requirements are now met. As of prior year's reporting date these were not considered to be met due to the observations of the ongoing proceedings and therefore a disposal (without recognition through profit and loss) of the fully written down acquisition-related costs was recorded in the financial year 2017. In the financial year 2018, capital expenditure for the third runway of EUR 55,8 mio. was recognized, of which EUR 55,4 mio. relate to the capitalisation of the payment obligation arising from the service agreement for the mediation process in connection with the environmental fund. Further project delays could be caused by complaints from opponents to the approval of the third runway, filed with the Supreme Administrative Court.

The presentation and disclosures with respect to the third runway project are based on discretionary judgement.

**Our Response**

We evaluated and discussed Management Board's assessment that the capitalization requirements for the third runway project are now considered fulfilled by reviewing the legal basis and under consideration of the relevant accounting principles. We also evaluated, when and according to which accounting guidance an impact of the change in accounting estimate in respect of the capitalisation requirements have to be accounted for.

In addition, we reconciled the capitalized payment obligation arising from the service agreement for the mediation process in connection with the environmental fund of EUR 55,4 mio. to the underlying calculations, details and legal basis.

We further assessed the appropriateness of the disclosures in the notes.

**› Responsibilities of Management and the Audit Committee for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's the financial reporting process.

**› Auditor's Responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

**Moreover:**

- › We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- › We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- › We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- › We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- › We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- › We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- › We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- › From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

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# Report on Other Legal Requirements

## › Management Report

In accordance with the Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements. It is our responsibility to determine whether the non-financial statement has been prepared as part of the management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the financial statements or any apparent material misstatement of fact.

Management is responsible for the preparation of the management report in accordance with the Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports as applied in Austria.

## Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

## Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

## › Additional information in accordance with Article 10 AP Regulation

At the Annual General Meeting dated 2 May 2018, we were elected as auditors. We were appointed by the supervisory board on 16 August 2018. We have been the Company's auditors from the year ended 31 December 2007, without interruption.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

## › Engagement Partner

The engagement partner is Mrs Heidi Schachinger.

Vienna, 5 March 2019

### **KPMG Austria GmbH**

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

**Heidi Schachinger**

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

# Glossary

- › **Austro Control:** Agency responsible for safe and economical air traffic operations in Austrian air space
- › **Catchment Area:** Geographical region where passengers can reach Vienna International Airport within a two-hour drive, or where the travelling time to Vienna is shorter than to any other comparable airport
- › **Flight Movements:** Take-offs and landings Handling: Various services required by aircraft before and after flights Home Carrier: Domestic airline
- › **Hub:** Transfer airport
- › **Incentive:** Promotional measure that uses tariffs to encourage airlines to add new flight connections and increase frequencies
- › **Issuer Compliance Guideline:** Directive that establishes principles for the distribution of information in a company and related organisational measures to prevent the misuse of insider information; effective as of 1 November 2007
- › **Maximum Take-off Weight (MTOW):** Maximum allowable take-off weight determined by manufacturer for each type of aircraft
- › **Minimum Connecting Time:** The minimum amount of time needed for passengers and their baggage to make their connecting flights without difficulty
- › **Noise Protection Programme:** Agreement reached as part of the mediation contract; under certain conditions, the installation of special windows to protect the health and living quality of neighbouring residents is financed at least in part by Flughafen Wien
- › **Noise Charge:** A charge based on the amount of noise produced by aircraft; part of this fee has been charged since July 2010
- › **Noise Zone:** Sector in which a specific noise level is exceeded
- › **Trucking:** Air cargo transported by lorries (substitute means of transportation)
- › **Terminal 3:** An extension of the existing terminal constructed in stages and connected with the existing Terminal 2 on the northeast side
- › **VISITAIR Center:** Exhibition and information centre on Vienna Airport that opened in 2007.



## Calculation of Financial Indicators

- › **Asset Coverage:** Fixed assets / total assets
- › **Asset Coverage 2:** (Equity + long-term borrowings) / fixed assets
- › **Capital Employed:** Property, plant and equipment + intangible assets + noncurrent receivables + working capital
- › **EBITDA Margin:** (EBIT + amortisation and depreciation) / revenue
- › **EBIT Margin:** EBIT / revenue
- › **Equity Ratio:** Equity / balance sheet total
- › **Gearing:** Net debt / equity
- › **Net Debt:** (Current and non-current financial liabilities) – cash and cash equivalents – current securities – current and non-current investments (time deposits)
- › **ROCE (Return on Capital Employed after Tax):** EBIT after taxes / average capital employed
- › **ROE (Return on Equity after Tax):** Net profit for the period / average equity
- › **ROS (Return on Sales):** EBIT / turnover
- › **WACC:** Weighted average cost of equity and debt
- › **Working Capital:** Inventories + current receivables and other assets – current tax provisions – other current provisions – trade payables – other current liabilities

## Abbreviations

- › **ACI:** Airports Council International
- › **BMVIT:** Austrian Federal Ministry for Transport, Innovation and Technology
- › **CO<sub>2</sub>:** Carbon dioxide
- › **ECAC:** European Civil Aviation Conference
- › **F&B:** Food and Beverage
- › **IATA:** International Air Transport Association (umbrella organisation of the airlines)
- › **ICAO:** International Civil Aviation Organization
- › **NOx:** Nitrogen oxide
- › **OAG:** Official Airline Guide
- › **PAX:** Passenger
- › **TSA:** Transportation Security Administration (agency of the US Department of Homeland Security)
- › **TU:** Traffic unit
- › **VIAS:** Vienna International Airport Security Services GesmbH

# Imprint

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### **Flughafen Wien AG website:**

[www.viennaairport.com](http://www.viennaairport.com)

### **Investor Relations:**

[www.viennaairport.com/en/company/investor\\_relations](http://www.viennaairport.com/en/company/investor_relations)

### **Noise protection programme**

### **at Vienna International Airport:**

[www.laermschutzprogramm.at](http://www.laermschutzprogramm.at)

### **The environment and aviation:**

[www.vie-umwelt.at](http://www.vie-umwelt.at)

### **Facts & figures on the third runway:**

[www.viennaairport.com/en/company/flughafen\\_wien\\_ag/third\\_runway\\_project](http://www.viennaairport.com/en/company/flughafen_wien_ag/third_runway_project)

### **Dialogue forum at**

### **Vienna International Airport:**

[www.dialogforum.at](http://www.dialogforum.at)

### **Mediation process (archive):**

[www.viemediation.at](http://www.viemediation.at)

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**on behalf of Flughafen Wien AG.**

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**Disclaimer:** This annual financial report contains assumptions and forecasts, which are based on information available up to the copy deadline in March 2019. If the premises for these forecasts do not occur or risks indicated in the risk report arise, actual results may vary from these estimates. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee. The Annual Financial Report 2018 of Flughafen Wien AG is also available on our homepage [www.viennaairport.com/en/company/investor\\_relations](http://www.viennaairport.com/en/company/investor_relations) under the menu point "Publications and reports".





[www.viennaairport.com](http://www.viennaairport.com)