Annual Report 2012

Flughafen Wien AG

www.viennaairport.com

Key Data on the Flughafen Wien Group

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Financial Indicators

in € million (excluding employees)	2012	Change in %	2011	2010	2009
Total revenue	607.4	4.4	582.0	533.8	501.7
Thereof Airport	317.8	7.8	294.6	260.0	226.5
Thereof Handling	153.8	-4.2	160.5	165.2	169.8
Thereof Retail & Properties	119.5	8.0	110.6	93.6	88.8
Thereof Other Segments	16.1	0.2	16.1	14.5	16.2
EBITDA	221.4	17.1	189.0	168.1	166.5
EBITDA margin (in %)[1]	36.5	-	32.5	31.5	33.2
EBIT	108.0	60.8	67.2	102.3	99.6
EBIT margin (in %)[2]	17.8	-	11.5	19.2	19.9
ROCE (in %)[3]	4.9	-	3.2	5.1	5.4
Net profit after non-controlling interests	71.9	127.5	31.6	75.7	73.4
Cash flow from operating activities	179.7	0.4	178.9	169.7	155.5
Equity	851.6	4.9	811.4	823.0	794.8
Equity ratio (in %)	41.3	-	37.7	41.2	42.7
Net debt	719.6	-4.3	751.7	666.3	613.9
Balance sheet total	2,061.8	-4.1	2,150.2	1,998.5	1,860.9
Gearing (in %)	84.5	-	92.6	81.0	77.2
Capital expenditure[4]	101.2	-61.1	260.2	145.5	223.6
Income taxes	21.4	59.2	13.5	23.0	22.7
Average number of employees for the year[5]	4,475	-1.1	4,525	4,266	4.148
Number of employees on 31.12.	4,306	-4.3	4,500	4,336	3.925

Definitions: 1) EBITDA margin (Earnings Before Interest, Taxes, Depreciation and Amortisation) = EBIT + depreciation and amortisation / Operating income; 2) EBIT margin (Earnings before Interest and Taxes) = EBIT / Operating income; 3) ROCE (Return on Capital Employed after Tax) = (EBIT less allocated taxes) / Average capital employed; 4) Capital expenditure: Intangible assets, property, plant and equipment and prepayments, including corrections to invoices from previous years; 5) Average number of employees for the year: Weighted average number of employees including apprentices and employees on official non-paying leave (maternity, military, etc.) and excluding the Management Board and managing directors;

Industry Indicators

	2012	Change in %	2011	2010	2009
Passengers (in mill.)	22.2	5.0	21.1	19.7	18.1
Thereof transfer passengers (in mill.)	7.1	8.1	6.5	5.9	5.5
Flight movements	244,650	-0.6	246,157	246,146	243,430
MTOW (in mill. tonnes)[6]	8.1	-1.7	8.3	8.0	7.3
Cargo (air cargo and trucking; in tonnes)	252,276	-9.2	277,784	295,989	254,006
Seat occupancy (in %)[7]	73.0	-	69.6	68.9	68.7

Stock Market Indicators

	2012	Change in %	2011	2010	2009
Shares outstanding (in mill.)	21	0.0	21	21	21
P/E ratio (per 31.12.)	12.6	-35.4	19.4	14.2	10.0
Earnings per share (in €)	3.42	128.0	1.50	3.61	3.49
Dividend per share (in €)[8]	1.05	5.0	1.00	2.00	2.10
Dividend yield (as of 31.12.; in %)	2.4	-	3.4	3.9	6.0
Pay-out ratio (as a % of net profit)	30.5	-	66.5	55.5	60.1
Market capitalisation (as of 31.12.; in € mill.)	902.8	47.0	614.3	1,075.8	730.8
Stock price: high (in €)	42.99	-17.3	51.98	51.23	38.84
Stock price: low (in €)	26.04	1.3	25.70	33.11	19.06
Stock price: as of 31.12. (in €)	42.99	47.0	29.25	51.23	34.80
Market weighting ATX Prime (as of 31.12.; in %)[9]	1.1	-	1.0	-	-

6) MTOW: Maximum take-off weight for aircraft; 7) Seat occupancy: Number of passengers/Available number of seats; 8) Dividend 2012: Recommendation to the Annual General Meeting; 9) ATX Prime: The VIE share was reclassified from the ATX to the ATX Prime in March 2011

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Flughafen Wien AG website:
http://www.viennaairport.com
Noise protection programme at Vienna International Airport:
http://www.laermschutzprogramm.at
The environment and aviation:
http://www.vie-umwelt.at
Facts & figures on the third runway:
http://www.drittepiste.viennaairport.com
Dialogue forum at Vienna International Airport:
http://www.dialogforum.at
Mediation process (archive):
http://www.viemediation.at

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Disclaimer:
This annual report contains assumptions and forecasts, which were based on information available up to the copy deadline on 26 February 2013. 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 Report 2012 of Flughafen Wien AG is also available on our homepage http://ir.viennaairport.com under the menu point "Publications and reports"

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Günther Ofner

Julian Jäger

Dear Shareholders

The 2012 financial year, which is the subject of this annual report, was both eventful and successful. The expansion and modernisation of our infrastructure with the parallel continuation of management policies that are focused on cost-savings, productivity improvement and debt reduction were the most important challenges during the past year. In all these areas, we made substantial progress.

We met our most important business targets an increase in productivity and profitable growth for the Flughafen Wien Group (FWAG) during 2012. The numbers speak for themselves. Vienna Airport set a new record with a year-on-year plus of 5% in the number of passengers to 22.2 million and grew almost three-times faster than the European average of 1.8%. Particularly striking was the increase of 8.1% in transfer passengers and 12% to destinations in Eastern and South-Eastern Europe. This underscores the growth momentum created by Vienna's position as a hub for Eastern Europe.

Revenue rose by 4.4% year-on year to € 607.4 million and EBITDA by 17.1% to € 221.4 million. Net profit more than doubled with a plus of 129% to € 72.3 million, but it should be noted that the previous year's earnings were negatively affected by numerous non-recurring effects. We not only generated earnings growth in 2012, but also made progress in the areas of capital expenditure and expenses. The terminal extension Check-in 3 was completed at a substantially lower cost than expected last year, not least due to millions in compensation for damages from contractors.

A zero-increase salary and wage round that was negotiated with the employee representatives for the period from May 2013 to May 2014 will help to strengthen the company's >

competitive position. Personnel expenses were cut substantially in 2012 through a reduction in the workforce (minus 194, or 4.3%, year-on-year). The implementation of a central procurement department, synergy effects through the combination of departments and business units and management optimisation made an important contribution to the increase in productivity. In total, operating expenses at FWAG fell 2.2% below the previous year to € 523.4 million in 2012.

Net debt was reduced considerably from € 751.7 million at year-end 2011 to € 719.6 million at the end of the reporting year. Gearing – i.e. net debt in relation to equity – improved clearly from 92.6% to 84.5%, which also strengthens FWAG's excellent credit standing.

These sound results represent 12 exciting and challenging months that were only extremely successful because of the special commitment and outstanding skills of our employees. The smooth start of operations in Check-in 3 on 5 June marked a milestone in the history of our – your – company. In a single step, the terminal areas at Vienna Airport expanded by 150,000 m² and thus doubling in size. Seventeen additional pier positions make boarding easier for passengers, and the new central control point has cut the waiting time for the security check to only a few minutes. The additional, modern space for shops and gastronomy in an attractive architectonic atmosphere also help to create a relaxed travel feeling. The experience gained during the first months of full operation has helped us to identify opportunities for further optimisation, for example in the orientation signs and passenger routes. The necessary measures have already been implemented or are currently in preparation.

The optical and technical modernisation of Check-in 1, which reopened on 9 January 2013 as the new location for NIKI/airberlin, means greater comfort for our passengers and – thanks to the central security control point in Pier West– shorter waiting time at the security check.

The new Check-in 3 and the modernised Check-in 1 are visible proof of our company's continuing development. However, we also registered other important successes during the past year that are not evident at first glance, but make an important contribution to protecting FWAG. Long-term handling contracts were concluded with our major partners, Austrian Airlines and NIKI/airberlin, which will safeguard the successful future of this key FWAG business over the next seven years. The formal anchoring of the annual fee adjustment formula in Austrian law, which took place in June 2012, also adds to our planning security.

In July 2012 we received the first-instance ruling that confirms the environmental compatibility of the third runway project. The evaluation of appeals by the environmental senate and the final, legally binding decision are expected by year-end 2013.

That brings us to the outlook on the 2013 financial year, which will be characterised by a continuation of the weak economic environment and low consumer sentiment in the industrial countries. Development in the CEE region should outpace the EU, and this leads us to expect further growth in passenger traffic at Vienna Airport. For 2013, we are forecasting a plus of 1% to 2%. Our long-term calculations remain intact for approx. 30 million passengers in 2020.

Against this backdrop, we expect revenue of over € 625 million and an increase in EBITDA to at least € 230 million in 2013 as well as net profit that matches the 2012 level.

Our business targets for 2013 are clear: profitable growth, an improvement in productivity and a reduction in debt to 2.9-times EBITDA.

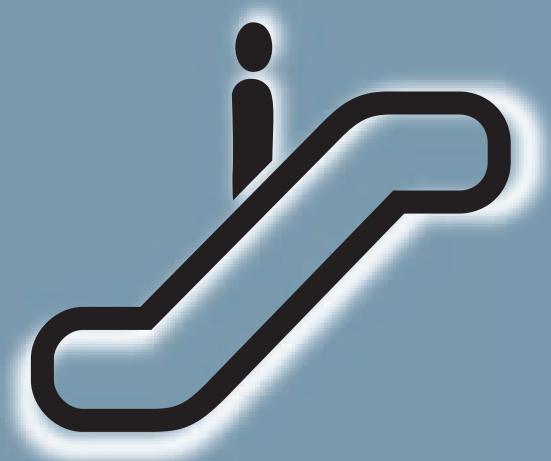
The strategic focus of our company is also clear: we want to expand our position as a hub for destinations in Eastern and South-Eastern Europe, further improve the quality of our services and responsibly fill our role as an important job creator for the eastern region of Austria.

We would be pleased to have you accompany us on this journey as our shareholders, and thank you sincerely for your confidence.

Schwechat, 26 February 2013
The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO



Corporate Strategy

Vienna Airport positions itself as one of the leading European hubs with a focus on transfers between Western and Eastern Europe as well as destinations in the Middle East. The strategic goal of the Flughafen Wien Group (FWAG) is to offensively use available growth opportunities and to provide its customers and partners with the best possible conditions for implementing their business strategies at the airport location. These factors, in turn, should support a sustainable increase in the value of the company over the long-term.

› Ensure optimal support for the hub function

The hub function of Vienna Airport forms the basis for the network strategy followed by the home carriers Austrian Airlines and NIKI. This network strategy is designed to create a balance between frequencies and the offering of destinations and, in this way, drive the growth in passenger traffic. The creation of optimal transfer conditions is therefore crucial for protecting growth in Vienna. The incentive programme for the fees charged by FWAG – in particular the transfer incentive – is intended to support this goal.

The airline marketing & business development department is responsible, above all, for actively promoting strategically important transfers on intercontinental routes and traffic to destinations in Eastern and Central Europe. In addition, agreements were concluded with Austrian and NIKI in 2012 to further strengthen the existing partnerships. The goal is to produce performance and cost benefits for all parties through the more efficient coordination of core processes.

› Expand infrastructure based on demand

Air travel will remain a growth market over the medium- and long-term. By expanding the airport infrastructure to meet demand, Flughafen Wien helps its customers to remain competitive and assists them in pursuing an offensive growth strategy. An important step in modernising the infrastructure at Vienna Airport was taken in 2012 with the opening of the terminal extension Check-in 3. This new facility will allow for the improve- >

ment of services, even as the number of passengers continues to rise. The successful start of operations in Check-in 1 at the turn of the year 2012/13 set another positive milestone in the modernisation of the terminal buildings.

Another strategic goal is the expansion of runway capacity. FWAG is actively pursuing the project "parallel runway 11R/29L" (third runway). The construction of an additional runway will permit the expansion of take-off and landing capacity in accordance with the growth in traffic. Work is currently proceeding to optimise the existing two-runway system in close cooperation with the system partners until a final decision is taken on the realisation of this project.

› Top ratings for key quality parameters

Above-average quality is necessary to maintain and strengthen a company's competitive ability. FWAG plans to further improve its position over other leading international hubs with respect to key quality indicators, e.g. on-time service. In the area of customer satisfaction, the goal is to achieve an above-average rating in international comparison. The improvement of passenger comfort through the expansion and optimisation of the existing terminals will make an important contribution to meeting this goal.

› Strengthen earnings and improve cost efficiency

The realisation of the planned offensive growth strategy requires substantial investments. However, these investments can only be made when earnings have been strengthened and the company's internal financing capability has been improved. Flughafen Wien AG is therefore pursuing a strategic programme to increase productivity, streamline processes and sustainably improve cost efficiency. All segments are involved in this programme. A number of measures have already been successfully implemented and have brought positive results with respect to time, costs and quality.

- Productivity, as measured by the number of traffic units (passenger and cargo) per employee, improved substantially in 2012.
- The creation of a terminal operation centre has established a central contact point that bundles communication paths and processes and, in this way, makes them more efficient.
- In the Handling Segment, the reduction of interfaces for aircraft handling and the more efficient use of staff have led to a reduction in personnel costs. The related goals were met, among others, by assigning a single person to coordinate the handling of an aircraft.
- The procedures for marshalling and positioning aircraft were revised. The new processes guarantee maximum security as well as improved economy.
- In 2012 a central security control area was installed for all passengers departing from the B- and C-Gates. That has made the process more efficient and significantly reduced staffing requirements in comparison with the previous decentralised controls.
- A central facility management unit was formed to bundle maintenance and repair responsibilities. This optimises maintenance work by allowing for a focus on individual buildings and departments.
- A Group-wide programme to improve energy efficiency has already produced impres-

sive energy savings, and further measures are being planned. The new aircraft de-icing machines, which are equipped with state-of-the-art technology, use roughly 25% less de-icing fluid than the older equipment. A total of € 4.9 million was invested in this machinery during the reporting year.

- The implementation of a central procurement department for FWAG has led to substantial cost savings as well as a noticeable improvement in the procurement process.

› Protect market position in handling

Vienna Airport has a top punctuality rating in international comparison as well as the shortest transfer times. This is, among others, a result of the high quality of processes and services in the Handling Segment. Service level agreements, continuous quality monitoring and a proactive approach to dealing with customer requests help to protect this leading market position. In 2012 long-term handling contracts with terms up to 2019 were concluded with three major customers: Austrian Airlines, NIKI and airberlin.

› Optimise and selectively expand the real estate portfolio

In the real estate sector, FWAG is following an optimisation and selective expansion strategy. The product segments with good market potential will be actively developed over the coming years. This applies, in particular, to hotels, meeting and conference areas and the rental of cargo properties (warehouse space and offices) to forwarding agents, handling and logistic service companies. Renovation work in the forwarding agent building will be completed in 2013. Plans also call for the expansion of the available space in the air cargo centre over the medium-term. The goal for the office properties is to optimise the existing portfolio and improve earnings, among others through an increase in occupancy and a reduction in operating costs. Parking areas and car parks will be expanded and optimised in the future to meet demand. Hangar facilities will also be expanded through the addition of a new maintenance hangar. Another focal point is the expansion of advertising channels at the airport.

› Increase retail & gastronomy income

The retail business at Vienna Airport offers substantial opportunities for growth. Consequently, one goal for the coming years is to move Vienna closer to the leading airports based on the indicator "retail revenues per passenger". The attractiveness of the shopping areas and convenience for passengers will be improved by structural renovation and the optimisation of the offering over the short- and medium-term. The plans for these areas include the optimisation of the shop mix, an increase in the offering, the redesign of shopping areas and the adaptation of passenger routes. These measures are related, above all, to the Plaza, Pier West and Pier East. In Check-in 3, experience gained during the first months of full operations is being used to further improve the shop portfolio. In addition, the redesign of Check-in 2 also includes the evaluation of various long-term development options to create a larger retail and gastronomy zone that is open to all passengers.

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Corporate Profile

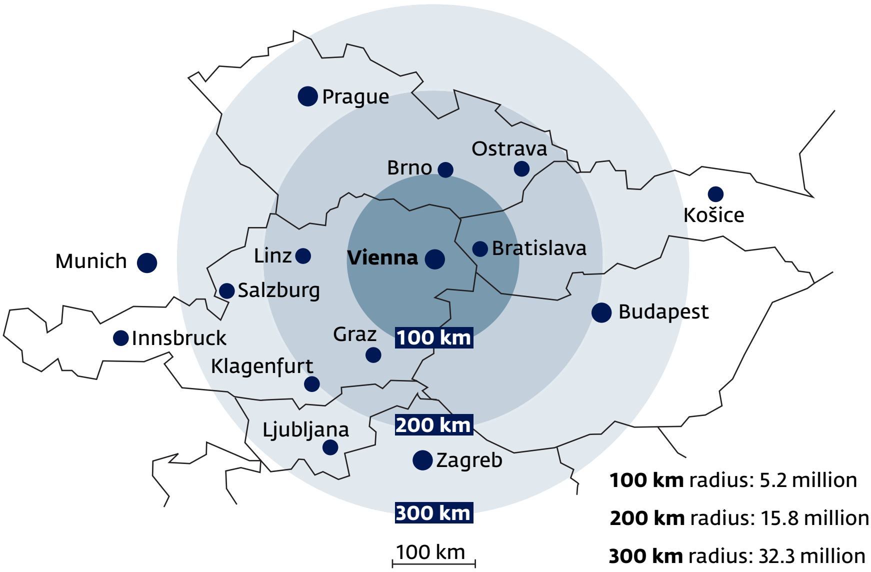
› The airport location in Vienna–Schwechat

Vienna Airport covers a total area of more than 10 km^2. It is located roughly 20 kilometres from the centre of Vienna and can be easily reached in a short time via motorway, rapid transit railway and the City Airport Train (CAT).

Supported by a clear geographical advantage, Vienna Airport has positioned itself as a gateway to Central and Eastern Europe and the Middle East. The distinguishing factors for Vienna Airport include an extensive offering of 179 destinations in 67 countries as well as high service quality through short connecting times and high punctuality.

The catchment area of Vienna Airport touches on six countries within a radius of 200 km. Approx. 16 million people live in these areas of Austria, the Czech Republic, Slovakia, Hungary, Croatia and Slovenia. Infrastructure development in the neighbouring countries has led to the steady expansion of Vienna's catchment area in recent years. The economic recovery process in these countries is also reflected in a growing interest in travel, which has been driving passenger growth in Vienna above the European average for many years. We assume this trend will also continue in the coming years.

A growing number of people can now reach Vienna Airport easily and quickly by private auto, bus or rail. In addition, intercity trains from the west will be able to access the airport via Vienna's central railway station by the end of 2014. That should reduce the travelling time from Linz to Vienna Airport to approx. $1\,{}^{1}/_{2}$ hours and the travelling time from Salzburg to Vienna Airport to approx. $2\,{}^{1}/_{2}$ hours. >



Its geographical location as the gateway to Eastern Europe and a catchment area with above-average economic growth as well as high-quality services make Vienna an attractive airport for many airlines. This is true for Vienna's home carrier Austrian Airlines – and consequently also for the Lufthansa Group – and also for NIKI/airberlin, which uses Vienna as its fourth hub in addition to Palma, Berlin and Dusseldorf.

An important step in the modernisation of Vienna Airport's infrastructure was the opening of the terminal extension Check-in 3 in June 2012. This new complex has over seventeen aircraft parking positions close to the building, additional check-in counters, central security controls, modern baggage sorting equipment and inviting shopping and gastronomy areas. In this way, Vienna will also be able to ensure fast, high-quality passenger handling even as it grows in the future.

In addition to providing the necessary terminal areas, aircraft parking positions and improved taxiways, an airport must also have sufficient runway capacity to benefit from the expected future growth in air traffic.

Vienna's current system of two intersecting runways can accommodate a maximum of 74 flight movements per hour. If growth forecasts are met in the coming years, the runway system will reach its capacity limit after 2020. In March 2007 Flughafen Wien AG (FWAG) therefore filed an application with the responsible authorities in the provincial government of the province of Lower Austria to realise the project "parallel runway 11R/29L" (the third runway). A positive decision in the first instance was issued in July 2012. Appeals against this decision are now being handled and a legally binding construction licence is not expected to be issued before the end of 2013. Construction can begin in 2016 at the earliest, which means the parallel runway would not be operational before 2020 or 2021. After the legally binding ruling is received, Flughafen Wien AG will take a decision on the realisation of this project based on the expected growth in passenger traffic and flight movements and the economic feasibility.

Key Data on Vienna Airport

Passengers in 2012	22,165,794
Airport area (in km^2)	10 km^2
Airlines[1]	71
Destinations[1]	179
Employees in the Flughafen Wien Group[2]	4,475
Employees at the location Vienna Airport	approx. 20,000
Baggage handled (pcs. in mill.)	18.0
Check-in counters	128
Parking positions, maximum	96
Thereof docking positions	37
Rentable space (office and cargo) in 2012	approx. 139,600 m^2
Thereof rentable cargo space (in m^2)	approx. 31,000 m^2
Thereof rentable office space (in m^2)	approx. 100,000 m^2
Selling space in shops (in m^2)	11,520
Selling space for gastronomy (in m^2)	8,208
Total retail space (in m^2)	19,728
Ratio of airside to landside areas	63% : 37%
Parking spaces, indoor[1]	11,064
Parking spaces, outdoor[1]	12,270

1) As of 31.12.2012
2) Average number of employees for the year

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Flughafen Wien AG

The Flughafen Wien Group (FWAG), with its diversified service portfolio, is responsible for the smooth operation of Vienna Airport. The company was partially privatised in 1992 and, since that time, has been listed on the Vienna Stock Exchange. That makes FWAG one of the few publicly traded airports in Europe.

As a developer, builder, and general operator, FWAG manages airport operations. The company also provides a wide range of infrastructure services. FWAG and its first- and second-tier subsidiaries are responsible for nearly all activities at Vienna Airport. From the development and maintenance of infrastructure, ground handling, security services to a diverse variety of retail, gastronomy and parking services up to real estate marketing, the Flughafen Wien Group covers nearly the entire added value chain at Vienna Airport.

The business activities of the Flughafen Wien Group are classified under four segments: Airport, Handling, Retail & Properties and Other Segments.

› Airport Segment

The Airport Segment is responsible for the operation and maintenance of all movement areas and the terminals, the facilities involved in passenger and baggage handling as well as security controls for persons and hand luggage.

With its targeted marketing strategy, the Airport Segment works to acquire new airline customers in point-to-point traffic and transfers. Activities are also focused on increasing the offering of destinations and flight frequencies. These efforts are supported by attractive fees and incentives.

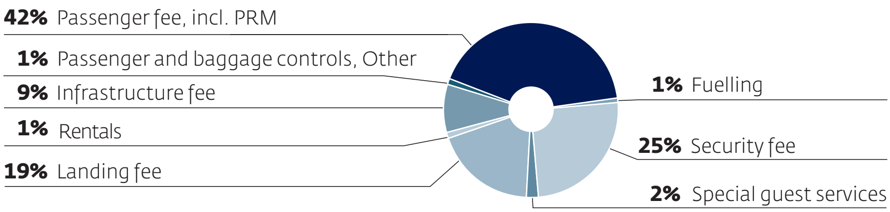
The activities of the Airport Segment include:

- Airport operations
- Security
- Access controls
- Security controls of persons and hand luggage
- Operation and maintenance of all movement areas
- Operation and maintenance of the terminals and equipment required for aircraft handling
- Rental of facilities to airlines
- Assisting existing airline customers and acquiring new carriers
- Development of fees and incentives
- Response to emergencies and service disruptions
- Fire department
- Medical centre
- Winter services
- Operation of the VIP & Business Center and lounges
- Operation of Vöslau Airport

The development of business in the Airport Segment during 2012 was influenced, above all, by the start of operations in Check-in 3. Test operations and the smooth opening formed the focus of activities in this segment. Efficiency was improved significantly by the introduction of a central security control point. Moreover, the revitalised Check-in 1 reopened for operations after a six-month building period.

The Airport Segment generated revenue of € 317.8 million in 2012, or 52.3% of the total revenue recorded by the Flughafen Wien Group. For reconciliation of segment results see page 136.

Revenue: Airport Segment



› Handling Segment

As a ground and cargo handling agent, the Handling Segment provides services for aircraft and passenger handling in scheduled, charter and general aviation traffic. General aviation covers civil aviation, with the exception of scheduled and charter flights. It includes private as well as commercial flights by operators such as business aviation companies, private persons, corporate jets and air rescue operators.

The activities of the Handling Segment include:

- Loading and unloading of aircraft
- Transport of passengers and crews
- Catering transport
- Cabin cleaning
- Sanitary services
- Aircraft push-back and towing
- Aircraft de-icing
- Baggage and mail handling
- Preparation of aircraft documents, incl. monitoring and management functions
- Handling for air cargo and trucking
- Management of import-export warehouse

The working environment for the Handling Segment is influenced by aviation sector trends as well as steady pressure on prices. Among others, it requires reaction to the airline's demands for shorter ground time or reduced service packages. The ground handling unit successfully defends its position with shorter turnarounds, high on-time service and specially designed offers. Its market share remained stable at 89.3% in 2012 (2011: 89.2%), despite direct competition from Celebi Ground Handling Austria GmbH. Long-term contracts were also concluded with three major customers Austrian, airberlin and NIKI.

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The Handling Segment sets quality standards for ground handling with all major customers (among others with Austrian, Lufthansa, Swiss, Aeroflot and Korean Air) in the form of service level agreements.

This segment again demonstrated its expertise, reliability and quality performance in 2012 with a punctuality rate significantly over 95%.

The successful opening of Check-in 3 in June 2012 also represented a milestone for the Handling Segment. New baggage sorting equipment was placed in operation and will ensure excellent service quality, even when passenger and baggage volumes increase in the future. Approx. 18 million pieces of baggage were handled during the reporting year, which places Vienna in the top one-fourth of the European airports.

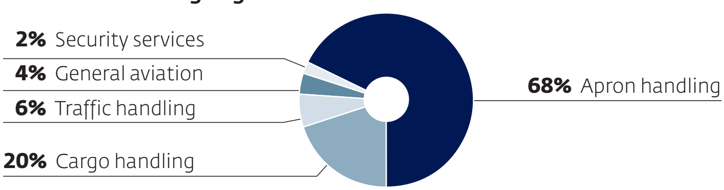
In order to better meet customers' demands for de-icing services, the first of ten new high-quality de-icing vehicles was delivered in April 2012. They use approx. 25% less de-icing material than the older equipment.

The cargo segment held a market share of 94% in 2012 and was able to defend its position over the second cargo provider (Swissport) in spite of the difficult economic environment. FWAG handled 237,176 tonnes of cargo in 2012.

Cargo turnover at Vienna Airport totalled 252,276 tonnes for the reporting year, which represents a decrease of 9.2% versus 2011. In year-on-year comparison, air cargo declined 10.9% to 178,054 tonnes and the trucking volume was 4.8% lower at 74,222 tonnes. This development reflected the on-going weakness in the global economy.

The Handling Segment recorded revenue of € 153.8 million in 2012, which represents 25.3% of total revenue for the Flughafen Wien Group. For reconciliation of segment results see page 136.

Revenue: Handling Segment



› Retail & Properties Segment

In addition to the traditional airport-related activities carried out by the Handling and Airport Segments, other sources of revenues are becoming increasingly important for Vienna Airport. These additional sources are related, above all, to opportunities in the area of real estate development – keyword: Airport City – and the airport's function as a shopping centre. The classical role of the passenger is evolving from a simple air traveller into a person who also shops, uses services and frequents gastronomy facilities. Passengers, parking customers, hotel guests, conference participants, employees and meeters & greeters are key target groups for the Retail & Properties Segment, and the resulting income is extremely important for the economic future of the airport. Other substantial contributions to income include advertising revenue, parking and the rental of office and cargo space.

The activities of the Retail & Properties Segment include:

- Retail and gastronomy
- Marketing of advertising space
- Real estate development and marketing
- Rental of office and cargo areas
- Management of parking facilities and traffic connections

The shopping and gastronomy offering at Vienna Airport was expanded with the start of operations in Check-in 3, among others to include Dolce&Gabbana, Thomas Sabo, Heinemann Duty-Free, Business and Fashions, Watch & Jewelry, International Bookstore, K.u.K. Hofzuckerbäcker Demel, Henry and the Vienna Tea & Coffee House as well as the Meinl Foodcourt, DeCanto, Panopolis, Kulinariat, Airbrew and a Heineken bar. The walk-through concept in Check-in 3, which was implemented directly after the central security controls on two levels (F & G Gates), has become very popular with passengers.

The opening of the additional areas in the Check-in-3 led to a substantial year-on-year increase in shopping and gastronomy revenue, despite the bankruptcy of one major operator. This bankruptcy involved 31 sales locations at Vienna Airport (14 in Check-in-3 and 17 in the older facilities), but all these areas have since been returned to FWAG. Most of the space had been rented to existing or new operators by the time this annual report was produced. All selling and gastronomy areas should be in operation by mid-2013.

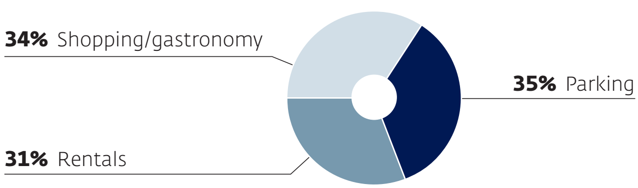
A strong increase was also recorded in parking revenue during the reporting year. Car park 3 is now easier to reach following the adjustment of pathways and the reopening of Check-in 1. The expansion of connections with the public transportation network also continued in 2012. After the construction of the "Vienna – Airport" railway station, intercity trains from the west will stop here starting at the end of 2014.

With over 30 million contacts, Vienna Airport is one of the most heavily frequented, prime locations for advertising and market communication. Advertising revenue rose by an above-average amount in 2012. The opening of Check-in 3 and the new arrivals area have expanded the advertising portfolio to include additional high-quality, exclusive space. New options were also created to make the exterior advertising more attractive.

Another focal point of activities in this segment is the marketing and rental of office and cargo properties.

The Retail & Properties Segment generated revenue of € 119.5 million in 2012, which represents 19.7% of total revenue for the Flughafen Wien Group. For reconciliation of segment results see page 136.

Revenue: Retail & Properties Segment



› Other Segments

The reporting segment "Other Segments" was created in 2009 and provides a wide range of services for the other operating segments as well as external customers.

The activities of the Other Segments include:

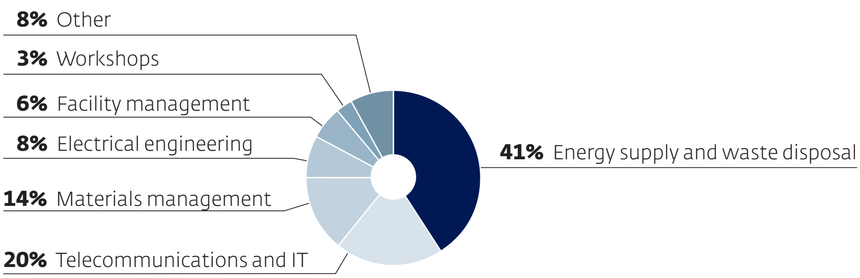
- Technical services and repairs
- Maintenance of infrastructure facilities
- Energy supply and waste disposal
- Telecommunications and information technology
- Electromechanical and building services
- Construction and maintenance of infrastructure facilities
- Construction management
- Consulting
- Foreign subsidiaries
- VISITAIR visitors centre

This segment includes the subsidiaries of Flughafen Wien AG that directly or indirectly hold shares in foreign associates and joint ventures and have no other operating activities.

In 2012 the Other Segments recorded revenue of € 16.1 million, or 2.7% of total Group revenue. For reconciliation of segment results see page 136.

Details on the development of business in the individual segments is provided in the management report beginning on page 70.

Revenue: Other Segments



› Improved results from foreign investments

FWAG holds investments in three international airports:

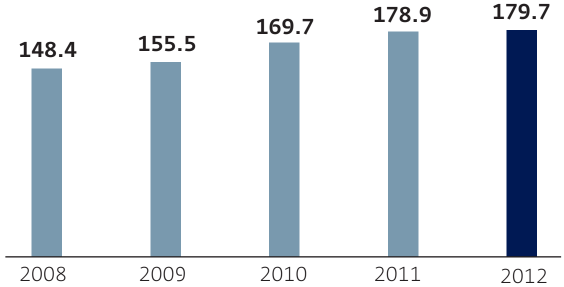
- Malta Airport: FWAG holds a combined stake of approx. 33%. Of the total shares, 40% are held by a consortium in which FWAG has an investment of 57.1% and 10.1% are owned directly by FWAG. A further 20% are held by the Maltese government and the remaining shares are listed on the stock exchange in Malta. The number of passengers handled by Malta Airport rose by 4.1% to 3,649,979 during the reporting year. This represents a new record that was also reflected in earnings: with € 4.2 million in 2012 and a plus of 9.6% over 2011, the investment in Malta Airport made the highest contribution to FWAG earnings since its acquisition.
- Košice Airport: FWAG owns an indirect investment of 66% through a holding company. In 2012 the number of passengers fell 11.4% to 235,754. However, operating results improved to € 0.9 million (2011: € -13.1 million due to impairment charges).
- Flughafen Friedrichshafen GmbH: FWAG holds a stake of 25.15%. This investment was written off in full during 2011, which resulted in a book value disposal of EUR -5.7 million. Friedrichshafen Airport recorded a 4.7% decline in the number of passengers to 545,121 in 2012.

Despite the slight decline in passenger traffic at Friedrichshafen and Košice, these investments contributed € 5.1 million to earnings in 2012. This represents a significant improvement over the previous year (€ -15.3 million), which was negatively affected by impairment charges.

› Corporate and financial management

The strategic objectives of financial management in the Flughafen Wien Group are to protect liquidity, to limit financial risks and to increase profitability. Financing for the capital-intensive infrastructure investments is provided primarily by operating cash flow or by borrowings that are based on the Group's solid equity structure. In 2012 the Flughafen Wien Group generated operating cash flow of € 179.7 million.

Cash flow from operating activities
in € million



The measures implemented throughout the Group to improve efficiency and manage costs are intended to sustainably strengthen earnings, increase the EBITDA margin and reinforce the company's internal financing capability. Net debt was substantially redu- >

ced in 2012 through productivity improvements in the personnel area, a reduction in other operating expenses and a cutback in capital expenditure.

Net debt totalled € 719.6 million at year-end 2012 (2011: € 751.7 million), which led to an improvement in gearing to 84.5% (2011:92.6%). Equity amounted to € 851.6 million (2011: € 811.4 million). Accordingly, FWAG has a high credit standing. This position, together with increasing earning power and sound prospects for growth, are reflected in ratings of A- or BBB+.

The management of financial risks – e.g. liquidity and interest rate risk – is regulated by Group treasury guidelines. These activities are carried out by the treasury department together with the individual corporate units.

The company continues to pursue a sustainable dividend policy in order to support the reduction of net debt to 2.5-times EBITDA over the medium-term. A proposal will be placed before the annual general meeting, calling for the payment of a € 1.05 dividend per share for 2012. Based on the share price of € 42.99 at year-end 2012, the dividend yield equals 2.4% (2011: 3.4%).

Management wants shareholders to share in the success of the company and is targeting a pay-out ratio of approx. 40% as the multi-year average. The pay-out ratio for 2012 equals 30.5% based on Group net profit for 2012. This is contrasted with the unusually high pay-out ratio of 66.5% in the previous year, when earnings were negatively affected by non-recurring effects.

› Growth drivers and business model

Travel behaviour at Vienna Airport is positively influenced by the sound position of the Austrian economy, but negatively affected by global economic weakness. A favourable geopolitical location after the opening-up of the east and the resulting expansion of the catchment area have created additional growth opportunities for Vienna Airport. Forecasts issued by the International Monetary Fund for the development of the gross domestic product (GDP) during the period from 2012 to 2017 point to average growth of approx. 1.9% for the EU and a more robust 2.9% for the USA. Growth in Eastern Europe is expected to be similarly sound with a plus of 2.7%. This creates important opportunities for Vienna Airport, which can benefit from the more dynamic economic growth in the CEE region and the pent-up demand for air travel. If the right steps are taken, Vienna Airport has the potential to grow faster than the European average over the long-term. Traffic results for 2012 show that FWAG is on the right course with its current strategy. In 2012 Vienna Airport set a new record with 22,165,794 passengers handled. This represents a year-on-year increase of 5.0% and is significantly higher than the European average of 1.8% in 2012 (according to ACI). Particularly strong growth was recorded in travel to destinations in Eastern Europe with an increase of 12.1% in the number of passengers.

The number of passengers using Vienna Airport is expected to rise by 1% to 2% in 2013. Flight movements are forecasted to decline by 1.5% to 2.5%, and maximum take-off weight (MTOW) should remain constant.

The number of passengers at Vienna Airport is forecasted to grow by an average of 3.6% per year during the period from 2012 to 2020. Based on this calculation, approx. 30 million passengers can be expected in 2020.

› Cargo traffic at Vienna Airport

Cargo traffic is a barometer for the general economic climate. In 2012 the volume of cargo (incl. trucking) handled at Vienna Airport fell 9.2% year-on-year to 252,276 tonnes. Imports from Asia were characterised by strong fluctuations throughout the entire year. A good first quarter was followed by stronger volume declines in the second and third quarters. In the fourth quarter, imports from this region remained at a low level. Positive development was recorded in the cargo volumes carried by Saudi Arab Cargo, Royal Jordanian, Emirates and Asiana. Cargo traffic is expected to stabilise beginning in summer 2013.

	2012	Change in %	2011
Cargo (arrival+departure)	252,276	-9.2	277,784
Arrival	136,501	-9.0	150,064
Departure	115,775	-9.4	127,720
Air cargo (arrival+departure)	178,054	-10.9	199,809
Arrival	99,717	-12.6	114,100
Departure	78,337	-8.6	85,709
Trucking (arrival+departure)	74,222	-4.8	77,976
Arrival	36,785	2.3	35,964
Departure	37,438	-10.9	42,011

› Fees and incentives

The development of passenger traffic, maximum take-off weight (MTOW) and the number of flight movements are the most important indicators for the success of an airport's core business. FWAG collects a variety of fees, most of which are based on passengers, flight movements or MTOW. For each departing passenger, the airline collects a pre-defined passenger fee on behalf of the airport and a fee for the provision of security services. MTOW is defined by the manufacturer for each type of aircraft and used to calculate the landing fee. The optimal combination for Vienna Airport is high growth in MTOW and passenger traffic combined with a below-average increase in flight movements and the resulting better utilisation of runway capacity.

The fee and incentive system at Vienna Airport is very attractive in international comparison. It is designed to make Vienna an attractive transfer hub for the airlines.

The fees and the annual adjustments are based on a price-cap formula that was accepted by the airlines, the Austrian civil aviation authority (Austrian Ministry for Transport, Innovation and Technology (BMVIT) and FWAG. The formula equals the inflation rate minus 0.35-times the average traffic growth over the last three years.

The enactment of the Airport Fee Act ("Flughafenentgeltegesetz") on 1 July 2012 anchored the fee adjustment procedure in law. This represents an additional stabilising factor because the price-cap formula was incorporated in the law with practically no changes. Detailed information on the annual fee adjustments is provided in the Management Report on page 70.

In order to further develop Vienna's position as a transfer hub, FWAG decided to prolong the transfer incentives. These refunds support the airlines that help to expand the hub >

function of Vienna Airport. The growth incentive programme was continued in 2012 to sustainably protect the role of Vienna Airport as a west-east hub. (Detailed information is provided in the Management Report on page 70.)

› Aviation Marketing

The Flughafen Wien Group works closely together with its partners and customers. Market analysis and regular customer contacts play an important role in the acquisition of new airlines. The market analyses include an evaluation of the market potential as well as facts and figures on the airlines, legal regulations (traffic rights) and the existing competition. Of similar importance is the maintenance of customer contacts through regular discussions and presentations (e.g. at conferences, trade fairs and meetings). New airlines are assisted with their entry into the Viennese market (e.g.: inaugural events, road shows, etc.).

Vienna is known throughout the world as a tourism and congress destination. In 2012 Mercer ranked Vienna as the city with the highest quality of living for the fourth year in succession. For the seventh year in succession, Vienna again led the world listing in 2011 as the city with the most congresses (ICCA). A series of record statistics for overnight stays in recent years underscores the potential of this city as an ideal tourism destination.

› Traffic development in 2012

A strong airport also needs a strong home carrier, and Vienna is the home airport for Austrian and NIKI. Based on the share of passengers carried, the Austrian is the largest airline in Vienna with 49.5%, followed by NIKI with 12.0%, airberlin with 6.3% and Lufthansa with 5.5%. This ranking also shows Turkish Airlines, Emirates and Lufthansa with the strongest growth in passenger traffic during 2012. The average seat occupancy on scheduled and charter flights rose from 69.6% in 2011 to 73.0% for the reporting year.

In 2012 a total of 71 airlines offered scheduled flights to/from Vienna in 2012, which serviced 179 destinations in 67 countries.

› Passenger traffic by airline

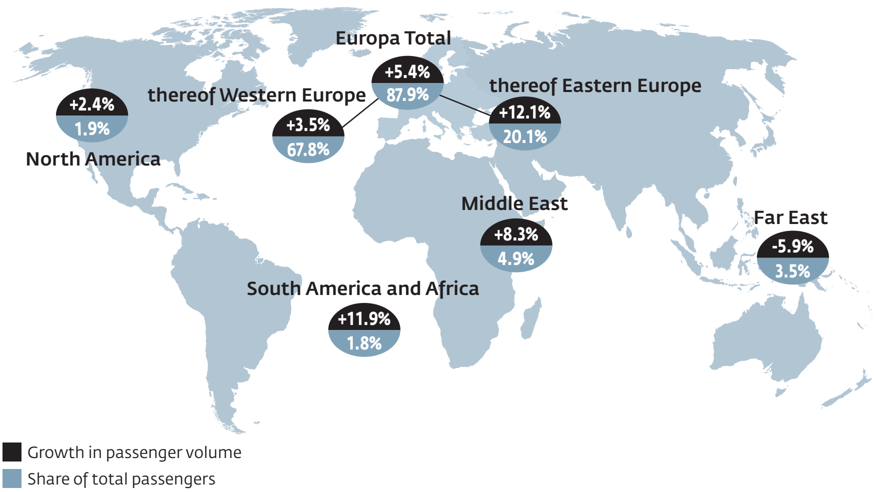
	Airline	2012	Change in %	2011	Share in % 2012	Share in % 2011
1.	Austrian	10,973,263	4.0	10,550,468	49.5	50.0
2.	NIKI	2,670,706	9.2	2,444,730	12.0	11.6
3.	airberlin	1,387,728	1.6	1,365,640	6.3	6.5
4.	Lufthansa	1,222,283	12.2	1,089,355	5.5	5.2
5.	Germanwings	495,263	2.2	484,500	2.2	2.3
6.	British Airways	374,392	11.9	334,540	1.7	1.6
7.	Turkish Airlines	367,082	34.5	272,883	1.7	1.3
8.	Swiss Intl.	338,546	0.9	335,661	1.5	1.6
9.	Air France	335,148	9.4	306,233	1.5	1.5
10.	Emirates	331,899	19.2	278,376	1.5	1.3
	Others	3,669,484	0.7	3,643,906	16.6	17.3
Passengers		**22,165,794**	**5.0**	**21,106,292**	**100.0**	**100.0**

› Development and share of passengers by region

The development of passenger traffic by region highlights the above-average growth potential in Eastern Europe and the Middle East. An analysis of the number of departing passengers by region illustrates the importance of Eastern Europe as a growth driver with a share of 20.1%. The strategy to position Vienna Airport as a hub for flights to and from Eastern Europe – and, above all, for flights to and from the Middle East – is illustrated by the following graph.

Departing passengers

Development and Share of Passengers by Region



Destinations

Vienna Airport positions itself as an ideal transfer hub for flights to and from Eastern Europe and also offers the most destinations in this region. As seen over the entire reporting year, Vienna offered flights to 45 destinations in Eastern Europe. The following table shows statistics from calendar week 46.

› Number of destinations in Eastern Europe[1]

Number of destinations in Eastern Europe	2012	2011	2010
Vienna (VIE)	38	40	40
Munich (MUC)	35	33	33
Frankfurt (FRA)	34	35	36
Prague (PRG)	23	31	29
Zurich (ZRH)	19	19	20
Budapest (BUD)	10	18	18

1) OAG Max Historical, calendar week 46

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Scheduled traffic to Central and Eastern Europe

	Destination	2012	Change in %	2011
1.	Moscow	320,640	12.4	285,170
2.	Bucharest	245,454	23.8	198,299
3.	Sofia	224,825	36.2	165,022
4.	Belgrade	132,497	15.0	115,224
5.	Warsaw	102,739	4.6	98,207
6.	Kiev	89,965	10.6	81,346
7.	Zagreb	77,951	-3.2	80,561
8.	Prague	73,702	12.2	65,666
9.	Tirana	69,357	24.3	55,797
10.	Sarajevo	59,485	-0.8	59,977
	Other	829,873	6.2	781,412
Departing passengers		**2,226,488**	**12.1**	**1,986,681**

Scheduled traffic to the Middle East

	Destination	2012	Change in %	2011
1.	Dubai	225,795	9.3	206,579
2.	Tel Aviv	165,803	24.5	133,149
3.	Doha	43,270	11.0	38,965
4.	Amman	40,643	2.7	39,562
5.	Erbil	27,034	34.7	20,070
6.	Teheran	20,216	-28.2	28,165
7.	Baghdad	12,850	107.8	6,183
8.	Ras Al Khaymah	4,764	69.4	2,813
9.	Muskat	837	-11.1	941
10.	Damascus	351	-98.3	21,219
	Other	104	-95.8	2,493
Departing passengers		**541,667**	**8.3**	**500,139**

Scheduled traffic - long-haul

	Destination	2012	Change in %	2011
1.	Bangkok	111,265	7.6	103,359
2.	New York	87,103	3.3	84,325
3.	Tokyo	77,390	7.2	72,222
4.	Washington	64,331	9.1	58,992
5.	Toronto	61,054	2.6	59,485
6.	Delhi	55,385	5.7	52,397
7.	Taipei	50,790	-1.3	51,484
8.	Peking	45,005	-19.8	56,089
9.	Seoul[1]	14,831	-10.8	16,627
10.	Astana	14,617	16.8	12,511
	Other	23,473	-54.2	51,305
Departing passengers		**605,244**	**-2.2**	**618,796**

1) Flight via Zurich

› Focus on security

For FWAG, ensuring safe and smooth operations at Vienna Airport has top priority.

A safety management system was installed to integrate all measures to improve security at Vienna Airport.

Proactive risk management identifies potential threatening situations in advance and allows for the timely implementation of appropriate countermeasures. This system has reduced the number of accidents at Vienna Airport – and the resulting costs – to a minimum.

The number of reportable accidents in 2012 totalled 145, which is substantially lower than the average of the past ten years.

Vienna Airport has been certified in accordance with the guidelines issued by the International Civil Aviation Organization (ICAO) and the Austrian Federal Ministry for Transport, Innovation and Technology (BMVIT) since 2010. External controls at the airport measure compliance and support the further improvement of security standards. The BMVIT carried out three audits in 2012, which identified only minor shortcomings in the application of the respective requirements. These variances were immediately remedied by the airport.

The start of operations of the terminal extension Check-in 3 also involved the modification of procedures for the marshalling and positioning of aircraft. The new procedures were successfully implemented after a comprehensive safety assessment and will guarantee maximum security as well as greater economic efficiency and better capacity utilisation.

The demands on airport security increased with the opening of Check-in 3. The centralisation of security controls and the related efficiency improvement allowed for a significant improvement in productivity. A total of 120 machines were available for the control of travel baggage and hand luggage. The start of operations in Check-in 3 also created new opportunities to improve efficiency. For example, the centralised security controls in Check-in 3 and at the bus gates substantially reduced the waiting time for passengers to four to six minutes.

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› Check-in 3

The successful start of operations in Check-in 3 doubled the previous terminal areas. The terminal extension will permit flexible reaction to the actual development of traffic and different peak hour volumes in the future.

Terminal dimensions	
Length	270 m
Width	55 m
Height	20 m
Pier dimensions	
Length	450 m
Width	33 m
Height	20 m
Gross floor space - terminal	76,000 m^2
Gross floor space - pier	71,000 m^2
Infrastructure	
Check-in counters	64
Baggage carousels	10
Pier positions	17
Shopping areas	5,900 m^2
Gastronomy areas	3,700 m^2

This additional capacity will ensure continued fast, high-quality passenger handling, also against the backdrop of the steady increase in air traffic.

Openness and transparency are key features of the new Check-in 3. Continuous glass facades provide an overview of the aprons and runways. With its integrated tinted glass surface, the facade not only offers a clear view, but also protection against heat and glare.

From a technical standpoint, the heart of the new terminal is the new baggage sorting equipment, which was completed ahead of schedule and extensively tested in advance. This state-of-the-art equipment, with its 1,500 electric motors and over 7.5 km of conveyor belts, can sort up to 6,330 pieces of baggage per hour and send them exactly to the required location.

Check-in 3 opened officially on 5 June 2012 and has operated largely without disruption since that time. Vienna Airport handles between 30,000 and 40,000 passengers here each day. Real-time operations have also led to the identification of opportunities for further improvement, which are now being implemented step by step.

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Responsible Management

Responsible management covers not only economic factors, but also a company's careful interaction with the environment and society. Flughafen Wien Group (FWAG) has a special role in society above and beyond flight operations as well as a responsibility to stakeholders and interest groups, especially residents who are affected by airport operations. This applies not only to the more than 22 million passengers each year who are accompanied or met by roughly ten million people but, above all, to neighbouring residents and employees.

In surrounding communities, a large number of people live with the airport and, consequently, with the benefits and burdens of flight operations. This relationship is often interdependent, since many of these residents work directly at the airport which is one of the largest employers in Austria. Of the roughly 20,000 men and women who work at the airport location, nearly one-third lives nearby and the remainder within roughly 50 km. An additional 52,500 jobs throughout this country are connected indirectly with airport operations in Schwechat.

The airport is an important driver for jobs in the commerce and tourism sectors. In particular, the more than 300 corporations that have located their East European holding companies in eastern Austria are particularly dependent on efficient morning and evening service to this region as well as effective connections to global markets. The airlines that offer flights from Vienna find high-quality services and favourable fees here in Vienna. That helps them to remain competitive in the future and further grow their businesses based on market demand.

Acting as good neighbours and maintaining an intensive dialogue with all stakeholders are key elements of Flughafen Wien's sustainability strategy. This strategy includes careful and conscious interaction with the environment, a reduction in the use of resources and the long-term protection of the quality of life in the region, despite a further increase in passenger traffic during 2012. The corporate social responsibility (CSR) strategy of Flughafen Wien AG couples a sustainable increase in the value of the company with the minimisation of negative ecological effects. Accordingly, the company has introduced a variety of measures to reduce the impact of air traffic.

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› CSR as a key success factor for the future

As a service company that covers an entire economic and tourism region, the high acceptance of customers, employees and the population in the surrounding areas is an important issue for Flughafen Wien. The conflicts over infrastructure projects in other countries underscore the importance of social acceptance for the sustainable and successful development of a company and its home location. FWAG will therefore continue to concentrate on the implementation and improvement of its CSR activities.

› Sponsoring and donations

FWAG has a particular obligation to serve society through sponsoring activities and donations. This obligation arises from the large number of persons and stakeholders involved with and affected by the airport as well as the influence of aviation operations and related effects on the environment and the quality of life. The company therefore sponsors events and other activities with a social, sport, economic, political, cultural, environmental or other similar content. The respective decision process and responsibilities are defined in a sponsoring guideline that was approved by the Management Board and presented to the Supervisory Board. This guideline ensures full compliance with all relevant legal regulations. As a company with a significant public sector shareholding, FWAG is subject to the regulations of the Austrian Media Transparency Act and the related provisions of the Austrian Anticorruption Act.

No donations may be made to political parties or related organisations (§ 2 no. 1–3 of the Austrian Political Party Act of 2012), parliamentary groups as defined in § 1 of the Austrian Political Group Financing Act of 1985, legal entities as defined in § 1 of the Austrian Journalism Funding Act 1984 or public authorities and their related legal entities.

› Stakeholder dialogue

Flughafen Wien AG founded a neighbourhood advisory board in 1989 to promote a dialogue with local communities. This platform deals with issues of common interest that are discussed by the Management Board of FWAG and the mayors of Schwechat, Fischamend, Kleinneusiedl, Enzersdorf a.d. Fischa, Schwadorf, Großenzersdorf, Rauchenwarth, Zwölfaxing and Himberg as well as the representatives of the 11th (Simmering) and 22nd (Donaustadt) districts of Vienna.

This circle of stakeholders was expanded for the mediation process that was carried out from 2001 to 2005. The new participants included other communities and districts in Vienna as well as numerous important citizens' initiatives from the region.

› Dialogue forum

The positive and constructive cooperation with neighbouring communities and citizens' initiatives during the mediation process led to the founding of the dialogue forum at Vienna Airport as a permanent commission in 2005. This communication platform now includes stakeholders from the neighbourhood advisory board, Austrocontrol and Austrian, all communities in the expanded region surrounding the airport, 16 citizens' initiatives from these regions, the provinces of Vienna, Lower Austria and Burgenland, the environmental protection agencies of Vienna and Lower Austria and, through the so-called district conferences, the communities from Gänserndorf, Bruck a.d.L., Baden, Mödling, the greater Vienna area and, through the city conference, the various districts of Vienna.

The dialogue forum deals with measures to be implemented on the basis of the mediation contracts, topics that were not settled during the mediation process and issues resulting from recent developments. This joint problem-solving approach has gained increasing international recognition in recent years and serves as a benchmark for regional relations at many airports.

The noise protection programme for the neighbouring communities, which was a direct product of the mediation process, was successfully continued in 2012 by Flughafen Wien AG together with the dialogue forum and the environmental fund. The goal of this programme is to improve the quality of life for the nearly 12,000 residents in the eligible households. Nearly all the households affected by flight noise had been evaluated by the end of 2012, whereby expert opinions were prepared for the residents interested in taking advantage of the programme and renovations were carried out to improve noise protection. The intensive phase of the noise protection programme should be completed by mid-2013. The dialogue forum evaluates the success of air traffic measures each year and documents the results in an assessment report that is published on its website under http://www.dialogforum.at. The focal points of this information are the development of noise zones, compliance with the corridors established for air traffic, distribution rates and night flight rules as well as the results of the noise tariff model.

› Environmental impact study for the third runway

The provincial government of Lower Austria as the responsible public authority officially confirmed the environmental compatibility of the project "parallel runway 11R/29L" (the third runway) during summer 2012. This ruling followed one of the most comprehensive environmental impact assessments in Austria. With a length of five years and 35 expert opinions for 38 technical areas, the study was particularly far-reaching and exact. A total of 1,331 objections were handled. This relatively low number (in comparison: 60,000 objections were filed against the third runway at Munich Airport) is a result of the mediation process between the airport, involved residents, citizen's initiatives, communities and provinces, a process that was unique in Europe. The negotiations that took place from 2000 to 2005 led to binding agreements under civil law, which far exceeded legal requirements. In agreement with Austrocontrol, more conservative flight routes were defined and many other compensatory measures were developed for the involved residents and communities. The regulations defined in the mediation agreement for the construction of a third runway are now being implemented.

The environmental senate, as the second instance, is now handling the appeals filed against the first-instance ruling. These appeals will now be dealt with in a further process. No appeals were filed against the positive ruling by the neighbouring communities in Lower Austria or the 16 citizens' initiatives in the dialogue forum. This reflects the efforts by Flughafen Wien AG, which had met all agreements from the mediation process when the project was filed as well as the atmosphere of trust in further constructive cooperation with FWAG through the dialogue forum. The city of Vienna filed additional requirements for the determination off flight routes before the start of operations on the third runway.

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› Flugspuren.at

Aviation fans can find a wide range of interesting facts and figures on a website that was launched by Flughafen Wien AG and Austro Control several years ago. This service provides statistics on flight movement over the past 14 days, classified by take-offs and landings. The altitude, time and type of engine (propeller or jet) can be reviewed for each flight. One feature unique in Europe is the option to call up additional information on the number of flight movements within a specific period of time on a specific departure or arrival route. In order to meet data protection requirements, the information is released with a delay of at least 24 hours. This depiction of flight paths in the internet also makes the practical implementation of the measures agreed by the mediation process more understandable and transparent for the general public. A total of 14,392 visitors (2011: 11,251) and 24,885 hits (2011: 23,575) were registered in 2012, representing roughly 68 hits per day (2011: 65).

› Night flights in 2012

The percentage of flight movements between 10 pm and 6 am fell from 7.3% in the previous year to 6.8% in 2012, which represents an absolute value of 48 (2011: 49) flight movements per night. In accordance with an agreement reached during the mediation process, the number of flight movements between 11.30 pm and 5.30 am should remain constant at the 2009 level, a target that was met during the reporting year. The actual number of flight movements was 496 below the 4,700 level defined in the mediation contract. Over the longer term, i.e. from 2007 to the end of 2012, the actual number of flight movements totalled 29,754, compared with 29,898 as defined in the mediation process. The actual value was therefore 144 movements, or approx. 0.5% lower than the target. Plans call for a further step-by-step reduction in the number of flight movements to 3,000 per year starting in the third year before the third runway is placed into operation. Details on night flights at Vienna International Airport can be found in the evaluation report that will be released by the dialogue forum in June 2013.

› Vie-umwelt.at

The company also maintains a separate website to provide information on environmental data relating to Vienna Airport. In particular, measurement data is available from 15 stationary and three mobile flight noise measurement stations. The schedule for the coming year shows the location and duration of all mobile measurements. Information is also provided on events that could disturb normal flight operations (e.g. runway closings). Continuous updating is ensured by an RSS feed.

› A glimpse behind the scenes: The Visitair Center at Vienna Airport

The Visitair Center at Vienna Airport is also a product of the mediation process. Roughly 60,000 guests stop at this exhibit each year to learn more about the airport. Especially popular are the bus tours of the apron, which provide a close real-time look at the hectic activity at the airport. The Visitors Deck on the Check-in 3 opened during the reporting year. With a length of 250 metres and an area of 1,350 m^2 directly on the roof of Check-in 3, it offers guests an unobstructed view of the airport apron, as well as take-offs, landings and exciting airport operations. Illustrated charts provide information on airport-related professions, details on the most frequently seen types of aircraft and facts and figures on aviation. The new Visitors Deck is open from 15 March to 15 November each year.

› Energy efficiency improvement project

In February 2012 a project was launched to increase energy efficiency in the Flughafen Wien Group. Six committees that cover various areas from the apron to the terminals are searching for opportunities to reduce energy consumption and improve energy efficiency. Extensive discussions have led to numerous recommendations, whereby 44 have already been implemented and 14 are currently in process. Another initiative is designed to create an increased awareness for environmental protection and energy savings at the workplace.

An important step in the improvement of efficiency was the installation and practical implementation of the CDM (Collective Decision Making) system. This IT system facilitates communications and the coordination of taxiway work processes between the airport, airlines and Austrocontrol. It will not only create organisational benefits, but also produce significant ecological benefits through a reduction in taxing and waiting times.

› CO_2 emissions and ACAS

An assessment of CO_2 emissions was prepared in 2012 for the previous year, i.e. 2011. The results for Vienna Airport – including air traffic, the aprons, handling, energy consumption and feeder traffic – show a slight 0.3% rise in emissions to approx. 332,000 t CO_2. This figure also includes operations in the new terminal Check-in 3. Only 16% of the total emissions can be directly influenced by Vienna Airport. A comparison of these controllable CO_2 emissions with traffic units shows a decline of 5.6% versus 2010. Vienna Airport, with 2.26 kg/VE (traffic unit), ranks near Munich and below Frankfurt and Düsseldorf. In order to maintain its leading position in this area, FWAG has joined the ACAS (Airport Carbon Accreditation System) led by ACI Europe. Additional information on this programme can be found under http://www.airportcarbonaccreditation.org.

› Noise protection

The voluntary noise protection programme represents a best practice model in Europe. Its goal is to protect the health and increase the quality of life for the people who live near the airport. With this programme, which resulted from the mediation process, the company far exceeds legal requirements. Concrete measures are implemented starting at a continuous sound level of 45 dB(A) in the night and 54 dB(A) during the day: in the rooms to be protected, the continuous sound level may not exceed 30 dB(A) when the windows are closed. This programme covers roughly 12,000 households. By the end of 2012 roughly 2,600 objects were renovated, and opinions were prepared by construction and structural experts for a further 6,000 structures. A total of € 37.0 million has been designated for the noise zones under a three-runway system, and € 14.5 million of additional funds have been allocated to expand the noise protection programme.

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Employees

› Strategy and management

The core responsibilities of human resources (HR) in the Flughafen Wien Group include recruiting, training, strategic personnel development and wage and salary policies. A special focal point in 2012 was the implementation of measures to centralise these functions for the entire corporation. The Flughafen Wien Group had an average of 4,475 employees in 2012 (detailed information is provided in the management report on page 102).

One major challenge for human resources is to accompany the continuous change processes in the company. The necessary changes in the corporate culture must be supported by a comprehensive vision process and proactive training measures.

A company can only be successful over the long-term when its employees can identify with the corporate values and goals. Flughafen Wien therefore launched a discussion process on the corporate vision in 2012, which involves the revision of the mission statement by nearly 100 managers to better reflect today's operating environment and to define the values that contribute to the company's success through their integration on the job and in everyday interaction.

In order to support employees in living this jointly defined mission, the personnel department uses a variety of measures to create an increased awareness of daily actions and behaviour and to integrate new, prioritised principles into the existing set of values. This is, above all, the responsibility of management. The implementation of newly structured discussions with employees at all levels also helps managers to convey and anchor the vision with their staff.

The personnel department was reorganised in autumn 2012. In addition to the personnel administration unit and personnel strategy and development unit, the head of the personnel department is supported by three specialists who are responsible for intensifying cooperation with other areas of the company. They serve as a communication interface and guarantee the transfer of the human resources (HR) strategy.

› Training

We differentiate between open and specialised training, whereby the latter is defined by management as part of a training needs analysis. The company's extensive range of courses is open to all employees with the approval of their supervisor. The courses cover subjects ranging from personal skills to foreign languages, IT and project management.

Approx. € 730,000 were invested in training during 2012, which represents € 223 of external training for every employee of Flughafen Wien AG. Internal training courses are also organised for specific areas of the company. The reduction in these costs during the reporting year resulted from the centralisation of the training budget for the entire Group and the utilisation of synergy effects.

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The international exchange of know-how in the Flughafen Wien Group is supported by the Airport Management Training Programme (AMTP). The fifth group of employees from Kosice, Malta and Vienna is currently taking part in this one-year training cycle. The six modules give participants an opportunity to broaden their specialised know-how and academic skills, and to intensify their contacts within the corporation. Another opportunity for knowledge transfer is provided by the "Airport Know-how" platform. These events are organised by employees for employees and present particularly interesting areas and jobs at Vienna Airport.

Training programmes for managers are focused on individual development. The foundation is formed by extensive basic education, which continues in the form of individual coaching. The goal is to develop managers with excellent specialised qualifications, who can recognise and rely on their own leadership skills.

Apprenticeship training plays an important role at Flughafen Wien AG. In addition to theoretical education in a vocational school and practical on-the-job training, the apprentices attend numerous seminars. English courses and IT training as well as group and individual coaching sessions form an important part of this education. We see personnel development as a lifelong process and, consequently, support this development from the very beginning. In order to improve the social skills of apprentices, a one-week seminar was again held in 2012 on the subject of addiction prevention and experiential education.

Flughafen Wien apprentices can also gain work experience in other companies as part of the three-week "Leonardo da Vinci" exchange programme with Munich Airport, an exchange programme with training institutions in Schleswig-Holstein (Germany) and a regional apprenticeship exchange at the Vienna Harbour.

› Performance-based compensation for managers

The remuneration scheme for the members of the Management Board and the first two levels of management includes a performance-based component. The amount of this variable compensation is based on the fulfilment of quantitative and qualitative goals.

› Employee foundation

Flughafen Wien AG established an independent private employee foundation more than ten years ago to allow employees to participate directly in the success of the company. This foundation holds 10% of the shares in Flughafen Wien AG and transfers the dividends received on these shares to employees. Its official boards are defined by the articles of association and operate completely independent of Flughafen Wien AG.

The annual dividend payment by Flughafen Wien AG is distributed directly to the employee foundation and then passed on to employees based on their respective annual gross salary or wage. In 2012 approx. € 2.1 million was distributed for the 2011 financial year, representing 26.9% of the average monthly salary or wage per employee. The allocation is based on the individual gross annual salary or wage.

› Labour trust

The Steyr labour trust was founded in 1993 to provide goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times. The company has been a member of this trust for nearly four years, in keeping with its responsibility to former employees. In 2012 45 employees were provided with training within the context of the Steyr labour trust.

› Retirement planning

As a supplement to legal pension schemes and optional private pension planning, Flughafen Wien transfers 2.5% of the monthly salary or wage for each employee to a company pension fund. Employees can also choose to make a matching contribution. In addition, the company provides financial subsidies for supplementary accident and health or pension insurance.

› Voluntary benefits

Flughafen Wien AG offers a variety of voluntary benefits to increase the motivation and strengthen the identification of employees with the company. Examples include free-of-charge transportation to workplaces at the airport with the City Airport Train (CAT) and bus connections to the neighbouring communities. The company spent approx. € 667,000 on these services in 2012. A meal subsidy of € 1.00 per employee and working day (total for 2012: approx. € 534,000) is also provided.

› Flexible working time models

Flughafen Wien has introduced flexible and individualised working time models to meet the needs of employees as best as possible. Flexible working hour models are found, above all, in the company's administrative functions, and many units offer part-time employment. The company has also implemented different shift models in traffic-related functions, where full operations must be guaranteed around the clock and seven days per week.

› Day care centre

A family-friendly working climate is particularly important for a healthy work-life balance. Day care facilities are available directly at the airport, where extended opening hours also provide employees in shift jobs with reliable supervision for their children. The airport day care centre has received numerous awards for its excellent offering and high pedagogical standards.

› Return to work after parental leave

Employees on parental leave are kept up to date with regular information on important events to facilitate their return to work. An increasing number of men are also taking on primary responsibility for child care, with eight men on parental leave in 2012.

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› "Daddy's month"

Flughafen Wien introduced a so-called "Daddy's month" for employees in 2012. New fathers can take up to 28 consecutive calendar days of leave during the first three months after the birth of a child living in a common household with him and the mother. This programme allows the father to help with the care of the new-born and mother and to establish a bond with the child. During the "Daddy's month", the employee receives 50% of his monthly wage or salary before the start of the leave.

› Support for women

The share of female employees in the Flughafen Wien Group equals 12.4%. This is a result of the relatively low percentage of women in the specialised functions at Vienna Airport, where 70% of the jobs involve heavy physical labour. In spite of this situation, the company plans to increase the number of female employees – above all in management positions. Each year the company takes part in the "Vienna Daughters' Day", which is designed to give girls better insight into technical professions. The Flughafen Wien Group had six female apprentices in 2012.

› Workplace health and safety

The human element plays a key role in the ability of a service company to meet its goals. Safe job performance and accident-free work processes make an important contribution to customer satisfaction. Consequently, the safety and health of our employees are an important factor for the success of the company.

Workplace health and safety is dependent, in part, on extensive general and specialised instructions for all new employees as well as periodic job-specific training programmes. Regular workplace inspections and accident analyses provide a framework for the identification of opportunities for improvement and preventive measures. For example, the use of protective helmets has significantly reduced the number of head injuries and special stations provide apron employees with non-carbonated beverages around the clock. The drinks replace lost fluids and minerals and, in this way, help to reduce accidents.

Flufhafen Wien offers 16-hour first aid and refresher courses for its employees. Trained first-aid specialists as well as a 24/7 airport medical centre are always available to help in an emergency. A health calendar with monthly focal points, medical examinations, nutritional consulting and personal performance diagnostics motivate and support employee health protection.

The company-sponsored cultural and sport association offers employees an extensive recreational and athletic programme, both before and after work.

› Accident statistics[1]

	2012	Change in %	2011	2010	2009	2008
Reportable accidents	145	+1.4	143	165	123	149
Per 1,000 employees	44.8	+3.0	43.5	49.6	37.5	44.9

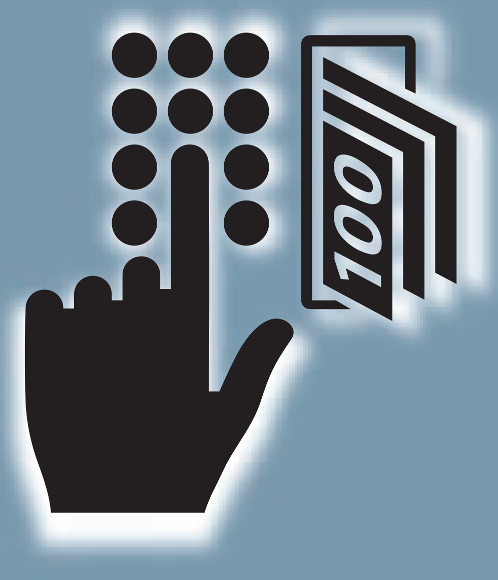
1) Based on Flughafen Wien AG

The primary goals of industrial medicine in 2012 were to maintain and promote the health and fitness of employees; to identify health- and performance-relevant factors in the working environment; to evaluate the effects of these factors on employees and work processes; and to make improvements wherever necessary. Managers also received extensive advising on issues related to industrial medicine, including maternity protection regulations, the deployment of ill/injured employees, first-aid training and psychological problems at the workplace.

There was a substantial increase in the number of employees registering for the monthly focal points offered in connection with the health calendar 2012, above all during the first half of the year. Two particularly popular campaigns were the "healthy back" (Medi-Mouse spinal column measurement) and "body fat measurement" programmes. Other services include the annual programmes for regular health examinations in the outpatient clinic as well as free-of-charge tick and influenza vaccinations.

The first-aid courses registered another year-on-year increase in the number of participants during 2012. Workplace inspections together with the industrial safety specialists included a check of the first aid kits. The outpatient clinic was also used by employees as a contact point for acute medical problems. The close proximity and 24-hour availability of a doctor and expert medical personnel reduce time-off for medical office visits and can often shorten sick leave through prompt treatment.

The medical fitness and follow-up examinations required by Austrian labour law for specific employees were also carried out during the reporting year, above all with respect to respiratory protection, welding smoke and noise. Following workplace noise measurements by AUVA in November 2012 to determine the noise exposure in accordance with Austrian standards ("Verordnung Lärm und Vibrationen 2006"), the number of employees who work in a high-volume workplace (noise exposure >85dB) rose by 288 from 601 (based on the 2006 measurement) to 889 persons. In order to meet the increased demand for legally required audiometry tests (hearing tests), these examinations were also offered directly at the workplace beginning in September (primarily in the baggage handling and workshop areas) and not, as before, only in the clinic to save employees longer trips through the airport and time lost at work.



Investor Relations

The goal of Flughafen Wien investor relations is to establish and maintain active and transparent communications with the capital markets. The investor relations team serves as an interface between the company's interest groups and the capital markets, and is available to answer questions on the company and, in particular, on the Flughafen Wien share.

› Developments on the international capital markets

The year 2012 brought a strong upward trend in share prices on the international stock markets. This development was supported, above all, by the expansive monetary policies of major national banks, which pushed interest rates to historical lows and again made share investments very attractive. However, these gains took place against the backdrop of relatively low turnover on many exchanges, especially in Europe. That has limited the recovery, in spite of the sharp rise in share prices.

The US Dow Jones Industrial (DJI) index rose by 7.3% in 2012. The Eurostoxx50 recorded even better performance, but still remained far below the historical high with a plus of 13.8% for the year. Share prices on the emerging market exchanges showed sound development, as is illustrated by the 15% increase in the worldwide MSCI Emerging Markets Index. In the CEE region, a key market area for Vienna Airport, the trend in share prices was even stronger: the CECE East European index increased 25.7% during the reporting year.

› The Vienna Stock Exchange

The development of share prices on the Vienna Stock Exchange was characterised by relatively strong fluctuations in 2012. After the leading ATX index quickly passed the 2,000-mark at the beginning of the year, growing uncertainty over the debt crisis triggered a sharp drop in share prices during the first six months. This was followed by an upward trend beginning in June 2012, which – at first, with substantial fluctuations – continued through year-end. With slightly over 2,400 points at the end of 2012, the ATX closed the year with a plus of 26.9%. The broader ATX Prime index, which also includes the Flughafen Wien share, generally paralleled the development of the ATX and rose by 22.9% during the year.

Similar to the international exchanges, the share price gains in Vienna were also coupled with low turnover. The cumulative turnover of the ATX Prime stocks fell by 39.9% year-on-year to a modest € 35.7 billion.

› Performance of the Flughafen Wien share

The Flughafen Wien share generally followed the ATX Prime in 2012, but with a positive trend that resulted in a plus of 47% by the end of the year. The share price fell from € 29.25 at year-end 2011 to a low of € 26.04 in March 2012 and, after three strong quarters, closed at € 42.99. Based on a recommended dividend of € 1.05 per share and the year-end price, the dividend yield equals 2.4% (2011: 3.4%). The stock exchange turnover of the Flughafen Wien share followed the general trend of the ATX Prime index and fell sharply by 39.9% to € 184.7 million in 2012 (2011: € 307.1 million).

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The ATX Committee of the Vienna Stock Exchange relegated the Flughafen Wien share to the ATX Prime index in March 2011 because of the decline in turnover. At year-end 2012 the Flughafen Wien share was weighted at 1.09% in the ATX Prime.

› Stock market listings

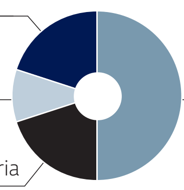
The FWAG share has traded on the Vienna Stock Exchange since 1992 and, accordingly, the company celebrated its 20th trading anniversary in 2012. The company's share capital totals € 152,670,000 and is divided into 21,000,000 registered common shares that can be purchased and sold in continuous trading on the Vienna Stock Exchange. The Flughafen Wien share is one of the base values in the ATX Prime and the Austrian Futures and Options Exchange.

In addition to Vienna, the Flughafen Wien share is traded over-the-counter on exchanges in Berlin, Munich, Stuttgart, Frankfurt and Hamburg. The Flughafen Wien share has also traded internationally in London's SEAQ over-the-counter market since October 1994. An ADR Programme was established in the USA in 1994, where one share of Flughafen Wien stock corresponds to four American Depository Receipts.

› Shareholder structure

Flughafen Wien shares have a free float component of 50%. The two core shareholders – the province of Lower Austria and the city of Vienna – each hold a stake of 20% in syndication. (The most important provisions of the syndicate agreement are described on page 105 of the management report.) The remaining 10% of the shares are held by the employee foundation.

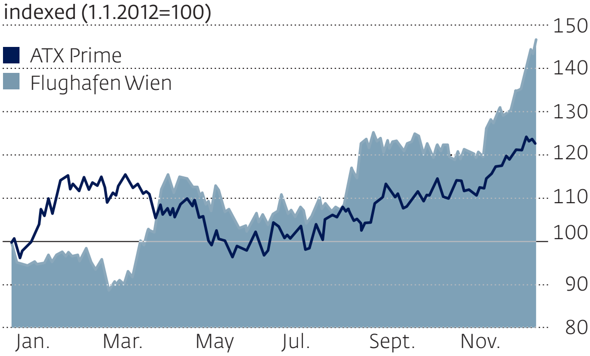
Shareholder Structure



1) Thereof 10.07% Silchester International Investors LLP and 5.23% Lazard Asset Management LLC

Any changes in the shareholder structure that exceed the threshold defined by Austrian stock exchange law are disclosed in accordance with the relevant requirements. In 2012 Lazard Asset Management LLC and Silchester International Investors LLP ("Silchester LLP"), London, reported changes in their holdings. As of 31 December 2012 Silchester International Investors LLP ("Silchester LLP"), London, and Lazard Asset Management LLC held stakes in excess of the 10%, respectively the 5% reporting threshold.

The Flughafen Wien Share
indexed (1.1.2012=100)



Voting rights

The exercise of voting rights is regulated by § 13 of the articles of association of Flughafen Wien AG, which ensures that the principle of "one share – one vote" is observed. The articles of association can be reviewed under: http://ir.viennaairport.com > Corporate Governance > Articles of association.

Ticker symbols

Reuters	VIEV.VI
Bloomberg	FLU:AV
Datastream	O:FLU
ISIN	AT0000911805
ÖKB-WKN	91180
ÖTOB	FLU
ADR	VIAAY

Information on the Flughafen Wien share

	2012	2011	2010
Share capital in € million	152.67	152.67	152.67
Number of shares in million	21	21	21
Share price on 31.12. in €	42.99	29.25	51.23
Annual high in €	42.99	51.98	51.23
Annual low in €	26.04	25.70	33.11
Market capitalisation as of 31.12. in € million	902.8	614.25	1,075.80
Earnings per share in €	3.42	1.50	3.61
Price/earnings ratio[1]	12.6	19.4	14.2
Price/cash flow ratio[1]	5.0	3.4	6.3
Dividend[2]	1.05	1.0	2.0
Dividend yield in %[1]	2.4	3.4	3.9
Pay-out ratio	30.5	66.5	55.5

1) The share price at year-end was used to calculate the price/earnings ratio, the price/cash flow ratio and the dividend yield
2) Dividend for 2012: recommendation to the Annual General Meeting

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› Exchange and cancellation of effectively issued shares

Amendments to Austrian company law in 2011 also led to changes in the Austrian Stock Corporation Act. Among others, listed companies are required to securitise all bearer shares in collective instruments and to deposit these instruments with a security deposit bank. As reported to the 24th Annual General Meeting, Flughafen Wien AG therefore started a cancellation process in 2012 to replace all bearer shares still in circulation with a collective instrument. This step was announced three times in the "Wiener Zeitung", and all bearer shares that were not submitted were subsequently cancelled.

In the future only the holders of securitised shares are entitled to participate in the annual general meeting.

Additional details on the cancellation procedure can be found in the internet under http://ir.viennaairport.com under the menu point "Flughafen Wien AG share>information on the cancellation of share certificates".

› Annual General Meeting

The 24th Annual General Meeting of Flughafen Wien AG was held on 24 April 2012 at the Multiversum in Schwechat, with a total of 179 shareholders representing 15,744,237 voting rights in attendance (attendance for voting on point two of the agenda). In addition to the presentation of results for 2011, the agenda covered voting on the use of retained earnings, the release of the Supervisory Board and Management Board from liability for the 2011 financial year and the remuneration of the Supervisory Board for the 2011 financial year. An auditor was also appointed for the 2012 annual and consolidated financial statements and amendments to the articles of association were passed (in particular, amendments to reflect changes in Austrian company law during 2011). Additional information on the 24th Annual General Meeting of Flughafen Wien AG can be found in the Internet under http://ir.viennaairport.com under the menu point "Archive - General Meetings".

The 25th annual general meeting of Flughafen Wien AG is scheduled for 30 April 2013. Additional information and reports on the annual general meetings are available under: http://ir.viennaairport.com, menu point "Annual general meeting".

› Financial Calendar 2013

25th Annual General Meeting	30 April 2013
Ex-dividend day	6 May 2013
Payment date	8 May 2013
First quarter results for 2013	28 May 2013
Interim financial report for 2013	21 August 2013
Third quarter results for 2013	20 November 2013

Announcement of Traffic Results by Month for 2013

March 2013	15 April 2013
April 2013	14 May 2013
May 2013	13 June 2013
June 2013	12 July 2013
July 2013	14 August 2013
August 2013	12 September 2013
September 2013	15 October 2013
October 2013	14 November 2013
November 2013	12 December 2013

Transparent communications

Flughafen Wien pursues an active and transparent capital market communications policy that is designed to provide all stakeholder groups with the same comprehensive information on the company at the same time. In addition to quarterly reports, the company issues monthly announcements on traffic results. Regular presentations are also held for analysts and institutional investors.

In 2012 management presented the latest corporate developments at investor conferences and road shows in Zürs, Paris, London, Zurich, Munich, Frankfurt and the USA (New York, Chicago) as well as events in Vienna. The growing interest of investors was reflected in numerous one-on-one meeting with management. The company was also represented at the Austrian "Gewinnmesse" trade fair for the general investing public, where private shareholders were given a personal view of Flughafen Wien AG.

The following financial institutions published analyses on the Flughafen Wien share in 2012:

Barclays (London)	J.P. Morgan Cazenove (London)
Citigroup Global Markets (London)	Kepler Capital Markets (Frankfurt)
Cheuvreux (Frankfurt)	Morgan Stanley (London)
Commerzbank (Frankfurt)	Nomura (London)
Deutsche Bank (Frankfurt)	Raiffeisen Centrobank (Vienna)
ERSTE Group (Vienna)	Royal Bank of Canada (London)
Goldman Sachs (London)	Silvia Quandt Research GmbH (Frankfurt)
HSBC (London)	UBS (London)

› Additional information

Extensive information as well as a wide variety of publications and current press releases can be found in the Internet under http://ir.viennaairport.com.

By registering for the Flughafen Wien shareholder service, you can also receive a wide range of printed information on the company.

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› Dividend policy and recommendation for the distribution of profit

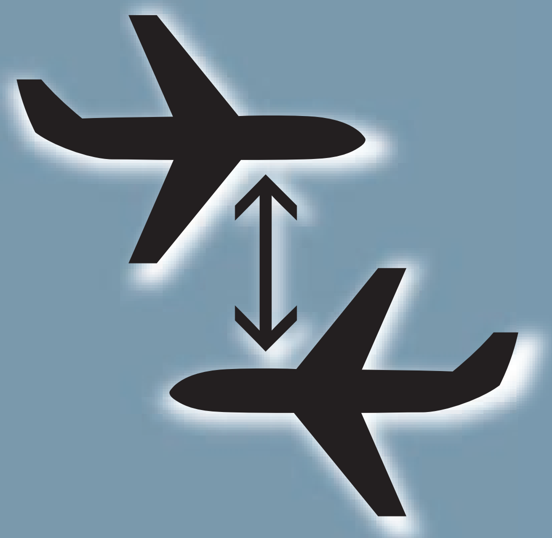
The dividend policy pursued by Flughafen Wien AG is designed to create a balance between growth investments and a return to shareholders.

The 2012 financial year closed with distributable profit of € 22,051,340.59. The Management Board of Flughafen Wien AG recommends the payment of a € 1.05 dividend per share, for a total distribution of € 22,050,000.00 and the carryforward of the remaining € 1,340.59. The recommended dividend represents a payout ratio of 30.5%.

Schwechat, 26 February 2013
The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO



Corporate Governance Report

(in acc. with § 243b of the Austrian Commercial Code)

The foremost goal of Flughafen Wien AG is to create and maintain a sustainable increase in the value of the company. The actions to reach this goal include responsible corporate management as well as a commitment to the Austrian Corporate Governance Code. Fughafen Wien has commited itself to comply with this Code in 2003.

› Commitment to Responsible Management

Flughafen Wien AG declared its intent to comply with the Austrian Corporate Governance Code in 2003 and renewed this commitment in 2012. The code is available for review under http://www.corporate-governance.at.

The Austrian Corporate Governance Code includes, among others, so-called comply-or-explain rules that require the explanation of any non-compliance. Flughafen Wien AG meets all regulations of the code with the exception of Article 16, first sentence, and explains this deviation as follows: a chairman was not appointed for the management board in order to promote the team spirit between its members.

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Management

Julian Jäger and Günther Ofner served as the members of the Management Board of Flughafen Wien AG in 2012.

Organisational structure by function in 2012

Member of the Management Board Günther Ofner	Member of the Management Board Julian Jäger
Real Estate Management **Werner Hackenberg**	Operations **Nikolaus Gretzmacher**
Planning, Construction Management **Norbert Steiner**	Handling Services **Wolfgang Fasching**
Finance and Accounting **Rita Heiss**	Center Management **Adil Raihani**[1]
Strategy, Controlling and Investments **Andreas Schadenhofer**	Technical Services **Christoph Edlinger**
Secretary General **Wolfgang Köberl**	Internal Audit **Günter Grubmüller**
Human Resources **Christoph Lehr**	Information Systems **Susanne Ebm**[2]
Communications **Stephan Klasmann**[3]	Environmental Management **Christian Röhrer**
Central Procurement **Andreas Eder**	

1) Up to 1 May 2012 Franz Svoboda (interim)
2) Up to 9 October 2012 Andreas Singer
3) Up to 29 February 2012 Peter Kleemann (interim)

Joint Signatories

Andreas Eder
Wolfgang Fasching
Nikolaus Gretzmacher
Werner Hackenberg
Rita Heiss
Michael Höferer
Wolfgang Köberl
Christoph Lehr
Andreas Schadenhofer
Norbert Steiner

Management Board

› Member of the Board: Julian Jäger

Born in 1971, in 2002 he joined the legal department of Flughafen Wien AG after completing his studies in law at the University of Vienna. From 2004 to 2006 he served as the head of the business development department in the airline and terminal services unit. He joined Malta International Airport plc as chief commercial officer in 2007 and was appointed chief executive officer in 2008. Julian Jäger was appointed to the Management Board of Flughafen Wien AG on 5 September 2011; his term of office ends on 4 September 2016.

Member of the supervisory board or comparable function in external corporations:

- Österreichische Gesellschaft für Zivilluftfahrt mit beschränkter Haftung

› Member of the Board: Günther Ofner

Born in 1956, he received his doctor of laws degree from the University of Vienna in 1983, where he also worked as a lecturer from 1986 to 2000. Ofner served as the managing director of Friedrich Funder Institut für Journalistenausbildung und Medienforschung from 1981 to 1992, and then joined Österreichische Elektrizitätswirtschafts AG as the deputy head of the foreign office from 1992 to 1994. From 1994 to 2004 he was a member of the management board of Burgenländische Elektrizitätswirtschafts AG. Ofner served on the management board of Burgenland Holding AG from 1995 to 1997 and 2005 to 2011, and on this company's supervisory board from 2004 to 2005. His other functions include chairman of the management board of UTA Telekom AG from 2004 to 2005 as well as managing director in various Austrian and foreign subsidiaries of EVN AG from 2005 to 2011. Günther Ofner was appointed to the Management Board of Flughafen Wien AG on 5 September 2011; his term of office ends on 4 September 2016.

Member of the supervisory board or comparable function in external corporations:

- Plaut Aktiengesellschaft
- Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group

› Work Processes of the Management Board

The activities of the Management Board are defined by law, the articles of association and the rules of procedure. The rules of procedure regulate the distribution of operational responsibilities and the cooperation between the members of the Management Board. This document also lists the information and reporting obligations of the Management Board and includes a catalogue of measures that require the approval of the Supervisory Board. The Management Board holds weekly meetings to discuss the development of business and, in these meetings, takes decisions that require the approval of the full Management Board. The members of the Management Board also exchange information on important activities and events on a regular basis.

› Remuneration of the Management Board

The remuneration of the Management Board includes a fixed and a performance-based component as well as compensation in kind. The variable component is tied to specific targets that are defined each year together with the Supervisory Board based on corporate goals.

In accordance with rule 27 of the Austrian Corporate Governance Code, 50% of the variable remuneration for Julian Jäger and Günther Ofner is dependent on the attainment of goals for the respective financial year and 50% on sustainable, long-term goals. Goal attainment is measured by the improvement in customer satisfaction based on a comparison with the international ASQ study and on EBITDA and ROCE targets. The targets and, above all, the criteria for payment of the variable remuneration are defined, explained and weighted by the Presidium and Personnel Committee of the Supervisory Board at the beginning of each financial year. If the basis for variable remuneration proves to be incorrect after this payment is made, the respective Management Board member is obliged to return the resulting bonus in full. The variable remuneration is limited to 100% of the fixed component.

Details on the remuneration paid to the individual board members are provided in the following table and in note 40 to the consolidated financial statements. For Julian Jäger and Günther Ofner, 15% of the base salary is transferred to a pension fund.

There are no special agreements that would take effect in the event of a public takeover offer. If the contracts with Julian Jäger and Günther Ofner are terminated prematurely without important reason, compensation will be continued for a maximum of 24 months in accordance with rule 27a of the Austrian Corporate Governance Code. The members of the Management Board have no claims to severance compensation or other settlement payments at the end of their contracts, regardless of the grounds for termination. No stock options have been granted. The company has arranged for D&O insurance and carries the related costs.

› Management Board remuneration for 2011 and 2012

in T€	2012 Fixed compen-sation	2012 Share of total	2012 Perfor-mance-based compen-sation for 2011	2012 Share of total	2012 Non-cash remune-ration	2012 Share of total	2012 Total remune-ration	2011 Total remune-ration
Julian Jäger	252.7	74.17 %	80.8	23.72 %	7.1	2.08 %	340.7	82.9
Günther Ofner	252.7	74.15 %	80.8	23.71 %	7.2	2.11 %	340.8	82.9

› Supervisory Board

The Supervisory Board comprises ten shareholder representatives and five delegates from the Works Committee. All shareholder representatives were elected by the annual general meeting (AGM), and have terms of office extending up to the AGM that will vote on the release from liability for the 2012 financial year. At the 155th meeting of the Supervisory Board on 31 August 2011, Erwin Hameseder was elected chairman of this body. All members of the Supervisory Board of Flughafen Wien AG have declared their independence in keeping with the guidelines defined by the Supervisory Board pursuant to the requirements of the Austrian Corporate Governance Code. The company therefore complies with rules 39 and 53 of the Austrian Corporate Governance Code.

› Members of the Supervisory Board

Name, year of birth	Profession	First appointed on	Positions on other supervisory boards and comparable functions
Shareholder representatives			
Erwin Hameseder, chairman since 31.8.2011, 1956	President of Raiffeisen-Holding NÖ-Wien	31.8.2011 [4]	Member of the supervisory boards of: Strabag SE, AGRANA Beteiligungs-Aktiengesellschaft, Raiffeisen Bank International AG, UNIQA Versicherungen AG, Südzucker AG
Ewald Kirschner, deputy since 29.4.2011, 1957	General Director der GESIBA Gemeinnützige Siedlungs- und Bauaktiengesellschaft	29.4.2011	–
Wolfgang Ruttenstorfer, deputy since 29.04.2011, 1950	(Former) General Director of OMV Aktiengesellschaft	29.4.2011	Member of the supervisory boards of: Telekom Austria Aktiengesellschaft, Vienna Insurance Group AG Wiener Versicherung Gruppe (chairman), CA Immobilien Anlagen Aktiengesellschaft (chairman), RHI AG, NIS a.d. Naftna industrija Srbije
Gabriele Domschitz, since 29.4.2011, 1959	Member of the Management Board of Wiener Stadtwerke Holding AG	29.4.2011	–
Bettina Glatz-Kremsner, since 29.4.2011, 1962	Member of the Management Boards of Casinos Austria AG and Österreichische Lotterien GesmbH	29.4.2011	–
Claus Raidl, since 31.8.2011, 1942	President of the Austrian National Bank	31.8.2011	Member of the supervisory board of: Wienerberger AG
Burkhard Hofer, 1944	(Former) General Director of EVN AG	20.8.2009	Member of the supervisory board of: EVN AG (chairman)
Franz Lauer, 1939	(Former) General Director of Wiener Städtische Versicherung AG	7.5.1998	–
Hans-Jörgen Manstein, 1944	Manstein Zeitschriftenverlag GesmbH	24.4.2003	–
Alfons Metzger, 1941	Metzger Realitäten Group	25.4.2002	–

4) Mr. Hameseder served as a member of the Supervisory Board from 22 April 2004 to 19 May 2009

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› Members of the Supervisory Board

Name, year of birth	Profession	First appointed on	Positions on other supervisory boards and comparable functions
Delegated by the Works Committee			
Manfred Biegler, 1956	Chairman of the Salaried Employees' Works Committee		–
Michael Straßegger[5], 1966	Vice-Chairman of the Salaried Employees' Works Committee		–
Thomas Schäffer, 1983	Vice-Chairman of the Salaried Employees' Works Committee		–
Heinz Strauby[6], 1974	Waged Employees' Works Committee		–
Heinz Wessely, 1971	Chairman of the Waged Employees' Works Committee		–

5) Up to 6 December 2012 Dieter Rozboril
6) Up to 17 April 2012 Karl Hromadka

› Representative of the Supervisory Authorities

In a letter dated 29 April 2012, the supervisory authorities indicated that they would no longer exercise their right to delegate a representative.

› Representatives of free float shareholders

The 18th annual general meeting of Flughafen Wien AG on 29 April 2008 elected Franz Lauer and Alfons Metzger as the representatives of free float shareholders.

› Work Processes of the Supervisory Board

The Supervisory Board monitors the management of the company. It can request a report from the Management Board on business-related issues and may review the company's accounting records and documentation at any time. The transactions itemised in § 95 (5) of the Austrian Stock Corporation Act and the activities listed in the rules of procedure for the Management Board require the consent of the Supervisory Board.

› Committees of the Supervisory Board

The committees, which exercise consultative functions, are intended to improve the efficiency of Supervisory Board work processes and also deal with complex issues. The chairmen of these committees report regularly to the Supervisory Board on their work. The Supervisory Board is required to designate one committee to make decisions in urgent cases. Irrespective of their assigned duties, the committees can also be charged with other tasks involving analysis, advising and the preparation of recommendations to the Supervisory Board for voting.

› Presidium and Personnel Committee

The Presidium and Personnel Committee is responsible for personnel issues related to the members of the Management Board, including succession planning, and deals with the content of employment contracts and the remuneration of the board members. This committee also evaluates the acceptability of additional activities by the Management Board members and assists the chairman, above all in preparing the Supervisory Board meetings. Moreover, the Presidium and Personnel Committee serves as a committee for urgent issues in accordance with rule 39 of the Austrian Corporate Governance Code and performs the functions of a nominating committee as defined in rule 41 of the Austrian Corporate Governance Code, as well as the duties of the remuneration committee in accordance with rule 43.

› Members of the Presidium and Personnel Committee

Erwin Hameseder (Chairman)
Ewald Kirschner
Wolfgang Ruttenstorfer
Manfred Biegler
Heinz Wessely (as of 6.12.2012 – formerly Dieter Rozboril)

› Strategy Committee

The Strategy Committee works on strategic issues together with the Management Board and, if necessary, also with other experts. The related decisions are made by the full Supervisory Board.

› Members of the Strategy Committee

Erwin Hameseder (Chairman)
Ewald Kirschner
Wolfgang Ruttenstorfer
Gabrielle Domschitz
Alfons Metzger
Manfred Biegler
Heinz Strauby (as of 6.12.2012 – formerly Dieter Rozboril)
Heinz Wessely

› Audit Committee

The Audit Committee deals with accounting issues as well as the audit of the company and the group. It evaluates the report by the auditor on the examination of the annual financial statements, and informs the Supervisory Board of the results of this analysis. This committee is responsible for examining and preparing decisions for the Supervisory Board on the following subjects: the annual financial statements, the recommendation for the distribution of profit and the management report; the audit of the consolidated financial statements; the audit of accounting systems; the corporate governance report; >

the monitoring and effectiveness of the internal control system, the internal audit system and risk management. The Audit Committee also makes a recommendation to the Supervisory Board for the nomination of an auditor, monitors the independence of this firm and deals with the content of the management letter and the report on the effectiveness of risk management. Wolfgang Ruttenstorfer, the chairman of this committee, has served as the financial expert since 25 May 2011; his many years of professional experience qualify him for this position.

› Members of the Audit Committee

Wolfgang Ruttenstorfer (Chairman)
Erwin Hameseder
Ewald Kirschner
Burkhard Hofer
Gabriele Domschitz
Manfred Biegler
Heinz Strauby (as of 06.12.2012 – formerly Dieter Rozboril)
Heinz Wessely

› Frequency of Meetings and Key Issues

The Supervisory Board held five meetings in 2012. In addition, the Presidium and Personnel Committee held two meetings and the Audit Committee three meetings. The Strategy Committee met twice during the reporting year.

In 2012 the Supervisory Board and its committees dealt with central issues related to the development and organisation of the company. Discussions centred, above all, on the corporate strategy, with real estate development, future expansion projects and the aviation strategy forming the focal points. Other topics of discussion were the investment strategy and the status of the environmental impact study on the third runway. The Supervisory Board was provided with regular reports on preparations for the start-up of the new Check-in 3 and planned improvements after the successful start of operations as well as the revitalization of existing buildings. Other reports covered the following topics: actions to assert claims against contractors for damages connected with the Check-in 3; the status of investigations involving former members of the Management Board and the resulting consequences; the situation and cooperation with Vienna Airport's main customers; and measures to reduce costs and the related productivity improvement. The committees reported to the full Supervisory Board on their activities. The Management Board provided the Supervisory Board with regular information on the development of business and the position of the individual group companies. Therefore, the Supervisory Board was able to monitor the performance of the company on a continuous basis and support the Management Board on decisions of fundamental importance.

Additional information is provided in the report of the Supervisory Board.

› Remuneration of the Supervisory Board in 2012

The remuneration scheme for the Supervisory Board calls for an annual payment of € 12,000 to the chairman, € 10,000 for each deputy and € 8,000 for each ordinary member as well as a standard attendance fee of € 300 per meeting. Detailed information on the remuneration paid to the individual members of the Supervisory Board is provided in the following table.

Erwin Hameseder	€	7,343.84
Ewald Kirschner	€	9,467.12
Wolfgang Ruttenstorfer	€	10,067.12
Burkhard Hofer	€	10,400.00
Gabriele Domschitz	€	8,413.70
Franz Lauer	€	9,500.00
Hans-Jörgen Manstein	€	9,500.00
Alfons Metzger	€	9,800.00
Bettina Glatz-Kremsner	€	6,613.70
Claus J. Raidl	€	4,195.89
Alfred Reiter	€	3,260.27
Johannes Coreth	€	2,608.22
Karl Skyba	€	2,608.22
Karl Samstag	€	3,260.27

› Internal Audit and Risk Management

The internal audit department reports directly to the Management Board of Flughafen Wien AG. Each year this department prepares an audit schedule for the following 12 months as well as a report on its activities during the past financial year, which are submitted to the Management Board and discussed with the Audit Committee of the Supervisory Board. The effectiveness of risk management is evaluated by the auditor based on these documents and other available information. The resulting report is submitted to the Management Board and the chairman of the Supervisory Board, and subsequently presented to the full Supervisory Board.

› Guidelines for the Independence of the Supervisory Board Members

Rule 53 of the Austrian Corporate Governance Code defines a general standard for the independence of members of supervisory boards. All members of the Supervisory Board of Fughafen Wien AG meet the independence criteria defined in the following guidelines:

- A member of the Supervisory Board is considered to be independent when he/she has no business or personal relations with the company or its management board that may lead to a material conflict of interest and are therefore capable of influencing the actions of the board member.
- The Supervisory Board member may not have served on the management board or as a key employee of the company or a subsidiary of the company during the previous five years.
- The Supervisory Board member may not have – or in recent years had – any business relations with the company or a subsidiary of the company that are considered to be material for this member. The same applies to business relations with companies in which the member of the Supervisory Board holds a significant economic interest. The approval of individual transactions by the Supervisory Board as defined in L-Rule 48 does not automatically lead to qualification as not independent.
- The Supervisory Board member may not have worked on the audit of the company during the past three years and may not have owned an interest in or been employed by the public accounting firm during this period.
- The Supervisory Board member may not serve on the management board of another firm in which a member of the company's management board holds a position on the supervisory board.
- The Supervisory Board member may not be closely related (son or daughter, husband or wife, companion, parent, uncle, aunt, sister or brother, niece or nephew) to a member of the management board or a person serving in one of the positions described above.

› External evaluation

An external evaluation of compliance with the provisions of the Austrian Corporate Governance Code according to rule 62 during the 2012 financial year was prepared by Univ.-Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. The results of this analysis are available for review under http://ir.viennaairport.com under the menu point "Corporate Governance".

› Annual Financial Statements according to the Austrian Commercial Code

The financial statements of Flughafen Wien AG as prepared in accordance with the Austrian Commercial Code are available at the headquarters of the company. Interested parties can also order copies by e-mail under investor-relations@viennaairport.com or by calling +43/1/7007/22826. These financial statements are also published on http://ir.viennaairport.com under the menu point "Publications and reports" > "Financial Reports".

› Financial Report pursuant to the Austrian Stock Exchange Act

The annual financial report and the quarterly reports are available on http://ir.viennaairport.com under the menu point "Publications and reports".

› Auditor

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 1090 Vienna, Porzellangasse 51, was appointed as the auditor by the 22nd Annual General Meeting of Flughafen Wien AG and commissioned to perform this engagement. Prior to its election as the auditor, KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft submitted a written report to the Audit Committee that covered the following points:

- Authorisation to audit a stock corporation as well as proof that there are no grounds for exclusion from such engagements;
- A listing by type of service of the total fees received from the company for the previous financial year;
- Inclusion in a legal quality assurance system;
- Disclosure of any circumstances that could give reason for concern over possible bias;
- Measures taken to ensure the independence of the audit.

In 2012 the auditor's fees amounted to T€ 232.2 for the audit of the financial statements, T€ 62.0 for other assurance services and T€ 16.3 for other services.

› Compliance Rules

Flughafen Wien AG implemented the Issuer Compliance Regulations in the version dated 1 November 2007 revised by Federal Gazette BGBI. II No. 30/2012 through a separate corporate guideline. The company has established permanent areas of non-disclosure to prevent the misuse or distribution of insider information, and also creates ad-hoc areas as needed. These areas of non-disclosure cover all employees and corporate bodies of FWAG in Austria and other countries as well as any external service providers who have access to insider information. A variety of organisational measures and control mechanisms has also been implemented to monitor these processes on a regular basis. The compliance officer of Flughafen Wien AG discusses his activities with the Supervisory Board each year, and also prepares a written report that is submitted to the Austrian Financial Market Authority.

› Ad-hoc Publications and Directors' Dealings

Ad-hoc publication requirements are met through disclosure on the company's website. In 2012 there were no purchases or sales of Flughafen Wien shares by members of corporate bodies or managers (directors' dealings) that would be subject to the reporting requirements of the Austrian Stock Exchange Act.

› Equal Opportunity

The share of female employees in the Flughafen Wien AG workforce currently equals 12.4%. This relatively low ratio reflects the nature of work at Vienna Airport, where roughly 70% of the employees perform heavy physical labour. All the same, the company recognises the value of women for the working world and intends to increase this ratio, above all in management positions. Flughafen Wien AG also takes part in the annual "Vienna Daughters' Day" programme to give girls an in-depth look at a variety of technical professions – the company had six female apprentices in 2012. In addition, the Supervisory Board has two female members. In order to also position the Flughafen Wien Group as an attractive employer for women, specific measures have been implemented to support the work-life balance and suitable career opportunities have been created.

Schwechat, 26 February 2013
The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

Erwin Hameseder
Chairman of the Supervisory Board

Report of the Supervisory Board

› Frequency of meetings and key issues

The Supervisory Board held five meetings in 2012. In addition, the Presidium and Personnel Committee held two meetings and the Audit Committee three meetings. The Strategy Committee met twice during the reporting year.
In 2012 the Supervisory Board and its committees dealt with central issues related to the development and organisation of the company. Discussions centred, above all, on the corporate strategy, with real estate development, future expansion projects and the aviation strategy forming the focal points. Other topics of discussion were the investment strategy and the status of the environmental impact study on the third runway. The Supervisory Board was provided with regular reports on preparations for the start-up of the new Check-in 3 and planned improvements after the successful start of operations as well as the revitalization of existing buildings. Other reports covered the following topics: actions to assert claims against contractors for damages connected with the Check-in 3; the status of investigations involving former members of the Management Board and the resulting consequences; the situation and cooperation with Vienna Airport's main customers; and measures to reduce costs and the related productivity improvement. The committees reported to the full Supervisory Board on their activities. The Management Board provided the Supervisory Board with regular information on the development of business and the position of the individual group companies. Therefore, the Supervisory Board was able to monitor the performance of the company on a continuous basis and support the Management Board on decisions of fundamental importance. The Supervisory Board will focus on the following issues in 2013: the optimisation and further expansion of the existing infrastructure, the strengthening of Vienna's hub function to drive further growth and the realisation of opportunities to reduce costs and improve earnings. In addition, all possible claims for damages related to the Check-in 3 will be investigated and pursued.

› Commitment to the Corporate Governance Code

Flughafen Wien AG has been committed to compliance with the Austrian Corporate Governance Code since 2003. Accordingly, the Supervisory Board fulfils the duties and responsibilities set forth in this code.

Compliance with the rules of the code is reviewed each year by an external firm. The corporate governance report of Flughafen Wien AG was evaluated by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH and did not provide grounds for any major objections.

› Audit

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 1090 Vienna, Porzellangasse 51, were elected auditors of the 2012 annual financial statements at the 24th Annual General Meeting of Flughafen Wien AG and were commissioned to perform this audit. This firm audited the annual and consolidated financial statements as of 31 December 2012 and the related management reports for the company and the Group, which were prepared by the Management Board, and awarded these financial statements unqualified opinions. The Management Board presented the following documents to the Supervisory Board and reported in detail thereon: the annual financial statements of Flughafen Wien AG, which were prepared in accordance with Austrian accounting principles; the consolidated financial statements for the Flughafen Wien Group, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU; and the management reports for the company and the Group.

› Audit of the annual and consolidated financial statements

The Audit Committee reviewed the following documents at its meetings in the presence and with the support of the auditor: the annual financial statements and consolidated financial statements, the company and Group management reports and the corporate governance report of Flughafen Wien AG for the 2012 financial year. The effectiveness of the internal control and risk management systems was also discussed at these meetings. This analysis was based in part on the management letter and the auditor's report on the evaluation of the effectiveness of the risk management system. The Audit Committee then informed the Supervisory Board of the results of its work, which formed the basis for the evaluation of the annual and consolidated financial statements by the Supervisory Board.

› Approval of the annual financial statements

The Supervisory Board accepted the annual financial statements and the management report of Flughafen Wien AG for the 2012 financial year in the presence of the auditor. The annual financial statements of Flughafen Wien AG for the 2012 financial year were therefore approved.

› Recommendation for the distribution of profit

The Supervisory Board agrees with the recommendation of the Management Board to distribute a dividend of € 1.05 per share, for a total of € 22,050,000, from distributable net profit of € 22,051,340.59 and to carry forward the remaining € 1,340.59.

› Ackowledgement

The Supervisory Board would like to express its thanks to the members of the Management Board, key managers and all employees for their commitment and performance in 2012.

Erwin Hameseder
Chairman of the Supervisory Board

Schwechat, 26 February 2013

Group Management Report for the 2012 Financial Year

The Business Environment

The commercial development of air travel is influenced to a significant degree by fluctuations in the economy as well as crises and events that can lead to the cancellation of flights and/or routes.

As an international hub in Central Europe, Vienna Airport is heavily dependent on economic developments in the Euro zone and because of its geographical location also affected by economic trends in the CEE region. The Czech Republic, Slovakia, Hungary, Slovenia and Croatia play a special role because the residents in the adjoining areas of these neighbouring countries form part of Vienna Airport's catchment area.

Whereas the global economy was characterised by slight weakness in 2012, the Euro zone recorded a decline beginning in the second quarter of the year. The result was a 0.6% year-on-year contraction, with substantial differences on a regional basis. In contrast, the CEE region reported moderate growth for 2012 (Source: EUROSTAT).

One example of sound development in the CEE region is Slovakia, which generated GDP growth in 2012 due to higher production volumes in the automobile industry. The Czech economy slipped into a slight recession during 2012 because export surpluses were unable to counter the decline in private consumption. Hungary reported a GDP decline of roughly 1.7% for 2012, whereby growth was supported by higher net exports but limited by a more substantial drop in domestic demand as a result of the fiscal austerity programme (Source: EUROSTAT). >

Within the context of this international environment, the export-oriented Austrian economy produced GDP growth of 0.4% in 2012 (Source: Austrian National Bank). A lack of export momentum and weak domestic consumption slowed the investment climate, in spite of continuing low interest rates. The Austrian labour market developed better in international comparison with an increase in employment, but near stagnation in real wages and generally low consumer confidence had a negative effect on private consumption. The CPI-linked inflation rate rose by an annual average of 2.4% in 2012 due to rising prices for energy and food and higher unit labour costs (Source: Statistik Austria).

Both the European Central Bank (ECB) and the US Federal Reserve reacted to these global economic developments by extending their low interest rate policies. The financial markets were stabilised by measures connected with the ESM programme and the announced ECB intervention in the federal bond sector.

› Tourism in Austria

The Austrian tourism industry, a key driver for business development at Vienna Airport, set a new record in 2012. According to Statistik Austria, the number of overnight stays rose by about 4.0% year-on-year to 131.0 million. An above-average increase of 4.8% to 95.1 million was recorded in the number of overnight stays by foreign tourists. The strongest growth by region was registered in visitors from Central and Eastern Europe with a plus of 7.8%. Of special note is the increase in overnight stays by travellers from Russia at 18.9%. The number of overnight stays by German visitors, who represent the largest group, rose by 4.6% to 50 million in 2012 (Source: Statistik Austria).

› Travel in Austria

Travel by the Austrian public rose slightly in 2012. Statistik Austria reported nearly 6.6 million holiday trips during the summer season (July - September), the most important period for such activities. This represents an increase of 1.0% over the previous summer. Of the total vacations, 56.2% were taken in foreign countries whereby the most popular destinations were Italy (24.7%), Croatia (16.8%), Germany (12.4%), Spain (6.1%), and Greece (4.5%). The airplane was the preferred mode of transport for 17.2% of these travellers to reach their vacation destination.

Traffic at Vienna Airport

The increase in passenger traffic at the European airports averaged a moderate 1.8%[1] year-on-year in 2012 . With growth of 5.0%, Vienna Airport exceeded this level by a substantial margin. A total of 22,165,794 passengers were handled at Vienna during the reporting year, with transfers comprising a share of 31.8%. Above-average growth 8.1% was recorded in the number of transfer passengers, which is a strategically important customer group for Vienna.

Flight movements fell by 2.1%[2] in European comparison. This trend was also felt in Vienna, but to a slightly lesser extent: the number of flight movements at Vienna Airport declined 0.6% in 2012.

The consequences of the sovereign debt crisis and global economic weakness led to a 2.8% drop in cargo turnover at the European airports. In Vienna, cargo volumes (air cargo and trucking) were 9.2% lower than the previous year.

Vienna remained one of the top four airports in Europe for punctuality in 2012 and also maintained its high-quality service levels.

› Traffic at European airports in 2012 – Vienna with the strongest passenger growth

	Passengers in thousand	Change vs. 2011 in %	Flight movements[3]	Change vs. 2011 in %
London[3]	121,725.0	0.5	843,052	-1.8
Frankfurt	57,520.0	1.9	471,454	-1.2
Paris[3]	88,844.2	0.8	721,903	-1.8
Amsterdam	51,035.6	2.6	423,407	0.8
Madrid	45,175.5	-9.0	372,359	-13.1
Rome	36,980.2	-1.8	309,302	-4.6
Munich	38,360.6	1.6	376,889	-2.9
Milan[3]	36,587.8	-0.5	338,001	-3.3
Zurich	24,751.6	1.7	250,311	4.9
Vienna	**22,165.8**	**5.0**	**243,072**	**-0.6**
Prague	10,807.9	-8.3	128,624	-12.9
Budapest	8,493.6	-4.7	81,921	-21.8

1) ACI Airport Council International – Europe. Inhouse; January-December 2012
2) ACI Airport Council International – Europe. Inhouse; January-December 2012
3) Source: ACI Europe Traffic Report December 2012
London: Heathrow, Gatwick and Stansted
Paris: Charles de Gaulle and Paris Orly
Milan: Malpensa, Linate and Bergamo
Flight movements acc. ACI: Movements exclusive General Aviation and Other Aircraft Movements

› Passenger growth of 5.0%

Traffic indicators	2012	Change in %	2011	2010
MTOW (in million tonnes)	8.1	-1.7	8.3	8.0
Total passengers (in million)	22.2	5.0	21.1	19.7
Thereof transfers (in million)	7.1	8.1	6.5	5.9
Flight movements	244,650	-0.6	246,157	246,146
Cargo (air cargo and trucking; in tonnes)	252,276	-9.2	277,784	295,989
Seat occupancy (in %)	73.0	n.a.	69.6	68.9
Number of destinations	179	2.9	174	177
Number of airlines	71	-2.7	73	70

The number of passengers handled at Vienna Airport rose by 5.0% to 22,165,794 in 2012, which reflects the forecasted range of 4 to 5%. A quarterly comparison shows slower growth in passenger traffic during the third and fourth quarters than in the first (+9.2%) and second quarters (+6.8%). This development reflects the basis effects from the events in Japan (Fukushima) and North Africa (revolutions in Libya and Egypt) during the first half of 2011 as well as the termination of flights to Mumbai from April and to Damascus from August 2012 onwards. The number of flight movements declined 0.6% year-on-year to 244,650. Maximum take-off weight (MTOW) was 1.7% lower, chiefly because of the general decline in air cargo. Seat occupancy equalled 73.0%, compared with 69.6% in the previous year.

Cargo turnover fell by 9.2% year-on-year to 252,276 tonnes in 2012. Air cargo declined 10.9% to 178,054 tonnes and trucking 4.8% to 74,222 tonnes. The economic weakness in the Asian region had a negative effect on the development of cargo traffic in Vienna during 2012. Furthermore, the reduction in freight charges for maritime cargo transport (based on price developments as reported in the Baltic Dry Index) led to an increase in the volume of high-value goods shipped from Asia to Europe via ocean carriers. That, in turn, triggered a sharp drop in air cargo from the Asian region. In the air cargo segment, Lufthansa followed the takeover of Austrian Airlines with the transfer of the related cargo business to its subsidiary Lufthansa Cargo AG (LCAG). LCAG now manages all cargo flows into and out of Vienna. Consolidation measures in the Lufthansa transport network included the transfer of large cargo volumes by LCAG to the hubs in Frankfurt and Munich, which led to a double-digit drop in cargo volume for the hub carrier AUA/Lufthansa in 2012. The development of business with other customers leads to expectations that this business will bottom out in mid-2013 and possibly produce slight volume growth during the second half of the year.

Vienna Airport offered scheduled flights to 179 destinations in 2012 (2011: 174), with 45 (2011: 44) of these destinations located in Eastern Europe. That confirms Vienna's position as the leading east-west hub in Europe for 2012. The number of passengers departing to Eastern Europe rose by an above-average 12.1% year-on-year, which increased this share of total passenger traffic 1.2 percentage points to 20.1%. Departures to destinations in the Middle East grew by a sound 8.3%. In contrast, traffic to the Far East declined 5.9% following the termination of flights to Mumbai.

› Departing passengers in 2012 (scheduled and charter) by region

Region	2012	2011	Change absolute	Share 2012 in %	Share 2011 in %	Change in % points
Eastern Europe	2,226,488	1,986,681	239,807	20.1	18.9	1.2
Western Europe	7,495,253	7,241,165	254,088	67.8	68.8	- 1.0
Far East	384,524	408,677	-24,153	3.5	3.9	- 0.4
Middle East	541,667	500,139	41,528	4.9	4.8	0.1
North America	212,488	207,473	5,015	1.9	2.0	- 0.1
Africa	189,733	174,577	15,156	1.7	1.7	-
South America	8,028	2,225	5,803	0.1	-	0.1
Total	**11,058,181**	**10,520,937**	**537,244**	**100.0**	**100.0**	

The share of passengers departing to Eastern Europe rose to 20.1% in 2012 (2011: 18.9%) based on above-average traffic growth of 12.1%. Western Europe remained the most popular destination with 67.8% (2011: 68.8%) of the total passengers. Frankfurt led the list of West European destinations with 593,565 passengers, followed by London with 468,874 and Zurich with 453,461. The East European ranking was headed by Moscow, Bucharest and Sofia. The most passengers on long-haul flights were recorded by Bangkok with 111,265 passengers, followed by New York and Tokyo.

› The major airlines at Vienna Airport

The Austrian Airlines Group, the largest and most important customer of the Flughafen Wien Group, recorded a 4.0% increase in passenger traffic during 2012 but a decline in the share of the total passenger volume to 49.5% (2011: 50.0%). In spite of this development, the Austrian Airlines Group remains the dominant home carrier at Vienna Airport. NIKI maintained its position as the second largest carrier in Vienna during 2012. An increase of 9.2% in the number of passengers raised its share of the total passenger volume to 12.0% (2011: 11.6%). Eight low-cost carriers served Vienna on a regular basis during the reporting year (2011: eight). The number of passengers handled by the low-cost carriers rose by 5.4% year-on-year in 2012, whereby the decline in passenger traffic during the first quarter (-3.2%) was more than offset during the remainder of the year. The market share held by these airlines equalled 21.8% (2011: 21.7%). A ranking of the airlines by the share of passengers carried is led by the Austrian Airlines Group and NIKI, followed by airberlin with 6.3% and Lufthansa with 5.5%. The top ten airlines at Vienna Airport also include Germanwings with a share of 2.2%, British Airways and Turkish Airlines with 1.7% each and Swiss Intl., Air France and Emirates with 1.5% each. In this ranking, Turkish Airlines, Emirates and Lufthansa reported the strongest growth over 2011.

The average seat occupancy on flights from and to Vienna (scheduled and charter) rose from 69.6% in 2011 to 73.0% for the reporting year. This reflects the airlines' efforts to improve capacity utilisation. Despite a fleet reduction of four aircraft, the Austrian Airlines Group carried more passengers during the reporting year and also contributed to the improvement in seat occupancy.

Seventy-one airlines carried out scheduled flights to Vienna in 2012 (2011: 73), which served 179 destinations in 67 countries. New airline customers included, among others, Estonia Air, Saudi Arabian Air, Belle Air, OLT Express and Danube Wings. In contrast, six airlines terminated services to and from Vienna. >

Fee and Incentive Policy

Vienna International Airport has a fee system that is very attractive in international comparison. The fee adjustments were based on a formula (price-cap formula) that was accepted by FWAG, the airlines and the Austrian civil aviation authority (Austrian Ministry for Transport, Innovation and Technology (BMVIT)). The formula equals the inflation rate minus 0.35-times the average growth in traffic over the past three years.

The fee structure was adjusted as follows as of 1 January 2012:

Landing fee, airside infrastructure fee, parking fee:	+ 0.81%
Passenger fee, landside infrastructure fee:	+ 0.39%
Infrastructure fee for fuelling:	+ 0.68%

The fee adjustments implemented on 1 January 2012 and the related sharing of occupancy risk with the airlines as well as the continuation and/or expansion of the successful incentive programme are designed to strengthen the competitive position of Vienna Airport and to promote strategically important intercontinental routes and traffic to destinations in Eastern and Central Europe.

The Austrian Airport Tariff Act took effect on 1 July 2012. It defines the procedure for fee adjustments and provides additional stability because the price-cap formula is now anchored in law.

The airlines request to share a higher share of the occupancy risk was met with a reduction of approx. 11% in the landing fee and a corresponding increase of approx. 4.6% (€ 0.74/per dep. passenger) in the passenger fee. The airside infrastructure fee was reduced by 10%, while the landside infrastructure fee was raised by 20% (€ 0.20). The PRM (People with Reduced Moblility) fee remained unchanged at € 0.34 per departing passenger.

The Austrian Aviation Act of 2011 requires Flughafen Wien AG to collect a security fee from each departing passenger (local and transfer). This fee was set at € 7.70 as of 16 April 2012.

In order to further strengthen Vienna's position as a transfer airport, Flughafen Wien AG raised the long-standing transfer incentive by € 2.50 as of 5 June 2012. This refund to airlines that support the development of Vienna Airport's hub function equalled € 11.71 per departing transfer passenger from 5 June 2012 to 31 December 2012. The growth incentive programme was also continued in 2012. These measures provide sustainable protection for the role of Vienna Airport as a bridgehead between west and east.

Revenue in 2012

Revenue recorded by the Flughafen Wien Group rose by 4.4% year-on-year to € 607.4 million in 2012. This increase was supported by the positive development of traffic as well as higher revenue in the Retail & Properties Segment.

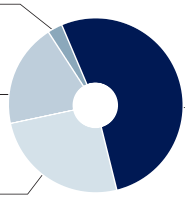
Due to the seasonality of the airport business, FWAG normally generates its highest revenue during the holiday periods in the second and third quarter. Accordingly, the third quarter was also the strongest in 2012 with 27.0% of annual revenue, followed by the second quarter with a share of 25.4%, the fourth quarter with 24.7% and the first quarter with 22.9%.

› Revenue by segment

in € million	2012	Change in %	2011	2010
Airport	317.8	7.8	294.6	260.0
Handling	153.8	-4.2	160.5	165.2
Retail & Properties	119.5	8.0	110.6	93.6
Other Segments	16.1	0.2	16.1	14.5
Group revenue[1]	**607.4**	**4.4**	**582.0**	**533.8**

1) For reconciliation of segments results see notes (1), page 136

2012 Revenue By Segment



› Airport Segment

Revenue: Airport Segment in € million	2012	2011	2010
Landing fee	58.8	65.3	61.6
Passenger fee incl. PRM	134.6	118.5	112.3
Infrastructure fee	29.1	27.5	25.6
Security controls	0.0	0.0	12.7
Security fee	79.0	68.1	0.0
Fuelling	2.4	2.9	2.0
Special guest services	7.0	6.5	6.0
Rentals	4.7	4.2	4.3
Passenger and baggage controls	0.0	0.3	29.6
Other	2.1	1.4	5.8
Total segment revenue	**317.8**	**294.6**	**260.0**

Revenue generated by the Airport Segment rose by 7.8% to € 317.8 million for the reporting year. This increase was supported primarily by the growth in passenger traffic (+5.0%). Revenue from the passenger fee (incl. PRM – Passengers with Reduced Mobility), which correlates with the growth in traffic, was € 16.1 million or 13.6% higher at € 134.6 million. The security fee, which is also linked to the number of passengers, generated revenue of € 79.0 million (2011: € 68.1 million) or 24.9% (2011: 23.1%) of segment revenue. As a result of the changes in the fee structure (see the section "Fee and Incentive Policy") and the 1.7% decline in maximum take-off weight (MTOW), revenue from the landing fee fell by 9.9% to € 58.8 million (2011: € 65.3 million). Revenue from the infrastructure fee was slightly higher in 2012: revenue from the use of infrastructure equipment and facilities for >

passengers and aircraft rose by 5.8% to € 29.1 million (2011: € 27.5 million). With a share of 52.3% (2011: 50.6%), the Airport Segment again made the largest contribution to Group revenue in 2012.

› Handling Segment

Revenue: Handling Segment in € million	2012	2011	2010
Apron handling	103.8	106.8	109.2
Cargo handling	30.6	31.6	34.7
Security services	3.7	4.2	3.4
Traffic handling	9.3	10.6	10.7
General aviation	6.5	7.2	7.2
Total segment revenue	**153.8**	**160.5**	**165.2**

The Handling Segment recorded external revenue of € 153.8 million in 2012, which represents a year-on-year decline of 4.2%. This development resulted, above all, from lower apron handling revenue following the renegotiation of several handling contracts. However, the market share increased slightly to 89.3% for the reporting year (2011: 89.2%). Celebi Ground Handling Austria GmbH is the second provider of ground handling services on the apron at Vienna Airport. Revenue from cargo handling fell by € 1.1 million, or 3.4%, to € 30.6 million due to the drop in cargo turnover. In spite of this shift, the market share of VIE-Handling in the cargo segment remained at a very high 94.0% (2011: 94.8%). The subsidiary Vienna Airport Security Ges.m.b.H. reported a year-on-year decline of € 0.6 million in revenue from security services. Revenue from general aviation services fell to € 6.5 million in 2012 because of a decline in handling movements and lower revenue from aircraft parking. The Handling Segment generated 25.3% of Group revenue for the reporting year (2011: 27.6%).

› Retail & Properties Segment

Revenue: Retail & Properties Segment in € million	2012	2011	2010
Parking	41.8	37.7	34.8
Rentals	37.2	36.9	31.8
Shopping/gastronomy	40.5	36.1	26.9
Total segment revenue	**119.5**	**110.6**	**93.6**

The Retail & Properties Segment reported further revenue growth in 2012 with an increase to € 119.5 million (2011: € 110.6 million). The adjustment of charges for the parking areas and car parks led to an increase of 11.1% in revenue to € 41.8 million (2011: € 37.7 million). Revenue from rentals rose by € 0.3 million following the implementation of inflation-based adjustments to rental agreements. Sound business development in the retail and gastronomy area resulted in an increase of € 4.4 million (+12.1%) in revenue, among others from the opening of the new space in Check-in 3. The growing importance of the Retail & Properties Segment was also reflected in an increase in the share of Group revenue to 19.7% (2011: 19.0%).

› Other Segments

Revenue: Other Segments in € million	2012	2011	2010
Energy supply and waste disposal	6.7	6.4	6.1
Telecommunications and IT	3.2	3.2	3.3
Materials management	2.2	2.2	1.7
Electrical engineering	1.4	1.4	0.3
Facility management	1.0	1.1	1.2
Workshops	0.5	0.3	0.3
Other	1.2	1.6	1.5
Total segment revenue	**16.1**	**16.1**	**14.5**

External revenue in the reporting segment "Other Segments" remained stable at the prior year level of € 16.1 million in 2012. Revenue from energy supply and waste disposal services increased slightly to € 6.7 million, primarily due to higher volumes, while telecommunications and IT services reflected the 2011 level at € 3.2 million. Revenue from facility management declined € 0.1 million. Other revenue totalled € 1.2 million and resulted, among others, from cleaning and consulting services. The Other Segments recorded 2.7% of Group revenue in 2012 (2011: 2.8%).

Earnings

The development of earnings in the Flughafen Wien Group in 2012 can be summarised as follows:

- Revenue: plus 4.4% to € 607.4 million
- Operating income: plus 4.8% to € 631.5 million
- Operating expenses, excl. depreciation and amortisation: minus 0.8% to € 410.1 million
- Earnings before interest, taxes, depreciation and amortisation (EBITDA): plus 17.1% to € 221.4 million
- Scheduled depreciation and amortisation: plus € 31.8 million to € 98.1 million due to the start of operations in the new terminal Check-in 3
- Impairment charges: minus € 55.5 million to € 15.3 million
- Earnings before interest and taxes (EBIT): plus 60.8% to € 108.0 million
- Financial results: improvement of € 7.9 million to minus € 14.3 million
- Earnings before taxes (EBT): plus 108.2% to € 93.7 million
- Net profit before non-controlling interests: plus 129.0% to € 72.3 million
- Share of Flughafen Wien AG in annual profit: plus € 40.3 million to € 71.9 million

› Income statement, summary

Consolidated income statement in € million	2012	Change in %	2011	2010
Revenue	607.4	4.4	582.0	533.8
Other operating income	24.1	17.9	20.4	16.4
Operating income	**631.5**	**4.8**	**602.4**	**550.2**
Operating expenses, excl. depreciation, amortisation and impairment	410.1	-0.8	413.4	382.1
EBITDA	**221.4**	**17.1**	**189.0**	**168.1**
Depreciation, amortisation and impairment	113.4	-6.9	121.8	65.8
EBIT	**108.0**	**60.8**	**67.2**	**102.3**
Financial results	-14.3	-35.5	-22.2	-3.6
EBT	**93.7**	**108.2**	**45.0**	**98.7**
Income taxes	-21.4	59.2	13.5	23.0
Net profit for the period	**72.3**	**129.0**	**31.6**	**75.7**
Thereof attributable to non-controlling interests	0.4	n.a.	0.0	0.0
Thereof attributable to equity holders of the parent	71.9	127.5	31.6	75.7
Earnings per share in EUR	3.42	128.0	1.50	3.61

Group revenue rose by 4.4% in 2012, above all due to the positive development of the Airport and Retail & Properties Segments. Detailed information is provided in the section on segment revenue (chapter “Revenue in 2012”). Other operating income rose by € 3.7 million to € 24.1 million, primarily due to an increase in insurance compensation (“Uniqa settlement“) and invoiced penalties related to the delayed completion of retail space by a lessee. In addition, the wide-ranging investment activity at the airport was connected with the capitalisation of € 11.1 million in services provided by Flughafen Wien AG and its subsidiaries VIE-ÖBA GmbH and Vienna Airport Infrastruktur Maintenance GmbH. Operating income totalled € 631.5 million in 2012 (2011: € 602.4 million).

› Operating expenses of € 523.4 million

Operating expenses in € million	2012	Change in %	2011	2010
Consumables and services used	43.2	2.7	42.1	42.3
Personnel	249.7	-3.4	258.5	238.1
Other operating expenses	117.2	3.8	112.9	101.6
Depreciation, amortisation and impairment	113.4	-6.9	121.8	65.8
Total	**523.4**	**-2.2**	**535.2**	**447.9**

The cost of consumables and services rose 2.7% year-on-year to € 43.2 million. Expenditures for consumables were higher in 2012, above all due to an increase of € 3.2 million in energy costs (electricity, district heating) to € 20.6 million. The rise in energy costs was also related to the start of operations in the new terminal Check-in 3. Expenses for other consumables and fuel rose slightly by € 1.4 million to € 19.7 million, primarily due to price increases.

Personnel expenses declined 3.4% year-on-year to € 249.7 million, in spite of wage and salary increases mandated by collective bargaining agreements. In the Airport Segment, personnel expenses rose by 7.9% with the start of operations in the new terminal Check-in 3. Personnel expenses were 5.3% lower in the Handling Segment and 8.8% lower in the Retail & Properties Segment during the reporting year. In the Other Segments, personnel expenses fell by 6.0%.

The average number of employees in the Flughafen Wien Group fell by 1.1% to 4,475 in 2012, despite the growth in traffic and the opening of 150,000 m² of new terminal space. This development was supported, in particular, by process optimisation. The Flughafen Wien Group had 4,306 employees as of 31 December, or 194 less than at the beginning of the year. The average workforce rose by 4.1% in the Airport Segment, but declined by 1.6% in the Handling Segment. The average number of employees in the Retail & Properties Segment and Other Segments fell by 15.7% and 5.2%, respectively, in 2012.

The workforce reduction was also reflected in a year-on-year decrease of 1.5% and 2.5%, respectively, in gross wages and gross salaries to € 109.8 million and € 66.2 million. The contributions to the provisions for outstanding holidays and for service anniversary bonuses rose by € 0.6 million and € 2.5 million, respectively. The € 7.0 million reduction in expenses for semiretirement programmes was related chiefly to a basis effect, i.e. the conclusion of a higher number of these agreements in the previous year. Expenses for severance compensation and pensions fell by € 1.8 million and € 1.4 million, respectively.

Other operating expenses rose by € 4.3 million, or 3.8%, year-on-year. The main reasons for this increase were higher expenditures for maintenance (+ € 2.1 million), third party services including services of non-consolidated subsidaries (+ € 6.1 million) and damages (+ € 4.0 million). The valuation allowances for doubtful receivables were increased in 2012 following the bankruptcy of companies in the Sardana Group (€ 3.5 million). In 2012 € 3.2 million of these allowances were reversed mainly because of a positive arbitration decision. Positive effects included the declines in legal, auditing and consulting fees (€ -2.5 million) and expenses for marketing and market communication (€ -6.0 million).

› Group EBITDA plus 17.1%

EBITDA in € million	2012	Change in %	2011	2010
Airport	136.7	5.9	129.2	112.4
Handling	23.4	269.1	6.3	22.0
Retail & Properties	67.7	7.3	63.1	52.6
Other Segments	17.4	14.4	15.2	7.1
Group EBITDA[1]	**221.4**	**17.1**	**189.0**	**168.1**

1) For reconciliation of segments results see notes (1), page 136

EBITDA by segment	2012	2011	2010
Airport	61.8 %	68.3 %	66.9 %
Handling	10.6 %	3.4 %	13.1 %
Retail & Properties	30.6 %	33.4 %	31.3 %
Other Segments	7.9 %	8.1 %	4.2 %
Group EBITDA[1]	**100.0 %**	**100.0 %**	**100.0 %**

1) For reconciliation of segments results see notes (1), page 136

Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 17.1% to € 221.4 million (2011: € 189.0 million). The Airport Segment again generated the largest share of Group EBITDA with € 136.7 million (2011: € 129.2 million) or 61.8% in 2012. The Handling Segment recorded an increase of € 17.1 million in EBITDA to € 23.4 million (2011: € 6.3 million), which represents a share of 10.6%. This improvement reflected the decline in operating costs, which were negatively affected by non-recurring effects and additions to provisions in the prior year. Lower operating costs and higher revenues also supported an improvement in EBITDA for the Retail & Properties Segment, with a plus of € 4.6 million to € 67.7 million (2011: € 63.1 million) or 30.6% of Group EBITDA. The Other Segments generated EBITDA of € 17.4 million (2011: € 15.2 million), for a share of 7.9%. The non-allocated, negative EBITDA of € 23.9 million (2011: € 24.8 million) is primarily related to personnel expenses and other operating expenses in the administrative area.

› Depreciation, amortisation and impairment of € 113.4 million

in € million	2012	2011	2010
Capital expenditure	101.8	262.8	146.9
Scheduled depreciation and amortisation	98.1	66.3	65.8
Impairment	15.3	55.5	0.0

Investments in intangible assets and property, plant and equipment totalled € 3.3 million and € 97.9 million, respectively, in 2012. A total of € 0.5 million was also invested in financial assets (originated loans). Scheduled depreciation and amortisation rose by € 31.8 million year-on-year, above all due to the start of operations in Check-in 3 in June 2012.

The definition of the CGUs Real Estate Cargo, Real Estate Office and Real Estate Parking was changed in 2012 to better reflect the mutual dependence of the cash flows from the involved assets. This led to the aggregation of several assets (objects) in a single CGU.

The impairment testing of these cash-generating units led to the following results: impairment charges totalling € 5.1 million were recognised to three cargo properties in the CGU Real Estate Cargo to reflect revised estimates for the medium-term development of the market and demand. These impairment charges were recognised in the Retail & Properties Segment.

Impairment testing in the CGU Real Estate Office included the reassessment of occupancy rates and the related updating of detailed forecasts. The results of the tests indicated a need for an impairment charge of € 4.3 million to the carrying amount of the allocated goodwill and € 2.4 million to the carrying amount of an office building. These impairment charges were recognised in the Retail & Properties Segment.

In addition, impairment charges of € 3.4 million were recognised to property, plant and equipment in the Airport and Retail & Properties Segments during 2012.

› Group EBIT of € 108.0 million

EBIT in € million	2012	Change in %	2011	2010
Airport	68.5	20.0	57.1	78.9
Handling	17.7	n.a.	0.2	15.1
Retail & Properties	41.6	37.1	30.3	38.0
Other Segments	4.4	-5.7	4.7	-3.4
Group EBIT[1]	**108.0**	**60.8**	**67.2**	**102.3**

EBIT by Segment	2012	2011	2010
Airport	63.4 %	85.0 %	77.1 %
Handling	16.3 %	0.2 %	14.8 %
Retail & Properties	38.5 %	45.2 %	37.2 %
Other Segments	4.1 %	7.0 %	-3.4 %
Group EBIT[1]	**100.0 %**	**100.0 %**	**100.0 %**

1) For reconciliation of segments results see notes (1), page 136

Group EBIT rose by € 40.8 million, or 60.8%, in 2012. The largest share of Group EBIT was recorded by the Airport Segment at € 68.5 million (2011: € 57.1 million), followed by the Retail & Properties Segment with € 41.6 million (2011: € 30.3 million). The Handling Segment generated 16.3% of Group EBIT, or € 17.7 million (2011: € 0.2 million). EBIT in the Other Segments amounted to € 4.4 million (2011: € 4.7 million).

› Financial results improve € 7.9 million to minus € 14.3 million

Financial results	2012	Change in %	2011	2010
Income from investments, excl. companies at equity	0.9	155.4	0.4	0.3
Interest income	4.2	-9.7	4.6	3.4
Interest expense	-25.2	85.2	-13.6	-11.0
Other financial expense/income	0.2	-88.3	1.6	0.1
Financial results, excl. companies at equity	**-19.9**	**183.6**	**-7.0**	**-7.3**
Impairment losses to investments recorded at equity	0.0	-100.0	-19.4	0.0
Proportional share of income from companies recorded at equity	5.6	31.2	4.3	3.6
Financial results	**-14.3**	**-35.5**	**-22.2**	**-3.6**

Financial results equalled minus € 14.3 million for 2012, compared with minus € 22.2 million in the previous year. Financial results, excluding companies at equity, rose by € 0.9 million due to an increase in dividends.

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Net interest result declined from minus € 9.0 million in 2011 to minus € 21.0 million for the reporting year. Interest income was € 0.4 million lower due to a decrease in the volume of short-term investments, while interest expense rose by € 11.6 million. The increase in interest expense reflects a change in the accounting treatment of borrowing costs for Check-in 3, which were previously capitalised but have been recorded under interest result since the second quarter of 2012.

In 2011 impairment charges of € 19.4 million were recognised to the investments in Flughafen Friedrichshafen GmbH and Košice Airport to reflect the reduced growth in traffic and the subsequent revision of medium-term forecasts. In 2012 the proportional share of income from investments recorded at equity amounted to € 5.6 million (2011: € 4.3 million). The total income from investments recorded at equity improved from minus € 15.1 million in 2011 to plus € 5.6 million for the reporting year.

› Profit before taxes of € 93.7 million

FWAG recorded profit before taxes (EBT) of € 93.7 million in 2012 (2011: € 45.0 million).

The income from the companies included in the consolidated financial statements was taxed almost exclusively in Austria. The tax rate applicable to profit before tax equalled 22.8% in 2012 (2011: 29.9%). Net profit of € 72.3 million for the reporting year (2011: € 31.6 million) includes € 0.4 million that is attributable to non-controlling interests. Therefore, the share of net profit attributable to the equity holders of the parent company amounted to € 71.9 million in 2012 (2011: € 31.6 million).

Based on an unchanged number of shares outstanding, earnings per share equalled € 3.42 (2011: € 1.50).

› Financial and capital management

The financial management of the Flughafen Wien Group is supported by a system of indicators that is based on selected and closely synchronised ratios. These indicators define the scope of development, profitability and financial security within which the Flughafen Wien Group moves in the pursuit of its primary goal to generate profitable growth.

Depreciation, which will rise over the coming years due to the high level of capital expenditure at the airport, has a significant influence on the earning indicators monitored by the Flughafen Wien Group. In order to permit an independent evaluation of the operating strength and performance of the individual business segments, EBITDA – which equals operating profit plus depreciation and amortisation – is defined as the key indicator. The Group also uses the EBITDA margin, which shows the relationship of EBITDA to revenue. The EBITDA margin equalled 36.5% in 2012, compared with 32.5% in the previous year. The protection of high profitability is a stated long-term goal of management.

The optimisation of the financial structure has top priority for the company. This financial security is measured by the gearing ratio, which compares net financial liabilities with the carrying amount of equity.

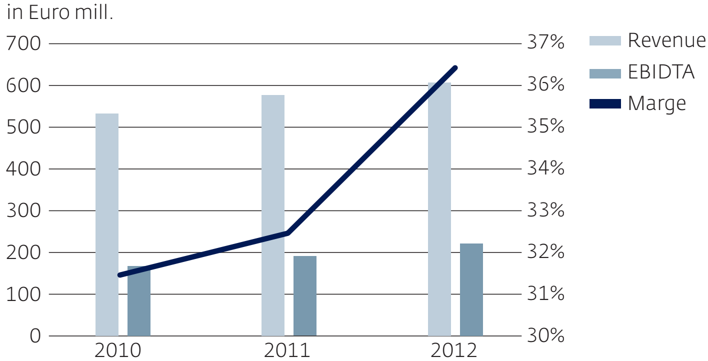
Financial liabilities declined € 102.9 million year-on-year in 2012 due to a lower volume of investments and effective liquidity management as well as the premature repayments made possible by these measures. Consequently, cash and cash equivalents fell by € 70.9 million to € 40.4 million as of 31 December 2012. Net debt,considering invested funds totalled € 719.6 million (2011: € 751.7 million). Based on equity of € 851.6 million at year-end 2012, gearing equalled 84.5% (2011: 92.6%).

In addition to the EBIT margin, the return on equity (ROE) is also used to evaluate the Group's profitability. ROE compares net profit for the period with the average capital employed during the financial year. The benchmark for this return is the cost of capital, which represents a weighted average of the cost of equity and debt (weighted average cost of capital; WACC).

› Profitability indicators

in %	2012	2011	2010
EBITDA margin[1]	36.5	32.5	31.5
EBIT margin[2]	17.8	11.5	19.2
ROE[3]	8.7	3.9	9.4
ROCE before tax[4]	6.5	4.2	6.8

Development of Revenue, EBITDA and EBITDA-Marge



1) EBITDA margin = Earnings before interest, taxes, depreciation and amortisation / Revenue
2) EBIT margin = Earnings before interest and taxes / Revenue
3) ROE (Return on Equity) = Net profit for the period / Average equity
4) ROCE (Return on Capital Employed before Tax) = EBIT / Average capital employed

Financial, Asset and Capital Structure

Balance sheet structure

	2012		2011	
	in € million	as a % of the balance sheet total	in € million	as a % of the balance sheet total
ASSETS				
Non-current assets	1,911.7	92.7	1,925.2	89.5
Current assets	150.1	7.3	224.9	10.5
Thereof liquid funds	40.4	2.0	111.3	5.2
Balance sheet total	**2,061.8**	**100.0**	**2,150.2**	**100.0**
EQUITY AND LIABILITIES				
Equity	851.6	41.3	811.4	37.7
Non-current liabilities	834.2	40.5	1,011.6	47.0
Current liabilities	376.0	18.2	327.1	15.2
Balance sheet total	**2,061.8**	**100.0**	**2,150.2**	**100.0**

The balance sheet total of the Flughafen Wien Group declined 4.1% to € 2,061.8 million as of 31 December 2012. The capital-intensive nature of the Group's business activities was reflected in an increase in non-current assets to 92.7% (2011: 89.5%) of the balance sheet total. Current assets were lower, above all due to a decline in cash and cash equivalents.

Equity rose 3.6 percentage points year-on-year to € 851.6 million. The premature repayment of financial liabilities reduced non-current liabilities to 40.5% (2011: 47.0%) of the balance sheet total. Current liabilities increased slightly in 2012 and totalled € 376.0 million as of 31 December 2012.

Assets

Non-current assets declined 0.7% to € 1,911.7 million as of 31 December 2012. The carrying amount of intangible assets increased 5.8% to € 16.2 million. Additions of € 3.3 million and transfers of € 5.9 million were contrasted by amortisation of € 3.8 million. Goodwill which was allocated to the cash-generating unit Real Estate Office following a change in the definition of the CGU was written down through an impairment charge of € 4.3 million to reflect a reassessment of the expected occupancy.

Property, plant and equipment with a carrying amount of € 1,677.5 million represented the largest component of non-current assets in 2012: additions of € 86.5 million were contrasted by depreciation of € 94.0 million. The majority of the additions during the reporting year were related to the terminal extension Check-in 3 at € 32.9 million. The carrying amount of land and buildings rose by € 724.3 million over the comparable prior year level. Additions of € 37.8 million and transfers of € 728.9 million were contrasted by depreciation and impairment charges of € 41.5 million. The carrying amount of technical equipment and machinery rose by a significant amount in 2012: investments of € 12.1 million and transfers of € 136.8 million were contrasted by depreciation and impairment of € 31.5 million.

The carrying amount of other equipment, furniture, fixtures and office equipment was increased by additions of € 25.7 million and transfers of € 29.9 million, but reduced by depreciation of € 18.4 million.

The transfers from prepayments and construction in progress to the other asset categories were related mainly to the terminal extension Check-in 3 (€ 658.5 million), capitalised borrowing costs (€ 57.5 million), baggage sorting equipment (€ 46.3 million) and interface projects (€ 85.5 million). Previously incurred costs for technical noise protection (€ 34.6 million) were reclassified from construction in progress to property, plant and equipment and will be depreciated according to the rate at which this costs are used up.

The changes in investment property include additions of € 6.0 million as well as scheduled depreciation of € 3.7 million. Impairment charges of € 7.5 million were also recognised in 2012 to reflect updated medium-term forecasts for real estate in the Real Estate Cargo and Real Estate Office cash-generating units.

The carrying amount of companies consolidated at equity was increased by the positive development of these investments and the proportional share of results for the period. Other financial assets declined, chiefly due to the sale of securities and a decline in originated loans.

Current assets fell by 33.3% to € 150.1 million as of 31 December 2012. The main factor for this development was a decline in cash and cash equivalents to € 40.4 million (2011: € 111.3 million) that resulted from the repayment of financial liabilities and efficient liquidity management. Receivables and other assets decreased € 4.1 million year-on-year to € 75.6 million. This change reflected the refund of advance corporate tax payments and value added tax credits from previous years that was partly offset by a revenue-based rise of € 8.7 million in net trade receivables and the reversal of valuation allowances for receivables that were created in earlier years. Inventories remained nearly unchanged at the prior year level (€ 4.4 million), and securities increased slightly by € 0.1 million to € 29.7 million.

Non-current assets as a share of total assets increased from 89.5% to 92.7% due to the stronger decline in cash and cash equivalents compared with property, plant and equipment. The balance sheet total declined 4.1% to € 2,061.8 million.

› Equity and Liabilities

Equity recorded by the Flughafen Wien Group rose by 5.0% to € 851.6 million at year-end 2012. Net profit of € 72.3 million for the reporting year was contrasted by the dividend payment of € 21.0 million for 2011. The fair value measurement of securities and the reversal of the hedging reserve also led to an increase in equity. Equity was reduced by the recognition of actuarial losses totalling € 11.5 million that resulted from a decline in the interest rates applied to employee-related provisions. Non-controlling interests as of 31 December 2012 represent the stake held by RZB Holding GmbH in the Slovakian subsidiary BTS Holding a.s. “v likvidacii“ (in liquidation), Bratislava. The non-controlling interests of the co-shareholder were increased by the reversal of a valuation allowance to other receivables in the individual financial statements of BTS Holding a.s. “v likvidacii“ (in liquidation), Bratislava. >

The equity ratio rose from 37.7% at year-end 2011 to 41.3% as of 31 December 2012. This increase resulted, above all, from the reduction of financial liabilities.

The 17.5% reduction in non-current liabilities to € 834.2 million is explained, above all, by the premature repayment of the € 64.0 million promissory note and a partial premature repayment of € 17.9 million on a loan concluded in connection with an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz", ULSG). An agreement was reached for the remaining balance of the promissory note that reduced the interest margin based on an unchanged term. In accordance with the repayment schedules for the ULSG loan and the promissory note, € 85.7 million and € 17.9 million, respectively, were reclassified to current financial liabilities.

The decline in non-current liabilities was contrasted by an increase of € 18.5 million in non-current provisions to € 133.7 million – primarily for additions to the provisions for severance compensation, pensions, service anniversary bonuses and other items. Other non-current liabilities fell by 25.5%, or € 13.1 million, chiefly due to a change in the maturity structure of liabilities to the environmental fund, which are now reported as current items. Non-current deferred tax liabilities declined € 0.2 million to € 23.4 million (2011: € 23.6 million).

Current liabilities rose 15.0% over the level at 31 December 2011 to € 376.0 million. Current provisions declined by € 23.0 million and trade payables by € 22.9 million, but the provision for taxes rose to € 9.3 million due to the increase in pre-tax profit (2011: € 7.2 million). The increase of € 79.7 million in current financial liabilities resulted from the following factors: reclassifications of € 105.9 million from non-current liabilities, repayments of € 42.9 million on the ULSG loan and an increase of € 20.0 million in short-term borrowings. The € 13.1 million increase in other current liabilities resulted chiefly from the reclassification of liabilities to the environmental fund.

› Financial Indicators

	2012	2011	2010
Net debt in € million[1]	719.6	751.7	666.3
Equity ratio in %	41.4	37.7	41.2
Gearing in %[2]	84.5	92.6	81.0
Equity in € million	851.6	811.4	823.0
Working capital in € million	-77.5	-111.3	-119.4
Fixed assets / balance sheet total in %	92.7	89.5	90.3
Asset coverage II in %	88.2	94.3	98.6

1) Net debt = Interest-bearing liabilities - cash and cash equivalents - marketable securities
2) Gearing = (Interest-bearing liabilities - cash and cash equivalents) / Equity

› Cash flow statement

	2012	Change in %	2011	2010
Cash and cash equivalents as of 1 January	111.3	75.0	63.6	5.4
Cash flow from operating activities	179.7	0.4	178.9	169.7
Cash flow from investing activities	-126.7	-32.4	-187.5	-173.5
Cash flow from financing activities	-123.9	-320.1	56.3	61.9
Cash and cash equivalents as of 31 December	40.4	-63.7	111.3	63.6

Net cash flow from operating activities remained nearly unchanged at € 179.7 million, despite the increase in profit before taxes to € 93.7 million. This development is explained by the fact that provisions and liabilities declined by € 11.1 million in 2012, while the prior year brought an increase of € 13.8 million. In addition, corporate income tax payments of € 9.3 million were made in 2012 and receivables decreased € 2.5 million year-on-year.

Net cash flow from investing activities totalled minus € 126.7 million, compared with minus € 187.5 million in 2011. Payments of € 133.1 million (2011: € 223.5 million) for the purchase of property, plant and equipment and intangible assets were contrasted by proceeds of € 6.4 million on the disposal of non-current assets.

A dividend of € 21.0 million was distributed to the shareholders of the parent company in 2012 (2011: € 42.0 million). Current and non-current financial liabilities were also reduced by € 102.9 million during the reporting year. In total, cash and cash equivalents declined € 70.9 million to € 40.4 million as of 31 December 2012.

Corporate Spending

Investments in intangible assets, property, plant and equipment and financial assets fell by 61.3% year-on-year to € 101.8 million in 2012. These expenditures comprise € 97.9 million for property, plant and equipment, € 3.3 million for intangible assets and € 0.5 million for financial assets. The major additions made during the 2012 and 2011 financial years are listed in the notes to the financial statements (note 13).

› Terminal extension Check-in 3

The successful start of operations in the new terminal Check-in 3 on 5 June 2012 marked a milestone in 2012. Investments totalled € 32.9 million for the reporting year and involved the conclusion of projects in progress and measures to complete the facility. The experience gained from real-time operations is now being used as the basis for optimisation measures that will also continue in 2013. In addition several workgroups were formed to examine the possible solutions for single projects.

› Investments and financing

Investments in € million	2012	Change in %	2011	2010
Intangible assets	3.3	-26.7	4.5	1.1
Property, plant and equipment	97.9	-61.7	255.8	144.4
Financial assets	0.5	-81.8	2.5	1.3
Total investments	**101.8**	**-61.3**	**262.8**	**146.9**

Financing in € million				
Net cash flow from operating activities	179.7	0.4	178.9	169.7
Depreciation and amortisation	113.4	-19.9	141.6	66.9

Development of investments recorded at equity

Flughafen Wien AG holds investments, among others, in three international airports:
Malta Airport: Flughafen Wien AG holds a combined stake of approx. 33%. Of the total shares, 40% are held by a consortium in which FWAG has an investment of 57.1%, 10.1% are owned directly by FWAG (via VIE Malta), 20% by the Maltese government, and the remaining shares are listed on the stock exchange in Malta.
Košice Airport: Flughafen Wien AG has an indirect investment of 66%.
Flughafen Friedrichshafen GmbH: the stake held by Flughafen Wien equals 25.15%.
The development of passenger traffic in these international investments varied considerably due to the general economic climate. Malta Airport set a new record with a year-on-year increase of 4.1% to 3,649,979 passengers. Košice Airport reported a decline of 11.4% to 235,754 passengers and Friedrichshafen Airport a decline of 4.7% to 545,121 passengers. Košice and Malta contributed € 5.1 million to earnings in 2012.

Financial Instruments

Information on the financial instruments used by the Flughafen Wien Group is provided in the notes to the financial statements (see note 34).

Branch Offices

The Flughafen Wien Group had no branch offices in 2012 or 2011.

Development Risks

› Risk management

A risk management guideline defines and regulates the related activities in the Flughafen Wien Group (FWAG). The risk management process is designed to systematically identify and assess the risks to which the company is exposed and to take appropriate measures to minimise these risks. The associated procedures cover the analysis of all operating and strategic business processes. Responsibility lies with the individual business unit managers or subsidiary directors. The controlling department is responsible for and coordinates operational risk management, whereby a separate database is used to document the identified risks and the measures to be implemented.

The company has concluded insurance policies to minimise the risks arising from damages and liability. An internal control system (ICS) was installed to ensure the correctness and completeness of all business transactions in the company's accounting system. Flughafen Wien established an internal audit department that regularly evaluates business practices and organisational processes for compliance with Group guidelines, security and efficiency. The Management Board has therefore created the necessary instruments and structures to identify risks at an early point in time and to implement appropriate countermeasures or otherwise minimise these risks. The existing systems are evaluated on a regular basis and extended as required.

› Economic risks

The development of business at FWAG is significantly influenced by global trends in air travel which, in turn, are heavily dependent on general economic conditions. Based on forecasts by Eurostat, FWAG expects an improvement in the macroeconomic environment during 2013 and, above all, 2014. Accordingly, FWAG is projecting further steady growth in passenger traffic at Vienna Airport.

The development of traffic is also significantly influenced by other external factors such as terror, war or other external shocks (e.g. pandemics, closing of air space due to natural disasters etc.). In addition to emergency plans, Vienna Airport works to counter the effects of such shocks, above all with high demands on the quality of security and proactive public relations. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specially designed security measures for customers. Depending on the intensity and impact of such events, FWAG can react to the decline in traffic triggered by such shocks with the adjustment of available resources and the modification of its capital expenditure programme.

› Branch risks

FWAG expects continued high competitive and cost pressure on the airlines. Forecasts by the branch association IATA show negative net profit[1] for the European airlines in 2013. It can be assumed that the airlines will proceed with their efficiency and profitability im-

1) IATA Financial Forecast, December 2012

provement programmes (cost reduction, portfolio optimisation, slower fleet expansion). This will also increase the cost pressure on the European airports.

The enactment of a new federal law ("Flugabgabegesetz") in 2011 resulted in an additional charge for airline passengers. The airlines are required to collect this additional duty for passengers departing from Austrian airports on behalf of the Austrian Ministry of Finance. The amount of the duty is dependent on the destination, and equalled € 8 for domestic and short-haul flights, € 20 for mid-haul flights and € 35 for long-haul flights up to 31 December 2012. As of 1 January 2013 the duty was revised as follows: short-haul flights € 7, mid-haul flights € 15 and long-haul flights € 35. In spite of the reduction, this duty continues to have a negative effect on passenger traffic. It also has an adverse impact on Vienna Airport because the vast majority of European countries have not implemented a similar charge.

› Market and customer structure risks

The Austrian Airlines Group (AUA) is responsible for 49.5% of the passengers at Vienna Airport and is the largest customer of FWAG. Its sustainable development as a strong home carrier and the network strategy of the Star Alliance, in which the Austrian Airlines Group is a partner, have a significant influence on the commercial success of FWAG. The development of this key customer is continuously monitored and analysed by the responsible business units.

AUA made substantial progress with its restructuring programme in 2012. The related measures included the transfer of flight operations to Tyrolean Airways as of 1 July 2012, the harmonisation of the fleet (decommissioning of Boeing 737) and a product offensive for long-haul routes. However, the further development of AUA and, in turn, the development of passenger volumes and traffic at Vienna Airport is still connected with uncertainty.

With market shares of 12.0% and 6.3%, respectively, NIKI and airberlin hold second and third place in the FWAG customer ranking. NIKI announced a change in its strategic orientation beginning with the summer flight plan 2013 that will see the expansion of Vienna Airport's function as a hub for airberlin destinations in Greece. This development will strengthen Vienna's position as a hub for the airberlin Group. Plans also call for an increase in the offering of flights to Spain, Egypt and Turkey. NIKI will continue to harmonise its fleet in order to further improve cost efficiency, and the conversion to a pure Airbus fleet should be completed in 2013. FWAG expects further growth from NIKI in 2013 based on these measures, but developments at airberlin are connected with uncertainty because of the current earnings situation. The company is working to reach a sustainable competitive earnings position with its "Turbine" turnaround programme which includes, among others, a fleet reduction and the optimisation of the route network. However, FWAG assumes this will have a limited direct effect on Vienna Airport.

FWAG counteracts market risk with marketing measures as well as 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 Eastern and Central Europe.

The handling services provided by FWAG are the subject of growing price pressure as well as rising quality demands from the airlines. Service level agreements that include penalties for the failure to meet quality targets are becoming increasingly popular. Flug- >

hafen Wien AG was able to protect its leading market position in ramp handling and in cargo during 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. New handling agreements for ramp services that cover the period up to 2019 were concluded with the key customers AUA and airberlin / NIKI. These agreements substantially reduce the market risk for the Handling Segment.

Flughafen Wien will face an additional challenge from a guideline for ground handling services that was recently released in draft form by the European Commission. Among others, this guideline requires the licensing of at least three agents (currently two) to provide ramp handling services at Vienna Airport and also gives airlines the right to carry out their own handling. The guideline would further increase competitive pressure and the risk of losing market shares to competitors. However, the European Parliament rejected the draft proposed by the Commission in a meeting on 12 December 2012. It is currently not possible to predict if and in what form the liberalisation targeted by the Commission will be implemented.

In the cargo business, the dominant market position of the few airlines and forwarding agents represents a certain risk. FWAG works to further diversity its portfolio and thereby reduce this risk by continuously monitoring these airlines and acquiring new customers.

FWAG rents buildings and space that are used primarily by airlines or rented by companies whose business is dependent on the development of air traffic. Consequently, this area is exposed not only to general real estate market risks, but also to the risks of shifts in passenger traffic and consumer behaviour that could have an effect on the development of earnings from the retail sector.

› Development risks for international business

The foreign airport investments of Flughafen Wien (Malta, Košice and Friedrichshafen) are not only exposed to the above-mentioned branch risks, but also to additional local challenges and market risks. Political and regulatory risks – which include the taxation of air travel, air traffic restrictions by public authorities, changes in applicable laws and requirements by public authorities that result in additional costs – are monitored continuously. These types of factors can influence medium-term planning and create a risk that a specific investment may become impaired.

› Financial risks

Capital expenditure at FWAG is financed primarily by operating cash flows as well as long-term, fixed interest and/or variable interest borrowings.

Interest rate risk results, above all, from variable interest financial liabilities and assets. The FWAG treasury department is responsible for the efficient management of interest rate and market risks, evaluates the respective risk positions on a regular basis as part of risk controlling and selectively uses interest rate derivatives to minimise the risk of changing interest rates.

Detailed information on financial instruments, strategies and financial risks – including liquidity risk, credit risk, interest rate risk and foreign exchange risk – is provided in the notes to the financial statements.

The EIB credit agreement defines terms for the liability of qualified guarantors. The current guarantors cancelled the guarantee agreement that serves as collateral for the EIB loan as of 27 June 2013 at the full amount of € 400.0 million. New offers for the acceptance of € 400.0 million in guarantees have been obtained. The EIB has already confirmed the new guarantors and the committed guarantee amounts. If a guarantor is downgraded by a rating agency, the EIB would require a substitute guarantor or other acceptable collateral.

› Investment risk

FWAG's expansion projects are exposed to various risks – including the loss of suppliers, higher construction costs or changes in planning – that could increase the intended expenditures. A special analysis procedure is therefore used in the planning stage to evaluate the potential risk associated with investment projects, while regular risk monitoring is based on an analysis and evaluation process that is part of project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations.

Expansion projects are developed in close coordination with the airlines based on the expected development of traffic. Expert forecasts for the growth in passenger volumes over the medium- and long-term reduce the financial risk associated with these investments and ensure that sufficient capacity is available to meet the forecasted demand.

The environmental impact assessment for the construction of a third runway brought a positive decision in the first instance. A ruling issued on 10 July 2012 approved the construction and operation of "Parallel runway 11R/29L" by FWAG. This first-instance decision lists 460 requirements to protect residents and the environment. The appeal period ended on 24 August 2012, and 28 parties filed appeals against the decision. The environmental senate will serve as the second instance for these appeals. FWAG expects a final decision at year-end 2013. Construction would start in 2016 at the earliest, and the parallel runway would then be available for operations in 2020 or 2021. An initial estimate of the costs for this project, including the fulfilment of all requirements, is being prepared.

Current forecasts for the development of passenger traffic indicate that Vienna Airport will reach its capacity limits by 2020. The parallel runway project is therefore crucial to ensure the availability of sufficient capacity on a timely basis. As soon as a legally binding decision is issued, Flughafen Wien AG will decide on the realisation of this project based on the expected development of passenger traffic and profitability calculations. If the first-instance decision is reversed by the environmental senate or the project is not realised, previously capitalised costs – including the noise protection programme – would have to be written off.

The valuation of assets is based on the assumption that Vienna Airport will maintain its position as an east-west hub.

› Legal risks

The requirements of public authorities, above all in the area of environmental protection (e.g. noise and emissions) can create legal risks. Flughafen Wien AG works to counter these risks, above all, with information and the involvement of local citizens in the mediation process (e.g. third runway) or through neighbourhood advisory boards. >

In connection with the construction of Check-in 3, all outstanding, unaccepted invoices (with one exception) related to cancelled contracts were settled with positive results. Possible claims against contractors for damages are also under evaluation. Court-certified technical experts have identified possible damage claims for unjustified cost increases in the millions of Euros. In this connection impairment charges of € 31.6 million were recognised during 2011. An agreement has already been reached with one insurance firm for compensation of € 11.1 million, and contractors have waived receivables totalling € 3.0 million. One contractor has repaid fees of € 7.6 million. FWAG will continue to actively pursue claims for damages against the involved contractors in 2013, and the public prosecutor's office has launched an investigation of the respective circumstances.

› Personnel risks

Motivated and committed employees play an important role in the success of FWAG. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee ties. Steps have also been taken to increase occupational safety and to minimise illness-related absences.

› Operating risks

The major operating risks in the area of information and communications technology (system breakdowns and the destruction of central systems) were further reduced in 2012 by continuing the measures introduced in the previous year. After the installation of video- and access systems in Check-in 3 that meet data protection requirements, the risk of losing sensitive data replaced possible compliance inadequacies as the third key risk in this area. The loss of sensitive data is considered to be an operating risk because FWAG must publicly report any such incidents in accordance with Austrian data protection law. The systems used by FWAG have received all necessary official permits and reflect data protection requirements with respect to system security.

Redundant systems were installed at all central network interfaces in Check-in 3 to ensure uninterrupted operation of the network and related systems in the event of a breakdown. There is a slight risk in this area that these emergency measures may not be fully effective at the present time because of a recent error on the part of the network provider that has not been fully analysed. Work is currently proceeding to analyse and correct this error as quickly as possible.

The outdated mainframe (BULL Host / MACH ALT) was replaced by new technology (mach2) and deactivated in 2012. The mach2 has state-of-the-art monitoring systems and emergency procedures that were not available in this scope for the older system and can ensure a higher degree of reliability.

The mach2 systems form the backbone of the IT systems used at the airport. They provide nearly all other systems with an update on incoming and outgoing flights in near real-time and also show flights planned for the future. The necessary master data is administered centrally and also made available to the related systems.

In addition, the mach2 systems include a number of special functions that are required for airport operations: load planning, telex reception, dispatch and distribution, and display systems for passengers and employees. The systems for apron planning, ground handling disposition and cargo handling as well as SAP for invoicing and analysis are closely linked to the mach2 systems. Proactive, electronic monitoring protects these systems, which are continuously developed to meet all legal and technical requirements.

› Environmental risks

The situation at Vienna Airport can be considered stable because of the existing operational restrictions (prohibition on the use of noise-sensitive take-off and landing routes from 9:00 pm to 7:00 am) as well as a limit on the absolute number of flight movements between 11:30 pm and 5:30 am. Additional restrictions on night flights could lead, in particular, to a decline in cargo and long-haul traffic.

› Damage risks

The risk of damages includes fire and other events that could result from natural disasters, accidents or terror as well as the theft of property. In addition to appropriate safety and fire protection measures and emergency plans that are rehearsed on a regular basis, these risks are covered by insurance.

› General risk assessment

A general evaluation of the risk situation concluded that the continued existence of FWAG is protected for the foreseeable future and did not identify any risks that could endanger this continued existence. FWAG has sufficient liquidity reserves to pursue the airport expansion without delay.

Report on the key features of the internal control and risk management systems for accounting processes

In accordance with § 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 the organisation of the internal controls related to accounting processes at FWAG.

The structure and design of FWAG's internal control system was defined in a guideline. The objective of the internal control system (ICS) is to ensure the reliability of financial reporting and compliance with all applicable laws and regulations. The ICS covers all process-related monitoring measures in the organisation.

The description of the major features of these internal controls is based on the structure of the internationally recognised COSO model (Committee of Sponsoring Organisations 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

The risks associated with accounting processes are identified by management and monitored by the Supervisory Board. Attention is focused on risks that are normally considered to be material. The annual financial statements form the main criterion for the identification of the major ICS risks. A change in the volume of business processes or the underlying accounts can lead to changes in the identifiable ICS risks and controls.

The preparation of the annual (consolidated) financial statements involves the use of estimates, which carry an inherent risk of deviation from actual future developments. In particular, the following circumstances or positions in the annual (consolidated) financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables and the valuation of investments in other companies and property, plant and equipment. The company draws on external experts or publicly available sources whenever necessary, in order to minimise the risk of inaccurate estimates.

› Control activities

In addition to the Supervisory Board and Management Board, mid-level management (e.g. department heads and senior managers) carry out control activities for on-going business processes to ensure that potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the variance-based analysis of results for the various accounting periods by management and the controlling department to the specific transition of accounts and the analysis of routine accounting processes. Compliance with the dual control principle is ensured.

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

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

› 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 the management level are intended to ensure compliance with all accounting guidelines and directives, and to also identify and communicate weak points 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 unintended errors.

› Monitoring

Management, the controlling department and the Supervisory Board are responsible for continous 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. Controls are reviewed to ensure their effectiveness, and the ICS is also evaluated by the internal audit department. The results of monitoring activities are reported to management and the Supervisory Board.

Research and Development

The information systems service unit is a central internal service provider for information and communications technology. As such, it works to improve and expand the various programme modules for the internally generated airport software and individual standard applications. The MACH airport operating system, which was used for many decades, was replaced by the mach2 successor system in 2012.

In connection with the start of operations in Check-in 3, the IT department installed interfaces from mach2 to various other systems (e.g. the door control system, baggage sorting equipment, the higher-level handling system etc.).

The activities of the information systems service unit also focused on the implementation of the CDM-ISP project (Collaboration Decision Making-Information Sharing Platform) in 2012. The information sharing platform to be developed as part of this project will create the basis for introducing the CDM process in the Flughafen Wien Group. Through more exact planning, better analysis and the optimisation of resources, this tool will lead to significant cost savings for the participating system partners.

Expenses for the research and development of individual programme modules of the airport operations software amounted to € 1.1 million in 2012 (2011: € 1.9 million).

Environmental and Labour Issues

› The Environment

FWAG is committed to careful and conscious interaction with the environment and to sustainable management, and has implemented numerous measures to reach these goals. The recently purchased de-icing vehicles (2012: € 4.9 million) can reduce the use of de-icing materials by up to 25%. A further € 1.2 million was also invested in environmental protection (excluding the noise protection programme) during the reporting year (2011: € 1.3 million). Activities focused on the reduction of pollutant and noise emissions in order to minimise the impact of the airport on its surrounding environment – and above all on neighbouring residents. A project was also launched to improve energy efficiency, which calls for concrete measures to reduce energy consumption. Substantial cost savings were realised by replacing technical equipment, optimising air conditioning, replacing frequency converters and improving the apron lighting. The installation and practical implementation of the CDM system (Collective Decision Making) with the system partners at Vienna Airport will not only create organisational benefits, but also produce significant ecological improvements through a reduction in taxing and waiting times. FWAG also participates in the ACAS (Airport Carbon Accreditation System) programme managed by ACI, which will lead to a sustainable reduction in CO_2 emissions at Vienna Airport.

› Overview of environmental indicators for Flughafen Wien AG:

	2012	2011
Number of passengers	22,165,794	21,106,292
Electricity consumption per year in kWh	156,030,072	135,871,470
Electricity consumption in kWh per year and passenger	7.04	6.44
Heat consumption per year in MWh	123,964	122,317
Heat consumption in MWh per year and passenger	0.056	0.058
Water consumption per year in m³	703,974	674,472
Water consumption in m³ per year and passenger	0.032	0.032
Waste water disposal per year in m³	649,071	663,500
Waste water disposal per year and passenger	0.029	0.032
Residual waste aircraft in kg	1,164,280	1,125,500
Residual waste aircraft in kg per passenger	0.053	0.053
Waste paper VIE in kg	1,778,500	2,016,180
Waste paper VIE in kg per passenger	0.080	0.096
Aluminium/cans/metal VIE in kg	9,250	6,395
Aluminium/cans/metal in kg per passenger	0.0004	0.0003
Biogenic waste VIE in kg	195,560	217,580
Biogenic waste VIE in kg per passenger	0.009	0.010
Glass VIE in kg	100,010	74,281
Glass VIE in kg per passenger	0.005	0.004
Plastic packaging VIE in kg	135,960	145,660
Plastic packaging VIE in kg per passenger	0.006	0.007
Hazardous waste VIE in kg	202,574	140,257
Hazardous waste VIE in kg per passenger	0.009	0.007
Share recycled in %	90.3%	90.9%

› Workforce issues

The average number of employees in FWAG declined by 50 in 2012 as a result of synergy effects from organisational restructuring and the on-going cost reduction programme. The opening of the new terminal Check-in 3 led to a temporary increase in the workforce during the summer to deal with security issues related to the operational start-up. The largest staff reduction was recorded in the Handling Segment, where process optimisation led to a decline of 52 employees on average. FWAG had 4,306 employees as of 31 December 2012, or 194 less than year-end 2011 (4,500 employees).

The measures implemented in previous years to reduce holiday and overtime were continued in 2012.

› Average number of employees by segment

	2012	Change in %	2011	2010
Airport	432	4.1	415	412
Handling	3,233	-1.6	3,285	3,064
Retail & Properties	57	-15.7	67	77
Other Segments	569	- 5.2	600	572
Not allocated	185	17.2	158	141
Total	**4,475**	**- 1.1**	**4,525**	**4,266**

› Employees

	2012	Change in %	2011	2010
Number of employees (average)	4,475	- 1.1	4,525	4,266
Thereof wage employees	3,301	- 0.4	3,314	3,101
Thereof salaried employees	1,174	- 3.0	1,211	1,165
Number of employees (31 December)	4,306	- 4.3	4,500	4,336
Thereof wage employees	3,112	- 4.6	3,262	3,119
Thereof salaried employees	1,194	- 3.6	1,238	1,217
Apprentices	57	2.9	56	52
Traffic units per employee[1]	7,362	7.5	6,848	6,686
Average age in years[1]	39.9	1.0	39.5	39.2
Length of service in years[1]	10.4	- 1.0	10.5	10.3
Share of women in %[1]	12.4	0.8	12.3	12.3
Training expenditures in EUR[1]	730,000	-30.4	902,000	1,055,000
Reportable accidents[1]	145	1.4	143	165

1) Based on Flughafen Wien AG

The number of traffic units per employee in FWAG rose by 7.5% to 7,362 units in 2012 based on the strong development of traffic and the implementation of measures to improve efficiency throughout the Group.

Flughafen Wien also provides voluntary benefits for its workforce to strengthen identification with the company and to increase motivation. These benefits include free-of-charge transportation to and from Vienna, a day care centre with flexible opening hours and reduced costs for numerous recreational and sporting activities.

The independent private foundation (employee foundation) established over 10 years ago gives employees an opportunity to participate in the success of Flughafen Wien AG. This foundation holds 10% of the shares in FWAG and distributes the dividends received on these shares to company employees. € 2.1 million was dispersed during the reporting year – which represents the dividend payment for 2011 – and corresponds to 26.9% of the average monthly salary or wage per employee.

Disclosures required by § 243a of the Austrian Commercial Code

› 1. Share capital and shares

The share capital of Flughafen Wien AG totals € 152,670,000 and is fully paid in. It is divided into 21,000,000 shares of bearer stock, which are securitised in a collective certificate and deposited at the ÖKB (Österreichische Kontrollbank AG). All shares carry the same rights and obligations ("one share = one vote").

› 2. Syndication agreement

Two core shareholders – the province of Lower Austria (4.2 million shares) and the city of Vienna (4.2 million shares) – hold 40% of the company's shares in a syndicate. The syndication agreement was concluded in 1999 and has remained unchanged since that time. It calls for the joint exercise of voting rights on the syndicated shares at the annual general meeting. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval. The syndication agreement provides for reciprocal rights of purchase if one party intends to sell its syndicated shares to a buyer outside the syndicate (third party) through a legal transaction in exchange for return compensation. This reciprocal right of purchase does not apply if the syndicated shares are transferred to a holding company in which the transferring syndicate partner owns at least a majority stake. The company is not aware of any other limitations on voting rights or the transfer of shares.

› 3. Investments of over 10% in the company

The city of Vienna and the province of Lower Austria each hold an investment of 20% in Flughafen Wien AG. In addition, Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) holds 10% of the share capital of Flughafen Wien AG. Since 8 June 2012 Silchester International Investors LLP has held a stake of 10.07%. The company is not aware of any other shareholders with a stake of 10% or more in share capital.

› 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 to or dismissal of members from the foundation's managing board requires the approval of the advisory board of the Flughafen Wien employee fund, whereby a simple majority is required for such decisions. 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.

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› 6. Appointment and dismissal of members of the Management and Supervisory Boards

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 his/her 65th birthday. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches his/her 70th birthday. There are no other provisions governing the appointment or dismissal of members of the Managing 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. The company has no authorised capital at the present time.

› 8. Change of control

Change of control clauses are included in the agreements for the € 400.0 million EIB (European Investment Bank) loan, the € 39.5 million promissory note and the € 300.0 million loan (current balance: € 239.9 million) concluded pursuant to an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz").These financing agreements with a total volume of € 739.5 million (current balance: € 678.8 million) were concluded with Austrian and international financial institutions. 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 province 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 a controlling influence over these persons). For financing of € 559.1 million, a change of control does not include the direct or indirect reduction in the joint investment held by the province of Lower Austria and the city of Vienna to less than 40% but more than 30% of the voting shares in Flughafen AG in conjunction with a capital increase by the company without the full or partial exercise of subscription rights by these two shareholders, unless a natural person or legal entity that does not currently exercise control over Flughafen Wien AG gains control over the company at the same time.

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

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.

Outlook

Forecasts by the Austrian economic research institute WIFO point to real GDP growth of 1.0% for Austria in 2013. The estimates for global economic development are significantly less optimistic and, if realised, will have a negative effect on Austria with its export-oriented economy in spite of the country's sound basic indicators. Economic growth in the industrial countries is estimated to reach 2.0%, while the Euro zone should only generate growth of 1.1% due to the on-going debt crisis.

WIFO forecasts for growth in the Austrian export sector show a real plus of 3.8% in 2013. Unemployment should rise slightly to 7.4%, and private consumer spending should increase by only 0.7%.

Against the backdrop of the airlines' strategy to limit capacity expansion, FWAG expects a moderate increase of 1% to 2% in the number of passengers, a decline of 1.5% to 2.5% in flight movements and stagnation in maximum take-off weight (MTOW) during 2013.

Based on the above traffic forecasts, FWAG expects an increase in revenue to over € 625 million and a significant improvement in EBITDA to at least € 230 million. Profit for the period should match the 2012 level and, from the current point of view, will exceed € 65 million. Net debt should decline by a substantial amount to less than 2.9-times EBITDA, i.e. less than € 680 million. Capital expenditure should amount to € 115 million in 2013.

Subsequent Events

Traffic was lower in January 2013 due to the extreme winter weather in Vienna and large parts of Europe during the middle of the month. The number of passengers fell by 1.7% year-on-year to 1,374,156. Declines were recorded in flight movements with minus 5.2%, maximum take-off weight (MTOW) with minus 3.9% and cargo turnover with minus 6.4%. In addition, the number of transfer passengers fell by 2.4%. A decline is also expected in February 2013 because there is no extra calendar day this year (29 February 2012).

As of 1 January 2013, FWAG fees were adjusted as follows based on the formula defined by Austrian law:

Landing fee, infrastructure fee airside, parking fee	+ 1.56%
Passenger fee, infrastructure fee landside	+ 0.72%
Infrastructure fee fuelling	+ 1.14%

The PRM fee (passengers with reduced mobility) remains unchanged at € 0.34 per departing passenger. Also unchanged is the security fee at € 7.70 per departing passenger.

In the general aviation/business aviation sector, the landing fee for aircraft up to k4 tonnes MTOW was raised to a flat rate of € 112.37 per landing. In contrast, the landing fee for aircraft from 4 tonnes to 25 tonnes MTOW was reduced by approx. 0.5%. The passenger fee for general aviation/business aviation flights was raised to € 16.80 and now equals the passenger fee in the main terminal. The passenger fee for all passengers at Vienna Airport was subsequently reduced by € 0.01 per departing passenger.

Schwechat, 26 February 2013

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

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Consolidated Financial Statements 2012 of Flughafen Wien AG

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Consolidated Income Statement

for the period from 1 January to 31 December 2012

in T€	Notes	2012	2011
Revenue	(1)	607,371.7	581,996.7
Other operating income	(2)	24,098.5	20,436.9
Operating income		631,470.3	602,433.6
Consumables and services used	(3)	-43,188.9	-42,057.3
Personnel expenses	(4)	-249,664.0	-258,453.3
Other operating expenses	(5)	-117,231.4	-112,916.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		221,386.0	189,006.5
Depreciation and amortisation	(6)	-98,111.1	-66,332.0
Impairment	(6)	-15,248.6	-55,489.2
Earnings before interest and taxes (EBIT)		108,026.3	67,185.2
Income from investments, excl. companies at equity	(8)	932.1	365.0
Interest income	(9)	4,170.9	4,620.7
Interest expense	(9)	-25,199.9	-13,603.3
Other financial expense/income	(10)	187.4	1,598.0
Financial results, excl. companies at equity		-19,909.5	-7,019.6
Impairment losses to investments recorded at equity	(7)	0.0	-19,419.2
Proportional share of income from companies recorded at equity	(7)	5,625.3	4,286.8
Financial results		-14,284.2	-22,152.0
Profit before taxes (EBT)		93,742.0	45,033.2
Income taxes	(11)	-21,414.7	-13,453.3
Net profit for the period		72,327.3	31,580.0
Thereof attributable to:			
Equity holders of the parent		71,889.8	31,602.4
Non-controlling interests		437.5	-22.4
Number of shares outstanding (weighted average)	(21)	21,000,000	21,000,000
Earnings per share (in €, basic = diluted)		3.42	1.50
Recommended/paid dividend per share (in €)		1.05	1.00
Recommended/paid dividend (in T€)		22,050.0	21,000.0
Pay-out ratio (in % of net profit)		30.49	66.50

Consolidated Statement of Comprehensive Income

for the period from 1 January to 31 December 2012

in T€	2012	2011
Net profit for the period	**72,327.3**	**31,580.0**
Income and expenses recognised directly in equity		
Change in fair value of available-for-sale securities	175.6	-2,141.3
Thereof changes not recognised through profit or loss	228.2	-232.4
Thereof realised gains (-) / losses (+)	-52.6	-1,908.9
Cash flow hedge	240.5	216.9
Thereof realised gains (-) / losses (+)	240.5	0.0
Actuarial gains and losses	-15,313.2	437.8
Deferred taxes on items recognised directly in equity	3,724.3	371.7
Other comprehensive income	**-11,172.8**	**-1,115.0**
Total comprehensive income	**61,154.5**	**30,465.0**
Thereof attributable to:		
Equity holders of the parent	**60,717.0**	**30,487.4**
Non-controlling interests	**437.5**	**-22.4**

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Consolidated Balance Sheet

as of 31 December 2012

in T€	Notes	31.12.2012	31.12.2011
ASSETS			
Non-current assets			
Intangible assets	(12)	16,177.0	15,285.5
Property, plant and equipment	(13)	1,677,534.4	1,692,541.2
Investment property	(14)	118,863.6	119,935.4
Investments accounted for using the equity method	(15)	94,718.9	90,968.2
Other financial assets	(16)	4,419.4	6,514.4
		1,911,713.2	**1,925,244.6**
Current assets			
Inventories	(17)	4,356.0	4,343.3
Securities	(18)	29,652.0	29,535.0
Receivables and other assets	(19)	75,643.2	79,705.4
Cash and cash equivalents	(20)	40,439.0	111,330.0
		150,090.2	**224,913.7**
Total Assets		**2,061,803.4**	**2,150,158.3**
EQUITY AND LIABILITIES			
Equity			
Share capital	(21)	152,670.0	152,670.0
Capital reserves	(22)	117,657.3	117,657.3
Other reserves	(23)	-13,183.3	-2,010.5
Retained earnings	(24)	593,786.5	542,896.7
Attributable to equity holders of the parent		850,930.6	811,213.5
Non-controlling interests	(25)	647.9	210.4
		851,578.4	**811,423.9**
Non-current liabilities			
Provisions	(26)	133,707.0	115,195.1
Financial liabilities	(27)	638,730.2	821,285.4
Other liabilities	(28)	38,429.7	51,557.8
Deferred tax liabilities	(29)	23,367.1	23,606.9
		834,233.9	**1,011,645.2**
Current liabilities			
Provisions for taxation	(30)	9,258.6	7,194.5
Other provisions	(30)	87,272.9	110,318.1
Financial liabilities	(27)	151,006.5	71,301.9
Trade payables	(31)	69,583.7	92,531.6
Other liabilities	(32)	58,869.3	45,743.0
		375,991.0	**327,089.2**
Total Equity and Liabilities		**2,061,803.4**	**2,150,158.3**

Consolidated Cash Flow Statement

for the period from 1 January to 31 December 2012

	in T€	2012	2011
	Profit before taxes	93,742.0	45,033.2
+	Depreciation / - revaluation of non-current assets	109,595.7	139,281.9
+	Losses / - gains on the disposal of non-current assets	-1,449.2	699.6
+	Losses / - gains on the disposal of securities	0.0	-1,556.6
–	Reversal of investment subsidies from public funds	-278.2	-617.3
–	Other non-cash transactions	961.1	216.9
–	Increase / + decrease in inventories	-12.7	161.1
–	Increase / + decrease in receivables	-2,474.2	-6,001.8
+	Increase / - decrease in provisions	-3,672.2	12,233.1
+	Increase / - decrease in liabilities	-7.405.5	1,527.4
	Net cash flows from ordinary operating activities	189,006.8	190,977.6
–	Income taxes paid	-9,336.3	-12,064.9
	Net cash flow from operating activities	**179,670.5**	**178,912.6**
+	Payments received on the disposal of non-current assets	6,385.0	1,847.0
–	Payments made for the purchase of non-current assets	-133,095.8	-223,477.4
+	Payments received in connection with non-refundable government grants	0.0	96.0
+	Payments received on the disposal of securities	0.0	34,048.7
	Net cash flow from investing activities	**-126,710.9**	**-187,485.7**
–	Dividend	-21,000.0	-42,000.0
	Change in financial liabilities	-102,850.6	98,270.4
	Net cash flow from financing activities	**-123,850.6**	**56,270.4**
	Change in cash and cash equivalents	-70,891.0	47,697.3
+	Cash and cash equivalents at the beginning of the period	111,330.0	63,632.7
	Cash and cash equivalents at the end of the period	**40,439.0**	**111,330.0**

Detailed explanation see note (33)

Consolidated Statement of Changes in Equity

for the period from 1 January to 31 December 2012

					Attributable to equity
in T€	**Share capital**	**Capital reserves**	**Available-for-sale reserve**	**Hedging reserve**	**Actuarial gains and losses**
Balance on 1.1.2011	**152,670.0**	**117,657.3**	**1,404.7**	**-343.1**	**-9,589.9**
Market valuation of securities			-1,606.0		
Cash flow hedge				162.7	
Actuarial gains and losses					328.3
Other comprehensive income	0.0	0.0	-1,606.0	162.7	328.3
Net profit for the period					
Total comprehensive income	**0.0**	**0.0**	**-1,606.0**	**162.7**	**328.3**
Dividend					
Balance on 31.12.2011	**152,670.0**	**117,657.3**	**-201.3**	**-180.4**	**-9,261.6**
Balance on 1.1.2012	**152,670.0**	**117,657.3**	**-201.3**	**-180.4**	**-9,261.6**
Market valuation of securities			131.7		
Total Assets				180.4	
Actuarial gains and losses					-11,484.9
Other comprehensive income	0.0	0.0	131.7	180.4	-11,484.9
Net profit for the period					
Total comprehensive income	**0.0**	**0.0**	**131.7**	**180.4**	**-11,484.9**
Dividend					
Balance on 31.12.2012	**152,670.0**	**117,657.3**	**-69.6**	**0.0**	**-20,746.5**

holders of the parent					
Currency translation reserve	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
7,632.9	**-895.5**	**553,294.3**	**822,726.1**	**232.8**	**822,958.9**
	-1,606.0		-1,606.0		-1,606.0
	162.7		162.7		162.7
	328.3		328.3		328.3
0.0	-1,115.0	0.0	-1,115.0	0.0	-1,115.0
		31,602.4	31,602.4	-22.4	31,580.0
0.0	**-1,115.0**	**31,602.4**	**30,487.4**	**-22.4**	**30,465.0**
		-42,000.0	-42,000.0		-42,000.0
7,632.9	**-2,010.5**	**542,896.7**	**811,213.5**	**210.4**	**811,423.9**
7,632.9	**-2,010.5**	**542,896.7**	**811,213.5**	**210.4**	**811,423.9**
	131.7		131.7		131.7
	180.4		180.4		180.4
	-11,484.9		-11,484.9		-11,484.9
0.0	-11,172.8	0.0	-11,172.8	0.0	-11,172.8
		71,889.8	71,889.8	437.5	72,327.3
0.0	**-11,172.8**	**71,889.8**	**60,717.0**	**437.5**	**61,154.5**
		-21,000.0	-21,000.0		-21,000.0
7,632.9	**-13,183.3**	**593,786.5**	**850,930.5**	**647.9**	**851,578.4**

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Notes to the Consolidated Financial Statements for the 2012 Financial Year

General Information and Methods

› Information on the company

Flughafen Wien Aktiengesellschaft (AG), the parent company of the group, and its subsidiaries are service companies that are active in the construction and operation of civil airports and related facilities. As a civil airport operator, the company manages Vienna Airport. The company's headquarters are located in Schwechat, Austria. The address is: Flughafen Wien AG, P.O. Box 1, A-1300 Wien-Flughafen. Flughafen Wien AG is listed in the company register of the provincial and commercial court of Korneuburg under number FN 42984 m.

› Operating permits

The major operating permits held by Flughafen Wien AG are as follows:

In accordance with § 7 of the Austrian Air Transportation Act dated 21 August 1936, the Federal Ministry for Transportation and State-Owned Entities issued a permit to Flughafen Wien Betriebsgesellschaft m.b.H. on 27 March 1955 for the creation and operation of Vienna Airport to serve general traffic purposes.

In accordance with § 78 (2) of the Austrian Air Transportation Act (Federal Gazette BGBl. Nr. 253/1957), the Federal Ministry for Transportation issued an operating permit for instrument runway 16/34, including taxiways and lighting systems, on 15 September 1977.

Vienna Airport was certified by the Federal Ministry for Transportation, Innovation and Technology in 2010. The certification document was issued on 31 December 2010. This document confirms that the facilities used by Flughafen Wien AG to ensure safe and smooth operations comply with the applicable Austrian regulations. This certification is valid up to 31 December 2015 and/or as long as the respective requirements are met. The next certification is scheduled for 2015.

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› Basis of preparation

The consolidated financial statements of Flughafen Wien AG as of 31 December 2012 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), as well as the additional disclosures required for the notes by § 245a of the Austrian Commercial Code.

The financial year represents the calendar year. The structure of the balance sheet distinguishes between non-current and current assets and liabilities, which are in part classified by term in the notes. The income statement is prepared in accordance with the nature of expense method under which "total costs" are shown.

The consolidated financial statements are generally prepared at historical acquisition and production cost. In contrast to this procedure, derivative financial instruments and available-for-sale financial assets are stated at fair value. Plan assets that are deducted from the present value of pension obligations are also carried at fair value.

The financial statements of Flughafen Wien AG and its subsidiaries are consolidated on the basis of uniform accounting and valuation principles. The financial statements of all subsidiaries included in the consolidation are prepared as of the balance sheet date for the consolidated financial statements.

The consolidated financial statements are prepared in euros. In order to provide a better overview, amounts are generally shown in thousand euros (T€). These rounded figures also include exact amounts that are not shown, and rounding differences can therefore occur. The same applies to other information such as the number of employees, traffic data etc.

› Application of new and revised standards and interpretations

The Group applied all new or revised standards and interpretations that were issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB and adopted by the EU, if these standards and interpretations were relevant for the business activities of the Group and required mandatory application during the reporting year. In particular, the following announcement by the IASB was applied for the first time in 2012:

■ Amendment to IFRS 7 concerning the transfer of financial assets	Applicable to financial years beginning on or after 1 July 2011

The amendments to IFRS 7 "Transfer of financial assets" expand the disclosure requirements for transactions that involve the transfer of financial assets. These changes are intended to increase the transparency over the risk connected with cases in which financial assets are transferred, but the transferring party retains a certain degree of risk from the financial asset. The amendment of this standard did not require any adjustments by the Flughafen Wien Group in 2012.

The application of the other new or amended standards and interpretations had no effect on the asset, financial or earnings position, financial performance or cash flows of the Flughafen Wien Group.

The following standards and interpretations had been announced by 31 December 2012, but did not require mandatory application during the reporting year:

■ Amendment to IFRS 1 concerning fixed transition dates and hyperinflation	Applicable to financial years beginning on or after 1 July 2011; not adopted by the EU into European law as of the balance sheet date
■ Amendments to IFRS 7 concerning the net presentation of financial assets and financial liabilities	Applicable to financial years beginning on or after 1 January 2013
■ IFRS 9 "Financial Instruments"	Applicable to financial years beginning on or after 1 January 2015; not adopted by the EU into European law as of the balance sheet date
■ IFRS 10 "Consolidated Financial Statements"	Applicable to financial years beginning on or after 1 January 2014
■ IFRS 11 "Joint Arrangements"	Applicable to financial years beginning on or after 1 January 2014
■ IFRS 12 "Disclosure of Interests in Other Entities"	Applicable to financial years beginning on or after 1 January 2014
■ IFRS 13 "Fair Value Measurement"	Applicable to financial years beginning on or after 1 January 2013
■ Amendments to IAS 1 concerning the presentation of individual components of other comprehensive income	Applicable to financial years beginning on or after 1 July 2012
■ Amendments to IAS 12 concerning deferred taxes: recovery of underlying assets	Applicable to financial years beginning on or after 1 January 2013
■ Amendments to IAS 19 "Employee Benefits"	Applicable to financial years beginning on or after 1 January 2013
■ New version of IAS 27 "Separate Financial Statements"	Applicable to financial years beginning on or after 1 January 2014
■ New version of IAS 28 "Investments in Associates and Joint Ventures"	Applicable to financial years beginning on or after 1 January 2014
■ Amendments to IAS 32 concerning the net presentation of financial assets and financial liabilities	Applicable to financial years beginning on or after 1 January 2014
■ IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"	Applicable to financial years beginning on or after 1 January 2013
■ Improvement of individual IFRSs (Improvement Project 2009-2011) from May 2012	Applicable to financial years beginning on or after 1 January 2013; not adopted by the EU into European law as of the balance sheet date

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■ Amendments to IFRS 10, IFRS 11 and IFRS 12 "Transitional provisions" from June 2012	Applicable to financial years beginning on or after 1 January 2013; not adopted by the EU into European law as of the balance sheet date
■ Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" from October 2012	Applicable to financial years beginning on or after 1 January 2014; not adopted by the EU into European law as of the balance sheet date
■ Amendments to IFRS 1 concerning Government loans	Applicable to financial years beginning on or after 1 January 2013; not adopted by the EU into European law as of the balance sheet date

There are no plans for the voluntary premature application of the above-mentioned standards and interpretations. The changes to IAS 19 will have no effect on the financial statements for the 2013 financial year. The company is currently evaluating the changes to IFRS 10, 11, 12 and IAS 27, 28. No effects are expected from the other changes to standards and interpretations.

› Consolidation range

The consolidated financial statements include all subsidiaries, joint ventures and associated companies of Flughafen Wien AG, with the exception of four subsidiaries (2011: six). Subsidiaries are companies under the direct or indirect control of the Flughafen Wien Group.

These four subsidiaries were not included in the consolidated financial statements for 2012 or 2011 because their economic significance and influence on the asset, financial and earnings position of the Group are immaterial. The combined consolidated revenues of these companies equalled less than 2.0% of Group revenue for the reporting year (2011: less than 2.0%). The internal materiality thresholds were defined to ensure that only individual immaterial subsidiaries are not included in the consolidation.

Control is considered to exist when the parent company is directly or indirectly able to govern the financial and operating policies of an entity. The existence and effects of potential voting rights that can be exercised or converted at the present time are included in determining whether control exists. A subsidiary is initially consolidated when control begins and deconsolidated when control ends.

Joint ventures are companies in which control is exercised together with other entities. Associated companies are entities over which Flughafen Wien AG can exercise significant influence but do not qualify for classification as a subsidiary or joint venture. Associated companies and joint ventures are included in the consolidated financial statements using the equity method.

The 2012 consolidated financial statements include Flughafen Wien AG as well as 14 (2011: 14) and 7 (2011: 7) subsidiaries that are controlled by Flughafen Wien AG. In addition, 3 domestic companies (2011: 4) and 4 foreign companies (2011: 4) were included at equity.

The companies included in the consolidated financial statements and the respective consolidation methods are listed in an appendix to the notes.

City Air Terminal Betriebsgesellschaft m.b.H., Malta Mediterranean Link Consortium Ltd. and Letisko Košice – Airport Košice, a.s. are included in the consolidated financial statements using the equity method, 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.

› Changes in the consolidation range during 2012

There were no initial consolidations or deconsolidations in 2012.

› Changes in the consolidation range during 2011

Deconsolidation	As of	Type of consolidation	Share of capital	Description
Austroport Boden- und Flugzeugabfertigungges.m.b.H	30.9.2011	At equity	25%	Sale

The 25% stake in Austroport Boden- und Flugzeugabfertigungsges.m.b.H, which was consolidated at equity, was sold to Airport Jet Set Service GmbH through a sale contract dated 20 September 2011. The sale of this investment did not have a material effect on the asset or earnings position of the Flughafen Wien Group.

There were no initial consolidations in 2011.

Significant accounting policies

› Consolidation principles

In accordance with IFRS, acquired subsidiaries are accounted for using the acquisition method. The cost of the acquisition represents the fair value of the surrendered assets and issued equity instruments as well as any liabilities arising or assumed as of the transaction date. The acquisition cost also includes the fair value of recognised assets or liabilities resulting from a contingent consideration agreement. Acquisition-related costs are recognised as expenses. In connection with the initial consolidation, the identifiable assets, liabilities and contingent liabilities resulting from the business combination are measured at fair value as of the acquisition date.

As of the date of each business combination, the group decides whether to recognise non-controlling interests in the acquired company – which represent equity interests and give their owners a claim to a proportionate share of the acquiree's net assets in the event of liquidation – at fair value or based on the proportionate share of the acquiree's identifiable net assets. All other components of the non-controlling interests are recognised at the applicable acquisition-date fair value.

Goodwill represents the excess of the fair value of return compensation, the fair value of any non-controlling interest in the acquired company and the fair value of any previously held equity interests as of the acquisition date over Group's share of net assets measured at fair value. 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 again reviewed and subsequently recognised to profit or loss.

Non-controlling interests are reported separately on the consolidated balance sheet under equity.

All intercompany balances, business transactions, 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 property, plant and equipment are also eliminated.

The accounting and valuation methods used by the subsidiaries were changed, where necessary, to ensure the application of uniform policies throughout the Group.

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.

Investments in associated companies and joint ventures that are included in the consolidated financial statements using the equity method are recognised at cost as of the acquisition date. 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 on a scheduled basis. In the periods following the initial recognition of a business combination, any realised differences between the carrying amount and the fair value of assets and liabilities are adjusted, 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. The 10.1% stake directly held in MIA is classified as an associate because – together with the shares held through MMLC – significant influence can be exercised over the company's business and financial 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 business deal. Monetary items in foreign currencies are translated at the exchange rate in effect on the balance sheet date. Differences arising from foreign currency translation are basically recognised to profit or loss as a net amount.

› Intangible assets

Intangible assets with a finite useful life are recognised at cost and amortised on a straight-line basis over a useful life of four to twenty years. If there are signs of impairment and the recoverable amount – which is 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 recognised at production cost when the relevant criteria are met and amortised over their expected useful life. The useful life of these assets equals eight years.

Intangible assets with indefinite useful lives are valued at cost. These assets are not amortised on a systematic basis, but are tested for impairment each year and reduced to the 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 goodwill.

Goodwill is not amortised on a systematic basis; but is tested for impairment by evaluating the recoverable amount of the cash-generating unit (CGU) to which it was allocated ("impairment only approach"). Cash-generating units are created by combining assets at the lowest level that generate independent cash flows or form the basis of monitoring by management. An impairment test must be carried out each year and also when there are signs that the cash-generating unit may be impaired. If the carrying amount of a cash-generating unit exceeds its recoverable amount, the relevant goodwill must be written down by the difference. Impairment losses recognised to goodwill may never be reversed. If the impairment of a cash-generating unit exceeds the carrying amount of allocated goodwill, the remaining impairment loss is recognised through a proportional reduction in the carrying amounts of the assets belonging to the cash-generating unit.

The recoverable amount of a cash-generating unit is generally determined by calculating the value in use according to the discounted cash flow (DCF) method. These DCF calculations are based on financial plans covering several years, which were approved by management and are also used for internal reporting. The designated planning periods reflect the assumptions for market developments over the short- to mid-term. Cash >

flows after the detailed planning period are computed using the expected long-term growth rates. The risk-adjusted cost of capital represents the weighted average cost of capital for equity and debt (WACC).

› Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost, which is reduced by straight-line depreciation. The production cost for internally generated assets comprises direct costs and an appropriate share of material and production overheads as well as production-based administrative expenses. Acquisition and production cost includes the purchase price as well as 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 qualified assets are capitalised as part of acquisition or production 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.

The depreciation period is determined on the basis of the presumed economic useful life, whereby scheduled depreciation is based on the following useful lives:

	Years
Operational buildings	33.3
Components of Check-in 3:	
Building shell	50
Facade	25
Interior furnishings	20
Technical equipment	25
Other buildings	10 – 50
Take-off and landing runways, taxiways, aprons	20
Technical noise protection	20
Other facilities	7 – 20
Technical equipment and machinery	5 – 20
Motor vehicles	2 – 10
Other equipment, furniture, fixtures and office equipment	2 – 15

The measures for technical noise protection were identified as an independent component of property, plant and equipment for the first time in 2012. This reflects general developments through the increasing focus by airports on noise protection programmes.

› Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment that show signs of impairment are tested by comparing the respective carrying amount with the recoverable amount. If it is not possible to associate the asset with future cash flows that are independent of other 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 a cash-generating unit (CGU) generally represents the higher of the value in use or the net selling price. 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.

The individual assets of the Flughafen Wien Group are aggregated together 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.

Impairment charges were recognised to the following cash-generating units (CGU) of the Flughafen Wien Group in 2012:

- **CGU Real Estate Cargo:** The cash-generating unit Real Estate Cargo covers the rental and management of cargo buildings at Vienna Airport.
- **CGU Real Estate Office** The cash-generating unit Real Estate Office involves the rental and management of office buildings at Vienna Airport.
- **CGU Aviation:** The cash-generating unit Aviation covers all activities involved in the aviation process Aviation (passenger handling, security, aircraft take-off and landing).

The definition of the CGUs Real Estate Cargo, Real Estate Office and Real Estate Parking was changed in 2012 to better reflect the mutual dependence of the cash flows from the involved assets. This led to the aggregation of several assets (objects) in a single CGU.

› Investment property

Investment property comprises all property that is held to generate rental income and/or for capital appreciation, and is not used for production or administrative purposes. 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 acquisition or production cost. Depreciation is calculated over a period of 33.3 to 50 years based on the straight line method. The fair value of investment property is determined independent of measurement based on the amortised purchase >

or production cost. If prices on an active market are not available, fair value is not supported by market evidence but is determined internally by applying the capitalised income method as of the balance sheet date.

› Leasing

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 serves as both a lessor and lessee.

A lease that transfers the major 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.

If economic 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 present value of future minimum lease payments or at fair value (if this value is lower). The asset is subsequently depreciated over the economic useful life or over the term of the lease if this period is shorter. Any impairment losses are charged to the carrying amount of the leased asset. The future payment obligations resulting from finance leases are recorded under other financial liabilities.

If the economic ownership of the leased asset remains with the lessor, the lease payments are distributed over the term of the lease on a straight-line basis and recorded under other operating expenses (operating lease). In cases where the Flughafen Wien Group acts as the lessor, the leased assets are capitalised at acquisition or production cost and depreciated accordingly. Income from operating leases is recognised on a straight-line basis over the lease term.

› Inventories

Inventories are stated at the lower of cost and net selling value, whereby the determination of cost is based on the moving average price method. Net selling value represents the estimated proceeds on sale in a normal business transaction less the estimated costs of completion and estimated selling expenses. Net selling value also includes any impairment that could result from reduced usability.

› Provisions for severance compensation, pensions, semiretirement programmes for older employees and service anniversary bonuses

The provisions for severance compensation, pensions, semiretirement programmes for older employees and service anniversary bonuses are accounted for as obligations resulting from defined benefit plans, whereby the calculations are based on actuarial principles and the projected unit credit method. The recognised liabilities represent the defined benefit obligation. For the severance compensation and pension provisions, actuarial gains and losses arising from adjustments to reflect past history or changes in actuarial assumptions are recognised to other comprehensive income; the comparable changes in service anniversary bonuses and semiretirement programmes are expensed as incurred. All other changes, such as service cost or interest expense, are reported under personnel expenses.

The determination of the present value of future claims incorporates future wage and salary increases as well as a discount for employee turnover that is based on the length of service with the company. The discount rate is based on the yields in effect as of the respective balance sheet date.

The retirement age represents the first possible date for early retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. 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 AVÖ 2008-P life expectancy tables (mixed stand) form the biometric basis for the calculation of the provisions, for the pension provision in the specification for salaried employees.

The obligations for severance compensation, pensions, semiretirement programmes for older employees and service anniversary bonuses were calculated on the basis of the following parameters:

	2012	2011
Discount rate (pensions, severance comp., service anniv. bonuses)	3.15%	4.50 %
Discount rate (semiretirement programmes)	1.00%	4.50 %
Wage and salary increases	3.69%	3.72 %
Pension increases (only for pensions)	2.10%	2.01 %
Discount for employee turnover (graduated)	0.00 %-12.00 %	0.00 %-12.00 %

Payments required by defined contribution plans (contributions to pension plans and legally required employee severance compensation funds) are recognised to profit or loss in the appropriate period, and shown 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 created 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 discounting of provisions are included with the costs of the respective provisions, with the exception of the provisions for severance compensation, pensions, service anniversary bonuses and semiretirement programmes.

› 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.

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Government grants for the purchase of property, plant and equipment ("investment subsidies") are recorded 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.

› Financial instruments

A financial instrument is a contract that simultaneously creates a financial asset in one entity and a financial liability or equity instrument in another entity. In particular, financial assets include financial investments such as non-consolidated and other holdings, securities, trade receivables, credits granted and other receivables, non-derivative and derivative financial assets held for trading, and cash and cash equivalents. Financial liabilities generally represent an obligation to deliver cash or other financial assets to a creditor, and consist above all of amounts due to credit institutions, trade payables and derivative financial liabilities. The initial recognition and derecognition of financial instruments generally takes place as of the settlement date, which is the day on which the asset is delivered to or by the Group. Financial assets and financial liabilities are normally not offset for presentation, except in cases where there is a legally enforceable right to offset the amounts and settlement will take place on a net basis.

Financial assets are initially recognised at fair value. The fair values shown on the balance sheet generally represent the market prices of the financial assets. In cases where market prices are not readily available, fair value is determined using accepted valuation models and current market parameters. For this calculation, the cash flows previously fixed or determined by way of forward rates based on the current yield curve are discounted as of the measurement date using the discount factors calculated from the yield curve applicable to the reporting date.

The Flughafen Wien Group has not elected to use the option that permits, under certain conditions, the designation of financial assets and financial liabilities upon initial recognition as financial assets or financial liabilities at fair value through profit or loss (fair value option).

› Non-derivative financial assets (securities)

Securitised receivables for which there is no active market are assigned to the category of "loans and receivables" and carried at amortised cost. Non-interest bearing financial assets and low-interest financial assets are recognised at fair value on the date of purchase. Any material difference between cost and the repayment amount is accrued over the term of the loan in accordance with the effective interest rate method and reported under financial results. In the event of impairment, the carrying amount of the financial asset is reduced to the present value of the expected repayments with recognition through profit or loss. If the reasons for previously recognised impairment losses cease to exist, the impairment loss is appropriately reversed.

Investments in securities classified as "financial assets held for trading" are measured at fair value if this figure can be reliably determined. Any gains and losses resulting from subsequent measurement are recognised to profit or loss in the period incurred.

Shares in non-consolidated subsidiaries and other securities as well as associated companies and other investments that are not recorded at equity are classified as "available-for-sale financial assets" and generally measured at fair value if this figure can be reliably determined.

If the fair value of non-listed equity instruments cannot be reliably determined, the shares are carried at cost after the deduction of any necessary impairment losses.

Gains and losses resulting from changes in fair value are basically recognised under other comprehensive income (available-for-sale reserve) after the deduction of deferred taxes. Impairment losses that reflect a lasting and significant decline in fair value are recognised to profit or loss and removed from the fair value reserve. If circumstances at a later measurement date indicate that fair value has increased as a result of events which occurred after the recognition of the impairment loss, a corresponding reversal of the impairment loss is generally recognised to profit or loss. Impairment losses recognised to profit or loss for available-for-sale equity instruments may only be reversed without recognition to profit or loss. Impairment losses to equity instruments that are measured at cost may neither be reversed to profit or loss nor recognised directly in equity.

Any accumulated gains and losses recognised to equity on the measurement of financial assets at fair value are transferred to the income statement when the relevant asset expires or is sold.

Purchases and sales are recognised as of the settlement date.

› Receivables

Trade receivables and other current receivables are measured at the initially recognised value less impairment losses. Individual valuation allowances are recorded to reflect the expected credit risk. The conclusion of bankruptcy proceedings leads to derecognition of the involved receivables, whereby previously recognised valuation adjustments are used when a receivable is derecognised. The creation of individual valuation allowances also involves the aggregation of potentially impaired receivables based on similar credit risk characteristics and the subsequent recognition of valuation allowances in accordance with past experience. Impairment losses on trade receivables are recorded to separate allowance accounts. Other non-current receivables are measured at amortised cost and, if material, payment at a later date is reflected through discounting.

› 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.

› Derivative financial assets and liabilities

The Flughafen Wien Group uses selected derivative financial instruments (interest rate swaps) to hedge the potential effect of interest rate fluctuations on investments and financing transactions. Derivative financial instruments are recognised at fair value (which generally represents cost) as of the contract date. Subsequent measurement is also based on fair value, which represents the market price for traded derivatives. Instruments that are not quoted on an exchange are valued on the basis of comparable transactions or settlement offers by the relevant business partners. For interest rate swaps, fair value reflects the amount the Group would receive or be required to pay on the settlement date. This amount is calculated using the interest rates and interest rate structure curves that are relevant for the settlement date. Changes in fair value are generally recognised through profit or loss, unless the derivative financial instrument is qualified as an effective hedge in accordance with IAS 39.

Positive fair values are recorded under receivables and other assets, while negative fair values are recorded under other liabilities.

The Group applies the requirements for hedge accounting as defined in IAS 39 ("Hedge Accounting") to instruments that are concluded to hedge future cash flows. This reduces the volatility of the income statement. Cash flow hedges are used as protection against fluctuations in the cash flows generated by recognised assets and liabilities or highly probable planned transactions. If an instrument is classified as a cash flow hedge, the effective portion of the change in the value of the hedge is recorded under other comprehensive income (hedging reserve) until the results of the underlying transaction are recognised; the ineffective portion of the change in the value of the hedge is recognised to profit or loss.

› Income taxes

Income taxes include the taxes due and payable on taxable income as well as deferred taxes. The provisions for taxation generally comprise domestic and foreign income tax obligations, and cover the reporting year as well as 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 under the definition provided by § 9 (8) of the 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 records taxable profit. This settlement of tax charges leads to a reduction in the tax expense shown on the income statement of the group parent. If there are any subsequent variances, the tax settlements with group companies are adjusted accordingly.

In accordance with the liability approach, deferred tax assets and deferred tax liabilities are recognised on temporary differences between the carrying amounts on the consolidated balance sheet and the balance sheet prepared for tax purposes as well as on 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 taxes 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 sale will be taxable. Deferred taxes are valued in accordance with the tax regulations that are valid or were enacted as of the balance sheet date for the financial statements. Therefore, the tax rates expected in the future are applied to the reversal of temporary differences.

› Realisation of income

Revenue and other operating income is realised when services are provided or the risks and opportunities associated with these services have been transferred to the buyer, under the assumption that a probable economic benefit will flow and this benefit can be reliably estimated.

Flughafen Wien levies charges for the use of airport infrastructure in the form of landing, parking, passenger and infrastructure fees. These fees are subject to the approval of the Austrian civil aviation authority. Flughafen Wien also charges various types of ground handling fees that are not subject to the approval of public authorities, e.g. for apron, cargo and traffic handling.

In addition, the Flughafen Wien Group realises revenue from the rental of parking space and other areas (which is based on fixed or variable (revenue-related) fees) as well as revenue from energy supply and waste disposal and security services. Rental income is recognised as revenue on a straight-line basis over the term of the respective rental agreement. Rental incentives granted to tenants are accounted for as a component of the total rental income over the term of the rental agreement. Variable rents are accrued in line with the related revenue. Rental income from other real estate is recorded under miscellaneous income.

› Income from investments

This position includes the share of profit or loss from companies valued at equity as well as impairment charges, write-ups, sale proceeds and dividends. Dividends are recognised when the relevant resolution for distribution has been passed.

› Discretionary judgment and estimation uncertainty

The presentation of the Group's asset, financial and earnings position in the consolidated financial statements requires discretionary judgment concerning the measurement and valuation methods applied as well as the assumptions and estimates made by management. Actual results may differ from these estimates. The following key estimates and related assumptions as well as the uncertainties connected with the accounting and valuation methods applied by the Group are decisive for an understanding of the underlying risks of financial reporting and the possible effects on the consolidated financial statements in future financial years.

Accounting for business combinations involves estimates to determine the fair value of acquired assets, liabilities and contingent liabilities. Real estate is measured on the basis of appraisals by experts. Identifiable intangible assets are measured in accordance with appropriate valuation methods that reflect the type of asset and the availability of information. The use of a market approach for the valuation of intangible assets is generally not possible due to a lack of comparable market prices, and an income approach is therefore used. Customer relationships are measured in accordance with the multi-peri- >

od excess earnings method, which determines the present value of income from the existing customer base. Under the assumption that an intangible asset will only generate cash flows in connection with other tangible and intangible assets, the determination of the relevant cash surpluses also includes operating expenses and calculatory usage fees (contributory asset charges) for these "supporting" assets. This valuation incorporates a decline in the planned income stream over time based on an appropriate churn rate for customers.

The impairment testing of intangible assets (carrying amount: T€ 16,122.8, 2011: T€ 10,891.2) and goodwill (carrying amount: T€ 54.2, 2011: T€ 4,394.4), property, plant and equipment (carrying amount: T€ 1,677,534.4, 2011: T€ 1,692,541.2) and investment property (carrying amount: T€ 118,863.6, 2011: T€ 119,935.4) as well as financial assets (carrying amount: T€ 99,138.3, 2011: T€ 97,482.6) including investments in companies accounted for at equity (carrying amount: T€ 94,718.9, 2011: T€ 90,968.2) involves estimates for the cause, timing and amount of impairment/revaluation. Impairment/revaluation can be caused by a number of factors, such as changes in the current competitive situation, expectations for the development of passenger volume, 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 recoverable amount generally represents the higher of the value in use or the net selling price. The value in use is determined in accordance with the discounted cash flow method, which also incorporates assumptions by management for future cash flows, risk-adjusted discount rates and appropriate useful lives. For this reason, the calculation of the present value of expected future cash flows and the classification of an asset as impaired depend on management's judgment and evaluation of future development opportunities.

The determination of the acquisition and production cost of property, plant and equipment is connected with uncertainty because of the on-going construction activity and related examination requirements. This uncertainty is connected, above all, with recently concluded or on-going projects (construction in progress). In 2011 the acquisition and production cost of Check-in 3 was reduced through an impairment charge (for additional information, see note 6, Amortisation and depreciation).

The Flughafen Wien Group created valuation allowances of T€ 8,115.0 (2011: T€ 4,890.2) for doubtful trade receivables (above all for the Sardana Group) to reflect expected losses arising from the unwillingness or inability of customers to meet their payment obligations. Management evaluates the appropriateness of these valuation allowances based on the term structure of receivable balances and past experience with the derecognition of receivables, also considering the credit standing of customers and changes in payment conditions. If the financial position of customers deteriorates, actual write-offs could exceed the scope of the expected derecognition.

The valuation of provisions for severance compensation, pensions and service anniversary bonuses with a combined carrying amount of T€ 105,247.9 (2011: T€ 87,900.4) and for semiretirement programmes with a carrying amount of T€ 19,487.0 (2011: T€ 20,054.6) is based on assumptions for the discount rate, retirement age and life expectancy as well as future increases in wages, salaries and pensions.

The provisions for pending legal proceedings and other outstanding claims arising from settlement, arbitration or government proceedings total T€ 5,084.7 (2011: T€ 2,616.1). The recognition and measurement of these provisions are connected to a significant degree with estimates made by management. The evaluation 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.

Income taxes are computed for every tax jurisdiction in which the Group operates. This involves the calculation of actual expected taxes for each tax subject as well as an evaluation of the temporary differences between the carrying amounts of certain balance sheet items in the consolidated financial statements and the financial statements prepared for tax purposes. Deferred tax assets of T€ 12,802.3 (2011: T€ 10,354.6) were recognised to the extent that is probable that the Group will be able to utilise them in the 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 may include past earnings, operating forecasts and/or tax planning strategies. If actual earnings differ from these estimates or the estimates must be adjusted in future periods, this may 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 through profit or loss.

A tax audit covering corporate income tax and value added tax in the Austrian companies for the years from 2004 to 2007 began in 2009. This tax audit also includes a review of 2008 and 2009 in accordance with § 144 of the Austrian Fiscal Code. The audit was still partly in progress at the time these consolidated financial statements were prepared. The potential obligations resulting from these events could not be reliably estimated as of the balance sheet date on 31 December 2012. Accordingly, future developments could lead to adjustments in subsequent accounting periods.

Notes to the Consolidated Income Statement

› (1) Revenue and segment reporting

Revenue includes all income generated by the ordinary business activities of the Flughafen Wien Group. Revenue is presented excluding value added tax as well as other taxes that are collected from customers and passed on to taxation authorities.

IFRS 8 calls for segment reporting that is based solely on the internal organisation and reporting structure as well as the internal measurement indicators used by the company.

In accordance with IFRS 8, operating segments represent components of a company: that engage in business activities from which they can earn revenues and incur expenses (also together with and from other segments); and whose operating results are regularly reviewed by the company's chief operating decision-makers to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The starting point for segment reporting is formed by the operating segments that meet the quantitative thresholds defined in IFRS 8.13 and are therefore reportable. Operating segments that exhibit similar characteristics as defined in IFRS 8.12 and are also similar in other respects can be aggregated together with these reportable segments into a single operating segment.

For the Flughafen Wien Group, the segments of business that are aggregated into reporting segments for the following presentation include the business units in Flughafen Wien AG that form the basis for the company's organisation as well as various subsidiaries. The management of the Flughafen Wien Group is based on reporting that covers profit and loss, capital expenditure and employee-related data for the individual business units of Flughafen Wien AG as well as revenue, EBITDA, EBIT, net profit for the period, planned investments and employee-related data for the individual subsidiaries.

Airport

The "aviation" and "airport services" business units of Flughafen Wien AG and the subsidiaries that provide such services are combined under the reporting segment "Airport". Accordingly, the activities of the Airport Segment consist primarily of 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 involved in passenger and baggage handling, including the VIP Center and Lounges. The fees for these services are for the most part subject to fee regulations. The airport services unit provides a wide range of services to support airport operations, to deal with emergencies and disruptions and to ensure security.

Handling

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

Retail & Properties

The Retail & Properties Segment covers the real estate and centre management business units of Flughafen Wien AG as well as the subsidiaries that provide services under this segment.

This segment provides various services to support airport operations, including shopping, gastronomy and parking. Activities for the development and marketing of real estate are also included here.

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.

Included here are various services provided by individual business units of Flughafen Wien AG or other subsidiaries, e.g. 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.

Also allocated to this segment are the subsidiaries of Flughafen Wien AG that hold shares in associated companies or joint ventures and have no other operating activities.

Explanation 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 evaluate segment performance include, among others, earnings before interest and taxes (EBIT). Depreciation is split into scheduled depreciation and impairment losses, and is derived from the assets allocated to the individual segments. The underlying prices for inter-segment revenues and services reflect market-based standard costs or rates, which are generally based on internal costs.

Other items such as the 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 this information is not monitored on a regular basis by the chief decision-maker.

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 as well as inventories. The Flughafen Wien Group does not show segment liabilities for each reportable operating segment because these liabilities are not monitored on a regular basis by the chief decision-maker. 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 consist primarily of intangible assets and property, plant and equipment used by administrative functions as well as financial assets, non-current receivables, current securities, inventories, trade receivables, receivables due from subsidiaries, receivables due from investments recorded at equity, receivables due from taxation authorities, other receivables and assets, prepaid expenses and deferred charges, and cash and cash equivalents.

Segment investments include additions to intangible assets and property, plant and equipment.

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The information provided by geographic area also includes information on the revenue generated with external customers as well as the amounts recognised 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 recognised the income or owns the assets.

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

Companies consolidated at equity are reported under the Other Segments.

› Segment results for 2012

in T€ (except employees)	Airport	Handling	Retail & Properties	Other Segments	Group
External segment revenue	317,753.6	153,796.0	119,501.1	16,145.1	607,195.7
Internal segment revenue	38,731.7	67,508.7	17,248.2	86,816.8	
Segment revenue	356,485.3	221,304.7	136,749.2	102,961.9	
Other external revenue[1]					176.0
Group revenue					**607,371.7**
Segment results	68,488.1	17,659.2	41,612.7	4,422.1	132,182.0
Other (not allocated)					-24,155.8
Group EBIT					**108,026.3**
Impairment charges	3,365.4	0.0	11,883.2	0.0	15,248.6
Scheduled depreciation and amortisation	64,882.4	5,760.5	14,189.5	13,017.1	97,849.5
Segment depreciation and amortisation	68,247.8	5,760.5	26,072.7	13,017.1	
Other (not allocated)					261.6
Group depreciation and amortisation					**113,359.7**
Segment investments	72,887.3	8,439.4	12,736.1	6,622.2	100,685.0
Other (not allocated)					506.3
Group investments					**101,191.3**
Segment assets	1,445,469.4	36,084.1	301,131.5	170,570.5	1,953,255.5
Thereof investments and joint ventures recorded at equity				94,718.9	
Other (not allocated)					108,547.9
Group assets					**2,061,803.4**
Segment employees (average)	432	3,233	57	569	4,290
Other (not allocated)					185
Group employees (average)					**4,475**

1) Other external revenue is related solely to the administrative area

› Segment results for 2011

in T€ (except employees)	Airport	Handling	Retail & Properties	Other Segments	Group
External segment revenue	294,629.2	160,495.2	110,641.4	16,110.0	581,875.9
Internal segment revenue	33,360.0	57,063.7	17,933.9	77,502.1	
Segment revenue	327,989.3	217,559.0	128,575.3	93,612.1	
Other external revenue[1]					120.8
Group revenue					**581,996.7**
Segment results	57,086.2	163.3	30,347.4	4,690.8	92,287.8
Other (not allocated)					-25,102.5
Group EBIT					**67,185.2**
Impairment charges	37,222.3	0.0	18,266.9	0.0	55,489.2
Scheduled depreciation and amortisation	34,845.2	6,181.4	14,484.9	10,554.1	66,065.6
Segment depreciation and amortisation	72,067.5	6,181.4	32,751.8	10,554.1	
Other (not allocated)					266.4
Group depreciation and amortisation					**121,821.3**
Segment investments	230,837.2	5,010.6	10,269.8	13,549.5	259,667.1
Other (not allocated)					575.2
Group investments					**260,242.4**
Segment assets	1,432,861.9	32,153.1	321,941.4	169,003.0	1,955,959.5
Thereof investments and joint ventures recorded at equity				90,968.2	
Other (not allocated)					194,198.9
Group assets					**2,150,158.3**
Segment employees (average)	415	3,285	67	600	4,367
Other (not allocated)					158
Group employees (average)					**4,525**

1) Other external revenue is related solely to the administrative area

› Reconciliation of reportable segment results to Group EBIT

in T€	2012	2011
Total reported segment results (EBIT)	**132,182.0**	**92,287.8**
Non-allocated income / expenses:		
Revenue	7,492.9	6,715.2
Other operating income	2,005.5	2,157.2
Consumables	–1,146.5	–1,027.4
Personnel expenses	–16,656.9	–16,318.9
Other operating expenses	–15,589.2	–16,362.2
Depreciation and amortisation	–261.6	–266.4
Total not allocated	**24,155.8**	**–25,102.5**
Group EBIT	**108,026.3**	**67,185.2**

The non-allocated items shown in the reconciliation are related solely to the administrative area.

› Reconciliation of segment assets to Group assets

in T€	31.12.2012	31.12.2011
Assets by segment		
Airport	1,445,469.4	1,432,861.9
Handling	36,084.1	32,153.1
Retail & Properties	301,131.5	321,941.4
Other Segments	170,570.5	169,003.0
Total assets in reportable segments	**1,953,255.5**	**1,955,959.5**
Non-allocated assets		
Intangible assets and property. plant and equipment used in administration	1,202.7	1,204.9
Other financial assets	3,940.1	6,045.9
Non-current receivables	93.1	86.5
Current securities	29,652.0	29,535.0
Inventories	252.4	242.5
Trade receivables	12.4	7.1
Receivables due from subsidiaries	403.5	339.0
Receivables due from investments recorded at equity	465.0	77.8
Receivables due from taxation authorities	21,398.5	35,477.5
Other receivables and assets	6,729.6	5,002.1
Prepaid expenses and deferred charges	3,959.7	4,850.7
Cash and cash equivalents	40,439.0	111,330.0
Total not allocated	**108,547.9**	**194,198.9**
Group assets	**2,061,803.4**	**2,150,158.3**

Disclosures for 2012 by region

in T€	Austria	Malta	Slovakia	Group
External revenue	606,637.2	734.5	0.0	607,371.7
Non-current assets	1,824,814.9	52,721.8	34,176.5	1,911,713.2

Disclosures for 2011 by region

in T€	Austria	Malta	Slovakia	Group
External revenue	581,205.4	791.3	0.0	581,996.7
Non-current assets	1,841,575.0	50,423.1	33,246.5	1,925,244.6

The assets allocated to Malta and Slovakia also include the investments in other companies owned by these fully consolidated subsidiaries. The investments in Malta Airport generated a net profit of € 4.2 million (2011: € 3.8 million) contributing to the income of investments recorded at equity, while the investment in Košice Airport generated income of € 0.9 million (2011: loss of € 13.1 million, including impairment charges). The values of the investments in the airport corporations in Malta and Slovakia are not shown here.

Information on key customers

The Flughafen Wien Group recorded revenue of € 222.4 million (2011: € 214.6 million) with its major customer in 2012. This revenue was generated in all segments.

(2) Other operating income

in T€	2012	2011
Own work capitalised	11,108.6	14,870.5
Income from the disposal of property, plant and equipment	921.5	86.5
Income from insurance settlement	2,500.0	0.0
Income from the reversal of provisions	4,890.0	2,195.7
Income from the reversal of investment subsidies (Government grants)	278.2	617.3
Other rental income	788.6	767.4
Income from insurance	88.1	456.8
Miscellaneous	3,523.5	1,442.7
	24,098.5	20,436.9

Other operating income rose by 17.9% to € 24.1 million, above all due to income from an insurance settlement as well as invoiced penalties (included under miscellaneous) related to the delayed completion of retail space by a lessee. However, the bankruptcy of the Sardana Group led to the reduction of the latter amount through an impairment charge. The income from insurance settlements totalled € 11.1 million in 2012: € 2.5 million of this income were reported under other operating income, while the remaining € 8.6 million were recorded as a reduction of the purchase cost without recognition through profit or loss.

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› (3) Consumables and services used

in T€	2012	2011
Consumables	19,742.8	18,330.4
Energy	20,588.4	17,414.1
Services used	2,857.8	6,312.9
	43,188.9	**42,057.3**

The cost of consumables and services rose by € 1.1 million to € 43.2 million, whereby the start of operations in Check-in 3 led to an increase in expenditures for energy.

› (4) Personnel expenses

in T€	2012	2011[1]
Wages	112,625.9	116,079.7
Salaries	70,786.7	74,097.8
Expenses for severance compensation	8,947.0	10,776.3
Thereof contributions to severance fund	1,659.0	1,501.3
Expenses for pensions	3,063.5	4,448.6
Thereof contributions to pension funds	2,399.7	3,728.4
Expenses for legally required duties and contributions	52,025.3	50,806.9
Other employee benefits	2,215.6	2,244.0
	249,664.0	**258,453.3**

1) Adjusted

The average number of employees declined 1.1% year-on-year to 4,475. The average workforce was 4.1% higher in the Airport Segment, but 1.6% lower in the Handling Segment. The Other Segments and the Retail & Properties Segment reported a decrease of 5.2% and 15.7%, respectively, in the average number of employees.

The Flughafen Wien Group had a total of 4,306 employees as of 31 December 2012 (31.12.2011: 4,500). This represents a reduction of 194 employees, or 4.3%, in comparison with the previous year.

Personnel expenses declined 3.4% to € 249.7 million as a result of the reduction in the workforce and despite wage and salary increase mandated by collective bargaining agreements. The decrease in the number of employees was reflected in a year-on-year reduction of 3.0% and 4.5% in wages and salaries to € 112.6 million and € 70.8 million, respectively. Expenses recognised for the additions to the provisions for unused vacation and service anniversary bonuses rose by € 0.6 million and € 2.5 million, respectively. The € 7.0 million reduction in the provision for semiretirement programmes for older employees during the reporting year resulted primarily from the conclusion of additional semiretirement agreements in 2011. The expenses for severance compensation and pensions were also reduced by € 1.8 million and € 1.4 million, respectively, in 2012.

› (5) Other operating expenses

in T€	2012	2011
Other taxes (excluding income taxes)	595.1	453.4
Maintenance	24,976.4	22,924.2
Third party services	23,626.2	18,852.5
Consulting expenses	5,473.5	7,956.5
Marketing and market communication	17,952.6	23,938.4
Postage and telecommunications	1,371.1	1,411.6
Rental and lease payments	9,971.2	9,147.4
Insurance	3,351.9	3,449.9
Travel and training	1,572.6	1,866.6
Damages	4,398.5	435.9
Impending losses	1,731.9	7,240.1
Valuation allowances to and derecognition of receivables	1,888.5	892.5
Losses on the disposal of property, plant and equipment	2,219.3	984.5
Exchange rate differences, bank charges	629.4	516.1
Miscellaneous operating expenses	17,473.1	12,846.8
	117,231.4	112,916.5

Maintenance expenses cover the regular upkeep of buildings and equipment and the maintenance of data processing equipment, runways, aprons and taxiways.

Third party services consist primarily of costs for the baggage reconciliation system and baggage-related services, fees for waste water and garbage disposal, cleaning services and temporary personnel for the subsidiary Vienna Airport Infrastruktur Maintenance GmbH.

Consulting expenses include fees paid to attorneys, notaries public, tax advisors and the auditors of the annual financial statements as well as miscellaneous consulting fees.

Impending losses comprise losses related to residual value risks arising from leases for real estate at the Vienna Airport location (also see note 26, Miscellaneous provisions).

Additions of € 5.0 million were recorded to the valuation allowances for doubtful receivables in 2012. Of this total, € 3.5 million are related to the bankruptcy of the Sardana Group, a retail shop operator at Vienna Airport. The additions were offset by reversals of € 3.2 million (including the reversal of other receivables), which resulted mainly from a positive arbitration ruling and the subsequent release of valuation allowances to other receivables.

The expenses for marketing and market communications were related chiefly to marketing measures, above all to strengthen Vienna's position as a hub, as well as traditional public relations activities.

The following services were provided by auditor of the annual financial statements during the reporting year:

in T€	2012	2011
Audit of the annual financial statements	232.2	265.6
Other auditing services	62.0	54.4
Other services	16.3	51.0
	310.6	**371.0**

› (6) Depreciaton, amortisation and impairment

in T€	2012	2011
Amortisation of intangible assets		
Scheduled amortisation	3,845.7	2,015.2
Impairment charges	4,340.2	4.9
Thereof CGU Vöslau Airfield	0.0	4.9
Thereof goodwill CGU Real Estate Office	4,340.2	0.0
	8,185.9	**2,020.0**
Depreciation of property. plant and equipment		
Scheduled depreciation	90,581.7	60,074.8
Impairment charges	3,432.5	42,329.9
Thereof CGU Aviation	3,432.5	31,624.8
Thereof CGU Real Estate Office	0.0	5,112.4
Thereof CGU Vöslau Airfield	0.0	5,592.7
	94,014.1	**102,404.7**
Depreciation of investment property		
Scheduled depreciation	3,683.7	4,242.0
Impairment charges	7,476.0	13,154.5
Thereof buildings CGU Real Estate Office	2,411.0	13,154.5
Thereof buildings CGU Real Estate Cargo	5,065.0	0.0
	11,159.7	**17,396.5**
Total depreciation, amortisation and impairment	**113,359.7**	**121,821.3**

The impairment tests to intangible assets, property, plant and equipment and investment property involve the determination of the recoverable amount for the respective cash-generating units based on the value in use. The future cash inflows and outflows of the individual cash-generating units are determined on the basis of the latest forecasts approved by the Management Board for the period from 2013 to 2017. The weighted average cost of capital (WACC) after-tax was used as the discount rate (2012: 6.14%; 2011: 5.68%). This WACC was based on a risk-free interest rate that was derived from the yield on 15-year federal bonds and subsequently adjusted to include a premium for market risk.

Impairment testing for the **2012 financial year** led to the recognition of the following impairment charges:

Impairment charges to goodwill and to the CGU Real Estate Office

Impairment testing in 2012 led to the recognition of an impairment charge to an office building in the cash-generating unit "Real Estate Office" and to the recognition of an impairment charge to the related goodwill in this CGU.

The most important parameters for the calculation of the value in use were the discount rate (WACC) after tax and a growth rate of 1% after the detailed planning period (five years). The forecasted EBITDA are based on expectations for future results considering past experience. A new estimate for future occupancy was also included in the cash flows. The results of the impairment test indicated a need for an impairment charge of € 6.7 million, which is reflected in a reduction of € 4.3 million to the carrying amount of the allocated goodwill and a reduction of € 2.4 million in the carrying amount of a building. The impairment charges were recognised in the Retail & Properties Segment.

Impairment charges to properties in the CGU Real Estate Cargo

Impairment testing in 2012 led to the recognition of impairment charge totalling € 5.1 million to three properties in the cash-generating unit "Real Estate Cargo". These impairment charges resulted from changes in the forecast to include revised estimates for the medium-term development of the market and demand.

The most important parameters for the calculation of the value in use were the discount rate (WACC) after tax and a growth rate of 1% after the detailed planning period (five years). The forecasted EBITDA are based on expectations for future results considering past experience. The impairment charges were recognised in the Retail & Properties Segment.

Impairment charges in the CGU Aviation

Additional impairment charges totalling € 3.4 million were also recognised during the reporting year, primarily to construction containers, fixtures and office equipment and technical equipment in the Airport and Retail & Properties Segments.

Impairment testing in the **2011 financial year** led to the recognition of the following impairment charges:

Check-in 3 (CGU Aviation)

Impairment losses totalling € 31.6 million were recognised to the Check-in 3 in 2011. These charges resulted from reviews by technical experts that identified deficient performance by contractors and unjustified increases in costs. Acquisition and production costs were therefore adjusted as required by IAS 16.22, since abnormal amounts of waste, labour or other factors may not be included in the cost of self-constructed assets. This impairment was attributable to the Airport Segment.

Real estate in Schwechat (CGU Real Estate Office)

The impairment test of a property in the Retail & Properties Segment resulted in the recognition of an impairment charge of approx. € 18.3 million in 2011. This charge is based primarily on the fact that the building will not be able to reach the originally expected occupancy level over the medium-term.

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Vöslau Airfield (CGU Vöslau Airfield)

The investment in Vöslau Airport was tested for impairment in 2011. The results led to the recognition of an impairment loss of € 5.6 million, which was attributed to the Airport Segment.

› (7) Income from investments recorded at equity

in T€	2012	2011
Proportional share of results for the period	5,625.3	4.286.8
Impairment	0.0	–19,419.2
	5,625.3	–15,132.4

The cumulative total of unrecognised losses equals T€ 1,189.3 (2011: T€ 0.0). A pro rata share of losses totalling T€ 1,189.3 was not recognised in 2012 (2011: pro rata share of profit equalling T€ 40.1) because the related shares were written off in earlier accounting periods.

A summary of financial information on associated companies and joint ventures (revenue, results for the period, assets and liabilities) is provided in the appendix "Investments" at the end of the notes.

In 2011 income from investments recorded at equity included impairment charges of T€ 19,419.2 recognised in accordance with IAS 36, which were related to the associated company Flughafen Friedrichshafen GmbH and to Letisko Košice – Airport Košice, a.s. (KSC).

The 25.15% investment in Flughafen Friedrichshafen GmbH was acquired during the second quarter of 2007 for a purchase price (including transaction costs) of € 7.7 million. This acquisition was originally made under the presumption of double-digit growth, strong economic progress and the positive development of this region for tourism. As a consequence of the negative development, the carrying amount of the investment was reduced several times in earlier periods as part of the at-equity valuation. The medium-term planning for Flughafen Friedrichshafen GmbH for the period from 2012 to 2015 reflected these developments and showed that the financial goals could not be met as originally planned. Impairment testing based on the determination of the value in use led to an impairment charge of € 5.7 million in 2011, which was recorded under the Other Segments. This calculation also included a weighted average cost of capital (WACC) of 5.25% (2011). The detailed planning phase covered nine years, with annual growth of 4.0% and 5.0% in traffic and EBIT as well as a perpetual yield of 2.0% per year assumed for the period after the end of the medium-term forecast.

In the fourth quarter of 2006 Flughafen Wien acquired a stake in Košice Airport through a consortium; the investment held indirectly by FWAG equals 66%. This investment is accounted for at equity (see information on the consolidation range). This company has been profitable, but the medium-term forecasts for 2012 to 2016 were based on traffic growth that was substantially below earlier expectations. Impairment testing based on the determination of the value in use resulted in a proportional write-down of € 13.7 million to the assets in the individual financial statements of Košice Airport during 2011. The impairment charge was included in the current results of Košice Airport, but was presented separately and allocated to the Other Segments. This calculation also included a weighted average cost of capital (WACC) of 8.5% (2011). The detailed planning phase covered 10 years, with annual growth of 2.5% and 2.8% in traffic and EBIT as well as a perpetual yield of 2.5% per year assumed for the period after the end of the medium-term forecast.

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

in T€	2012	2011
Income from non-consolidated subsidiaries	789.2	81.0
Income from investments in other companies	70.0	70.0
Income from the disposal of non-consolidated subsidiaries	72.9	214.0
Loss on the disposal of other financial assets	0.0	–0.1
	932.1	**365.0**

› (9) Interest income/expense

in T€	2012	2011
Interest and similar income	4,170.9	4,620.7
Interest and similar expenses	–25,199.9	–13,603.3
	–21,029.0	**–8,982.6**

› (10) Other financial income/expense

in T€	2012	2011
Income from the write-up of financial assets	13.3	41.5
Income from the disposal of securities and similar rights	174.1	1,556.6
	187.4	**1,598.0**

› (11) Income taxes

in T€	2012	2011
Current tax expense	19,309.7	6,517.3
Current tax income related to prior periods	–1,379.5	–5.1
Change in deferred income taxes	3,484.5	6,941.1
	21,414.7	**13,453.3**

Tax expense of T€ 21,414.7 for 2012 (2011: T€ 13,453.3) is T€ 2,020.8 (2011: T€ 2,195.0) lower (2011: higher) than the calculated tax expense of T€ 23,435.5 (2011: T€ 11,258.3) that would result from the application of the Austrian corporate tax rate (25%) to profit before tax of T€ 93,742.0 (2011: T€ 45,033.2). >

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

› Tax reconciliation

in T€	2012	2011[1]
Profit before taxes	93,742.0	45,033.2
Calculated income tax	23,435.5	11,258.3
Adjustments for foreign tax rates	–550.5	–660.9
At-equity valuations	–1,414.5	3,783.1
Current year losses for which deferred tax assets were not recognised	1,085.0	0.0
Derecognition of deferred tax assets on tax loss carryforwards	1,649.7	0.0
Other permanent differences	–1,411.0	–922.1
Income tax expense for the period	**22,794.3**	**13,458.4**
Tax income from prior periods	–1,379.5	–5.1
Income tax expense as reported on the income statement	**21,414.7**	**13,453.3**
Effective tax rate	22.8 %	29.9 %

1) Adjusted

The above reconciliation from calculated to reported income tax expense includes an increase for tax loss carryforwards of € 1.6 million that were not capitalised for a Flughafen Wien Group subsidiary as well as an increase of € 1.1 million related to an impairment charge to goodwill in the CGU Real Estate Office (current year losses for which deferred tax assets were not recognised). Income tax expense from prior periods increased due to the adjustment and reassessment of tax issues from previous accounting periods. At-equity valuations were responsible for a reduction of € 1.4 million (2011: increase of € 3.8 million due to impairment charges to investments recorded at equity).

The differences between the carrying amounts in the IFRS financial statements and the financial statements prepared for tax purposes as well as the loss carryforwards recognised as of the balance sheet date have an effect on deferred tax liabilities as shown on the balance sheet. (Additional information is provided under note 29.)

Notes to the Consolidated Balance Sheet

Non-current assets

(12) Intangible assets

Intangible assets include goodwill, concessions, industrial property rights, software and related licenses.

Development from 1.1. to 31.12.2012

in T€	Concessions and rights	Goodwill Real Estate Office	Goodwill Real Estate Parking	Total
Net carrying amount as of 1.1.2012	10,891.2	4,340.2	54.2	15,285.5
Additions	3,284.9	0.0	0.0	3,284.9
Transfers	5,919.6	0.0	0.0	5,919.6
Disposals	–127.2	0.0	0.0	–127.2
Amortisation	–3,845.7	0.0	0.0	–3,845.7
Impairment	0.0	–4,340.2	0.0	–4,340.2
Net carrying amount as of 31.12.2012	**16,122.8**	**0.0**	**54.2**	**16,177.0**

Balance on 31.12.2012

Acquisition cost	41,204.8	4,340.2	54.2	45.599.1
Accumulated amortisation	–25,082.0	–4,340.2	0.0	–29.422.2
Net carrying amount	**16,122.8**	**0.0**	**54.2**	**16.177.0**

Development from 1.1. to 31.12.2011

in T€	Concessions and rights	Goodwill Real Estate Office	Goodwill Real Estate Parking	Total
Net carrying amount as of 1.1.2011	8,128.9	4,340.2	54.2	12,523.2
Additions	4,480.3	0.0	0.0	4,480.3
Transfers	302.0	0.0	0.0	302.0
Amortisation	–2,015.2	0.0	0.0	–2,015.2
Impairment	–4.9	0.0	0.0	–4.9
Net carrying amount as of 31.12.2011	**10,891.2**	**4,340.2**	**54.2**	**15,285.5**

Balance on 31.12.2011

Acquisition cost	34.860.9	4,340.2	54.2	39,255.2
Accumulated amortisation	–23.969.7	0.0	0.0	–23,969.7
Net carrying amount	**10,891.2**	**4,340.2**	**54.2**	**15,285.5**

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The major additions and transfers for the reporting year represent purchased software. Expenditures of T€ 1,076.5 for the research and development of individual modules of an airport operations software programme were recognised as expenses in 2012 (2011: T€ 1,930.0).

Impairment testing in 2012 led to the recognition of an impairment charge of T€ 4,340.2 to goodwill allocated to the cash-generating unit Real Estate Office (additional details are provided under note 6).

› (13) Property, plant and equipment

› Development from 1.1. to 31.12.2012

in T€	Land and buildings	Technical equip-ment and machinery	Other equipment, furniture, fixtures and office equipment	Prepay-ments and construc-tion in progress	Total
Net carrying amount as of 1.1.2012	469,317.7	214,425.8	47,600.1	961,197.6	1,692,541.2
Additions[1]	37,847.6	12,128.4	25,755.9	10,777.3	86,509.2
Transfers	728,931.2	136,831.0	29,954.6	–900,210.8	–4,494.0
Disposals	–960.3	–182.1	–498.9	–1,366.6	–3,007.9
Depreciation	–40,876.7	–31,346.3	–18,358.6	0.0	–90,581.7
Impairment	–668.5	–128.9	–2,635.0	0.0	–3,432.5
Net carrying amount as of 31.12.2012	**1,193,590.9**	**331,727.9**	**81,818.0**	**70,397.6**	**1,677,534.4**

› Balance on 31.12.2012

Acquisition cost	1,577,160.9	789,861.2	230,912.6	70,912.5	2,668,847.3
Accumulated depreciation	–383,570.0	–458,133.4	–149,094.6	–514.9	–991,312.9
Net carrying amount	**1,193,590.9**	**331,727.9**	**81,818.0**	**70,397.6**	**1,677,534.4**

1) The additions include invoice corrections of € 7.3 million, which are accounted for as negative additions, as well as a reduction of € 8.6 million in acquisition costs to reflect insurance compensation.

› Development from 1.1. to 31.12.2011

in T€	Land and buildings	Technical equip-ment and machinery	Other equipment, furniture, fixtures and office equipment	Prepay-ments and construc-tion in progress	Total
Net carrying amount as of 1.1.2011	478,461.5	236,276.0	43,433.4	780,422.2	1,538,593.1
Additions[1]	16,124.5	3,799.8	17,553.8	216,759.9	254,237.9
Transfers	6,212.3	558.6	26.3	–3,540.9	3,256.4
Disposals	0.0	–1.3	–347.6	–792.7	–1,141.6
Depreciation	–22,546.2	–24,514.3	–13,014.3	0.0	–60,074.8
Impairment	–8,934.4	–1,693.0	–51.5	–31,651.0	–42,329.9
Net carrying amount as of 31.12.2011	**469,317.7**	**214.425.8**	**47,600.1**	**961,197.6**	**1,692,541.2**

› Balance on 31.12.2011

Acquisition cost	801,278.3	661,292.1	190,327.2	993,363.5	2,646,261.2
Accumulated depreciation	–331,960.6	–446,866.3	–142,727.1	–32,165.9	–953,720.0
Net carrying amount	**469,317.7**	**214,425.8**	**47,600.1**	**961,197.6**	**1,692,541.2**

1) The additions include invoice corrections of T € 3,657.6, which are accounted for as negative additions.

Borrowing costs of T€ 5,909.5 were capitalised in 2012 (2011: T€ 23,107.6). The average interest rate on financing for the reporting year was 3.45% (2011: 4.0%).

One building was accounted for as a **finance lease** during the reporting year.

› Development from 1.1. to 31.12.2012

in T€	Land and buildings	Total
Net carrying amount as of 1.1.2012	8,515.4	8,515.4
Depreciation	–912.4	–912.4
Net carrying amount as of 31.12.2012	**7,603.1**	**7,603.1**

› Balance on 31.12.2012

Acquisition cost	9,427.8	9,427.8
Accumulated depreciation	–1,824.7	–1,824.7
Net carrying amount	**7,603.1**	**7,603.1**

Useful life (in years)	**11**	**11**

› Development from 1.1. to 31.12.2011

in T€	Land and buildings	Total
Net carrying amount as of 1.1.2011	0.0	0.0
Additions	9,427.8	9,427.8
Depreciation	−912.4	−912.4
Net carrying amount as of 31.12.2011	**8,515.4**	**8,515.4**

› Balance on 31.12.2011

Acquisition cost	9,427.8	9,427.8
Accumulated depreciation	−912.4	−912.4
Net carrying amount	**8,515.4**	**8,515.4**
Useful life (in years)	**11**	**11**

The following table shows the major additions to property, plant and equipment and intangible assets in 2012 and 2011, including capitalised borrowing costs:

2012 Financial Year:

Airport Segment in T€	2012
Check-in 3	32,935.2
Security systems	9,740.9
Third runway	9,729.5
Baggage sorting equipment for Check-in 3	5,589.4
Revitalisation of Terminal 2	4,167.9
Fixtures and operating equipment, incl. software	3,658.7
Guidance system for Check-in 3	3,524.8
Revitalisation of Terminal 1	3,147.9
Furniture for Check-in 3	3,070.2
Conveyor bridge	1,280.6
Airport fencing	1,216.5
Runway 16/34	1,078.2
Motor vehicles	714.3
Quick boarding gates	532.5

Handling Segment in T€	2012
Special vehicles	5,444.0
Towing vehicles	760.8
Automobiles, busses, vans, delivery trucks	553.5
Ground equipment for apron handling	353.3
Transport and baggage carts	325.8
Lifting and loading vehicles	143.4

Retail & Properties Segment in T€	2012
Forwarding agent building	9,276.4
Retail expansion Check-in 3	2,202.2
Rental areas in car park 4	794.0
Roads and parking areas	572.5
Advertising space in Check-in 3	443.2
Fixtures and operating equipment, incl. software and tools	412.5
Skidata equipment for parking areas and car parks	369.9

Other Segments in T€	2012
IT hardware	1,928.6
Replacement of host software	1,661.0
Fixtures and operating equipment	1,444.1
Software	1,409.1
Buildings	539.1
Machinery, tools	383.0

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› 2011 Financial Year:

Airport Segment in T€	2011
Check-in 3	171,790.9
Third runway	15,762.8
Equipment storage hall	9,427.8
Security systems	5,312.0
Revitalisation of bus gates	3,803.6
Quick boarding gates	3,417.1
Check-in 3 furniture	2,446.5
Fixtures and operating equipment, incl. software	1,969.5
Check-in 3 guidance system	1,704.4
External installations (aprons, lighting equipment)	1,697.8
Check-in 3 baggage sorting equipment	1,610.5
Expansion of access roads	1,452.4
Access control equipment	1,384.4
Check-in 3 Lounges	1,256.1

Handling Segment in T€	2011
Special vehicles	3,072.3
Towing vehicles	441.9
Automobiles, busses, vans, delivery trucks	401.1
Fixtures and operating equipment, incl. software	371.9
Ground equipment for apron handling	366.9
Lifting and loading vehicles	276.0

Retail & Properties Segment in T€	2011
Usage rights waste water association	2,700.0
Forwarding agent building	1,268.3
Expansion of Office Park 3	1,053.0
Check-in 3 retail expansion	1,014.6

Other Segments in T€	2011
IT hardware	3,984.4
Software	1,527.4
Fixtures and operating equipment	930.1
Partial adaptation winter services hall	812.0

The transfers from prepayments and construction in progress to the other asset categories are related, above all, to the following positions: the terminal extension (Check-in 3) at € 658.6 million (including impairment charges of € 31.6 million), capitalised borrowing costs (€ 57.5 million), baggage sorting equipment (€ 46.3 million), and interface projects (€ 85.5 million). In addition, technical noise protection measures totalling € 34.6 million were recognised as part of the costs for the third runway.

(14) Investment property

› Development from 1.1. to 31.12.2012

in T€	Investment property	Prepayments and construction in progress	Total
Net carrying amount as of 1.1.2012	119,187.4	748.0	119,935.4
Additions	5,994.9	5,541.2	11,536.1
Transfers	–677.7	–748.0	–1,425.7
Disposals	–22.6	0.0	–22.6
Depreciation	–3,683.7	0.0	–3,683.7
Impairment	–7,476.0	0.0	–7,476.0
Net carrying amount as of 31.12.2012	**113,322.4**	**5,541.2**	**118,863.6**

› Balance on 31.12.2012

Acquisition cost	186,829.4	5,541.2	192,370.6
Accumulated depreciation	–73,507.0	0.0	–73,507.0
Net carrying amount	**113,322.4**	**5,541.2**	**118,863.6**

› Development from 1.1. to 31.12.2011

in T€	Investment property	Prepayments and construction in progress	Total
Net carrying amount as of 1.1.2011	139,366.2	0.0	139,366.2
Additions	776.2	748.0	1,524.2
Transfers	–3,558.4	0.0	–3,558.4
Depreciation	–4,242.0	0.0	–4,242.0
Impairment	–13,154.5	0.0	–13,154.5
Net carrying amount as of 31.12.2011	**119,187.4**	**748.0**	**119,935.4**

› Balance on 31.12.2011

Acquisition cost	172,274.3	748.0	173,022.3
Accumulated depreciation	–53,086.9	0.0	–53,086.9
Net carrying amount	**119,187.4**	**748.0**	**119,935.4**

in T€	2012	2011
Rental income	14,687.8	13,667.9
Operating expenses for rented properties	5,759.2	6,387.0
Operating expenses for vacant properties	924.8	1,472.2

Investment property consists of buildings that are held to generate rental income.

The fair value of the investment properties totalled T€ 129,799.3 as of 31 December 2012 (2011: T€ 133,193.3) according to internal calculations. The internal calculation of fair value was based on the respective earnings values, primarily with a detailed planning horizon of five years and a weighted cost of capital (WACC) of 6.14% (2011: 5.68%) as well as underlying target occupancy rates for the individual objects. A perpetual yield of 1% (2011: 1%) was assumed after the detailed planning period of five years.

(15) Investments accounted for using the equity method

› Development from 1.1. to 31.12.

in T€	2012	2011
Net carrying amount as of 1.1.	90,968.2	108,485.9
Sale of shares (disposal)	0.0	–15.5
Share of profit for the period	5,637.5	4,604.3
Share of loss for the period	–12.3	–306.6
Impairment	0.0	–19,419.2
Dividends	–1,874.6	–2,380.6
Net carrying amount as of 31.12.	**94,718.8**	**90,968.2**

(16) Other financial assets

in T€	31.12.2012	31.12.2011
Originated loans and receivables	813.5	1,412.6
Thereof loans granted to employees	93.1	86.5
Thereof other originated loans and receivables (LaR)	720.3	1,326.1
Available-for-sale assets (AfS)	3,606.0	5,101.8
Thereof investments in non-consolidated subsidiaries	157.3	192.3
Thereof long-term investment funds and securities	3,448.6	4,909.4
	4,419.4	**6,514.4**

Definition of valuation categories: LaR – loans and receivables. AfS – financial instruments available for sale

Originated loans and receivables include the following: a loan of T€ 153.9 (2011: T€ 84.3) to Société Internationale Télécommunications Aéronautiques SC, a loan of T€ 96.8 (2011: T€ 225.8) to AIRPORT JET SET SERVICE, Christian Hirmann Gesellschaft m.b.H., loans of T€ 93.1 (2011: T€ 86.5) to employees, a receivable of T€ 116.3 (2011: T€ 122.9) related to the granting of an investment subsidy by the Austrian Environmental Fund and a loan of T€ 353.5 for the pre-financing of a bicycle path for the surrounding communities.

In 2012 full repayment was received for a loan arising from the sale of a property which had a carrying amount of T€ 893.2 on 31 December 2011.

The valuation allowances recognised to the above items totalled T€ 332.0 (2011: T€ 332.0).

Available-for-sale financial assets consist chiefly of T€ 3,448.6 (2011: T€ 4,909.4) in investment fund shares and similar rights that have been held for a longer period of time as well as shares in non-consolidated companies totalling T€ 157.3 (2011: T€ 192.3), which were not included in the consolidated financial statements because the related amounts are currently immaterial.

The investment in the non-consolidated Indian Airports Holding GmbH was sold in February through a contract of sale. The gain on the sale of these shares amounted to T€ 72.9.

Shares in non-consolidated subsidiaries (2012):

- GetService Dienstleistungsgesellschaft m.b.H.
- „GetService"-Flughafen-Sicherheits- und Servicedienst GmbH
- Salzburger Flughafen Sicherheitsgesellschaft m.b.H.
- VIE Shops Entwicklungs- und Betriebsges.m.b.H.

Current assets

› (17) Inventories

in T€	31.12.2012	31.12.2011
Consumables and supplies	4,356.0	4,343.3
	4,356.0	**4,343.3**

Consumables and supplies consist mainly of de-icing materials, fuel, spare parts and other materials used in airport operations. As of 31 December 2012 and 31 December 2011, no inventories were valued at the net selling price.

› (18) Securities

in T€	31.12.2012	31.12.2011
Fixed-interest securities	29,652.0	29,535.0
Thereof AfS	9,652.0	9,535.0
Thereof LaR	20,000.0	20,000.0
	29,652.0	**29,535.0**

Definition of valuation categories: LaR – loans and receivables, AfS – financial instruments available for sale

› (19) Receivables and other assets

in T€	31.12.2012	31.12.2011
Gross trade receivables	50,801.9	38,848.5
Less valuation allowances	–8,115.0	–4,890.2
Net trade receivables (LaR)	**42,686.9**	**33,958.3**
Receivables due from non-consolidated subsidiaries (LaR)	403.5	339.0
Subtotal	**43,090.4**	**34,297.3**
Receivables due from investments recorded at equity (LaR)	465.0	77.8
Receivables due from taxation authorities	21,398.5	35,477.5
Other receivables and assets (non-financial instruments)	68.9	201.1
Other receivables and assets (LaR)	6,660.7	4,800.9
Prepaid expenses	3,959.7	4,850.7
	75,643.2	**79,705.4**

Definition of valuation categories: LaR – loans and receivables, AfS – financial instruments available for sale

The payment terms for trade receivables generally range from 8 to 30 days. Individual valuation allowances were recognised to reflect possible bad debt losses. The carrying amount of trade receivables approximates the fair value of these items. The receivables due from taxation authorities represent advance payments on corporate income taxes as well as VAT tax credits that were offset against liabilities arising from payroll-related taxes.

› (20) Cash and cash equivalents

in T€	31.12.2012	31.12.2011
Cash	131.6	125.5
Deposits with financial institutions	7,010.4	15,204.5
Short-term deposits (time deposits)	33,297.0	96,000.0
	40,439.0	**111,330.0**

All short-term investments had a maximum commitment period of three months at the time the investment was made. The average interest rate on deposits with financial institutions equalled 1.07% as of 31 December 2012 (2011: 1.72%). The carrying amount of cash and cash equivalents approximates fair value.

No fixed-term deposits were pledged to domestic financial institutions as of the balance sheet date (2011: T€ 23,000.0).

Equity

› (21) Share capital

The share capital of Flughafen Wien AG is fully paid in and totals T€ 152,670.0. It is divided into 21,000,000 shares of bearer stock, which carry voting and dividend rights. All shares carry the same rights and obligations ("one share – one vote"). There were 21,000,000 shares outstanding as of 31 December 2012, which reflects the same number as in the prior year.

Earnings per share as shown on 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. Therefore, basic earnings per share equal diluted earnings per share.

The recommended 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 recommended dividend for the 2012 financial year equals € 1.05 (2011: € 1.00) per share.

› (22) Capital reserves

Capital reserves comprise a T€ 92,221.8 premium generated by the stock issue in 1992 and a T€ 25,435.5 premium realised on the capital increase in 1995. These items were recognised in the individual financial statements of Flughafen Wien AG.

› (23) Other reserves

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

a) Available-for-sale reserve: This reserve comprises the accumulated gains or losses on the market valuation of available-for-sale financial assets. These amounts are recognised in other comprehensive income after the addition or deduction of any transfers to profit or loss in connection with a sale or an impairment charge.
b) Hedging reserve: This reserve includes gains and losses on the effective portion of cash flow hedges. The gains and/or losses accumulated in the reserve are only transferred to profit or loss if the hedged transaction also influences earnings or is terminated.
c) Actuarial gains and losses: 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 foreign subsidiary financial statements from the functional currency to the Group's reporting currency.

› (24) 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 equals the amount shown as "total profit" on the individual financial statements of Flughafen Wien AG as of 31 December 2012, which were prepared in accordance with Austrian generally accepted accounting principles.

Income and expenses related to the employee foundation

The tenth (extraordinary) annual general meeting on 15 November 2000 authorised the repurchase of Flughafen Wien shares at an amount equal to 10% of share capital for subsequent transfer to an employee foundation. A total of 2,100,000 shares (10% of share capital) were repurchased on 30 November 2000. These shares were transferred to Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung (the employee foundation) on 20 December 2000 (2,000,000 shares) and on 2 February 2001 (100,000 shares). The shares owned by the foundation carry voting and dividend rights, whereby the dividends received from Flughafen Wien AG are distributed directly to employees with no deductions.

This share-based payment to employees of the Flughafen Wien Group was granted prior to the enactment of IFRS 2 "Share-based Payment". The effects of these distributions to employees in 2000 and 2001 as well as the corporate income tax payments made on behalf of the employee foundation total T€ 14,012.4 and were recognised directly in equity under retained earnings. There were no such effects in 2012 or 2011.

› (25) Non-controlling interests

Non-controlling interests represent shares held by third parties in the equity of consolidated subsidiaries. As of the balance sheet date, non-controlling interests reflected the stake held by RZB Holding GmbH in the Slovakian subsidiary BTS Holding a.s. "v likvidacii" (in liquidation).

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

Non-current liabilities

› (26) Non-current provisions

in T€	31.12.2012	31.12.2011
Severance compensation	71,460.5	58,513.3
Pensions	16,658.6	15,188.2
Service anniversary bonuses	17,128.8	14,199.0
Semiretirement programmes for older employees	19,487.0	20,054.6
Miscellaneous provisions	8,972.0	7,240.1
	133,707.0	**115,195.1**

› Provisions for severance compensation

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 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 entitle these employees to severance compensation payments; provisions were created to cover the relevant amounts.

› Development of the provision for severance compensation

in T€	2012	2011
Provision recognised as of 1.1. = present value (DBO) of obligation	58,513.3	61,040.7
Net expense recognised to profit or loss	6,350.4	6,805.6
Actuarial gains (-)/losses (+) not recognised to profit or loss	13,345.6	79.7
Severance compensation payments	-6,748.8	-9,412.7
Provision recognised as of 31.12. = present value (DBO) of obligation	**71,460.5**	**58,513.3**

The cumulative actuarial differences on the provisions for severance compensation that were recognised in other comprehensive income amounted to T€ -19,805.8 as of 31 December 2012 (2011: T€ -9,784.2).

› Personnel expenses include the following:

in T€	2012	2011
Service cost	3,828.5	4,116.1
Interest cost	2,522.0	2,689.5
Severance compensation expense recorded under personnel expenses	**6,350.4**	**6,805.6**

in T€	2012	2011	2010	2009	2008
Present value (DBO) of obligation on 31.12.	71,460.5	58,513.3	61,040.7	52,806.6	49,910.1
Adjustments (+) gains / (-) losses based on experience	-1,687.1	274.6	-1,504.1	630.0	-2,365.1
As a % of the present value of the obligation (DBO) at the end of the period	-2.4	0.5	-2.5	1.2	-4.7

Experienced-based adjustments represent the actuarial gains and losses caused by differences between the assumptions for individual employee-related parameters and parameters applicable to the entire workforce. Among others, these parameters include the development of wages and salaries, the number of deaths, early retirement and resignations.

Severance compensation payments are expected to total T€ 1,266.8 in 2013 (2011: T€ 2,401.5).

Provisions for pensions

Flughafen Wien AG has concluded individual agreements for the payment of supplementary defined benefits to certain active and retired key employees. These commitments are covered in part by reinsurance, which represented plan assets as defined in IAS 19. The amount of the provision was reduced by the amount of the insurance. The pension claims were transferred to a pension fund in 2011 and, consequently, these rights no longer represent plan assets.

Employees who joined the company before 1 September 1986 had a claim to defined benefit pension subsidies based on special company 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 2000 provision for pensions, 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.

For employees who joined the company after 1 September 1986, Flughafen Wien AG has concluded a company 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 company 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.

› Reconciliation to the provision for pensions on the balance sheet

in T€	2012	2011
Present value (DBO) of the obligation as of 31.12.	16,658.6	15,188.2
Pension plan assets at fair value as of 31.12.	0.0	0.0
Provision recognised as of 31.12.	**16,658.6**	**15,188.2**

› Development of the present value of the obligation (DBO)

in T€	2012	2011
Present value (DBO) of the obligation as of 1.1.	15,188.2	19,254.8
Service cost	9.6	14.8
Interest cost	654.3	699.5
Actuarial gains(-) / losses(+) not recognised to profit or loss	1,951.1	-588.9
Pension payments	-1,144.5	-4,192.1
Present value (DBO) of the obligation as of 31.12.	**16,658.6**	**15,188.2**

The cumulative actuarial differences on the provisions for pensions that were recognised in other comprehensive income amounted to T€ -940.7 as of 31 December 2012 (2011: T€ 522.5).

› Development of plan assets

in T€	2012	2011
Plan assets at fair value as of 1.1	0.0	2,506.4
Actual return on plan assets	0.0	0.0
Plan settlements	0.0	-2,506.4
Plan assets at fair value as of 31.12.	**0.0**	**0.0**

The pension plan assets represent qualified reinsurance policies.

› Personnel expenses include the following:

in T€	2012	2011
Service cost	9.6	14.8
Interest cost	654.3	699.5
Pension expenses recorded under personnel expenses	**663.9**	**714.3**

› Historical information on pension obligations

in T€	2012	2011	2010	2009	2008
Present value (DBO) of obligations on 31.12.	16,658.6	15,188.2	19,254.8	22,735.6	22,068.6
Plan assets at fair value	0.0	0.0	-2,506.4	-5,089.5	-4,940.0
Deficit (+) / surplus (-)	16,658.6	15,188.2	16,748.4	17,646.1	17,128.6
Adjustments (+) gains / (-) losses based on experience	28.4	759.7	-1,719.1	-1,196.3	-570.3
As a % of the present value of the obligation (DBO)	0.2	5.0	-8.9	-5.3	-2.6
As a % of pension plan assets at the end of the period	n.a.	n.a.	-68.6	-23.5	-11.5

Pension payments are expected to total T€ 1,321.2 in 2013 (previous year T€ 1,298.3).

Provision for service anniversary bonuses

The employees of the Austrian companies 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€	2012	2011
Provision recognised as of 1.1. = present value (DBO) of obligations	14,199.0	13,713.0
Net expense recognised to profit or loss	3,392.9	933.7
Service anniversary bonus payments	-463.1	-447.7
Provision recognised as of 31.12. = present value (DBO) of obligations	**17,128.8**	**14,199.0**

› Personnel expenses include the following:

in T€	2012	2011
Service cost	960.5	974.1
Interest cost	594.6	607.7
Actuarial gains (-)/losses (+) recognised to profit or loss	1,837.8	-648.0
Service anniversary bonuses recorded under personnel expenses	**3,392.9**	**933.7**

Provisions for semiretirement programmes for older employees

This item reflects mandatory payments to personnel who work part-time under special regulations governing employment for older members of the workforce as well as the costs for time worked above and beyond the agreed number of hours.

in T€	1.1.2012	Use	Addition	31.12.2012
Semiretirement programmes	20,054.6	-4,556.3	3,988.7	19,487.0

in T€	1.1.2011	Use	Addition	31.12.2011
Semiretirement programmes	12,840.5	-3,003.6	10,217.7	20,054.6

Miscellaneous provisions

in T€	1.1.2012	Use	Addition	31.12.2012
Miscellaneous provisions	7,240.1	0.0	1,731.9	8,972.0

in T€	1.1.2011	Use	Addition	31.12.2011
Miscellaneous provisions	0.0	0.0	7,240.1	7,240.1

This position includes a provision for impending losses related to residual value risks arising from leases for real estate at the Vienna Airport location.

The effect from the compounding of this provision amounted to T€ 400.4 (2011: T€ 0.0).

› (27) Non-current and current financial liabilities

in T€	31.12.2012	31.12.2011
Current financial liabilities	151,006.5	71,301.9
Long-term bank loans	638,730.2	821,285.4
Financial liabilities	**789,736.7**	**892,587.3**

The bank loans were concluded to finance the extensive capital expenditure programme at Vienna Airport.

In January 2012 a premature repayment of € 64.0 million was made on the promissory note issued in 2009. An agreement was reached for the remaining balance of this promissory note that reduced the interest rate margin based on an unchanged term. Moreover, € 60.8 million of a loan concluded in 2010 and 2011 within the framework of an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz") was also repaid during the reporting year.

As of 31 December 2012 the Flughafen Wien Group had borrowed short-term advances of € 20.0 million (2011: € 0.0 million) from Austrian financial institutions.

› The remaining terms of the bank loans are as follows:

	31.12.2012	31.12.2011[1]
Up to one year	151,006.5	71,301.9
More than one year and up to five years	283,596.4	438,817.9
More than five years	355,133.7	382,467.5
	789,736.7	892,587.3

1) Adjusted

All financial liabilities were concluded in euros. The average interest rate on financial liabilities equalled 3.57% for the reporting year (2011: 3.83%)

› (28) Other non-current liabilities

in T€	31.12.2012	31.12.2011
Waste water association	2,700.0	2,700.0
Finance lease liabilities	7,372.9	8,108.0
Liabilities to investments accounted for at equity	764.8	0.0
Environmental fund (long-term portion)	0.0	11,692.9
Subtotal financial liabilities	**10,837.6**	**22,500.8**
Accruals	26,164.4	27,405.3
Investment subsidies from public funds	1,427.6	1,651.7
	38,429.7	51,557.8

The liabilities to the environmental fund (prior year) represent obligations arising from the mediation process. (Also see note 32.)

The accruals consist primarily of rental prepayments by Austro Control GmbH for the air traffic control tower, which was completed in 2005. The lease has a term of 33 years ending in April 2038.

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

Other non-current liabilities also include a finance lease liability, which reflects the rental of a maintenance and winter services hall. The current portion of the lease liability is reported under other current liabilities (note 32).

› The term structure of the lease liabilities is shown in the following table:

	31.12.2012	31.12.2011
Up to one year	735.1	683.8
Over one year and up to five years	3,535.3	3,288.5
Over five years	3,837.5	4,819.5

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The remaining term of the minimum lease payments and the transition to the present value as of the balance sheet date are as follows:

	Remaining term			Total
in T€	Up to 1 year	1-5 years	Over 5 years	31.12.2012
Lease payments	1,299.6	5,198.6	4,332.1	10,830.4
– Discounts	564.5	1,663.3	494.6	2,722.4
Present value	**735.1**	**3,535.3**	**3,837.5**	**8,108.0**

	Remaining term			Total
in T€	Up to 1 year	1-5 years	Over 5 years	31.12.2011
Lease payments	1,299.6	5,198.6	5,631.8	12,130.0
– Discounts	615.9	1,910.1	812.3	3,338.3
Present value	**683.8**	**3,288.5**	**4,819.5**	**8,791.8**

The underlying lease has a basic term of 11 years, which also represents the useful life for the calculation of depreciation. If Flughafen Wien AG does not terminate the lease in accordance with the respective provisions, it will automatically be extended for a further three years.

› (29) Deferred tax liabilities

› Deferred taxes

in T€	2012	2011
Deferred tax assets		
Intangible assets and property, plant and equipment	13.8	53.7
Financial assets	238.9	274.5
Provisions for severance compensation	8,007.3	4,812.6
Provisions for pensions	1,340.9	918.9
Provisions for service anniversary bonuses	1,929.6	1,364.0
Other provisions	1,209.6	1,219.0
Tax loss carryforwards	62.1	1,711.8
	12,802.3	**10,354.6**
Deferred tax liabilities		
Intangible assets and property, plant and equipment	33,709.3	30,670.1
Securities	202.9	166.2
Other assets and liabilities	93.1	484.9
Tax provisions from consolidation entries	2,164.0	2,640.4
	36,169.4	**33,961.5**
Total net deferred taxes	**-23,367.1**	**-23,606.9**

The following tables show the development and allocation of the total change in the provision for deferred taxes into the components recognised to profit or loss and the components recognised directly in equity:

› Development of deferred tax assets

in T€	2012	2011
Balance on 1.1.	**10,354.6**	**12,106.1**
Changes recognised to profit or loss	-1,380.6	-1,642.0
Changes recognised in other comprehensive income		
Actuarial differences	3,828.3	-109.4
Total changes recognised in other comprehensive income	3,828.3	-109.4
Balance on 31.12.	**12,802.3**	**10,354.6**

› Development of deferred tax liabilities

in T€	2012	2011
Balance on 1.1.	**33,961.5**	**29,143.5**
Changes recognised to profit or loss	2,103.9	5,299.1
Changes recognised in other comprehensive income		
Non-current securities	14.6	45.7
Current securities	29.3	-581.0
Hedging reserve	60.1	54.2
Total changes recognised in other comprehensive income	104.0	-481.1
Balance on 31.12.	**36,169.4**	**33,961.5**

The calculation of deferred tax assets for the Austrian companies is based on the applicable corporate income tax rate (25%). 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 (32.5%/35% for Malta and 19% for Slovakia).

The change recorded without recognition through profit or loss involves gains and losses on available-for-sale financial instruments and cash flow hedges as well as actuarial gains and losses not affecting net income that are included under other comprehensive income.

Deferred taxes were not recognised for investments recorded at equity or shares in subsidiaries and joint ventures. Temporary differences of T€ 2,596.0 (2011: T€ 6,346.6) are related to investments and joint ventures recorded at equity, which would have led to deferred tax assets of T€ 649.0 (2011: deferred tax assets of T€ 1,586.7).

Amounts in T€	Temporary differences (assets)	Temporary differences (liabilities)	Net total
Columinis Holding GmbH in liquidation	10.9		10.9
City Air Terminal Betriebsgesellschaft m.b.H.	1,523.7		1,523.7
SCA Schedule Coordination Austria GmbH		-220.9	-220.9
Flughafen Friedrichshafen GmbH	7,691.2		7,691.2
Malta International Airport p.l.c./Malta Mediterranean Link Consortium Limited		-6,365.7	-6,365.7
Letisko Košice - Airport Košice, a.s.		-43.2	-43.2
Temporary differences	**9,225.8**	**-6,629.8**	**2,596.0**
Deferred taxes	**2,306.5**	**-1,657.5**	**649.0**

Deferred tax assets of T€ 2,599.5 had not been recognised as of 31 December 2012 (2011: T€ 938.7). These amounts are related primarily to deferred tax assets on loss carryforwards, which were not recognised due to the uncertainty connected with their acceptance by the taxation authorities. If the loss carryforwards are accepted, there would be no time limit on their utilisation. These amounts also include deferred tax assets on loss carryforwards from the write-off of investments, which must be distributed over seven years.

Current liabilities

› (30) Current provisions

in T€	31.12.2012	31.12.2011
Unused vacation	9,675.8	9,441.8
Other claims by employees	9,100.6	12,470.2
Income taxes	9,258.6	7,194.5
Foundation expenses	906.3	906.3
Goods and services not yet invoiced	43,557.5	53,965.2
Outstanding discounts	11,223.9	24,571.6
Miscellaneous provisions	12,808.7	8,962.9
	96,531.5	**117,512.7**

› Development from 1.1. to 31.12.2012

in T€	1.1.2012	Use	Reversal	Addition	31.12.2012
Unused vacation	9,441.8	-21.1	-167.1	422.2	9,675.8
Other claims by employees	12,470.2	-7,988.7	-3,202.7	7,821.8	9,100.6
Income taxes	7,194.5	-6,768.3	-207.8	9,040.1	9,258.6
Foundation expenses	906.3	0.0	0.0	0.0	906.3
Goods and services not yet invoiced	53,965.2	-29,886.2	-4,858.0	24,336.4	43,557.5
Outstanding discounts	24,571.6	-22,055.1	-2,514.2	11,221.6	11,223.9
Miscellaneous provisions	8,962.9	-3,620.5	-688.4	8,154.7	12,808.7
	117,512.7	**-70,339.9**	**-11,638.1**	**60,997.0**	**96,531.5**

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

The provision for foundation expenses represents the current portion of the obligation to cover the tax expenses of Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung (the employee foundation). Changes to this provision are recorded directly in equity without recognition through profit or loss.

The provisions for outstanding discounts represent discounts to which the airlines are entitled and cover the period up to the balance sheet date.

Miscellaneous current provisions consist chiefly of provisions for damages and legal proceedings as well as other accruals.

› (31) Trade payables

in T€	31.12.2012	31.12.2011
To third parties	62,383.5	85,967.6
To non-consolidated subsidiaries	7,168.9	6,550.6
To companies recorded at equity	31.3	13.4
	69,583.7	**92,531.6**

› (32) Other current liabilities

in T€	31.12.2012	31.12.2011[1]
Amounts due to companies recorded at equity	5,891.0	4,882.7
Customers with credit balances	1,094.6	1,556.1
Environmental fund (current portion)	26,101.3	11,692.9
Finance lease liabilities (current portion)	735.1	683.8
Miscellaneous liabilities	6,770.7	6,586.3
Accrued wages	7,182.8	9,398.6
Subtotal financial liabilities at amortised cost (FLAC)[2]	**47,775.5**	**34,800.4**
Derivative financial instruments (hedging)	0.0	240.5
Other tax liabilities	2,024.2	1,624.2
Other accruals (deferred income)	1,521.1	1,494.1
Other social security liabilities	7,324.6	7,287.3
Investment subsidies (Government grants)	223.8	278.0
Miscellaneous liabilities (non-financial liabilities)	0.0	18.7
	58,869.3	**45,743.0**

1) Prior year subtotal adjusted
2) Financial liabilities at amortised cost

The liabilities to the environmental fund represent obligations arising from the mediation process. Of the outstanding liability, T€ 26,101.3 were reclassified to miscellaneous current liabilities as of 31 December 2012 to reflect the assumption that the conditions for payment will be met in 2013.

The other accruals consist primarily of the current portion of rental prepayments by Austro Control GmbH for the air traffic control tower.

Other Disclosures

› (33) Cash flow statement

The indirect method was used to prepare the consolidated cash flow statement. Information on the components of cash and cash equivalents is provided under note 20.

Interest payments and dividends received are included under cash flow from operating activities. Of this amount, T€ 3,454.1 (2011: T€ 4,338.1) represent interest income and T€ 26,817.9 (2011: T€ 32,964.6) interest expense. Dividends received totalled T€ 880.1 (2011: T€ 171.2). The dividend paid by Flughafen Wien AG is included under cash flow from financing activities.

Purchases of property, plant and equipment for which payment had been made by the end of the reporting year were included in the cash flow statement as cash transactions (2011: elimination of unpaid purchases as non-cash transactions). Including an adjustment for payments added or eliminated in previous years, the addition totalled T€ 31,440.6 in 2012 (2011: elimination of T€ 39,313.3).

› (34) Additional disclosures on financial instruments

Receivables, originated loans and other financial assets

The following tables show the term structure of receivables, originated loans and other financial assets as well as the development of valuation allowances:

2012 in T€	Carrying amount after valuation allowance 31.12.2012	Thereof neither adjusted nor overdue	Thereof not adjusted but overdue during the following periods				
			Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Over 360 days
Remaining term up to 1 year	70,216.2	63,455.2	1,351.0	307.7	966.8	396.5	2,764.6
Remaining term over 1 year	720.3	720.3	0.0	0.0	0.0	0.0	0.0
Total	**70,936.5**	**64,175.5**	**1,351.0**	**307.7**	**966.8**	**396.5**	**2,764.6**

2011[1] in T€	Carrying amount after valuation allowance 31.12.2011	Thereof neither adjusted nor overdue	Thereof not adjusted but overdue during the following periods				
			Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Over 360 days
Remaining term up to 1 year	59,176.1	56,899.0	699.3	274.5	-92.0	396.2	113.6
Remaining term over 1 year	1,326.1	1,326.1	0.0	0.0	0.0	0.0	0.0
Total	**60,502.2**	**58,225.1**	**699.3**	**274.5**	**-92.0**	**396.2**	**113.6**

1) Adjusted

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There were no indications as of the balance sheet date that the debtors would be unable to meet their obligations for the payment of receivables or originated loans that were neither adjusted nor overdue.

The valuation allowances relate primarily to trade and other receivables, and developed as follows in 2012 and 2011:

2012 in T€	Valuation allowances 1.1.2012	Use	Reversal	Addition	Valuation allowances 31.12.2012
Individual valuation allowances	6,769.9	-217.3	-3,166.4	4,989.3	8,375.5
Collective valuation allowances	19.9	0.0	-5.9	0.0	14.0
Total	**6,789.7**	**-217.3**	**-3,172.3**	**4,989.3**	**8,389.4**

2011 in T€	Valuation allowances 1.1.2011	Use	Reversal	Addition	Valuation allowances 31.12.2011
Individual valuation allowances	6,105.4	-264.0	-507.3	1,435.8	6,769.9
Collective valuation allowances	78.7	0.0	-58.8	0.0	19.9
Total	**6,184.1**	**-264.0**	**-566.2**	**1,435.8**	**6,789.7**

Expenses for the derecognition of receivables (primarily trade receivables) totalled T€ 71.5 in 2012 (2011: T€ 194.9).

An analysis of the receivables adjusted as of the balance sheet date according to the period overdue is shown below:

2012 in T€	Carrying amount before valuation allowance 31.12.2012	Individual valuation allowance 31.12.2012	Collective valuation allowance 31.12.2012	Carrying amount after valuation allowance 31.12.2012
Overdue < 1 year	5,883.4	5,275.2	8.9	599.3
Overdue > 1 year	5,097.8	3,100.3	5.1	1,992.5
Total	**10,981.2**	**8,375.5**	**14.0**	**2,591.8**

2011 in T€	Carrying amount before valuation allowance 31.12.2011	Individual valuation allowance 31.12.2011	Collective valuation allowance 31.12.2011	Carrying amount after valuation allowance 31.12.2011
Overdue < 1 year	2,042.5	1,694.1	6.1	342.3
Overdue > 1 year	5,613.2	5,075.7	13.8	523.7
Total	**7,655.7**	**6,769.9**	**19.9**	**865.9**

Financial liabilities – term structure

The following tables show the contractually agreed conditions and (undiscounted) interest and principal payments on the non-derivative financial liabilities held by the Flughafen Wien Group:

2012 in T€	Carrying amount 31.12.2012	Gross cash flows Total as of 31.12.2012	Cash flows < 1 year	Cash flows 1-5 years	Cash flows > 5 years	Interest rate[1]
Fixed-interest bank loans	467,817.5	694,018.4	27,583.5	189,936.6	476,498.3	4.49%
Variable interest bank loans	321,919.2	331,187.7	150,227.0	180,960.7	0.0	1.90%
Trade payables	69,583.7	69,583.7	69,583.7			n.a.
Other liabilities	50,505.1	50,505.1	47,040.3	3,464.8		n.a.
Finance lease liabilities	8,108.0	10,830.4	1,299.6	5,198.6	4,332.1	7.51%
Derivative liabilities	0.0	0.0	0.0	0.0	0.0	n.a.
Total	**917,933.5**	**1,156,125.3**	**295,734.2**	**379,560.6**	**480,830.4**	

1) Weighted average as of the balance sheet date, including any guarantee fees

2011[1] in T€	Carrying amount 31.12.2011	Gross cash flows Total as of 31.12.2011	Cash flows < 1 year	Cash flows 1-5 years	Cash flows > 5 years	Interest rate[2]
Fixed-interest bank loans	471,426.3	701,719.2	28,464.9	162,464.9	510,789.4	4.48%
Variable interest bank loans	421,161.0	451,874.8	75,824.1	376,050.7		3.52%
Trade payables	92,531.6	92,531.6	92,531.6			n.a.
Other liabilities	48,509.4	48,509.4	34,116.6	14,392.9		n.a.
Finance lease liabilities	8,791.8	12,130.0	1,299.6	5,198.6	5,631.8	7.51%
Derivative liabilities	240.5	248.6	248.6	0.0	0.0	3.77%
Total	**1,042,660.6**	**1,307,013.7**	**232,485.4**	**558,107.0**	**516,421.2**	

1) Adjusted (other)
2) Weighted average as of the balance sheet date, including any guarantee fees

Of the total bank loans, T€ 639,285.7 (2011: T€ 700,000.0) are secured by guarantees in accordance with the respective contracts. These guarantors receive a fee for these commitments.

This listing includes all instruments held by the Group as of 31 December 2012 for which payments have been contractually agreed. The variable interest payments on financial instruments were based on the interest rates on 31 December 2012. Financial liabilities that can be repaid at any time are always allocated to the earliest repayment period.

Carrying amounts, amounts recognised and fair values by valuation category

2012 in T€	Valuation category	Carrying amount 31.12.2012	Nominal value = fair value
ASSETS			
Cash and cash equivalents	**Cash reserve**	**40,439.0**	**40.439.0**
Trade receivables	LaR	43,090.4	
Originated loans and other receivables	LaR	27,846.1	
Thereof fixed-interest securities	LaR	20,000.0	
Thereof receivables due from associated companies	LaR	465.0	
Thereof other receivables	LaR	6,660.7	
Thereof originated loans	LaR	720.3	
Total	**LaR**	**70,936.5**	
Other non-derivative financial assets			
Investments in other companies (not consolidated)[1]	AfS	157.3	
Available-for-sale securities	AfS	13,100.6	
Thereof long-term investment funds, securities and rights[1]	AfS	3,448.6	
Thereof short-term investment funds	AfS	0.0	
Thereof fixed-interest securities	AfS	9,652.0	
Total	**AfS**	**13,258.0**	
LIABILITIES			
Trade payables	FLAC	69,583.7	
Financial liabilities	FLAC	789,736.7	
Thereof non-current financial liabilities	FLAC	638,730.2	
Thereof current financial liabilities	FLAC	151,006.5	
Other non-current liabilities	FLAC	10,837.6	
Thereof non-current lease liabilities	FLAC	7,372.9	
Thereof miscellaneous non-current liabilities	FLAC	3,464.8	
Other current liabilities	FLAC	47,775.5	
Thereof current lease liabilities	FLAC	735.1	
Thereof miscellaneous current liabilities	FLAC	47,040.3	
Total	**FLAC**	**917,933.5**	
DERIVATIVE FINANCIAL LIABILITIES			
Derivatives with hedges	**Hedging**	**0.0**	

1) Fair value could not be reliably determined due to the lack of market values; for reasons of simplicity, these items are therefore carried at amortised cost.

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

Carrying amount as per IAS 39					
Amortised cost	**Cost**	**Fair value not recognised in profit or loss**	**Fair value recognised in profit or loss**	**Fair value 31.12.2012**	**Notes**
				40,439.0	**(20)**
43,090.4				43,090.4	(19)
27,846.1				30,215.7	
20,000.0				22,369.6	(18)
465.0				465.0	(19)
6,660.7				6,660.7	(19)
720.3				720.3	(16)
70,936.5				**73,306.1**	
0.0	157.3			157.3	(16)
	632.8	12,467.8		13,100.6	
	632.8	2,815.8		3,448.6	(16)
		0.0		0.0	(18)
		9,652.0		9,652.0	(18)
0.0	**790.2**	**12,467.8**		**13,258.0**	
69,583.7				69,583.7	(31)
789,736.7				744,627.6	(27)
638,730.2				593,621.1	(27)
151,006.5				151,006.5	(27)
10,837.6				13,970.5	(28)
7,372.9				10,505.7	(28)
3,464.8				3,464.8	(28)
47,775.5				48,087.8	(32)
735.1				1,047.5	(32)
47,040.3				47,040.3	(32)
917,933.5				**876,269.6**	
		0.0		**0.0**	**(32)**

Abbreviations:
LaR - Loans and receivables. AfS - available-for-sale financial instruments. HfT - Held-for-trading financial instruments
Hedging – hedging agreements. FLAC - financial liabilities measured at amortised cost.

2011[1] in T€	Valuation category	Carrying amount 31.12.2011	Nominal value = fair value
ASSETS			
Cash and cash equivalents	**Cash reserve**	**111,330.0**	**111,330.0**
Trade receivables	LaR	34,297.3	
Originated loans and other receivables	LaR	26,204.9	
Thereof fixed-interest securities	LaR	20,000.0	
Thereof receivables due from associated companies	LaR	77.8	
Thereof other receivables	LaR	4,800.9	
Thereof originated loans	LaR	1,326.1	
Total	**LaR**	**60,502.2**	
Other non-derivative financial assets			
Investments in other companies (not consolidated)[2]	AfS	192.3	
Available-for-sale securities	AfS	14,444.4	
Thereof long-term investment funds, securities and rights[2]	AfS	4,909.4	
Thereof short-term investment funds	AfS	0.0	
Thereof fixed-interest securities	AfS	9,535.0	
Total	**AfS**	**14,636.8**	
LIABILITIES			
Trade payables	FLAC	92,531.6	
Financial liabilities	FLAC	892,587.3	
Thereof non-current financial liabilities	FLAC	821,285.4	
Thereof current financial liabilities	FLAC	71,301.9	
Other non-current liabilities	FLAC	22,500.8	
Thereof non-current lease liabilities	FLAC	8,108.0	
Thereof miscellaneous non-current liabilities	FLAC	14,392.9	
Other current liabilities	FLAC	34,800.4	
Thereof current lease liabilities	FLAC	683.8	
Thereof miscellaneous current liabilities	FLAC	34,116.6	
Total	**FLAC**	**1,042,420.1**	
DERIVATIVE FINANCIAL LIABILITIES			
Derivatives with hedges	Hedging	240.5	

1) Adjusted
2) Fair value could not be reliably determined due to the lack of market values; for reasons of simplicity, these items are therefore carried at amortised cost.

Carrying amount as per IAS 39					
Amortised cost	Cost	Fair value not recognised in profit or loss	Fair value recognised in profit or loss	Fair value 31.12.2011	Notes
				111,330.0	**(20)**
34,297.3				34,297.3	(19)
26,204.9				27,893.9	
20,000.0				21,689.0	(18)
77.8				77.8	(19)
4,800.9				4,800.9	(19)
1,326.1				1,326.1	(16)
60,502.2				**62,191.2**	
0.0	192.3			192.3	(16)
	632.6	13,811.8		14,444.4	
	632.6	4,276.8		4,909.4	(16)
		0.0		0.0	(18)
		9,535.0		9,535.0	(18)
0.0	**825.0**	**13,811.8**		**14,636.8**	
92,531.6				92,531.6	(31)
892,587.3				885,642.3	(27)
821,285.4					(27)
71,301.9					(27)
22,500.8				24,369.8	(28)
8,108.0				9,976.9	(28)
14,392.9				14,392.9	(28)
34,800.4				34,958.0	(32)
683.8				841.4	(32)
34,116.6				34,116.6	(32)
1,042,420.1				**1,037,501.7**	
		240.5		240.5	(32)

Abbreviations:
LaR - Loans and receivables. AfS - available-for-sale financial instruments. HfT - Held-for-trading financial instruments
Hedging – hedging agreements. FLAC - financial liabilities measured at amortised cost.

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Trade receivables, originated loans and other receivables generally have short remaining terms. Therefore, the carrying amounts of these items approximate fair value as of the balance sheet date.

Non-consolidated investments in other companies that are classified as available-for-sale financial assets (AfS) represent unlisted equity instruments whose fair value cannot be reliably determined. These instruments are consequently measured at cost or amortised cost.

Trade payables and other liabilities normally have short remaining terms, and the carrying amounts of these items approximate fair value as of the balance sheet date.

The fair values of financial liabilities due to financial institutions (bank loans) and other financial liabilities are generally determined using the present value of the payments for these obligations in accordance with the yield curve applicable to the respective remaining terms and a credit spread appropriate for Flughafen Wien Group.

Valuation methods and assumptions for the determination of fair value

The fair value of financial assets and financial liabilities is determined as follows (valuation categories as defined in IFRS 7.27A letters a-c):

Level 1

The market 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. The fair value of securities classified under Level 1 equals the market price (securities exchange price) on the respective balance sheet date.

Level 2

The securities (investment funds) and similar rights classified under this level are not listed directly, but consist solely of stocks and bonds that are traded on public exchanges. The fair value of these items is derived from the market value of the listed stocks and bonds.

Level 3

The fair value of the other financial assets and financial liabilities (with the exception of derivatives) is determined by applying recognised valuation models that rely on current market parameters.

The fair value of derivatives (interest rate swaps) represents the amount the Group would receive or be required to pay if the financial instrument were settled as of the balance sheet date.

This procedure involves discounting the relevant cash flows – that were defined at an earlier point in time or determined by applying the current interest rate curve through forward rates – back to the balance sheet date using the discount rates derived from the applicable interest rate curve.

Analysis of financial instruments carried at fair value

The following section provides an overview of financial instruments that are measured at fair value after initial recognition. These financial instruments are classified in three levels of disclosure that reflect the significance of the factors used for measurement.

	Level 1 Market prices	Level 2 Derived prices	Level 3 Non-derived prices	31.12.2012 Total
ASSETS				
Financial assets carried at fair value				
Available-for-sale securities	10,038.2	2,429.6	0.0	12.467.8
Available-for-sale financial assets – total	**10,038.2**	**2,429.6**	**0.0**	**12,467.8**
LIABILITIES				
Financial liabilities at fair value				
Derivatives with hedges	0.0	0.0	0.0	0.0
Total derivatives	**0.0**	**0.0**	**0.0**	**0.0**

	Level 1 Market prices	Level 2 Derived prices	Level 3 Non-derived prices	31.12.2011 Total
ASSETS				
Financial assets carried at fair value				
Available-for-sale securities	9,891.1	3,920.7	0.0	13,811.8
Available-for-sale financial assets – total	**9,891.1**	**3,920.7**	**0.0**	**13,811.8**
LIABILITIES				
Financial liabilities at fair value				
Derivatives with hedges	0.0	240.5	0.0	240.5
Total derivatives	**0.0**	**240.5**	**0.0**	**240.5**

No items were reclassified between Levels 1 and 2 during the reporting year.

Net results by valuation category

2012 in T€	From interest income / dividends	From interest expense
Cash reserves	2,103.9	
Loans and receivables (LaR)	1,432.1	-18.9
Available-for-sale financial assets	1,494.1	
Financial instruments held for trading		
Financial liabilities at amortised cost (FLAC)		-24,888.1
Hedging		-292.8
Total	**5,030.1**	**-25,199.7**

2011[1] in T€	From interest income / dividends	From interest expense
Cash reserves	1,919.5	
Loans and receivables (LaR)	2,065.0	-89.1
Available-for-sale financial assets	787.3	
Financial instruments held for trading		
Financial liabilities at amortised cost (FLAC)		-13,262.6
Hedging		-251.7
Total	**4,771.7**	**-13,603.3**

1) Adjusted

The interest received on financial instruments is included under net financing costs. The other components of net results are recorded under other financial results, with the exception of the valuation allowances to trade and other receivables that are classified under loans and receivables. These valuation allowances are shown under other operating expenses.

Results from the subsequent measurement of financial instruments that are classified as held-for-trading also include interest rate and fair value measurement effects.

Net financing costs of T€ 24,888.1 (2011: T€ 13,262.6) for financial liabilities measured at amortised cost consist primarily of interest expense on bank loans. This item also includes the interest added to and discounted from other financial liabilities.

In connection with the recording of changes in the fair value of available-for-sale financial assets without recognition to profit or loss, valuation gains of plus T€ 171.2 (2011: net valuation loss of minus T€ 174.3) were recognised in other comprehensive income.

From subsequent measurement					
At fair value through profit or loss	At fair value not through profit or loss	Foreign currency translation	Impairment	From derecognition	Net results 2012
		1.9			1.9
		0.0	-1,875.2		-1,875.2
0.0	171.2			112.3	283.5
					0.0
					0.0
				180.4	180.4
0.0	**171.2**	**1.9**	**-1,875.2**	**292.7**	**-1,409.5**

From subsequent measurement					
At fair value through profit or loss	At fair value not through profit or loss	Foreign currency translation	Impairment	From derecognition	Net results 2011
		0.3			0.3
		1.0	-1,023.1		-1,022.2
0.0	-174.3			1,770.6	1,596.4
					0.0
					0.0
	216.9				216.9
0.0	**42.6**	**1.3**	**-1,023.1**	**1,770.6**	**791.4**

› (35) Derivative financial instruments

Interest rate swaps

In 2007 Flughafen Wien AG concluded an interest rate swap (pay fixed – receive variable) to hedge the risk of cash flows related to a variable interest financial liability. The variable interest financial liability was designated as the hedged item at an amount reflecting the nominal value of the interest rate swap. Changes in the cash flows of the hedged item, which result from changes in the variable interest rate, are offset by the changes in the cash flows of the interest rate swap. This hedging is designed to transform a variable interest bank loan into a fixed-interest financial liability, and thereby hedge the cash flow related to the financial liability. The Flughafen Wien Group does not use hedges to offset credit risks.

Structured interest rate swaps	31.12.2012	31.12.2011
Nominal value in T€	0.00	10,000.0
Fair value	0.00	-240.5
Average interest rate received	n.a.	1.14 %
Average interest rate paid	n.a.	3.76 %
Remaining term in years	0.00	0.9

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This calculation reflects market date as of the valuation date and is based on generally accepted valuation models (Black-Scholes, Heath-Jarrow-Morton). The average variable interest rates, which could be subject to significant changes during the term of the swap, reflect the interest rates in effect as of the balance sheet date.

The recognition of the change in the fair value of the hedging instrument resulted in the recording of a T€ 162.7 gain under other comprehensive income (hedging reserve) in 2011.

The accumulated gains and losses recorded under other comprehensive income were transferred to the income statement when the interest rate swap expired in November 2012.

› (36) 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. Hedging generally involves only those risks that could influence the Group's cash flows. Derivative financial instruments are used exclusively for hedging purposes, and never for trading or other speculative reasons. In order to minimise credit risk, hedges are principally 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 on-going 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 also 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 operating segments provide the treasury department with information that is used to develop a liquidity profile, and the active management of payment flows is used to optimise net financing costs. Certain components of financial investments are held in the form of securities (investment funds, bonds) that serve as a liquidity reserve and can generally be sold at any time.

Additional quantitative information is provided under note 34.

Credit risk

The Flughafen Wien Group is exposed to risks arising from its business operations as well as 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 at least an "A" 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 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 risk of default is countered by individual and collective valuation allowances. The credit risk associated with receivables can generally be considered low, since 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 (including derivative financial instruments with a positive market value) represents the maximum default and credit risk, since there were no major agreements (e.g. settlement agreements) as of 31 December 2012 that would reduce the maximum risk of default.

Additional quantitative information is provided under note 34. Information on other financial obligations and risks is included in note 38.

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 interest rate levels. Interest rate risk includes the present value risk on fixed interest financial instruments as well as the risk associated with cash flows from variable interest financial instruments, and is related 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 accordance with the current and forecasted debt structure, the treasury department selectively used interest rate derivatives in the past to adjust the interest rates on financial liabilities to meet the composition defined by management and thereby reduce the potential impact of interest rate fluctuations.

In order to depict market risks, IFRS 7 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 risk variables on financial instruments as of the balance sheet date for the financial statements. This procedure assumes that the amount determined as of this date is representative of the entire year.

Interest rate risks are presented in the form of sensitivity analyses as required by IFRS 7. These analyses show the effects of changes in interest rate levels on financing costs, interest income and expenses as well as other components of earnings and equity. >

The interest rate sensitivity analyses are based on the following assumptions:

- Changes in the interest rates of non-derivative 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 IFRS 7.

- Changes in the interest rates of financial instruments that serve as cash flow hedges to provide protection against interest-related fluctuations in payments have an effect on the hedging reserve in equity, and are therefore included in the relevant equity-related sensitivity calculations.

- Changes in interest rates have an impact on the financing cost of non-derivative variable interest financial instruments if the related interest payments are not designated as the underlying financial instrument for a cash flow hedge. In such cases, they are included in the sensitivity calculations for earnings.

- Changes in the interest rates of interest rate derivatives (interest rate swaps) that are not included in a hedge as defined in IAS 39 have an effect on other financial results (valuation adjustments concerning financial assets to reflect fair value) and are therefore included in the sensitivity calculations for earnings.

If market interest rates had been 100 basis points higher/lower as of 31 December 2012, earnings would have been T€ 1,489.8 lower/higher (2011: T€ 2,271.0 higher/lower). The theoretical impact of T€ 1,489.8 (2011: T€ 2,271.0) on earnings results from the potential effect of variable interest securities and financial liabilities. If market interest rates had been 100 basis points higher/lower on 31 December 2012, equity – including tax effects – would have been T€ 1,117.4 lower/higher (2011: T€ 1,703.3 higher/lower). This analysis assumes that other factors, e.g. foreign exchange rates, will remain constant.

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 for 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 IFRS 7.

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 arise primarily in connection with the purchase and sale of stakes in foreign companies. As of the balance sheet date for the 2012 financial statements, the Group was not exposed to any material risks from transactions denominated in a foreign currency.

Foreign exchange risks in the financing area are related to financial liabilities that are denominated in foreign currencies as well as foreign currency loans that were concluded as financing for Group companies. The Flughafen Wien Group was not exposed to any material foreign exchange risks in the financing area as of 31 December 2012.

The individual Group companies carry out their business activities almost entirely in their relevant functional currency (euro), which is generally the same as 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 IFRS 7, foreign exchange risks are generally presented in the form of a sensitivity analysis. The relevant risk variables are generally non-functional currencies in which the Group holds financial instruments. The foreign exchange sensitivity analysis is based on the following assumptions:

The major non-derivative monetary financial instruments – which include receivables, interest-bearing securities and debt instruments, cash and cash equivalents, and interest-bearing liabilities – are denominated primarily in the functional currency. Therefore, changes in foreign exchange rates have no material effect on earnings or equity.

Interest income from and expenses for financial instruments are recognised primarily in the functional currency. As a result, changes in the foreign exchange rates relating to these items have no effect on earnings or equity.

In summary, the risks to the Flughafen Wien Group arising from changes in foreign exchange rates were considered to be immaterial as of the closing date for the 2012 financial statements.

Other price risks

In connection with the analysis of market risks, IFRS 7 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. As of 31 December 2012 and 2011, the Flughafen Wien Group held no investments that would be categorised as available for sale – with the exception of shares in subsidiaries not included in the consolidation.

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 the most important indicator for financial management. It is defined as the ratio of net financial liabilities (non-current and current financial liabilities less liquid funds and current securities) to equity as shown on the consolidated balance sheet. The main instruments used for managing gearing are an increase or decrease in financial liabilities as well as 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 has set a limit of 60% (2011: 66%) for the debt ratio over the medium-term. This goal remains unchanged from the previous year. The following table shows the development of gearing:

in T€	2012	2011
Financial liabilities	789,736.7	892,587.3
– Liquid funds	-40,439.0	-111,330.0
– Current securities	-29,652.0	-29,535.0
= Net financial liabilities	**719,645.7**	**751,722.3**
./. Carrying amount of equity	851,578.4	811,423.9
= Gearing	**84.5%**	**92.6 %**

Gearing was lower in year-on-year comparison, above all due to the repayment of € 102.8 million in borrowings (2011: increase of € 98.3 million). The reduction in borrowings was accompanied by a decrease of € 70.9 million (2011: increase of € 47.7 million) in cash and cash equivalents.

Neither Flughafen Wien AG nor its subsidiaries are subject to minimum capital requirements defined by external sources.

› (37) Operating leases

Flughafen Wien as the lessor:

The following table shows the lease payments arising from non-cancellable rental and lease contracts in which the Flughafen Wien Group serves as the lessor. In particular, the related objects represent operating and commercial buildings at Vienna Airport (including investment property).

in T€	2012	2011
Lease payments recognised as income of the reporting period	131,937.2	118,420.4
Thereof conditional payments from revenue-based rents	7,899.0	8,576.0

Future minimum lease payments:		
Up to one year	53,332.7	58,711.9
Over one and up to five years	137,215.6	41,186.1
Over five years	71,726.9	109,162.7

Flughafen Wien as the lessee:

Major non-cancellable leases in which the Flughafen Wien Group serves as the lessee have been concluded with HERMIONE Raiffeisen-Immobilien-Leasing GmbH for the rental of operating buildings at Vienna International Airport and with SITA Information Networking Computing Inc., USA, for the rental of operating equipment and furnishings, including operating software, for the check-in counters in the terminals. The following table shows the lease payments arising from these contracts:

in T€	2012	2011
Lease payments recognised as expense of the reporting period	9,527.2	8,676.1
Thereof conditional payments from expense-based rents	1,855.3	2,022.6

Future minimum lease payments:		
Up to one year	8,733.4	8,761.8
Over one and up to five years	33,139.6	33,200.2
Over five years	39,301.3	52,044.3

The conditional lease payments recognised as expenses during the reporting period are linked to a fixed reference interest rate (six-month EURIBOR).

› (38) Other obligations and risks

Flughafen Wien AG is required to assume the costs of the "Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung" (the employee foundation), which consist primarily of corporate income tax, in the form of subsequent contributions.

In accordance with § 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€ 3,435.7 (2011: T€ 3,878.4) of loans related to the construction and expansion of sewage treatment facilities.

The Malta Mediterranean Link Consortium Group (MMLC) entered into a loan with a term ending in mid-2018 and an outstanding balance of € 11.1 million as of 31 December 2012 (2011: € 13.2 million). Flughafen Wien AG has agreed not to sell its investment in MMLC during the term of this loan. Furthermore, Flughafen Wien AG has confirmed the following to the lending institution: all necessary steps will be undertaken to ensure that the group's investments maintain a healthy financial position at all times; the corporate policies of Flughafen Wien AG include the fulfilment of financial obligations by MMLC at all times; and MMLC will be equipped with a financial basis that enables the company to meet its obligations at any time.

Information on commitments for pension and pension subsidy payments is provided under note 26.

As of 31 December 2012, obligations for the purchase of intangible assets amounted to € 1.2 million (2011: € 2.8 million) and obligations for the purchase of property, plant and equipment to € 68.9 million (2011: € 112.0 million).

› (39) Information on business transactions with related companies and persons

Related companies include subsidiaries, non-consolidated subsidiaries of the Flughafen Wien Group, associated companies, the shareholders of Flughafen Wien AG (the province of Lower Austria and the city of Vienna each hold 20% of the shares) and their major subsidiaries as well as the members of management in key positions. The Flughafen Wien Group maintains business relations with companies in which the province of Lower Austria and/or 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 carried out in 2012 in the sense of IAS 24 involve everyday transactions related to the operating business and were not material in total. Purchases are made at ordinary market prices less standard volume rebates or other rebates granted on the basis of the business relationship.

The business relationships between Flughafen Wien AG and non-consolidated subsidiaries are immaterial. Information on the receivables and liabilities due from/to related companies and persons is provided under the relevant position in the notes. The services provided by non-consolidated subsidiaries led to expenses of T€ 7,408.4 (2011: T€ 6,092.0).

In 2012 the Flughafen Wien Group recorded revenue of T€ 962.9 (2011: T€ 948.4) with the joint venture City Air Terminal Betriebsgesellschaft m.b.H., T€ 643.4 (2011: T€ 676.6) with the associated company Schedule Coordination Austria GmbH and T€ 734.5 (2011: T€ 789.3) with the joint venture Malta International Airport plc. The revenue recorded from transactions with City Air Terminal Betriebsgesellschaft.m.b.H consists chiefly of services provided by Flughafen Wien AG and its subsidiaries for railway operations (baggage handling, station operations, IT services etc.). The revenue generated by Schedule Coordination Austria GmbH represents charges by Flughafen Wien AG for the provision of personnel as well as IT and other services. The revenue recorded with the joint venture Malta International Airport plc. is generated primarily by consulting services.

As of 31 December 2012, receivables and originated loans due from joint ventures recorded at equity amounted to T€ 27.9 (2011: T€ 23.5). The comparable amount for associated companies recorded at equity was T€ 33.3 (2011: T€ 48.3).

As of 31 December 2012, liabilities to joint ventures recorded at equity totalled T€ 6,655.8 (2011: T€ 4,882.7) and liabilities to associated companies recorded at equity equalled T€ 31.3 (2011: T€ 13.4).

Natural related parties:

No material transactions were conducted in 2012 between the Flughafen Wien Group and persons in key management positions or their close family members. Relations with bodies of the company are described under note 40.

› (40) Information on corporate bodies and employees

The follwing table shows the average number of employees in FWAG:

Employees (excluding Management Board and managing directors)	2012	2011
Workers	3,301	3,314
Staff	1,174	1,211
	4,475	**4,525**

The members of the Management Board of Flughafen Wien AG received the following remuneration for the 2012 and 2011 financial years:

Management Board remuneration in 2012 (payments)[1]

in T€	Fixed compensation	Performance based compensation for 2011	Non-cash remuneration	Termination benefits	Total remuneration
Günther Ofner	252.7	80.8	7.2	0.0	340.8
Julian Jäger	252.7	80.8	7.1	0.0	340.7
	505.5	**161.6**	**14.3**	**0.0**	**681.5**

1) Excluding payments to pension funds

Management Board remuneration in 2011 (payments)

in T€	Fixed compensation	Performance based compensation for 2010	Non-cash remuneration	Termination benefits	Total remuneration
Gerhard Schmid	256.7	84.8	7.5	323.2	672.1
Ernest Gabmann	256.7	84.8	7.2	50.7	399.3
Christoph Herbst	166.6	0.0	0.0	0.0	166.6
Günther Ofner	80.6	0.0	2.3	0.0	82.9
Julian Jäger	80.6	0.0	2.3	0.0	82.9
	841.2	**169.5**	**19.3**	**373.9**	**1,403.9**

The remuneration system for the members of the Management Board and first level of management is comprised of fixed and performance-based components. The performance-based remuneration represents bonuses for the 2011 financial year that were paid out during 2012. There are no stock option plans for management.

On behalf of Julian Jäger and Günther Ofner, the company makes payments equalling 15% of the respective salary to a pension fund. The contribution for each board member amounted to T€ 44.6 in 2012 (2011:T€ 12.1).

For other employees, exceptional performance and the realisation of targeted goals are rewarded in the form of bonuses.

Remuneration paid to former members of the Management Board amounted to T€ 1,169.4 (2011: T€ 1,450.8).

Expenses for persons in key management positions

Key management includes the members of the Management Board, the authorised officers of Flughafen Wien AG and the members of the Supervisory Board of Flughafen Wien AG. The following table shows the remuneration paid to these persons in 2012 and 2011, including the changes in provisions:

› Expenses in 2012

in T€	Supervisory Board	Management Board	Key employees
Current payments	121.0	1,025.3	2,294.7
Post-employment benefits	0.0	89.2	33.2
Other long-term benefits	0.0	0.0	18.9
Termination benefits	0.0	0.0	82.9
Total	**121.0**	**1,114.6**	**2,429.6**

› Expenses in 2011

in T€	Supervisory Board	Management Board	Key employees
Current payments	136.1	1,362.9	2,009.8
Post-employment benefits	0.0	25.4	24.2
Other long-term benefits	0.0	3.2	9.2
Termination benefits	0.0	165.4	521.1
Total	**136.1**	**1,557.0**	**2,564.3**

Payments of T€ 107.8 were made to the members of the Supervisory Board in 2012 (2011: T€ 141.1).

› (41) Significant events occurring after the balance sheet date

The EIB credit agreement defines terms for the liability of qualified guarantors. The current guarantors cancelled the guarantee agreement that serves as collateral for the EIB loan as of 27 June 2013 at the full amount of € 400.0 million. New offers for the acceptance of € 400.0 million in guarantees have been obtained. The EIB has already confirmed the new guarantors and the committed guarantee amounts.

All other events occurring after the balance sheet date that are important for valuation and measurement as of 31 December 2012 – such as outstanding legal proceedings or claims for damages and other obligations or impending losses that must be recognised or disclosed in accordance with IAS 10 – are included in these consolidated financial statements or are not known.

Schwechat, 26 February 2013

The Management Board:

Günther Ofner
Member, CFO

Julian Jäger
Member,COO

Subsidiaries of Flughafen Wien AG

Company	Abbreviation	Parent company	Country	Share owned by the Group	Type of consoliation
Flughafen Wien AG	VIE		Austria		VK
Flughafen Wien Immobilien-verwertungsgesellschaft m.b.H.	IVW	VIE	Austria	100.0%	VK
Flugplatz Vöslau BetriebsGmbH	LOAV	VAH	Austria	100.0%	VK
Mazur Parkplatz GmbH	MAZU	VIEL	Austria	100.0%	VK
VIE International Beteiligungs-management Gesellschaft m.b.H.	VINT	VIAB	Austria	100.0%	VK
VIE Liegenschaftsbeteiligungs-gesellschaft m.b.H.	VIEL	VIE	Austria	100.0%	VK
VIE Office Park Errichtungs- und Betriebsgesellschaft m.b.H.	VOPE	VIEL	Austria	100.0%	VK
Vienna Aircraft Handling Gesellschaft m.b.H.	VAH	VIE	Austria	100.0%	VK
Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H.	BPIB	VIEL	Austria	100.0%	VK
Vienna Airport Infrastruktur Maintenance GmbH	VAI	VIE	Austria	100.0%	VK
Vienna International Airport Beteiligungsholding GmbH	VIAB	VIE	Austria	100.0%	VK
Vienna International Airport Security Services Ges.m.b.H.	VIAS	VIE	Austria	100.0%	VK
VIE Office Park 3 BetriebsGmbH	VWTC	VIEL	Austria	100.0%	VK
BTS Holding, a.s. "v likvidacii"	BTSH	VIE	Slovakia	80.95%	VK
KSC Holding, a.s.	KSCH	VIE	Slovakia	100.0%	VK
VIE (Malta) Limited	VIE Malta	VINT	Malta	100.0%	VK
VIE Malta Finance Holding Ltd.	VIE MFH	VIE	Malta	100.0%	VK
VIE Malta Finance Ltd.	VIE MF	VIE MFH	Malta	100.0%	VK
VIE Operations Holding Limited	VIE OPH	VINT	Malta	100.0%	VK
VIE Operations Limited	VIE OP	VIE OPH	Malta	100.0%	VK

Company	Abbreviation	Parent company	Country	Share owned by the Group	Type of consoliation
VIE ÖBA GmbH	OEBA	VIE	Austria	100.0%	VK
Vienna Auslands Projektentwicklung und Beteiligung GmbH	VAPB	VIE	Austria	100.0%	VK
City Air Terminal Betriebsgesellschaft m.b.H.	CAT	VIE	Austria	50.1%	EQ
SCA Schedule Coordination Austria GmbH	SCA	VIE	Austria	49.0%	EQ
Flughafen Friedrichshafen GmbH	FDH	VINT	Germany	25.15%	EQ
Letisko Košice – Airport Košice, a.s.	KSC	KSCH	Slovakia	66.0%	EQ
Malta International Airport p.l.c.	MIA	VIE Malta	Malta	33.0%	EQ
Malta Mediterranean Link Consortium Limited (Teilkonzern mit Malta International Airport p.l.c.)	MMLC	VIE Malta	Malta	57.1%	EQ
Columinis Holding GmbH in Liquidation	CMS	VAPB	Austria	50.0%	EQ
GetService Dienstleistungs-gesellschaft m.b.H.	GETS	VIAS	Austria	100.0%	NK
"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH	GET2	VIAS	Austria	51.0%	NK
Salzburger Flughafen Sicherheitsgesellschaft m.b.H.	SFS	VIAS	Austria	100.0%	NK
VIE Shops Entwicklungs- und Betriebsges.m.b.H.	SHOP	VIE	Austria	100.0%	NK

Type of consolidation:
VK = full consolidation
EQ = equity method
NK = not consolidated for reasons of immateriality

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Investments of Flughafen Wien AG

All amounts were determined in accordance with national law, unless IFRS data were available.

1. Subsidiaries full consolidated in the Group financial statements

Flughafen Wien Immobilienverwertungsgesellschaft m.b.H. (IVW)

Headquarters:	Schwechat
Share owned:	100% VIE

The commercial leasing of assets, in particular real estate, as well as the acquisition of property and buildings at Vienna International Airport.

IFRS values in T€	2012	2011
Assets	107,647.8	105,186.0
Liabilities	18,148.2	24,345.6
Equity	89,499.6	80,840.5
Revenue	16,661.0	16,118.4
Net profit for the period	10,639.1	1,486.1

Flugplatz Vöslau BetriebsGmbH (LOAV)

Headquarters:	Bad Vöslau
Share owned:	100% VAH

Operation and development of Vöslau Airport as well as the planning, construction and operation of buildings and equipment.

IFRS values in T€	2012	2011
Assets	1,652.0	1,546.1
Liabilities	548.2	368.5
Equity	1,103.8	1,177.6
Revenue	889.4	843.1
Loss for the period	-78.3	-4,350.4

Mazur Parkplatz GmbH (MAZU)

Headquarters:		Schwechat
Share owned:		100% VIEL
Operation of the Mazur car park and parking facilities		
IFRS values in T€	**2012**	**2011**
Assets	6,103.8	5,760.2
Liabilities	377.3	300.8
Equity	5,726.5	5,459.4
Revenue	2,434.6	2,190.7
Net profit for the period	1,369.4	1,097.1

VIE International Beteiligungsmanagement Gesellschaft m.b.H. (VINT)

Headquarters:		Schwechat
Share owned:		100% VIAB
Founding and management of local project companies for international acquisitions; consulting and project management.		
IFRS values in T€	**2012**	**2011**
Assets	44,925.3	44,697.0
Liabilities	6,806.2	7,067.6
Equity	38,119.1	37,629.4
Revenue	776.1	335.7
Net profit/loss for the period	489.7	-18,919.8

VIE Liegenschaftsbeteiligungsgesellschaft m.b.H. (VIEL)

Headquarters:		Schwechat
Share owned:		100% VIE
Holding company for the BPIB, VOPE, MAZUR and VWTC subsidiaries, which are active in the purchase, development and marketing of property under their ownership.		
IFRS values in T€	**2012**	**2011**
Assets	31,267.4	58,051.6
Liabilities	6,304.0	6,698.0
Equity	24,963.4	51,353.6
Revenue	0.0	0.0
Loss/net profit for the period	-24,990.2	1,671.3

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› VIE Office Park Errichtungs- und Betriebsgesellschaft m.b.H. (VOPE)

Headquarters:	Schwechat
Share owned:	100% VIEL

Development of real estate, in particular the Office Park 2.

IFRS values in T€	2012	2011
Assets	42,837.8	43,787.0
Liabilities	23,511.6	24,763.8
Equity	19,326.2	19,023.2
Revenue	3,367.8	3,150.2
Net profit for the period	1,303.0	996.9

› Vienna Aircraft Handling Gesellschaft m.b.H. (VAH)

Headquarters:	Schwechat
Share owned:	100% VIE

Provision of a full range of services for general aviation and, in particular, for business aviation; major revenue generators are private aircraft handling and aircraft handling services provided on behalf of Flughafen Wien AG in the general aviation sector (incl. fuelling and the provision of hangar space).

IFRS values in T€	2012	2011
Assets	7,287.7	7,227.9
Liabilities	1,128.3	1,112.2
Equity	6,159.5	6,115.7
Revenue	12,133.0	11,733.2
Net profit for the period	1,582.8	1,709.5

› Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H. (BPIB)

Headquarters:	Schwechat
Share owned:	99% VIEL 1% IVW

Purchase and marketing of property.

IFRS values in T€	2012	2011
Assets	11,719.0	9,648.4
Liabilities	9,370.6	7,902.0
Equity	2,348.4	1,746.3
Revenue	9,035.1	8,207.4
Net profit/loss for the period	602.1	-4,290.5

› Vienna Airport Infrastruktur Maintenance GmbH (VAI)

Headquarters:	Schwechat
Share owned:	100% VIE

Provision of services for electrical facilities and equipment as well as the construction of electrical and supply facilities, in particular technical equipment for airports, and the installation of electrical infrastructure.

IFRS values in T€	2012	2011
Assets	5,961.2	4,440.4
Liabilities	3,291.2	1,878.7
Equity	2,670.0	2,561.7
Revenue	15,218.4	12,765.2
Net profit for the period	1,258.7	1,160.5

› Vienna International Airport Beteiligungsholding GmbH (VIAB)

Headquarters:	Schwechat
Share owned:	100% VIE

Acquisition and investment in international subsidiaries and other companies; participation in international airport privatisation programmes; this company serves as the holding company for the VINT subsidiary.

IFRS values in T€	2012	2011
Assets	59,791.8	59,700.1
Liabilities	2,157.4	2,103.5
Equity	57,634.4	57,596.5
Revenue	0.0	0.0
Net profit for the period	37.8	49.1

› Vienna International Airport Security Services Ges.m.b.H. (VIAS)

Headquarters:	Schwechat
Share owned:	100% VIE

Provision of security services (persons and hand luggage) on behalf of the Austrian Ministry of the Interior, and various other services for aviation customers (wheelchair transport, control of oversize baggage, document control etc.); the company also participates in tenders for the provision of security services at other airports through its Austrian and foreign subsidiaries.

IFRS values in T€	2012	2011
Assets	25,405.5	18,368.5
Liabilities	12,926.9	10,243.3
Equity	12,478.6	8,125.1
Revenue	47,200.6	39,238.3
Net profit/loss for the period	4,786.8	-150.2

› VIE Office Park 3 BetriebsGmbH (VWTC)

Headquarters:		Schwechat
Share owned:	99% VIEL	1% BPIB
Rental and development of real estate, in particular the Office Park 3.		
IFRS values in T€	**2012**	**2011**
Assets	9,057.9	10,241.2
Liabilities	7,300.4	5,240.5
Equity	1,757.5	5,000.7
Revenue	2,352.0	2,741.6
Loss for the period	-3,243.2	-15,523.7

› BTS Holding a.s. "v likvidacii" (BTSH)

Headquarters:		Bratislava. Slovakia
Share owned:	47.7% VIE	33.25% VINT
Provision of services and consulting for airports; plans also call for the company to hold the intended investment in Bratislava Airport.		
IFRS values in T€	**2012**	**2011**
Assets	3,709.0	1,264.1
Liabilities	308.5	160.1
Equity	3,400.5	1,104.1
Revenue	0.0	0.0
Net profit/loss for the period	2,296.4	-117.9

› KSC Holding a.s. (KSCH)

Headquarters:		Bratislava. Slovakia
Share owned:	47.7% VIE	52.30% VINT
Holding company for the 66% investment in Košice Airport as well as the provision of consulting services.		
IFRS values in T€	**2012**	**2011**
Assets	34,030.2	33,137.1
Liabilities	3,977.5	3,986.1
Equity	30,052.7	29,151.0
Revenue	0.0	0.0
Net profit/loss for the period	901.7	-13,143.0

› VIE (Malta) Limited (VIE Malta)

Headquarters:		Luqa, Malta
Share owned:	99.8% VINT	0.2% VIAB

Provision of services and consulting for airports; the financial statements of VIE (Malta) Limited include the at-equity valuation of the subgroup financial statements of Malta Mediterranean Link Consortium Ltd. and Malta International Airport plc.

IFRS values in T€	2012	2011
Assets	53,357.5	51,202.8
Liabilities	13,701.2	14,994.5
Equity	39,656.4	36,208.3
Revenue	0.0	2.0
Net profit for the period	3,748.1	3,469.4

› VIE Malta Finance Holding Ltd. (VIE MFH)

Headquarters:		Luqa, Malta
Share owned:	99.95% VIE	0.05% VIAB

Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS values in T€	2012	2011
Assets	7,975.1	994.6
Liabilities	16.3	44.3
Equity	7,958.9	950.3
Revenue	0.0	0.0
Net profit/loss for the period	7,008.6	-28.6

› VIE Malta Finance Ltd. (VIE MF)

Headquarters:		Luqa, Malta
Share owned:	99.95% VIE MFH	0.05% VIAB

Purchase and sale, investment and trading in financial instruments.

IFRS values in T€	2012	2011
Assets	294,640.0	416,065.5
Liabilities	288,736.7	409,382.7
Equity	5,903.4	6,682.8
Revenue	0.0	0.0
Net profit for the period	5,901.4	6,680.8

› VIE ÖBA GmbH (OEBA)

Headquarters:	Schwechat
Share owned:	100% VIE

Provision of all types of construction and construction-related services, among others for construction projects realised by Flughafen Wien AG or other companies.

IFRS values in T€	2012	2011
Assets	3,362.9	3,764.1
Liabilities	2,642.4	3,354.5
Equity	720.5	409.6
Revenue	6,250.1	6,424.2
Net profit for the period	310.9	405.1

› Vienna Auslands Projektentwicklung und Beteiligung GmbH (VAPB)

Headquarters:	Schwechat
Share owned:	100% VIE

Acquisition of international subsidiaries and investments in other companies.

IFRS values in T€	2012	2011
Assets	224.4	263.9
Liabilities	200.9	214.5
Equity	23.5	49.4
Revenue	0.0	488.7
Net profit for the period	-25.9	16.0

› VIE Operations Holding Limited (VIE OPH)

Headquarters:		Luqa, Malta
Share owned:	99.95% VINT	0.05% VIAB

Holding company for VIE Operations Limited.

IFRS values in T€	2012	2011
Assets	256.3	11.9
Liabilities	29.0	30.7
Equity	227.3	-18.8
Revenue	0.0	0.0
Net profit/loss for the period	546.1	-20.8

› VIE Operations Limited (VIE OP)

Headquarters:		Luqa, Malta
Share owned:	99.95% VIE OPH	0.05% VINT
Provision of support, services and consultancy for international airports.		

IFRS values in T€	**2012**	**2011**
Assets	895.2	926.1
Liabilities	368.9	461.1
Equity	526.3	465.0
Revenue	734.5	789.3
Net profit for the period	461.3	463.0

2. Subsidiaries and investments included in the consolidated financial statements at equity

City Air Terminal Betriebsgesellschaft m.b.H. (CAT)

Type of holding:	Joint venture
Headquarters:	Schwechat
Share owned:	50.1% VIE

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 development of traffic connections between airports and cities.

IFRS values in T€	2012	2011
Non-current assets	10,056.3	10,827.9
Current assets	7,224.6	5,258.7
Non-current liabilities	371.8	400.7
Current liabilities	1,949.8	1,818.3
Equity	14,959.2	13,867.5
Revenue	10,364.7	9,726.7
Net profit for the period	1,091.7	368.2

SCA Schedule Coordination Austria GmbH (SCA)

Type of holding:	Associated company
Headquarters:	Schwechat
Share owned:	49% VIE

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.

Values in acc. with the Austrian Commercial Code in T€	2012[1]	2011
Assets	744.2	790.8
Liabilities	114.5	116.3
Equity	629.8	674.5
Revenue	845.6	871.6
Net profit/loss for the period	-18.8	5.4

1) Preliminary values

› Flughafen Friedrichshafen GmbH (FDH)

Type of holding:	Associated company
Headquarters:	Friedrichshafen, Germany
Share owned:	25.15% VINT

Operation of Friedrichshafen Airport.

IFRS values in T€	2012	2011
Assets	40,740.5	46.846.2
Liabilities	32,762.9	34.139.8
Equity	7,977.6	12.706.4
Revenue	10,436.2	10.564.1
Loss for the period	-4,728.6	-2.660.7

› Letisko Košice - Airport Košice, a.s. (KSC)

Type of holding:	Joint venture
Headquarters:	Košice, Slovakia
Share owned:	66% KSCH

Operation of Košice Airport.

in T€	2012	2011
Non-current assets	38,191.2	37,125.5
Current assets	14,345.7	14,026.9
Non-current liabilities	416.0	507.0
Current liabilities	854.3	786.5
Equity	51,266.7	49,858.9
Revenue	7,292.7	9,185.6
Net profit/loss for the period	1,408.9	-19,300.2

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Malta International Airport plc. (MIA)

Type of holding:		Joint venture
Headquarters:		Luqa, Malta
Share owned:	10.1% VIE Malta	40% MMLC
Operation of Malta International Airport.		
IFRS values in T€	**2012[1]**	**2011[2]**
Non-current assets	119,560.0	113,001.9
Current assets	34,381.8	33,198.9
Non-current liabilities	71,999.0	69,773.4
Current liabilities	19,597.5	17,102.3
Equity	62,345.2	59,325.2
Revenue	52,812.0	52,426.2
Net profit for the period	12,459.9	11,909.4

1) Preliminary values
2) Adjusted to reflect final values

This company is listed on the Malta Stock Exchange. The market price per share equalled € 1.80 as of the balance sheet date (2011: € 1.70) and the market value of the 10.1% directly owned stake was T€ 24,597.5 (2011: T€ 23,231.0).

Malta Mediterranean Link Consortium Ltd. (MMLC) Group

Type of holding:		Joint venture
Headquarters:		La Valetta, Malta
Share owned:		57.1% VIE Malta
Holding company for the investment in Malta International Airport.		
IFRS values in T€	**2012[1]**	**2011[2]**
Non-current assets	146,193.6	139,816.7
Current assets	35,511.8	33,836.9
Non-current liabilities	81,012.3	80,883.4
Current liabilities	21,926.6	19,036.3
Equity	78,766.4	73,733.9
Revenue	52,817.3	52,426.2
Net profit for the period	12,269.4	11,667.3

1) Preliminary values
2) Adjusted to reflect final values

› Columinis Holding GmbH in Liquidation (CMIS)

Type of holding:	Joint venture
Headquarters:	Vienna
Share owned:	50% VAPB
Joint venture to acquire investments in other companies	

IFRS values in T€	**2012**	**2011**
Non-current assets	0.0	0.0
Current assets	14.7	20.1
Non-current liabilities	0.0	0.0
Current liabilities	1.5	0.8
Equity	13.2	19.3
Revenue	0.0	0.0
Loss for the period	-6.1	-4.9

3. Investments not included in the consolidated financial statements

GetService Dienstleistungsgesellschaft m.b.H. (GETS)

Headquarters:		Schwechat
Share owned:		100% VIAS
Provision of all types of security services related to airport operations.		
Values in acc. with Austrian Commercial Code in T€	**2012**	**2011**
Assets	829.2	1,323.3
Liabilities	242.2	475.3
Equity	586.9	848.0
Revenue	2,162.1	3,058.7
Net profit for the period	125.9	306.1

"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2)

Headquarters:		Schwechat
Share owned:		51% VIAS
Provision of security services, personnel leasing, cleaning including snow removal etc		
Values in acc. with Austrian Commercial Code in T€	**2012**	**2011**
Assets	6,845.7	5,657.0
Liabilities	2,490.3	1,341.0
Equity	4,355.4	4,316.0
Revenue	7,977.7	5,784.7
Net profit for the period	828.4	788.0

❯ Salzburger Flughafen Sicherheitsgesellschaft m.b.H. (SFS)

Headquarters:	Schwechat
Share owned:	100% VIAS

Provision of security services; the company is not active at the present time.

Values in acc. with Austrian Commercial Code in T€	2012	2011
Assets	51.1	53.8
Liabilities	0.0	0.0
Equity	51.1	53.8
Revenue	0.0	0.0
Loss for the period	-2.8	-1.3

❯ VIE Shops Entwicklungs- und Betriebsges.m.b.H (SHOP)

Headquarters:	Schwechat
Share owned:	100% VIE

Planning, development, marketing and operation of shops at airports in Austria and other countries.

Values in acc. with Austrian Commercial Code in T€	2012	2011
Assets	4.5	8.1
Liabilities	0.0	0.0
Equity	4.5	8.1
Revenue	0.0	0.0
Loss for the period	-3.6	-4.1

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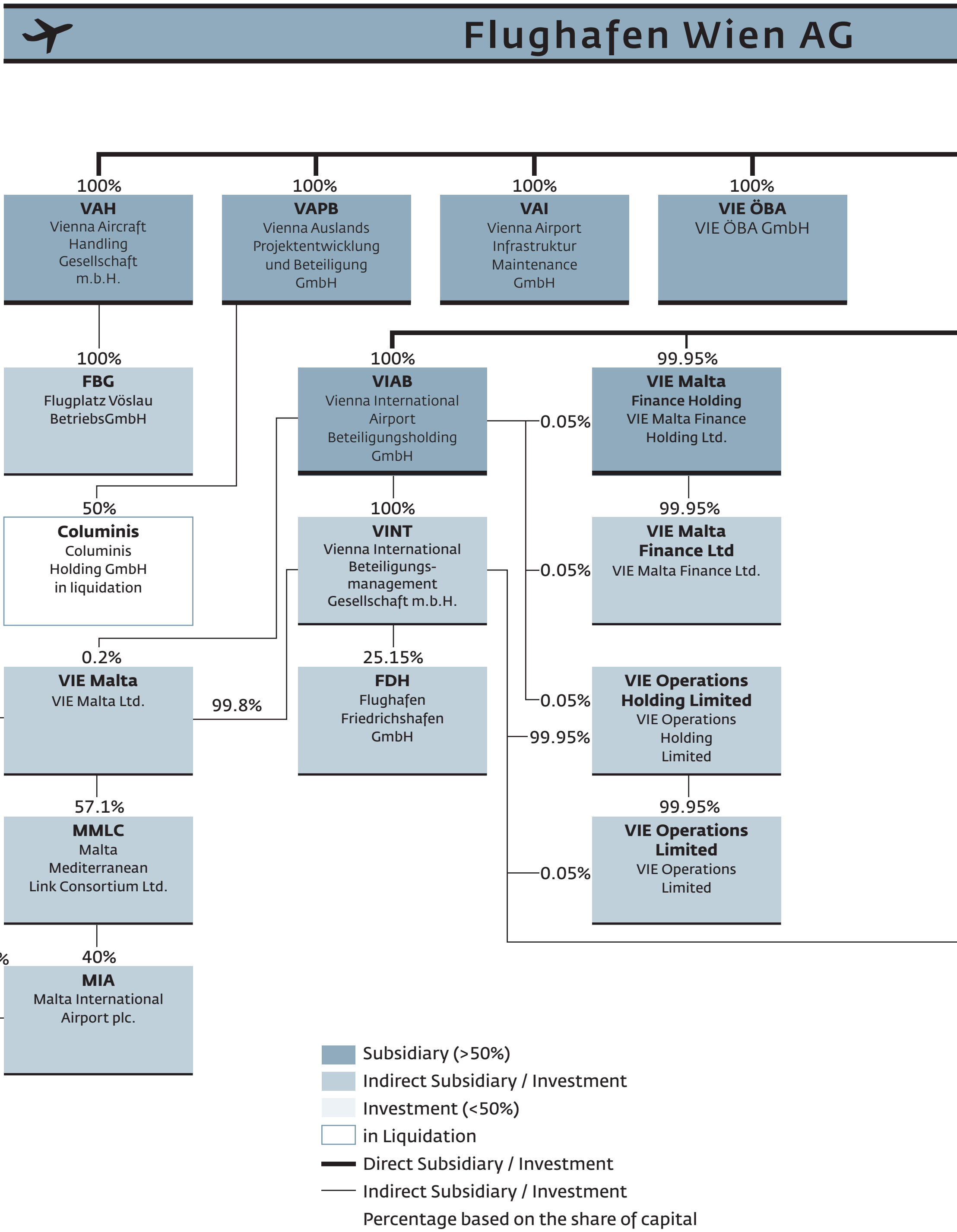
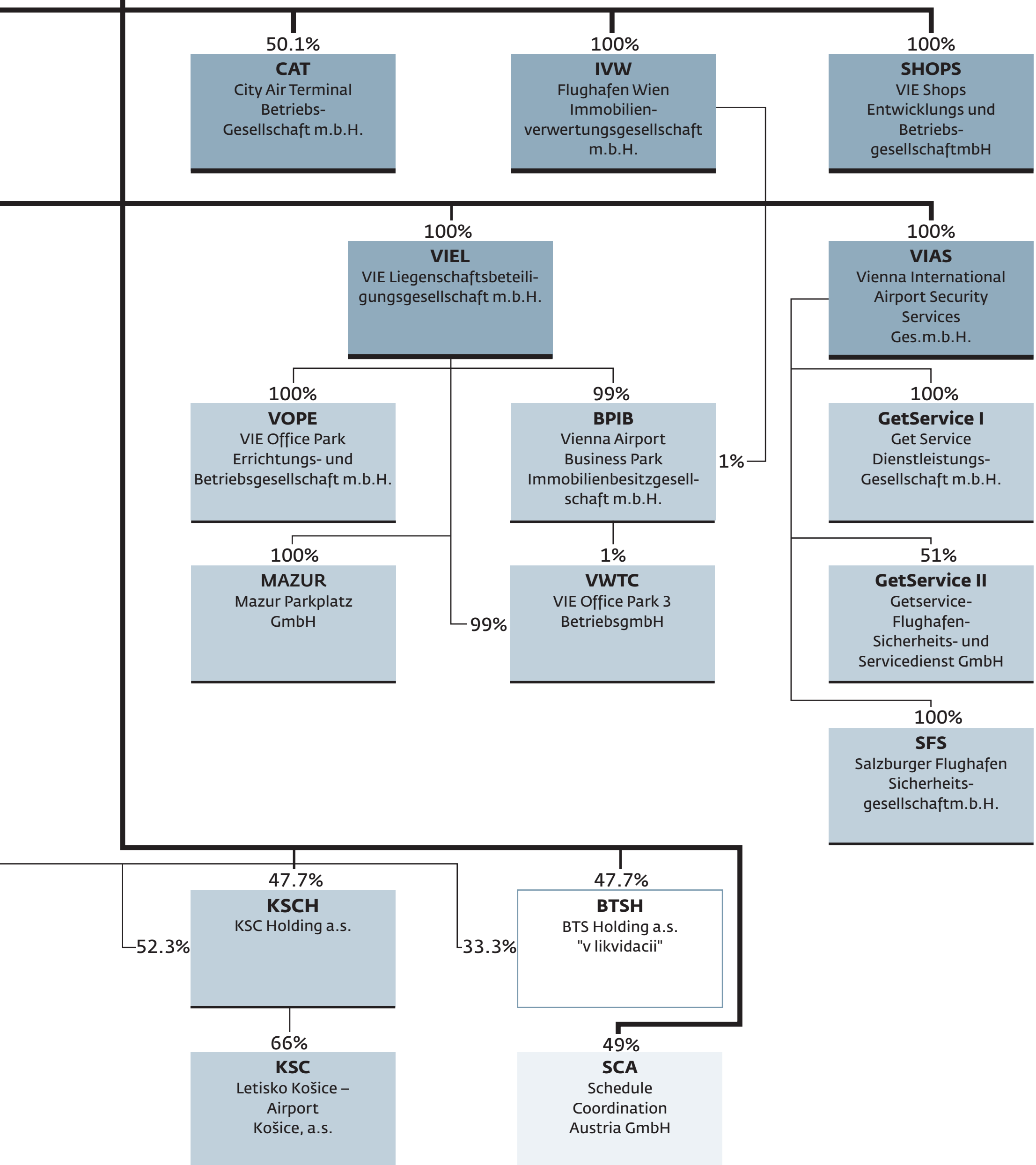

Flughafen Wien AG
100%
VAH
Vienna Aircraft Handling Gesellschaft m.b.H.
100%
VAPB
Vienna Auslands Projektentwicklung und Beteiligung GmbH
100%
VAI
Vienna Airport Infrastruktur Maintenance GmbH
100%
VIE ÖBA
VIE ÖBA GmbH
100%
FBG
Flugplatz Vöslau BetriebsGmbH
100%
VIAB
Vienna International Airport Beteiligungsholding GmbH
0.05%
99.95%
VIE Malta Finance Holding
VIE Malta Finance Holding Ltd.
50%
Columinis
Columinis Holding GmbH in liquidation
100%
VINT
Vienna International Beteiligungs-management Gesellschaft m.b.H.
0.05%
99.95%
VIE Malta Finance Ltd
VIE Malta Finance Ltd.
0.2%
VIE Malta
VIE Malta Ltd.
99.8%
25.15%
FDH
Flughafen Friedrichshafen GmbH
0.05%
99.95%
VIE Operations Holding Limited
VIE Operations Holding Limited
57.1%
MMLC
Malta Mediterranean Link Consortium Ltd.
99.95%
0.05%
VIE Operations Limited
VIE Operations Limited
10.1%
40%
MIA
Malta International Airport plc.
Subsidiary (>50%)
Indirect Subsidiary / Investment
Investment (<50%)
in Liquidation
Direct Subsidiary / Investment
Indirect Subsidiary / Investment
Percentage based on the share of capital

Subsidiaries and Investments

as of 31.12.2012



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Statement by the Members of the Management Board

In accordance with § 82 of the Austrian Stock Corporation Act

› Consolidated Financial Statements

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, 26. Februar 2013
The Mangement Board:

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

Flughafen Wien Aktiengesellschaft,
Schwechat,

for the **year from 1 January 2012 to 31 December 2012**. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year 2012 and a summary of significant accounting policies and other explanatory notes.

› Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

› Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and as well as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the >

Group's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

› Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2012 and of its financial performance and its cash flows for the year from 1 January to 31 December 2012 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

› Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 4 March 2013

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Heidi Schachinger Wirtschaftsprüferin

Michael Schlenk Wirtschaftsprüfer

(Austrian Chartered Accountants)

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
- **Low-Cost Carrier:** The following airlines are designated as low-cost carriers for historical reasons: NIKI, airberlin, Germanwings, easyJet, Vueling, Transavia, Norwegian and Intersky. The business models of the low-cost carriers have changed over the past years and, consequently, this definition will be revised next year.
- **Maximum Take-off Weight (MTO W):** 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 Tariff:** A fee 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
- **One-Roof Concept:** Inclusion of all building functions under a single roof Ramp Handling: Services related to the loading/unloading of aircraft, baggage handling, catering transport, cabin cleaning and sanitary services, passenger transport, push-back etc.
- **Trucking:** Air cargo transported by lorries (substitute means of transportation)
- **VIE -Skylink:** An extension of the existing terminal constructed in stages and connected with the existing Terminal 2 on the northeast side
- **VISITAI R 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
- **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 Weighted Average Cost of Capital
- **(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
- **CO_2:** Carbon dioxide
- **ECAC:** European Civil Aviation Confe-rence
- **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 Administ-ration (agency of the US Department of Homeland Security)
- **VIAS:** Vienna International Airport Security Services GesmbH

www.viennaairport.com