ANNUAL FINANCIAL REPORT 2011

in accordance with § 82 (4)
of the Austrian
Stock Exchange Act

Vienna International Airport

KEY DATA ON THE FLUGHAFEN WIEN GROUP

Financial Indicators (in € mill., excluding employees)

	2011	Change in %	2010	2009	2008
Total revenue	582.0	9.0	533.8	501.7	548.1
Thereof Airport	294.6	13.3	260.0	226.5	250.8
Thereof Handling	160.5	-2.9	165.2	169.8	186.3
Thereof Retail & Properties	110.6	18.2	93.6	88.8	94.6
Thereof Other Segments	16.1	11.3	14.5	16.2	15.8
EBITDA	189.0	12.4	168.1	166.5	201.9
EBITDA margin (in %)[1)]	32.5	-	31.5	33.2	36.8
EBIT	67.2	-34.3	102.3	99.6	133.3
EBIT margin (in %)[2)]	11.5	-	19.2	19.9	24.3
ROCE (in %)[3)]	3.2	-	5.1	5.4	8.4
Net profit after non-controlling interests	31.6	-58.3	75.7	73.4	91.1
Cash flow from operating activities	178.9	5.4	169.7	155.5	148.4
Equity	811.4	-1.4	823.0	794.8	776.4
Equity ratio in %	37.7	-	41.2	42.7	44.7
Net debt	751.7	12.8	666.3	613.9	507.3
Balance sheet total	2,150.2	7.6	1,998.5	1,860.9	1,735.3
Gearing (in %)	92.6	-	81.0	77.2	65.3
Capital expenditure[4)]	260.2	78.8	145.5	223.6	298.1
Income taxes	13.5	-41.5	23.0	22.7	27.8
Average employees for the year[5)]	4,525	6.1	4,266	4,148	4,266

Industry Indicators

	2011	Change in %	2010	2009	2008
MTOW (in mill. tonnes)[6)]	8.3	3.7	8.0	7.3	7.8
Passengers (in mill.)	21.1	7.2	19.7	18.1	19.7
Thereof transfer passengers (in mill.)	6.5	10.2	5.9	5.5	5.9
Flight movements	246,157	0.0	246,146	243,430	266,402
Cargo (air cargo and trucking; in tonnes)	277,784	-6.2	295,989	254,006	267,985
Seat occupancy (in %)[7)]	69.6	-	68.9	68.7	68.2

Stock Market Indicators

	2011	Change in %	2010	2009	2008
Shares outstanding (in mill.)	21	0.0	21	21	21
P/E ratio (as of 31.12.)	19.4	36.8	14.2	10.0	7.3
Earnings per share (in €)	1.50	-58.4	3.61	3.49	4.34
Dividend per share (in €)[8)]	1.00	-50.0	2.00	2.10	2.60
Dividend yield (as of 31.12.; in %)	3.4	-	3.9	6.0	8.2
Pay-out ratio (as a % of net profit)	66.5	-	55.5	60.1	59.9
Market capitalisation (as of 31.12.; in € mill.)	614.3	-42.9	1,075.8	730.8	666.8
Stock price: high (in €)	51.98	1.5	51.23	38.84	81.69
Stock price: low (in €)	25.70	-22.4	33.11	19.06	26.00
Stock price: as of 31.12. (in €)	29.25	-42.9	51.23	34.80	31.75
Market weighting ATX (as of 31.12.; in %)[9)]	-	-	1.4	1.5	2.1

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) Intangible assets and property, plant and equipment, including corrections to invoices from previous years, 5) 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, 6) MTOW: maximum take-off weight for aircraft, 7) Seat occupancy: Number of passengers / Available number of seats, 8) Dividend 2011: recommendation to the Annual General Meeting 9) As of 21 March 2011 the VIE-shares were relegated from the ATX to the ATX-Prime.

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GROUP MANAGEMENT REPORT

THE BUSINESS ENVIRONMENT

The economic success of an airport is influenced by a wide variety of external factors. On the one hand, there is a close relationship between the central issue of air travel and the state of the economy. However, unforeseeable events – like the eruption of the Icelandic volcano in 2010 – can trigger a sharp drop in travel that is in no way connected with economic development. The standing of the tourism industry is also decisive for an airport because of its significant influence on air traffic.

In 2011 economic developments were characterised by a slowdown in growth beginning with the third quarter.

World Bank estimates place global economic growth at 3.2% for 2011, compared with 3.8% in the previous year. The euro zone reached only the low prior year level of 1.7%. With a GDP increase of 3.3%, the Austrian economy recorded comparatively better performance.

Another key indicator for the worldwide economy is the volume of international trade in goods and services. This statistic also showed a clear year-on-year decline in 2011. According to the International Monetary Fund, global trade rose by 12.8% in 2010 but by only 7.5% in 2011.

As a reaction to these economic developments, both the European Central Bank (ECB) and the US Federal Reserve (Fed) have announced a continuation of their low-interest policy.

TOURISM IN AUSTRIA

According to Statistik Austria, the Austrian tourism industry produced only weak growth in 2011. The share of foreign tourists in the total number of overnight stays rose by 0.9% to over 90 million. The strongest growth in the number of overnight stays was recorded with visitors from Russia (plus

25.6%) and Switzerland (plus 12.6%). Austria was also visited by a higher number of travellers from Belgium, the Czech Republic, France, Hungary, Poland and Romania. A slight decline of 1.6% was recorded in the number of German guests, who represent the largest and most important group.

TRAVEL IN AUSTRIA

The development of travel in Austria was extremely positive during 2011. Statistik Austria reported nearly 6.5 million holiday trips during summer 2011 (July-September), the most important season for such activities. In comparison with the previous summer, this represents an increase of 5.4%. Of the total Austrian population over 15 years of age, 57.2% took at least one trip in summer 2011: 2.3 million short holidays were registered, in comparison with 4.2 million main holidays with four or more overnight stays. However, the number of short trips increased 11.3% while main holidays rose by a much lower 2.4%. The airplane was the preferred mode for 18.9% of travellers to reach their vacation destination. Foreign countries were the destination for 55.4% of vacationers – with Italy (23.8%), Croatia (17.5%), Germany (13.2%), Spain (6.7%) and Greece (5.2%) as the most popular countries.

THE ECONOMY AND AIR TRAVEL

There is a close correlation between economic cycles and developments in the air travel industry, which are significantly influenced by economic crises. Both the cargo market and the travel market for airlines operating in Europe are dependent to a significant extent on the condition of the economy in the euro zone.

TRAFFIC AT VIENNA AIRPORT

VIENNA AIRPORT IN EUROPEAN COMPARISON

Passenger traffic at the European airports rose by 7.3%[1)] in 2011 . With growth of 7.2% for the year, Vienna Airport matched the European average. The number of transfer passengers increased 10.2% to 6,521,292, while the local passenger volume rose by 6.0% to 14,529,317. Vienna Airport handled a total of 21,106,292 passengers in 2011. Flight movements increased by 4.1% on average in Europe, but matched the previous year in Vienna. Despite strong growth in the number of passengers during 2011, the quality of services at Vienna Airport remained at a very high level. Vienna is one of the most punctual European airports in international comparison, ranking ahead of the other Lufthansa hubs in Munich, Zurich and Frankfurt.

1) ACI Airports Council International – Europe. Inhouse; January-December 2011

Traffic at European Airports in 2011

	Passengers in thous.	Change vs. 2010 in %	Flight movements	Change vs. 2010 in %
London[1)]	121,148.4	4.9	858,290	4.1
Frankfurt	56,436.3	6.5	477,113	5.3
Paris[2)]	88,109.6	6.0	735,422	4.1
Amsterdam	49,754.9	10.0	420,249	8.8
Madrid	49,644.3	-0.4	428,298	-1.0
Rome	37,651.2	3.9	324,132	0.2
Munich	37,763.7	8.8	388,044	5.5
Milan[3)]	36,772.2	5.7	181,491	3.7
Zurich	24,335.7	6.6	238,559	4.7
Vienna	21,106.3	7.2	244,611	0.1
Prague	11,788.6	2.0	147,689	-3.3
Budapest	8,911.3	9.0	104,763	4.3

1) London Heathrow, Gatwick and Stansted
2) Paris Charles de Gaulle, Paris Orly
3) Milan Malpensa, Linate, Bergamo
Source: ACI Europe Traffic Report December 2011

Despite the negative effects of the events in Japan (Fukushima) and North Africa (revolutions in Libya and Egypt), Vienna Airport clearly exceeded the originally forecasted growth of 5% in 2011. This increase was also supported by the absence of negative effects from the previous year, which included a severe winter in 2010 and the eruption of the Icelandic volcano Eyjafjallajökull. The number of flight movements totalled 246,157 and reflected the prior year level. Maximum take-off weight (MTOW) rose by 3.7% to 8,269,850 tonnes. The positive reporting year development – where forecasts called for growth of only 3.0% – is explained by the increased use of larger aircraft. Seat occupancy equalled 69.6% in 2011, compared with 68.9% in the previous year.

Cargo turnover at Vienna Airport totalled 277,784 tonnes in 2011, or 6.2% lower than the previous year. This decline is attributable to unusually strong growth in air cargo during 2010, the elimination of several cargo rotations and the termination of flight operations by Air China Cargo and Jade Cargo International. In 2011 air cargo was 8.9% lower at 199,809 tonnes, while trucking increased 1.7% to 77,976 tonnes

Vienna Airport offered scheduled flights to 174 destinations in 2011 (2010: 177). Forty-four of these destinations (2010: 46) are located in Eastern Europe, which underscores Vienna's position as a leading east-west hub. Traffic to Eastern Europe increased by an above-average 14.9% to total 19.1% of all departing passengers. The number of passengers travelling to the Middle East and Far East rose by 3.5% and 7.0%, respectively.

There were no major year-on-year shifts in the regional distribution of scheduled passenger traffic during 2011. One slight change was noted in the share of passengers travelling to Eastern Europe, which rose by 1.2 percentage points to 19.1% due to the above-average growth of 14.9% in traffic. Western Europe remained the most popular destination with 69.2% of the total passengers. The strongest destinations in Western Europe were Frankfurt, London, Zurich and Paris, and in Eastern Europe Moscow, Bucharest and Sofia. The most passengers on long-haul flights were recorded by Bangkok with 103,359 passengers, followed by New York with 84,325 and Tokyo with 72,222.

■ Passenger Traffic by Region in 2011

Region	2011	Share in %
Western Europe	7,122,059	69.23
Eastern Europe	1,964,997	19.10
Far East	408,047	3.97
Middle East	493,594	4.80
North America	207,473	2.02
Africa	88,990	0.87
South America	2,225	0.02
Total	**10,287,385**	**100.00**

THE MAJOR AIRLINES AT VIENNA INTERNATIONAL AIRPORT

The Austrian Airlines Group reported growth of 5.2% in the number of passengers during 2011 and, with a share of 50.0% (2010: 50.9%), remained the dominant home carrier at Vienna Airport. In addition, the low-cost carrier NIKI expanded its position as the second largest airline in Vienna during the reporting year. NIKI carried 15.1% more passengers and thereby raised its share of the total passenger volume to 11.6%. Eight other low-cost carriers also served Vienna on a regular basis during (2010: eight). The low-cost carriers (incl. NIKI) handled 4,583,800 passengers in 2011, for an absolute increase of 5.2% (2010: 4.0%). However, their market share declined from 22.1% to 21.7%.

Seventy-three airlines carried out scheduled flights to Vienna in 2011. New airline customers included, among others, Peoples Vienna Line, Cirrus Airlines, Transavia Airlines, Tap Portugal, Condor, Ural Airlines and SkyWork, which added Vienna to their flight schedules. In contrast, seven airlines terminated services to and from Vienna.

TARIFF AND INCENTIVE POLICY

The tariff scheme at Vienna Airport is very attractive in international comparison. Adjustments to these tariffs are based on a price-cap formula model that was established jointly by the airlines and the Austrian civil aviation authority (Federal Ministry for Transport, Innovation and Technology). These tariff adjustments are linked to the growth in traffic and the inflation rate.

The following adjustments were implemented as of 1 January 2011:

• Landing tariff, airside infrastructure tariff, parking tariff	+ 1.29%
• Passenger tariff, landside infrastructure tariff	+ 1.68%
• Infrastructure tariff for fuelling	+ 1.80%

The PRM (passengers with reduced mobility) tariff remained unchanged at € 0.34 per departing passenger.

In the general aviation sector, the landing tariff was raised by 20% for aircraft up to four tonnes MTOW and reduced by approx. 0.5% to 0.7% for aircraft between four tonnes and 25 tonnes MTOW.

In accordance with the amendments to the Austrian Aviation Security Act of 2011, in particular § 21 (1), Flughafen Wien AG set the security tariff at € 6.89 per local departing passenger and € 4.49 per departing transfer passenger. This change led to a reduction of € 0.49 in the passenger tariff per departing passenger in 2011.

A transfer incentive was introduced many years ago to strengthen Vienna's position as a transfer airport. This incentive was increased by € 1.15 per departing transfer passenger in 2011. Airlines that use Vienna as a hub currently receive a refund of € 11.36 per departing transfer passenger. The increase in the transfer incentive represents an important measure to increase the attractiveness and strengthen the competitive position of the tariff scheme applied by Vienna Airport. In order to further improve the positioning of Vienna Airport as a hub to Eastern Europe and the Middle East, the existing growth incentive programme was continued during the reporting year. It comprises a destination and frequency incentive as well as a frequency rate incentive and is intended to support the positioning of Vienna as a bridgehead between west and east.

REVENUE 2011

Revenue recorded by the Flughafen Wien Group rose by 9.0% to € 582.0 million in 2011. This increase was supported by the positive development of traffic (plus 7.2% in the number of departing passengers) as well as charges from the new security tariff. The regulations for the calculation of the new security tariff took effect retroactively as of 1 January 2011 and replace the revenue from passenger and baggage controls as well as the amount retained in accordance with the Austrian aviation security act.

Vienna Airport normally generates its highest revenue in the second and third quarters of the year due to the holiday season in Europe. Accordingly, the third quarter was also the strongest in 2011 with 26.6% of annual revenue, followed by the second quarter with high passenger growth and a share of 25.6%. The fourth and first quarters of the year were responsible for 25.2% and 22.6% of annual revenue, respectively.

Group Revenue by Segment

in € million	2011	Change in %	2010	2009
Airport	294.6	13.3	260.0	226.5
Handling	160.5	-2.9	165.2	169.8
Retail & Properties	110.6	18.2	93.6	88.8
Other Segments	16.1	11.3	14.5	16.2
Group revenue	**582.0**	**9.0**	**533.8**	**501.7**

Revenue: Airport Segment

in € million	2011	2010	2009
Landing tariff	65.3	61.6	67.3
Passenger tariff, incl. PRM	118.5	112.3	107.8
Infrastructure tariff	27.5	25.6	23.7
Security controls	0.0	12.7	9.6
Security tariff	68.1	0.0	0.0
Fuelling	2.9	2.0	2.0
Special guest services	6.5	6.0	5.4
Rentals	4.2	4.3	4.8
Passenger and baggage controls	0.3	29.6	2.0
Other	1.4	5.8	3.9
Total segment revenue	**294.6**	**260.0**	**226.5**

The Airport Segment generated external revenue of € 294.6 million for the reporting year (2010: € 260.0 million). Security-related services were responsible for a total of € 68.1 million, whereby this revenue replaces € 12.7 million of revenue from security controls and € 29.6 million of revenue from passenger and baggage controls reported in 2010. Revenue from the landing tariff rose by € 3.6 million to € 65.3 million. The passenger tariff increased € 6.2 million year-on-year to € 118.5 million. Higher revenue of € 27.5 million (2010: € 25.6 million) was also recorded from the infrastructure tariff. With a share of 50.6%, the Airport Segment again made the largest contribution to Group revenue in 2011 (2010: 48.7%).

Revenue: Handling Segment

in € million	2011	2010	2009
Apron handling	106.8	109.2	97.4
Cargo handling	31.6	34.7	27.7
Security services	4.2	3.4	27.1
Traffic handling	10.6	10.7	10.1
General aviation	7.2	7.2	7.4
Total segment revenue	**160.5**	**165.2**	**169.8**

The Handling Segment reported external revenue of € 160.5 million, which represents a year-on-year decline of € 4.7 million or 2.9%. Revenue from apron handling fell by € 2.4 million or 2.2% to € 106.8 million due to lower income from individual services. With a stable average market share of 89.2% (2010: 89.3%), VIE handling was able to maintain its sound position in competition with Fraport Ground Services Austria GmbH during the reporting year. At the end of 2011 Fraport sold this company, which provides both passenger and apron handling services at Vienna Airport, to the Turkish Celebi Group. Celebi Ground Handling Austria GmbH entered the Vienna market in December 2011 to become the second provider of ground handling services at Vienna Airport. Revenue from cargo handling declined 8.8% to € 31.6 million due to the development of lower cargo volumes (air cargo: minus 8.9%, trucking: plus 1.7%). The market share of VIE-Handling in the cargo segment rose by an average of 0.8 percentage points to 94.8%. Revenue from traffic handling and general aviation remained nearly constant at € 10.6 million and € 7.2 million, respectively (2010: € 10.7 million and € 7.2 million). Security services were responsible for revenue of € 4.2 million (plus 23.0%) in 2011. The Handling Segment generated 27.6% of Group revenue in 2011 (2010: 31.0%).

Revenue: Retail & Properties Segment

in € million	2011	2010	2009
Parking	37.7	34.8	30.7
Rentals	36.9	31.8	33.6
Shopping/gastronomy	36.1	26.9	24.5
Total segment revenue	**110.6**	**93.6**	**88.8**

Revenue in the Retail & Properties Segment amounted to € 110.6 million, compared with € 93.6 million in the previous year. Parking revenue rose by 8.1% to € 37.7 million, and revenue from rentals increased 15.8% to € 36.9 million. The development of traffic and the renegotiation of contracts supported an increase of 34.1% in revenue from shopping and gastronomy to € 36.1 million. Primary revenues from retail and gastronomy space totalled € 162.3 million, compared with € 153.6 million in 2010. This segment generated 19.0% of Group revenue for the reporting year (2010: 17.5%).

Revenue: Other Segments

in € million	2011	2010	2009
Energy supply and waste disposal	6.4	6.1	7.5
Telecommunications and IT	3.2	3.3	3.7
Materials management	2.2	1.7	1.5
Electrical engineering	1.4	0.3	0.7
Facility management	1.1	1.2	1.3
Workshops	0.3	0.3	0.3
Other	1.6	1.5	1.2
Total segment revenue	**16.1**	**14.5**	**16.2**

External revenue in the reporting segment “Other Segments“ rose from € 14.5 million to € 16.1 million. This revenue covers energy supply and waste disposal services totalling € 6.4 million (2010: € 6.1 million), telecommunications and IT services of € 3.2 million (2010: € 3.3 million), technical services of € 1.4 million (2010: € 0.3 million) and material supplies of € 2.2 million (2010: € 1.7 million). Revenue from the services provided by facility management and workshops as well as external revenue from the fully consolidated foreign subsidiaries amounted to € 1.9 million, which is slightly lower than the previous year. The Other Segments recorded 2.8% of Group revenue in 2011 (2010: 2.7%).

EARNINGS

The development of earnings in the Flughafen Wien Group during 2011 can be summarised as follows:

- Revenue: plus 9.0% to € 582.0 million
- Operating income: plus 9.5% to € 602.4 million
- Operating expenses, excl. depreciation and amortisation: plus 8.2% to € 413.4 million
- Earnings before interest, taxes, depreciation and amortisation (EBITDA): plus 12.4% to € 189.0 million
- Scheduled depreciation and amortisation: € 0.5 million to € 66.3 million
- Impairment losses: € 55.5 million
- Earnings before interest and taxes (EBIT): minus 34.3% to € 67.2 million
- Financial results: minus € 18.5 million to minus € 22.2 million due to impairment losses recognised to investments recorded at equity
- Earnings before taxes (EBT): minus 54.4% to € 45.0 million
- Net profit before non-controlling interests: minus 58.3% to € 31.6 million
- Share of Flughafen Wien AG in annual profit: minus € 44.1 million to € 31.6 million

Consolidated Income Statement, Summary

in € million	2011	Change in %	2010	2009
Revenue	582.0	9.0	533.8	501.7
Other operating income	20.4	24.8	16.4	15.4
Operating income	602.4	9.5	550.2	517.1
Operating expenses, excl. depreciation and amortisation	413.4	8.2	382.1	350.6
EBITDA	189.0	12.4	168.1	166.5
Depreciation and amortisation	121.8	85.1	65.8	66.9
EBIT	67.2	-34.3	102.3	99.6
Financial results	-22.2	508.0	-3.6	-3.6
EBT	45.0	-54.4	98.7	96.0
Income taxes	13.5	-41.5	23.0	22.7
Net profit for the period	31.6	-58.3	75.7	73.3
Thereof attributable to non-controlling interests	0.0	-27.2	0.0	0.0
Thereof attributable to equity holders of the parent	31.6	-58.3	75.7	73.4
Earnings per share in EUR	1.50	-58.4	3.61	3.49

Segment Results for 2011

in € million	Airport	Handling	Retail & Properties	Other Segments	Not allocated	Group
Operating income	334.3	218.3	129.8	103.7	8.9	602.4
Operating expenses	277.2	218.1	99.4	99.0	34.0	535.2
EBIT	57.1	0.2	30.3	4.7	-25.1	67.2

Group revenue rose by 9.0% to € 582.0 million in 2011 (details are provided beginning on page 9). Other operating income increased € 4.1 million to € 20.4 million. The high volume of capital expenditure at Vienna International Airport was reflected a € 5.4 million increase in own work capitalised, which is provided not only by Flughafen Wien AG but also by the subsidiaries VIE-ÖBA GmbH and Vienna Airport Infrastruktur Maintenance GmbH. Miscellaneous other operating income declined € 1.4 million year-on-year. Operating income totalled € 602.4 million in 2011 (2010: € 550.2 million).

OPERATING EXPENSES OF € 535.2 MILLION

Operating Expenses

in € million	2011	Change in %	2010	2009
Consumables and services used	42.1	-0.7	42.3	37.5
Personnel	258.5	8.5	238.1	215.4
Other operating expenses	112.9	11.1	101.6	97.7
Depreciation, amortisation and impairment	121.8	85.1	65.8	66.9
Total	**535.2**	**19.5**	**447.9**	**417.5**

The cost of consumables and services totalled € 42.1 million, or 0.7% less than 2010. Expenditures for de-icing materials, fuel and other materials declined € 4.1 million to € 18.3 million, but energy costs (electricity and long-distance heating) rose by € 0.6 million to € 17.4 million. Expenses for third party services increased € 3.3 million year-on-year to € 6.3 million.

Personnel expenses rose by 8.5% to € 258.5 million. Increases of € 0.2 million and € 15.7 million are attributable to the Airport and Handling Segments, respectively. The Retail & Properties Segment reported a decline of € 0.5 million and the Other Segments an increase of € 3.0 million.

The positive development of traffic and the scheduled opening of the VIE-Skylink led to additional hiring at Vienna Airport. An average of 4,525 men and women were employed in 2011, or 6.1% more than the previous year. The average workforce rose by 0.7% in the Airport Segment and by 7.2% in the Handling Segment. The average number of employees increased 4.9% in the Other Segments, but declined 12.7% in the Retail & Properties Segment.

In addition to the higher average number of employees and wage and salary increases mandated by collective bargaining agreements, the increase in personnel expenses resulted from the following factors: gross wages and gross salaries rose by 9.1 and 8.1% year-on-year to € 111.5 million and € 67.9 million, respectively. Expenses recognised for additions to the provisions for unused vacation and service anniversary bonuses declined € 0.1 million and € 1.9 million, but expenses related to part-time work for older employees increased € 6.1 million following the conclusion of 80 additional agreements. Severance compensation expenses were € 1.4 million higher than 2010, but expenses for pensions declined by € 2.6 million.

Other operating expenses (excluding depreciation and amortisation) rose by 11.1% or € 11.3 million to € 112.9 million in 2011. Expenses for maintenance and third party services increased 20.4%, respectively 12.2%, to € 22.9 million and € 24.9 million. Legal, auditing and consulting fees declined € 4.3, and marketing and market communication costs were € 2.3 million lower. Earnings were negatively affected by the recognition of a € 7.2 million provision for impending losses and charges of € 2.5 million related to asset disposals. Additions to the valuation allowance for receivables increased € 1.2 million year-on-year, while prior year results include the reversal of a € 2.0 million provision created in 2009.

GROUP EBITDA PLUS 12.4%

Earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded by the Flughafen Wien Group rose by 12.4% to € 189.0 million in 2011 (2010: € 168.1 million). The Airport Segment generated the largest share of Group EBITDA with € 129.2 million (2010: € 112.4 million) or 68.3%, followed by the Retail & Properties Segment with € 63.1 million (2010: € 52.6 million) or 33.4%. EBITDA recorded by the Handling Segment amounted to € 6.3 million (2010: € 22.0 million), which represents a share of 3.4%. The Other Segments reported EBITDA of € 15.2 million (2010: € 7.1 million), which equals 8.1% of the Group total. The non-allocated, negative EBITDA of € 24.8 million (2010: € 26.0 million) is related primarily to personnel expenses and other operating expenses in the administrative area.

■ EBITDA

in € million	2011	Change in %	2010	2009
Airport	129.2	14.9	112.4	113.3
Handling	6.3	-71.2	22.0	20.8
Retail & Properties	63.1	20.1	52.6	57.0
Other Segments	15.2	113.4	7.1	4.1
Group EBITDA	**189.0**	**12.4**	**168.1**	**166.5**

■ EBITDA by Segment

in %	2011	2010	2009
Airport	68.3	66.9	68.1
Handling	3.4	13.1	12.5
Retail & Properties	33.4	31.3	34.2
Other Segments	8.1	4.2	2.4
Group EBITDA	**100.0**	**100.0**	**100.0**

DEPRECIATION, AMORTISATION AND IMPAIRMENT OF € 121.8 MILLION

Despite the high volume of capital expenditure, scheduled depreciation and amortisation rose by only € 0.5 million to € 66.3 million. This development is explained by the fact that prepayments and assets under construction are only written down after completion of the respective asset.

■ Capital Expenditure and Depreciation

in € million	2011	2010	2009
Capital expenditure	262.8	146.9	224.7
Scheduled depreciation and amortisation	66.3	65.8	66.9
Impairment	55.5	0.0	0.0

Reviews of work on the VIE-Skylink by technical experts identified deficient performance by contractors and unjustified cost increases. In the cases examined, these damages amounted to € 52.1 million and resulted in the recognition of impairment charges totalling € 31.6 million to assets. Furthermore, an impairment loss of € 18.3 million was recognised to an investment property at Vienna Airport at the end of the reporting year because the building will not be able to reach the originally expected occupancy level over the medium-term. Medium-term planning for Vöslau Airfield also led to an impairment charge of € 5.6 million.

Depreciation, amortisation and impairment charges rose by a total of € 56.0 million to € 121.8 million in 2011.

GROUP EBIT OF € 67.2 MILLION

The increase in EBITDA combined with the impairment charges recognised in 2011 led to a decline of 34.3% or € 35.1 million in EBIT to € 67.2 million. The largest share of Group EBIT was recorded by the Airport Segment at € 57.1 million (2010: € 78.9 million), followed by the Retail & Properties Segment at € 30.3 million (2010: € 38.0 million). The Handling Segment generated EBIT of € 0.2 million (2010: € 15.1 million) and the Other Segments EBIT of € 4.7 million (2010: € -3.4 million).

EBIT

in € million	2011	Change in %	2010	2009
Airport	57.1	-27.6	78.9	78.7
Handling	0.2	-98.9	15.1	13.7
Retail & Properties	30.3	-20.2	38.0	42.8
Other Segments	4.7	-236.5	-3.4	-6.5
Group EBIT	**67.2**	**-34.3**	**102.3**	**99.6**

EBIT by Segment

in %	2011	2010	2009
Airport	85.0	77.1	79.1
Handling	0.2	14.8	13.7
Retail & Properties	45.2	37.2	43.0
Other Segments	7.0	-3.4	-6.5
Group EBIT	**100.0**	**100.0**	**100.0**

FINANCIAL RESULTS MINUS € 22.2 MILLION

Financial results equalled minus € 22.2 million for 2011, compared with minus € 3.6 million in the previous year. Financial results, excluding companies at equity, rose by 12.3% year-on-year to € 0.4 million.

Net interest result declined from minus € 7.7 million in 2010 to minus € 9.0 million for 2011. Interest income increased 37.2% to € 4.6 million due to a higher volume of short-term investments. Interest expense rose by 23.3% to € 13.6 million following an increase in financial liabilities and higher interest expense for finance leases. Borrowing costs of € 23.1 million were capitalised on assets under construction (2010: € 17.2 million).

The 25.15% investment in Flughafen Friedrichshafen GmbH was acquired in 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. The company's negative development in recent years led to a series of reductions in the carrying amount to € 5.7 million as of 31 March 2011. The new medium-term planning for Flughafen Friedrichshafen GmbH, which reflected the latest developments, showed that the financial goals cannot be met during the forecast period. A decision was therefore made to write off this investment in full at the end of the second quarter of 2011.

In 2006 Flughafen Wien acquired a stake in Košice Airport through a consortium, and FWAG now holds an indirect share of 66%. This investment had a carrying amount of € 47.3 million before the impairment charge (31 December 2010: € 47.0 million) and is accounted for at equity. The company was profitable in the past, but the latest medium-term forecasts indicate that traffic growth will fall substantially below earlier expectations. An impairment charge of € 13.7 million was therefore recognised to this investment at the end of the reporting year.

PROFIT BEFORE TAXES OF € 45.0 MILLION

Associates consolidated at equity and joint ventures generated a combined loss of € 15.1 million in 2011 (2010: income of € 3.6 million). The investment in Malta Airport contributed € 3.8 million (2010: € 3.4 million) to earnings, while Kosice Airport was responsible for a loss of € 13.1 million (2010: € 0.8 million). The investment in Friedrichshafen Airport resulted in a loss of € 6.0 million for the reporting year (2010: € -0.8 million).

Earnings before taxes (EBT) amounted to € 45.0 million in 2011 (2010: € 98.7 million).

The income from the companies included in the consolidated financial statements was taxed almost exclusively in Austria. The tax rate equalled 29.9% in 2011, compared with 23.3% in the previous year. Net profit of € 31.6 million for the reporting year (2010: € 75.7 million) includes minus T€ 22.4 that is attributable to non-controlling interests. Therefore, the share of net profit attributable to the equity holders of the parent company amounted to € 31.6 million, compared with € 75.7 million in 2010. Based on an unchanged number of shares outstanding, earnings per share equalled € 1.50 in 2011 (2010: € 3.61).

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 realise 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 earnings indicators used 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 32.5% in 2011, compared with 31.5% in the previous year. The defence 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 rose by € 98.3 million during the reporting year, above all through financing for the capital expenditure programme. Cash and cash equivalents increased € 47.7 million, which resulted in a year-on-year increase of € 85.4 million in net debt to € 751.7 million as of 31 December 2011. Based on equity of € 811.4 million at year-end 2011, gearing equalled 92.6% (2010: 81.0%).

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 standard 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 %	**2011**	**2010**	**2009**
EBITDA margin	32.5	31.5	33.2
EBIT margin	11.5	19.2	19.9
ROE	3.9	9.4	9.3
ROCE	3.2	5.1	5.4

Financial Indicators

	2011	**2010**	**2009**
Net debt in € million	751.7	666.3	613.9
Equity ratio in %	37.7	41.2	42.7
Gearing in %	92.6	81.0	77.2
Equity in € million	811.4	823.0	794.8
Working capital in € million	-111.3	-119.4	-98.1
Fixed assets / balance sheet total in %	89.5	90.3	92.6
Asset coverage II in %	94.3	98.6	89.5

Value Added

in € million	2011	Change in %	2010	2009
Source				
Operating income	602.4	9.5	550.2	517.1
Less cost of consumables and services	-284.9	41.0	-202.0	-194.8
Value added	**317.5**	**-8.8**	**348.2**	**322.3**
Use				
Employees	253.2	8.6	233.2	210.8
Shareholders	21.0	-50.0	42.0	44.1
Company	10.6	-68.6	33.7	29.3
Creditors (interest)	13.6	23.3	11.0	10.5
Public authorities (taxes)	19.2	-32.5	28.4	27.7
Non-controlling interests	0.0	-27.2	0.0	0.0
Value added	**317.5**	**-8.8**	**348.2**	**322.3**

FINANCIAL, ASSET AND CAPITAL STRUCTURE

ASSETS

Non-current assets rose by 6.7% during the reporting year to € 1,925.2 million as of 31 December 2011. The carrying amount of intangible assets increased 22.1% to € 15.3 million. Goodwill remained unchanged at the prior year level of € 4.4 million. The major additions – primarily software – amounted to € 4.5 million in 2011 and were contrasted by amortisation of € 2.0 million. Property, plant and equipment with a combined carrying amount of € 1,692.5 million represented the largest component of non-current assets: additions of € 254.2 million were contrasted by depreciation of € 102.4 million. The majority of these additions (€ 216.8 million) represent prepayments and construction in progress relating to the terminal extension VIE-Skylink, whereby an impairment charge of € 31.6 million was recognised in 2011. Land and buildings declined € 9.1 million. Additions of € 16.1 million were contrasted by € 22.5 million of scheduled depreciation and € 8.9 million of impairment charges. The carrying amount of technical equipment and machinery declined € 21.9 million year-on-year. Additions of € 3.8 million were contrasted by € 24.5 million of scheduled depreciation and € 1.7 million of impairment charges. The changes in investment property include additions of € 1.5 million, scheduled depreciation of € 4.2 million and impairment charges of € 13.2 million as well as reclassifications of € 3.6 million. The carrying amount of companies consolidated at equity declined by € 17.5 million in 2011, chiefly as a result of impairment charges that were recognised to the investments in Flughafen Friedrichshafen GmbH and Košice Airport. Other financial assets increased, above all due to the reclassification of € 2.5 million in plan assets that were netted out against the provisions for pension obligations in previous years.

Current assets rose by 15.7% to € 224.9 million, primarily due to an increase in cash and cash equivalents to € 111.3 million. Current securities declined € 34.8 million to € 29.5 million following the sale of an investment fund. Receivables and other assets increased € 17.8 million to € 79.7 million. Trade receivables were € 11.5 million lower, but receivables due from taxation authorities increased by € 26.9 million – and were related primarily to value added tax on investments and income tax receivables. Other receivables rose by € 1.1 million, while prepaid expenses and deferred charges were € 1.5 million higher. Cash and cash equivalents increased € 47.7 million to € 111.3 million.

Non-current assets as a share of total assets declined from 90.3% to 89.5% in 2011. This development reflected the stronger increase in cash and cash equivalents compared with property, plant and equipment. The balance sheet total increased 7.6% to € 2,150.2 million as of 31 December 2011.

EQUITY AND LIABILITIES

Equity recorded by the Flughafen Wien Group declined 1.4% to € 811.4 million as of 31 December 2011. Net profit of € 31.6 million for the reporting year was contrasted by the dividend payment of € 42.0 million for 2010. The fair value measurement of securities and hedging instruments reduced equity by € 1.4 million – due to the sale of an investment fund – while actuarial losses on employee-related provisions increased equity by € 0.3 million. Non-controlling interests as of 31 December 2011 represent the stake held by RZB Holding GmbH in the Slovakian subsidiary BTS Holding a.s., Bratislava. The increase in financial liabilities as a result of the capital expenditure programme led to a decline in the equity ratio, which fell by 3.4 percentage points to 37.7%.

Non-current liabilities increased 5.8% to € 1.011,6 million, primarily due to the receipt of € 100.0 million from a loan concluded in connection with an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz").The increase in long-term bank loans is intended to secure medium-term financing for the expansion plans of the Flughafen Wien Group. Non-current provisions rose by € 10.9 million to € 115.2 million. This development reflects an increase in the provisions for part-time work for older employees (plus € 7.2 million) and service anniversary bonuses (plus € 0.5 million) as well as other provisions (plus € 7.2 million). The increase was contrasted by a reduction of € 1.6 million and € 2.5 million, respectively, in the provisions for pensions and severance compensation. Other non-current liabilities were € 11.1 million higher at € 51.6 million, whereby € 8.1 million of this increase is attributable to the recognition of a finance lease liability. Non-current deferred tax liabilities increased € 6.6 million year-on-year.

Current liabilities were € 107.5 million higher in comparison with year-end 2010, in part due to an increase in current financial liabilities to € 71.3 million. The provisions for corporate income taxes rose by € 6.2 million, while miscellaneous current provisions increased € 0.9 million to € 110.3 million. This development comprised a reduction in the provisions for unused vacation (minus € 0.5 million) and goods and services not yet invoiced (minus € 5.4 million) as well as an increase in other claims by employees (plus € 6.8 million). The high level of capital expenditure led to an increase of € 26.3 million in trade payables to € 92.5 million. Miscellaneous current liabilities rose from € 42.8 million in 2010 to € 45.7 million as of 31 December 2011.

Balance Sheet Structure

	2011	2011	2010	2010
	in € million	as a % of the balance sheet total	in € million	as a % of the balance sheet total
Assets				
Non-current assets	1,925.2	89.5	1,804.1	90.3
Current assets	224.9	10.5	194.4	9.7
Thereof liquid funds	111.3	5.2	63.6	3.2
Balance sheet total	**2,150.2**	**100.0**	**1,998.5**	**100.0**
Equity and liabilities				
Equity	811.4	37.7	823.0	41.2
Non-current liabilities	1,011.6	47.0	955.9	47.8
Current liabilities	327.1	15.2	219.6	11.0
Balance sheet total	**2,150.2**	**100.0**	**1,998.5**	**100.0**

CASH FLOW STATEMENT

In spite of the year-on-year decline in profit before taxes to € 45.0 million, net cash flow from operating activities rose by € 9.2 million to € 178.9 million. Impairment charges to non-current assets led to an increase of € 74.6 million in the net total of write-ups and write-downs. Gains of € 1.6 million on the sale of securities were neutralised for the calculation of cash flow on operating activities. An increase of € 6.0 million in receivables and € 1.5 million in liabilities was contrasted by a plus of € 12.2 million in provisions. Income tax payments declined by € 4.7 million.

Net cash flow from investing activities amounted to minus € 187.5 million, compared with minus € 173.5 million in 2010. Payments of € 223.5 million (2010: € 173.7 million) for the purchase of property, plant and equipment and intangible assets were contrasted by proceeds of € 1.8 million (2010: € 0.2 million) on the disposal of non-current assets and € 34.0 million from the sale of securities.

A dividend of € 42.0 million was distributed to the shareholders of the parent company in 2011 (2010: € 44.1 million). Current and non-current borrowings rose by € 98.3 million (2010: € 112.1 million). In total, cash and cash equivalents increased € 47.7 million to € 111.3 million as of 31 December 2011.

■ Cash Flow Statement, Summary

in € million	2011	Change in %	2010	2009
Cash and cash equivalents as of 1 January	63.6	1,072.2	5.4	6.6
Net cash flow from operating activities	178.9	5.4	169.7	155.5
Net cash flow from investing activities	-187.5	8.1	-173.5	-176.0
Net cash flow from financing activities	56.3	-9.2	61.9	19.3
Cash and cash equivalents as of 31 December	111.3	75.0	63.6	5.4

CORPORATE SPENDING

Investments in intangible assets, property, plant and equipment and financial assets rose by 78.9% to € 262.8 million in 2011. These expenditures comprise € 255.8 million for property, plant and equipment, € 4.5 million for intangible assets and € 2.5 million for financial assets.

TERMINAL EXTENSION VIE-SKYLINK

Investments for the reporting year focused primarily on the terminal extension VIE-Skylink at € 171.8 million.

Following the cancellation and renegotiation of all contracts for the VIE-Skylink during the interruption of construction in 2009, construction on this project was basically completed in 2011.

Capital expenditure on the VIE-Skylink amounted to over € 260 million from the resumption of construction in May 2010 to December 2011. Construction on the terminal extension has been largely completed, with only minor finalisation work and the start-up of equipment still open. The building sections and equipment required for the current on-going test operations were completed in advance and on schedule.

A series of sample boarding trials started in June 2011, and test operations in the terminal and pier began on 1 December 2011. The seven test days in December were carried out without test passengers, as planned, in order to train internal and external staff in standard procedures that rely on the new communications and technology systems. Additional programmes were started at the same time to familiarise and train employees and to prepare for the parallel simulation of movements with the automatic generation and processing of test flights. A special focus has been placed on the functioning of the new communications and technology systems, above all the door control and video system, as well as the organisational coordination of activities between the AUA boarding agents, the terminal operation centre and the security headquarters. Test passengers were included in this process as of 5 January 2012.

The acceptance of the individual services and transfer of the facilities to the tenants and operators should be completed by the end of April 2012. Negotiations with the responsible authorities for the operating certificate and other necessary permits will be carried out at the same time.

Construction in the gastronomy and retail areas has also been largely completed, and finishing work on the individual shops can now proceed as planned.

A total of 3,200 test passengers will assess the VIE-Skylink on 33 days during the period from 5 January 2012 to 26 April 2012, including two peak days with up to 400 participants and two night tests. The results will then be analysed on non-test days and any necessary adjustments will be made. The goal is to identify and remedy as many errors and problems as possible in advance – in this connection, scenarios such as gate changes and problems with baggage logistics will be artificially created. The conclusions will then be analysed and the project will be adjusted accordingly. This procedure allows for the identification and remedy of possible difficulties before the start of operations in the VIE-Skylink during June 2012.

Following the restructuring of the project and the renegotiation of contracts, it can be assumed that the costs for the terminal extension VIE-Skylink will be less than € 770 million.

A detailed listing of investments is presented in the following tables:

Investments

in € million	2011	Change in %	2010	2009
Intangible assets	4.5	290.8	1.1	2.2
Property, plant and equipment	255.8	77.2	144.4	221.4
Financial assets	2.5	90.3	1.3	1.1
Total investments	262.8	78.9	146.9	224.7

Financing

in € million	2011	Change in %	2010	2009
Net cash flow from operating activities	178.9	5.4	169.7	155.5
Depreciation and amortisation	141.6	111.7	66.9	67.8

Investments 2011

Airport Segment

in T€	2011
VIE-Skylink	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
VIE-Skylink furniture	2,446.5
Fixtures and operating equipment, incl. software	1,969.5
VIE-Skylink guidance system	1,704.4
External installations (aprons, lighting equipment)	1,697.8
VIE-Skylink baggage sorting equipment	1,610.5
Expansion of access roads	1,452.4
Access control equipment	1,384.4
VIE-Skylink 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

Investments 2010

Airport Segment

in T€	2010
VIE-Skylink	95,160.7
Third runway	11,260.1
Security systems	6,664.2
Security control lines	2,107.4
Revitalisation of bus gates	2,085.3
Fixtures and operating equipment	1,529.8
Land	1,039.5
Ramp in front of the airport building	925.3
Revitalisation of Terminal 2	490.7
Infrastructure west expansion	468.3
Fire department building and checkpoints	287.0

Handling Segment

in T€	2010
Lifting and loading vehicles	1,191.6
Special vehicles	1,007.7
Towing vehicles	966.5
Fixtures and operating equipment	427.4
Automobiles, busses, vans, delivery trucks	380.5

Investments 2011

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
VIE-Skylink 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

Investments 2010

Retail & Properties Segment

in T€	2010
Advertising space VIE-Skylink	1,884.6
Expansion of Office Park 3	682.9
Bus station (old) arrivals	467.1
K3 car park	285.3
Retail expansion Skylink	270.0
Infrastructure west expansion	153.0

Other Segments

in T€	2010
Infrastructure west expansion	2,023.6
Fixtures and operating equipment	1,131.4
Software	1,044.6
Automobiles, busses, vans, delivery trucks	402.7
Replacement of network equipment	380.7
Special vehicles	117.2

FINANCIAL INSTRUMENTS

Information on the financial instruments used by the Flughafen Wien Group is provided in the notes to the financial statements (see note 33).

BRANCH OFFICES

The Flughafen Wien Group had no branch offices in 2011 or 2010.

RISKS OF FUTURE DEVELOPMENT

RISK MANAGEMENT

A risk management guideline defines and regulates the related activities in the Flughafen Wien Group. 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 identified risks and measures to be implemented.

The company has concluded insurance policies to minimise the risks arising from damages and liability. An internal control system (ICS) has been installed to guarantee the correctness and completeness of all business transactions in the company's accounting system. Flughafen Wien has 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 subsequently 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 Flughafen Wien is significantly influenced by global trends in air travel which, in turn, are heavily dependent on general economic conditions. The indications of a slowdown in growth throughout the European Union lead Flughafen Wien AG to expect a less favourable macroeconomic environment in 2012 (see Eurostat, December 2011). Consequently, the passenger traffic forecasts for 2012 are reserved. However, economic forecasters (see OECD, European Commission) are predicting a substantial recovery in the European economy over the medium-term.

The development of traffic is also significantly influenced by external factors – such as terror, war or other external shocks (e.g. pandemics, closing of air space due to natural events etc.) that are outside the control of an individual company. In addition to emergency plans, Vienna International 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, Flughafen Wien AG can react to the decline in traffic triggered by such shocks with flexible cost and price structures as well as the modification of its capital expenditure programme.

BRANCH RISKS

A key success factor for the Flughafen Wien Group is the positioning of Vienna International Airport as an east-west hub. This function is used, above all, by the Austrian Airlines Group as Vienna's largest airline customer. Vienna Airport recorded an increase of 7.2% in the number of passengers during the reporting year. The strongest growth was registered in traffic to Eastern Europe with a plus of 14.9%.

The air travel branch is facing a number of major challenges in 2012 as a result of the above-mentioned tense macroeconomic situation and specific branch-related factors. These factors include the inclusion of air traffic in the EU emissions trading scheme, rising fuel prices and increasing competition. It can therefore be assumed that the European airlines will intensify their consolidation strategies in 2012 (cost reduction, portfolio optimisation, slower fleet expansion). This will also increase the cost pressure on airports throughout Europe.

With the enactment of a new federal law ("Flugabgabegesetz") in 2011, an additional charge for airline passengers took effect. 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 equals € 8 for domestic and short-haul flights, € 20 for mid-haul flights and € 35 for long-haul flights. Since this type of tax has only been implemented in Germany, Austria and Great Britain, it will have a negative influence on passenger traffic and thereby also weaken the economic position of Vienna Airport.

MARKET AND CUSTOMER STRUCTURE RISKS

With approx. 50% of passenger volume, the Austrian Airlines Group is the largest customer of Flughafen Wien AG.

Austrian Airlines was unable to produce positive operating results in 2011. The further development of this airline will have a significant influence on passenger volumes and air traffic at Vienna Airport in the future. The airline now intends to complete the financial turnaround in 2012 with a mix of measures to reduce costs and increase revenue. These measures include, among others, increased sales activities on the home market, the harmonisation of the medium-haul fleet (elimination of the Boeing 737), adjustment of the route network and a reduction in operating costs and personnel expenses. In 2014, plans call for the realisation of growth opportunities on long-haul routes.

In addition to the traditional network carriers, a number of younger airlines that are focused mainly on point-to-point traffic have served as growth drivers for Flughafen Wien AG in recent years. However, their business models have not always proven to be sustainable (e.g. SkyEurope). Particularly strong growth was recorded by NIKI in 2011: the number of passengers carried rose by 15.1% year-on-year to over 2.4 million. NIKI, which is now a wholly owned subsidiary of Air Berlin, currently has a market share of 11.6% at Vienna Airport.

The strong growth recorded by the so-called low-cost carriers and hybrid airlines that have entered the market since 2000 has driven passenger volumes and air traffic at Vienna Airport, but has also increased the competitive pressure on the network carriers. Additionally, the above-average growth of these carriers has diversified the customer portfolio of Flughafen Wien AG.

Flughafen Wien AG utilises marketing measures as well as competitive tariff and incentive models to create effective growth inducements for all airlines. An analysis of the incentives shows that the airport tariffs in Vienna are substantially lower than Frankfurt and lower than Munich and Zurich.

The handling services provided by Flughafen Wien are the subject of increasing price pressure as well as higher quality demands from the airlines. In 2011 Flughafen Wien AG was able to protect its leading market position in both the ramp handling (market share: 89.2%) and cargo sectors (market share: 94.8%). This competitive strength in comparison with other service providers is based on individualised service offers and high quality standards.

The FRAPORT Ground Services subsidiary, which is the second provider authorised to offer restricted ramp handling services, was sold to the Turkish Celibi Ground Handling Inc. in 2011.

Flughafen Wien will face an additional challenge from a guideline for ground handling services that was recently presented 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. However, the implementation of the guideline is only expected over the medium-term.

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.

In 2011 impairment charges were recognised to the investments in Košice and Friedrichshafen Airports, whereby the latter has now been written off in full. Košice, which generated sustainable positive earnings in the past, was unable to offset the bankruptcy of the low-cost carrier SkyEurope and the related drop in traffic with new carrier. The latest medium-term forecast therefore assumes substantially lower traffic growth than the original estimates. In Friedrichshafen, analyses showed that the traffic and passenger development forecasted when the investment was acquired in 2007 would not be reached over the medium-term due to the difficult market environment.

FINANCIAL RISKS

The capital expenditure programme of the Flughafen Wien Group is financed primarily by operating cash flow as well as long-term, fixed interest and/or variable interest borrowings. In order to protect liquidity and to cover the peaks of the investment programme, the Flughafen Wien Group arranged for additional borrowings of € 200.0 million during 2010 in accordance with an Austrian law for the protection of liquidity ("Unternehmensliquiditätsstärkungsgesetz"). A further € 100.0 million were transferred in January 2011. Together with the issue of a € 103.5 million multi-tranche promissory note in 2009, these borrowings will provide sufficient medium-term financing for future expansion and possible airport acquisitions. Detailed information on financial instruments, strategies and financial risks – including liquidity risk, credit risk, interest rate risk and foreign exchange risk – is provided in notes (33) to (35) of the financial statements.

INVESTMENT RISKS

The expansion projects of the Flughafen Wien Group are exposed to various risks – including the loss of suppliers, higher construction costs or changes in planning – that could increase the planned 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 of these investments and ensure that sufficient capacity is available to meet the forecasted demand.

Construction on the terminal extension VIE-Skylink was resumed in mid-February 2010 and operations are scheduled to start during June 2012.

Flughafen Wien AG filed an application with the provincial government of the province of Lower Austria for the approval of the project "parallel runway 11R/29L (third runway)" in accordance with the Austrian environmental impact assessment act. A decision on the start of construction will be made after receipt of the final ruling, which is expected in 2013 at the earliest, and an extensive analysis of the airport's long-range requirements at that time. A legally valid, negative ruling on this application would have far-reaching consequences for Flughafen Wien AG because previously incurred and capitalised costs, including the noise protection programme, would have to be expensed as impairment charges.

The valuation of all 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.

Applications for tariff adjustments are subject to approval by the Austrian civil aviation authority. This agency approved the tariffs developed with the current index model up to the end of 2012. If an extension is not granted,the legal regulations will apply.

Flughafen Wien successfully settled all disputes – with the exception of one – which were related to its refusal to accept certain invoices upon the cancellation of contracts for the terminal extension VIE-Skylink.

Possible claims for damages in connection with the terminal extension as well as the related consequences are currently under analysis. In the cases reviewed by technical experts, damages of approx. € 52.1 million were identified as the result of deficient performance by contractors and unjustified cost increases. Impairment charges of € 31.6 million were subsequently recognised. Flughafen Wien AG is actively pursuing claims for compensation from the involved companies. One company has already repaid € 7.6 million, 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 the Flughafen Wien Group. 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 breakdown, destruction of central systems and defects in compliance) were further reduced in 2011.

Preventive measures based on the redundancy of key operating systems were expanded and audited through regular tests, and the error solution process was optimised. System reliability, above all in the network area, was further improved by the on-going migration to new technologies.

An external control system for the exposed IT building was installed with EU funds and placed in operation. This system will prevent unauthorised access as far as possible. In addition, monitoring in the central data processing centres will be updated to reflect the latest technological standards.

Data protection issues were handed over and the necessary structures were created. An external security audit of the FWAG website was carried out to better assess and further minimise the risk of hacker attacks.

ENVIRONMENTAL RISKS

The situation at Vienna Airport can be considered stable due to 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 the Flughafen Wien Group is protected for the foreseeable future and did not identify any risks that could endanger this continued existence. The Flughafen Wien Group 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 Flughafen Wien AG.

The objective of the internal control system (ICS) is to support management in implementing – and continuously improving – effective internal controls for accounting. The internal control system is designed to ensure compliance with guidelines and directives, and to also create favourable conditions for specific control activities in key accounting processes.

The description of the major features of these internal controls is based on the structure defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The internal control system comprises the 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. These controls are recorded in an ICS database, which – in addition to other analyses – supports group-wide inquiries on the effectiveness of all ICS controls in the company. The internal audit department carries out independent and regular reviews of compliance with corporate policies for the accounting area. This department reports directly to the Management Board.

CONTROL ENVIRONMENT

The corporate culture within which management and employees operate has a significant influence on the control environment. Flughafen Wien 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.

The implementation of the internal control system for accounting processes is regulated in 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 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 monitoring internal control systems throughout the group. In addition, the individual department heads and senior managers are responsible for monitoring activities in their individual areas. Controls and plausibility checks are carried out at regular intervals, and the internal control system is also reviewed by the internal audit department. In addition, the internal control system includes a self-monitoring and supervisory function. 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.

In 2011 the activities of the information systems service unit also focused on the implementation of the CDM-ISP project (Collaboration Decision Making-Information Sharing Platform). 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. Costs of € 0.3 million were associated with this project in 2011 (2010: € 0.3 million).

ENVIRONMENTAL AND LABOUR ISSUES

THE ENVIRONMENT

Flughafen Wien AG is committed to careful and conscious interaction with the environment as well as sustainable management, and has implemented numerous measures to reach these goals. A total of T€ 1,260.3 (2010: T€ 913.3) was invested in environmental protection during the reporting year. 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.

Overview of Environmental Indicators for Flughafen Wien

	2011	2010
Number of passengers	21,106,292	19,691,206
Electricity consumption per year in kWh	135,871,470	128,187,468
Electricity consumption in kWh per year and passenger	6.44	6.51
Heat consumption per year in MWh	122,317	131,218
Heat consumption in MWh per year and passenger	0.0058	0.0067
Water consumption per year in m³	674,472	745,771
Water consumption in m³ per year and passenger	0.032	0.038
Waste water disposal per year in m³	663,500	683,876
Residual waste aircraft in kg	1,125,500	999,990
Residual waste aircraft in kg per passenger	0.053	0.051
Waste paper VIE in kg	2,016,180	1,782,280
Waste paper VIE in kg per passenger	0.10	0.09
Aluminium/cans/metal VIE in kg	6,395	5,630
Biogenic waste VIE in kg	217,580	195,160
Biogenic waste VIE in kg per passenger	0.010	0.010
Glass VIE in kg	74,281	85,364
Glass VIE in kg per passenger	0.004	0.004
Plastic packaging VIE in kg	145,660	160,540
Plastic packaging VIE in kg per passenger	0.007	0.008
Hazardous waste VIE in kg	140,257	118,733
Hazardous waste VIE in kg per passenger	0.007	0.006
Share recycled in %	90.9%	88.6%

WORKFORCE ISSUES

Traffic growth led to the hiring of an additional 259 employees in the Flughafen Wien Group during the reporting year. The largest increase was recorded in the Handling Segment, above all in the area of security controls. The average number of employees rose by 221, and reflects activities to also ensure efficient and effective security when the terminal extension opens.

The company-wide cost reduction programme that was started in earlier years was continued in 2011 with a greater focus on the reduction of overtime and unused holidays. Moreover, the restructuring of the group presented numerous opportunities for the realisation of synergy effects.

Employees

	2011	Change in %	2010	2009
Number of employees	4,525	6.1	4,266	4,148
Thereof wage employees	3,314	6.9	3,101	2,993
Thereof salaried employees	1,211	4.0	1,165	1,156
Apprentices	56	7.4	52	43
Traffic units per employee[1)]	6,848	2.4	6,686	6,194
Average age in years[1)]	39.5	0.8	39.2	39.2
Length of service in years[1)]	10.5	1.9	10.3	10.4
Share of women in %[1)]	12.3	0.0	12.3	13.0
Training expenditures in EUR[1)]	902,000	-14.5	1,055,000	973,000
Reportable accidents[1)]	143	-13.3	165	123
Accidents per 1,000 employees	43.5	-12.3	49.6	37.5

1) Based on Flughafen Wien AG

Employees by segment				
Airport	415	0.7	412	423
Handling	3,285	7.2	3,064	2,956
Retail & Properties	67	-12.7	77	77
Other Segments	600	4.9	572	539
Not allocated	158	11.8	141	153

As a result of the strong development of traffic, the number of traffic units per employee increased 2.4% to 6,848 units.

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 Vienna, a day care centre with flexible opening hours and reduced costs for numerous recreational and sporting activities.

The independent private foundation established in 2000 gives Flughafen Wien employees an opportunity to participate in the success of the company. This foundation holds 10% of the shares in Flughafen Wien AG and distributes the dividends received on these shares to company employees. A total of € 4.20 million was dispersed during the reporting year – which represents the dividend payment for 2010 – and corresponds to 56.25% 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. 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. 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.

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 million EIB (European Investment Bank) loan, the € 103.5 million promissory note and the € 300 million loan concluded pursuant to an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz"). These financing agreements with a total volume of € 803.5 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 € 653.5 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

The Austrian economic research institute WIFO is predicting real GDP growth of 0.4% for this nation's economy in 2012. However, Austria will be negatively affected by the deteriorating prospects for the global economy in 2012 – despite sound fundamental economic data – because of its strong export orientation. WIFO is forecasting stagnation for the euro zone and subdued growth of 3.2% for the global economy in the coming year.

According to WIFO, the Austrian export sector is expected to grow by a real 3.5% in 2012. Unemployment should increase slightly to 7.1%, and private consumer spending should rise by only 0.8%.

Against the backdrop of this expected weaker economic development, Flughafen Wien AG is forecasting an increase of 0% to 1% in the number of passengers as well as a decline of 0% to 1% in flight movements and 2% to 3% in maximum take-off weight (MTOW).

The Flughafen Wien Group expects an increase in revenue and, following the impairment charges recognised in 2011, an improvement in profit for the period. However, profit for the period will be substantially lower than recent years. Capital expenditure of € 160 million is planned for 2012. In order to hold debt at a stable level, investments were cut from € 650 million to € 590 million for the period up to 2015.

SUBSEQUENT EVENTS

The positive development of traffic continued during January 2012. The number of passengers rose by 9.0% year-on-year to 1,397,711. Declines were recorded in flight movements with minus 2.7%, maximum take-off weight (MTOW) with minus 4.5% and cargo turnover with minus 10.1%. The number of transfer passengers increased 19.4%.

As of 1 January 2012, the tariffs were adjusted as follows based on the tariff formula:

- Landing tariff, infrastructure tariff airside, parking tariff + 0.81%
- Passenger tariff, infrastructure tariff landside + 0.39%
- Infrastructure tariff fuelling + 0.68%

The PRM tariff (passengers with reduced mobility) remains unchanged at € 0.34 per departing passenger. Also unchanged is the security tariff at € 4.49 per departing transfer passenger and € 6.89 per departing local passenger.

Based on these index-related changes, the fixed landing tariff for scheduled and charter passenger flights will decline to € 205.38 and the variable landing tariff will be reduced to € 5.59 per MTOW. The passenger tariff for scheduled and charter flights will increase by € 0.74 per departing passenger to a total of € 16.69. In addition, the airside infrastructure tariff will be reduced by 10%, while the landside infrastructure tariff will increase € 0.20 per departing passenger to € 0.87 per departing passenger.

In January 2012, € 64 million of the promissory note issued in 2009 was repaid prematurely.

The Management Board
Schwechat, 27 February 2012

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

CONSOLIDATED FINANCIAL STATEMENTS 2011 OF FLUGHAFEN WIEN AG

CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 31 December 2011

in T€	Notes	2011	2010
Revenue	(1)	581,996.7	533,834.7
Other operating income	(2)	20,436.9	16,376.8
Operating income		602,433.6	550,211.5
Consumables and services used	(3)	-42,057.3	-42,341.2
Personnel expenses	(4)	-258,453.3	-238,108.2
Other operating expenses	(5)	-112,916.5	-101,625.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		189,006.5	168,136.1
Depreciation and amortisation	(6)	-66,332.0	-65,811.1
Impairment	(6)	-55,489.2	0.0
Earnings before interest and taxes (EBIT)		67,185.2	102,325.1
Income from investments, excl. companies at equity	(8)	365.0	325.1
Interest income	(9)	4,620.7	3,368.5
Interest expense	(9)	-13,603.3	-11,031.7
Other financial expense/income	(10)	1,598.0	83.1
Financial results, excl. companies at equity		-7,019.6	-7,255.0
Impairment losses to investments recorded at equity	(7)	-19,419.2	0.0
Proportional share of income from companies recorded at equity	(7)	4,286.8	3,611.6
Financial results		-22,152.0	-3,643.5
Profit before taxes (EBT)		45,033.2	98,681.6
Income taxes	(11)	-13,453.3	-22,994.9
Net profit for the period		31,580.0	75,686.7
Thereof attributable to:			
Equity holders of the parent		31,602.4	75,717.5
Non-controlling interests		-22.4	-30.8
Number of shares outstanding (weighted average)	(21)	21,000,000	21,000,000
Earnings per share (in €, basic = diluted)		1.50	3.61
Recommended / paid dividend per share (in €)		1.00	2.00
Recommended / paid dividend (in T€)		21,000.0	42,000.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 31 December 2011

in T€	**2011**	**2010**
Net profit for the period	31,580.0	75,686.7
Income and expenses recognised directly in equity		
Change in fair value of available-for-sale securities	-2,141.3	1,467.5
Thereof changes not recognised through profit or loss	-232.4	1,467.5
Thereof realised gains (-) / losses (+)	-1,908.9	0.0
Cash flow hedge	216.9	82.9
Actuarial gains and losses	437.8	-8,940.2
Deferred taxes on items recognised directly in equity	371.7	1,847.5
Other comprehensive income	-1,115.0	-5,542.4
Total comprehensive income	30,465.0	70,144.3
Thereof attributable to:		
Equity holders of the parent	30,487.4	70,175.1
Non-controlling interests	-22.4	-30.8

CONSOLIDATED BALANCE SHEET

as of 31 December 2011

ASSETS

in T€	Notes	31.12.2011	31.12.2010
Non-current assets			
Intangible assets	(12)	15,285.5	12,523.2
Property, plant and equipment	(13)	1,692,541.2	1,538,593.1
Investment property	(14)	119,935.4	139,366.2
Investments accounted for using the equity method	(15)	90,968.2	108,485.8
Other financial assets	(16)	6,514.4	5,151.8
		1,925,244.6	1,804,120.2
Current assets			
Inventories	(17)	4,343.3	4,504.4
Securities	(18)	29,535.0	64,351.0
Receivables and other assets	(19)	79,705.4	61,887.5
Cash and cash equivalents	(20)	111,330.0	63,632.7
		224,913.7	194,375.6
Total Assets		2,150,158.3	1,998,495.7

EQUITY AND LIABILITIES

in T€	Notes	31.12.2011	31.12.2010
Equity			
Share capital	(21)	152,670.0	152,670.0
Capital reserves	(22)	117,657.3	117,657.3
Other reserves	(23)	-2,010.5	-895.5
Retained earnings	(24)	542,896.7	553,294.3
Attributable to equity holders of the parent		811,213.5	822,726.1
Non-controlling interests	(25)	210.4	232.8
		811,423.9	822,958.9
Non-current liabilities			
Provisions	(26)	115,195.1	104,342.5
Financial liabilities	(27)	821,285.4	794,112.9
Other liabilities	(28)	51,557.8	40,441.1
Deferred tax liabilities	(11)	23,606.9	17,037.4
		1,011,645.2	955,934.0
Current liabilities			
Provisions for taxation	(29)	7,194.5	951.6
Other provisions	(29)	110,318.1	109,375.4
Financial liabilities	(27)	71,301.9	204.0
Trade payables	(30)	92,531.6	66,267.4
Other liabilities	(31)	45,743.0	42,804.5
		327,089.2	219,602.9
Total Equity and Liabilities		2,150,158.3	1,998,495.7

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 31 December 2011

in T€		2011	2010
	Profit before taxes	45,033.2	98,681.6
+	Depreciation / - revaluation of non-current assets	139,281.9	64,683.4
+	Losses / - gains on the disposal of non-current assets	699.6	374.2
+	Losses / - gains on the disposal of securities	-1,556.6	0.0
-	Reversal of investment subsidies from public funds	-617.3	-1,024.0
-	Other non-cash transactions	216.9	82.9
-	Increase / + decrease in inventories	161.1	-1,193.6
-	Increase / + decrease in receivables	-6,001.8	5,101.9
+	Increase / - decrease in provisions	12,233.1	20,971.5
+	Increase / - decrease in liabilities	1,527.4	-1,190.4
	Net cash flows from ordinary operating activities	190,977.6	186,487.5
-	Income taxes paid	-12,064.9	-16,744.1
	Net cash flow from operating activities	178,912.6	169,743.4
+	Payments received on the disposal of non-current assets	1,847.0	182.9
-	Payments made for the purchase of non-current assets	-223,477.4	-173,668.1
+	Payments received in connection with non-refundable government grants	96.0	0.0
+	Payments received on the disposal of securities	34,048.7	0.0
	Net cash flow from investing activities	-187,485.7	-173,485.2
-	Dividend	-42,000.0	-44,100.0
-	Payments made for the acquisition of non-controlling interests	0.0	-6,047.9
	Change in financial liabilities	98,270.4	112,093.7
	Net cash flow from financing activities	56,270.4	61,945.8
	Change in cash and cash equivalents	47,697.3	58,204.1
+	Cash and cash equivalents at the beginning of the period	63,632.7	5,428.6
	Cash and cash equivalents at the end of the period	111,330.0	63,632.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in T€	Share capital	Capital reserves	Available-for-sale reserve	Hedging reserve
Balance on 1.1.2010	152,670.0	117,657.3	304.1	-405.2
Market valuation of securities			1,100.6	
Cash flow hedge				62.2
Actuarial gains and losses				
Other comprehensive income	0.0	0.0	1,100.6	62.2
Net profit for the period				
Total comprehensive income	0.0	0.0	1,100.6	62.2
Acquisition of non-controlling interests put option				
Dividend				
Balance on 31.12.2010	152,670.0	117,657.3	1,404.7	-343.1

in T€	Share capital	Capital reserves	Available-for-sale reserve	Hedging reserve
Balance on 1.1.2011	152,670.0	117,657.3	1,404.7	-343.1
Market valuation of securities			-1,606.0	
Cash flow hedge				162.7
Actuarial gains and losses				
Other comprehensive income	0.0	0.0	-1,606.0	162.7
Net profit for the period				
Total comprehensive income	0.0	0.0	-1,606.0	162.7
Dividend				
Balance on 31.12.2011	152,670.0	117,657.3	-201.3	-180.4

Attributable to equity holders of the parent						
Actuarial gains/losses	Currency translation reserve	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
-2,884.8	7,632.9	4,646.9	519,554.7	794,528.9	263.6	794,792.4
		1,100.6		1,100.6		1,100.6
		62.2		62.2		62.2
-6,705.2		-6,705.2		-6,705.2		-6,705.2
-6,705.2	0.0	-5,542.4	0.0	-5,542.4	0.0	-5,542.4
			75,717.5	75,717.5	-30.8	75,686.7
-6,705.2	0.0	-5,542.4	75,717.5	70,175.1	-30.8	70,144.3
		0.0	2,122.1	2,122.1		2,122.1
			-44,100.0	-44,100.0		-44,100.0
-9,589.9	7,632.9	-895.5	553,294.3	822,726.1	232.8	822,958.9

-9,589.9	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		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
328.3	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
-9,261.6	7,632.9	-2,010.5	542,896.7	811,213.5	210.4	811,423.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

BASIS OF PREPARATION

The consolidated financial statements of Flughafen Wien AG as of 31 December 2011 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 announcements by the IASB were applied for the first time in 2011:

New version of IAS 24 "Related Party Disclosures" and amendments to IFRS 8	Applicable to financial years beginning on or after 1 January 2011.
Amendments to IFRIC 14 concerning voluntary payments in connection with minimum funding requirements	Applicable to financial years beginning on or after 1 January 2011.
IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"	Applicable to financial years beginning on or after 1 July 2010.
Amendments to IAS 32 concerning the classification of issued rights	Applicable to financial years beginning on or after 1 February 2010.
Improvements to individual IFRSs (improvement project) from May 2010	Applicable to financial years beginning on or after 1 July 2010, respectively 1 January 2011.
Amendments to IFRS 1 and IFRS 7 concerning "limited exemptions for the presentation of comparative information by first-time adopters under IFRS 7"	Applicable to financial years beginning on or after 1 July 2010.

The amended IAS 24 "Related Party Disclosures" requires mandatory application for financial years beginning on or after 1 January 2011. The most important changes include the simplification of disclosures for companies under the control or significant influence of a government or government-related entity and a fundamental change in the definition of related parties. The changes to this standard did not require any adjustments by the Flughafen Wien Group.

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 have been announced, 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 transfer of financial assets	Applicable to financial years beginning on or after 1 July 2011.
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; not adopted by the EU into European law as of the balance sheet date.
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 2013; not adopted by the EU into European law as of the balance sheet date
IFRS 11 "Joint Arrangements"	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.
IFRS 12 "Disclosure of Interests in Other Entities"	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.
IFRS 13 "Fair Value Measurement"	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 IAS 1 concerning the presentation of individual components of other comprehensive income	Applicable to financial years beginning on or after 1 July 2012; not adopted by the EU into European law as of the balance sheet date.
Amendments to IAS 12 concerning deferred taxes: recovery of underlying assets	Applicable to financial years beginning on or after 1 January 2012; not adopted by the EU into European law as of the balance sheet date.

Amendments to IAS 19 "Employee Benefits"	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.
New version of IAS 27 "Separate Financial Statements"	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.
New version of IAS 28 "Investments in Associates and Joint Ventures"	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 IAS 32 concerning the net presentation of financial assets and financial liabilities	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.
IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"	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.

The effects of the future application of the above standards and interpretations on the consolidated financial statements of Flughafen Wien AG cannot be estimated in advance. The voluntary application of these standards and interpretations at an earlier date is not planned.

CONSOLIDATION RANGE

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

Six subsidiaries were not included in the consolidated financial statements for 2011 or 2010 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 (2010: less than 2.0%).

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. Control is considered to exist when the parent company is directly or indirectly able to govern the financial and operating policies of an entity. 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 2011 consolidated financial statements include Flughafen Wien AG as well as 14 domestic (2010: 14) and 7 foreign (2010: 7) subsidiaries that are controlled by Flughafen Wien AG. In addition, 4 domestic companies (2010: 4) and 4 foreign companies (2010: 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 2011

Deconsolidation	Consolidation date	Type of consolidation	Share of capital	Description
Austroport Boden- und Flugzeugabfertigungsges.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, Christian Hirmann Gesellschaft m.b.H. at historical cost 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.

CHANGES IN THE CONSOLIDATION RANGE DURING 2010

The following companies were initially consolidated in 2010:

Initial consolidation	Consolidation date	Type of consolidation	Share of capital	Description
VIE ÖBA GmbH	6.5.2010	Full consolidation	100.0%	Founding
VIE Auslands Projektentwicklung und Beteiligung GmbH	27.4.2010	Full consolidation	100.0%	Founding
VIE Operations Holding Limited	27.12.2010	Full consolidation	100.0%	Founding
VIE Operations Limited	27.12.2010	Full consolidation	100.0%	Founding
Columinis Holding GmbH	30.7.2010	at equity	50.0%	Founding

Flughafen Wien AG founded VIE ÖBA GmbH with share capital of T€ 35.0. The business activities of this company comprise the provision of all types of construction and construction services, among others for projects by Flughafen Wien AG and other clients.

VIE Auslands Projektentwicklung und Beteiligung GmbH was founded as a wholly owned subsidiary of Flughafen Wien AG with share capital of T€ 35.0. The activities of this company cover the acquisition of international subsidiaries and investments for the Flughafen Wien Group.

Columinis Holding GmbH was founded as a joint venture by VIE Auslands Projektentwicklung und Beteiligung GmbH and ATUST Holding GmbH. The capital contribution by each shareholder amounted to T€ 17.5. This joint venture will acquire investments in other companies, and is included in the consolidated financial statements of Flughafen Wien AG at equity.

Vienna International Airport Beteiligungsholding GmbH and Vienna International Beteiligungsmanagement Gesellschaft.m.b.H founded VIE Operations Holding Limited with share capital of T€ 2.0. VIE Operations Holding Limited and Vienna International Beteiligungsmanagement Gesellschaft.m.b.H founded VIE Operations Limited with share capital of T€ 2.0. The registered headquarters of VIE Operations Ltd and VIE Operations Holding Ltd are located in Luqa, Malta. Their business activities involve the provision of support, service and consulting for the operation and management of international airports.

There were no deconsolidations during the 2010 financial year.

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 expensed as incurred. 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 the 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

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 and loss as a net amount.

The reporting currency and functional currency of all group companies is the euro.

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 ten 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 have been met, and amortised over their expected useful life. The useful life of these assets equals eight years.

Borrowing costs and development expenses are capitalised if the relevant requirements have been met, and amortised over the relevant useful life.

Intangible assets with indefinite useful lives are valued at cost and, with the exception of goodwill, are immaterial in the Flughafen Wien Group. 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 to which the goodwill 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 medium-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.

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.

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

	Years
Operational buildings	33.3
Other buildings	10–50
Take-off and landing runways, taxiways, aprons	20
Other facilities	7–20
Technical equipment and machinery	5–20
Motor vehicles	5–10
Other equipment, furniture, fixtures and office equipment	4–15

The Flughafen Wien Group holds no non-current assets that would qualify for classification as non-current assets available for sale.

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. 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 generally represents the higher of the value in use or its fair value less costs to sell. The value in use is calculated according to the discounted cash flow (DCF) method, which involves the preparation of cash flow forecasts that extend beyond 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.

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 AND SERVICE ANNIVERSARY BONUSES

The provisions for severance compensation, pensions 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; for the service anniversary bonus provisions, these items are expensed as incurred. All other changes in the provisions for severance compensation, pensions and service anniversary bonuses – 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 for salaried employees form the biometric basis for the calculation of the pension provision.

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

	2011	2010
Discount rate	4.50%	4.50%
Wage and salary increases	3.72%	3.77%
Pension increases (only for pensions)	2.01%	1.50%- 2.14%
Expected return on insurance (only for pensions) [1]	n.a.	3.60%
Discount for employee turnover (graduated)	0.00% - 12.00%	0.00% - 12.00%

1) The expected income is based on the returns generated in the reporting year.

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 recorded under financial results, with the exception of the provisions for severance compensation, pensions and service anniversary bonuses.

GOVERNMENT GRANTS

Government grants are recognised at fair value when it is reasonably certain that the Group will meet the relevant conditions attached to the grants and it is reasonably certain the grants will actually be received.

Government grants for costs are recognised as income over the periods required to match them with the costs they are intended to compensate.

Government grants for the purchase of property, plant and equipment (“investment subsidies“) are 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 are comprised 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 and loss. If the reasons for previously recognised impairment losses cease to exist, the impairment loss is appropriately reversed.

Investments in securities that are 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 – which are not embedded in an effective hedge as defined in IAS 39 and must therefore be classified as "held for trading" – 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 and 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 and loss.

INCOME TAXES

Income taxes include the taxes due and payable on taxable income as well as deferred taxes. The provisions for taxation are generally comprised of obligations for domestic and foreign income taxes, 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 for temporary differences between the carrying amounts on the consolidated balance sheet and the balance sheet prepared for tax purposes as well as for tax loss carryforwards. Deferred tax assets are recognised when it is probable that sufficient taxable profit will be available to utilise a deductible temporary difference. Deferred taxes are only created for temporary differences arising from shares in subsidiaries and companies recorded at equity in cases where 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.

The tariffs charged by Flughafen Wien for the use of airport infrastructure are based on landing and parking as well as passengers and infrastructure. 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. apron, cargo and traffic handling.

In addition, the Flughafen Wien Group realises revenue from parking, sales duties, rentals, energy supply and waste disposal and security services.

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.

The valuation of intangible assets, property, plant and equipment as well as investments accounted for at equity is connected with estimates related to the determination of fair value on the acquisition date. The stakes in companies recorded at equity have a total carrying amount of T€ 90,968.2 (2010: T€ 108,485.8).

Accounting for business combinations involves estimates to determine the fair value of acquired assets, liabilities and contingent liabilities. Properties are 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-period 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€ 10,891.2, 2010: T€ 8,128.9) and goodwill (carrying amount: T€ 4,394.4, 2010: T€ 4,394.4), property, plant and equipment (carrying amount: T€ 1,692,541.2, 2010: T€ 1,538,593.1), investment property (carrying amount: T€ 119,935.4, 2010: T€ 139,366.2) and financial assets (carrying amount: T€ 97,482.6, 2010: T€ 113,637.6) involves estimates for the cause, timing and amount of impairment. Impairment 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 fair value less costs to sell. 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 construction in progress is connected with uncertainty because of the on-going construction activity and related examination requirements.

The Flughafen Wien Group created valuation allowances of T€ 4,890.2 (2010: T€ 4,284.6) for doubtful trade receivables 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€ 87,900.4 (2010: T€ 91,502.0) 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€ 2,616.1 (2010: T€ 2,303.1). 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€ 10,354.6 (2010: T€ 12,106.1) were recognised since it 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.

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 Aviation 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 all equipment and facilities involved in passenger and baggage handling, including the VIP centre and VIP lounges. The fees for these services are generally subject to tariff 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 in 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, infrastructure maintenance, 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 main decision-makers.

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 key 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.

The information provided by geographic area also includes the revenue generated with external customers as well as the amounts recognised for non-current assets (excluding financial instruments, deferred tax assets, post-employment benefits and rights arising from insurance contracts). This data is presented for Austria, the home country of Flughafen Wien AG, and in total for all other countries. If the revenue or non-current assets in a third country reach a material level, these amounts are presented separately.

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 "Other Segments" if the respective parent company is not assigned to one of the operating segments.

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	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 carrying amount of 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

SEGMENT RESULTS FOR 2010

in T€ (except employees)	Airport	Handling	Retail & Properties	Other Segments	Group
External segment revenue	259,996.5	165,223.6	93,616.2	14,478.3	533,314.5
Internal segment revenue	38,581.8	54,760.9	15,951.9	75,111.3	
Segment revenue	298,578.3	219,984.5	109,568.1	89,589.6	
Other external revenue[1]					520.2
Group revenue					533,834.7
Segment results	78,869.7	15,126.5	38,035.7	-3,437.5	128,594.4
Other (not allocated)					-26,269.3
Group EBIT					102,325.1
Segment depreciation and amortisation					
Scheduled depreciation and amortisation	33,539.0	6,887.1	14,515.3	10,582.9	65,524.2
Other (not allocated)					286.8
Group depreciation and amortisation					65,811.1
Segment investments	127,527.4	4,195.2	4,846.9	8,708.3	145,277.7
Other (not allocated)					242.1
Group investments					145,519.8
Segment assets	1,279,343.4	37,878.5	346,884.9	184,122.5	1,848,229.3
Thereof carrying amount of investments and joint ventures recorded at equity				108,485.8	
Other (not allocated)					150,266.4
Group assets					1,998,495.7
Segment employees (average)	412	3,064	77	572	4,124
Other (not allocated)					141
Group employees (average)					4,266

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

RECONCILIATION OF REPORTABLE SEGMENT RESULTS TO GROUP EBIT

in T€	2011	2010
Total reported segment results (EBIT)	92,287.8	128,594.4
Administration		
Revenue6,715.2	6,286.4	
Other operating income	2,157.2	1,793.3
Consumables	-1,027.4	-893.1
Personnel expenses	-16,318.9	-14,363.5
Other operating expenses	-16,362.2	-18,805.6
Depreciation and amortisation	-266.4	-286.8
Total not allocated	-25,102.5	-26,269.3
Group EBIT	67,185.2	102,325.1

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

RECONCILIATION OF SEGMENT ASSETS TO GROUP ASSETS

in T€	31.12.2011	31.12.2010
Assets by segment		
Airport	1,432,861.9	1,279,343.4
Handling	32,153.1	37,878.5
Retail & Properties	321,941.4	346,884.9
Other Segments	169,003.0	184,122.5
Total assets in reportable segments	1,955,959.5	1,848,229.3
Assets not allocated to a specific segment		
Intangible assets and property, plant and equipment used in administration	1,204.9	1,010.0
Other financial assets	6,045.9	4,564.5
Non-current receivables	86.5	106.8
Current securities	29,535.0	64,351.0
Inventories	242.5	175.2
Trade receivables	7.1	44.3
Receivables due from subsidiaries	339.0	348.8
Receivables due from investments recorded at equity	77.8	128.9
Receivables due from taxation authorities	35,477.5	8,609.5
Other receivables and assets	5,002.1	3,931.8
Prepaid expenses and deferred charges	4,850.7	3,362.8
Cash and cash equivalents	111,330.0	63,632.7
Total not allocated	194,198.9	150,266.4
Group assets	2,150,158.3	1,998,495.7

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

DISCLOSURES FOR 2010 BY REGION

in T€	Austria	Malta	Slovakia	Group
External revenue	533,104.4	730.3	0.0	533,834.7
Non-current assets	1,708,767.9	48,315.6	47,036.6	1,804,120.2

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 net profit of € 3.8 million (2010: € 3.4 million) from companies consolidated at equity (including impairment losses), while the investment in Košice Airport brought a loss of € 13.1 million (2010: net profit of € 0.8 million). 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 € 214.6 million with its major customer in 2011 (2010: € 183.4 million). This revenue was generated in all segments.

(2) OTHER OPERATING INCOME

in T€	2011	2010
Own work capitalised	14,870.5	9,437.8
Income from the disposal of property, plant and equipment	86.5	64.1
Income from the reversal of provisions	2,195.7	3,433.4
Income from the reversal of investment subsidies from public funds	617.3	1,024.0
Other rental income	767.4	694.7
Income from insurance	456.8	247.6
Miscellaneous	1,442.7	1,475.0
	20,436.9	16,376.8

The income generated by own work capitalised in 2011 resulted, above all, from the capitalisation of services provided by group companies on construction projects.

(3) CONSUMABLES AND SERVICES USED

in T€	2011	2010
Consumables	18,330.4	22,455.3
Energy	17,414.1	16,833.2
Services	6,312.9	3,052.8
	42,057.3	42,341.2

The cost of consumables and services used amounted to € 42.1 million, or 0.7% less than the previous year. Expenditures for de-icing materials, fuel and other materials declined € 4.1 million to € 18.3 million, while the cost of energy (electricity, long-distance heating) rose by € 0.6 million to € 17.4 million. The cost of services was € 3.3 million higher at € 6.3 million.

(4) PERSONNEL EXPENSES

in T€	2011	2010
Wages	116,079.7	105,229.6
Salaries	74,097.8	66,557.8
Expenses for severance compensation	10,776.3	9,350.2
Thereof contribution to severance fund	3,970.8	3,044.8
Expenses for pensions	4,448.6	7,096.3
Thereof contribution to pension funds	3,734.3	5,929.8
Expenses for legally required duties and contributions	50,806.9	47,667.4
Other employee benefits	2,244.0	2,206.9
	258,453.3	238,108.2

The average number of employees increased 6.1% year-on-year to 4,525. The average workforce in the Airport Segment and Handling Segment rose by 0.7% and 7.2%, respectively. The Other Segments reported an increase of 4.9%, while the average number of employees in the Retail & Properties Segment fell by 12.7%.

As of 31 December 2011 the Flughafen Wien Group had 4,501 employees (31.12.2010: 4,337). This represents an increase of 3.8% in comparison with the previous year.

Personnel expenses rose by 8.5% to € 258.5 million in 2011. In addition to a higher average number of employees and wage and salary increases mandated by collective bargaining agreements, this development resulted from the following factors: gross wages and gross salaries rose by 9.1% and 8.1% year-on-year to € 111.5 million and € 67.9 million, respectively. Expenses recognised for the additions to the provisions for unused vacation and service anniversary bonuses declined by € 0.1 million and € 1.9 million, but expenses related to part-time work for older employees increased € 6.1 million following the conclusion of 80 additional agreements. Severance compensation expenses were € 1.4 million higher than in 2010, but expenses for pensions declined by € 2.6 million.

(5) OTHER OPERATING EXPENSES

in T€	2011	2010
Other taxes (excluding income taxes)	453.4	409.8
Maintenance	22,924.2	19,035.0
Third party services	18,852.5	16,590.8
Consulting expenses	7,956.5	12,244.2
Marketing and market communication	23,938.4	26,208.0
Postage and telecommunications	1,411.6	1,520.9
Rental and lease payments	9,147.4	9,390.8
Insurance	3,449.9	3,503.4
Travel and training	1,866.6	1,922.7
Damages	435.9	284.4
Impending losses	7,240.1	0.0
Valuation allowances to and derecognition of receivables	892.5	-160.8
Losses on the disposal of property, plant and equipment	984.5	424.8
Exchange rate differences, bank charges	516.1	512.8
Miscellaneous operating expenses	12,846.8	9,739.0
	112,916.5	101,625.9

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

Third party services consist primarily of costs for the baggage reconciliation system and handling of baggage carts, 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.

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

AUDITOR'S FEES

in T€	2011	2010
Audit of the annual financial statements	265.6	258.6
Other assurance services	54.4	53.5
Other services	51.0	102.1
	371.0	414.3

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

(6) AMORTISATION AND DEPRECIATION

in T€	2011	2010
Amortisation of intangible assets		
Scheduled amortisation	2,015.2	1,790.4
Impairment	4.9	0.0
	2,020.0	1,790.4
Depreciation of property, plant and equipment		
Scheduled depreciation	60,074.8	59,651.3
Impairment	42,329.9	0.0
	102,404.7	59,651.3
Impairment charges to investment property		
Scheduled depreciation	4,242.0	4,369.4
Impairment	13,154.5	0.0
	17,396.5	4,369.4
Total amortisation and depreciation	121,821.3	65,811.1

The impairment tests to intangible assets, property, plant and equipment 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 2012 to 2016. These calculations also used a country-specific, weighted average cost of capital (WACC) of 5.68% (2010: 5.24%).

The impairment tests led to the recognition of the following impairment losses:

VIE-SKYLINK

Impairment losses totalling € 31.6 million were recognised to the VIE-Skylink 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 is attributable to the aviation cash-generating unit and the Airport Segment.

REAL ESTATE IN SCHWECHAT

The impairment test of a property at the airport site in Schwechat, which is viewed as an independent cash-generating unit in the Retail & Properties Segment, identified the need for 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.

VÖSLAU AIRFIELD

In the past, Vöslau Airfield was allocated to the aviation cash-generating unit based on its originally intended function as an alternate airport for Schwechat. Since this function no longer exists, Vöslau Airfield was reclassified as an independent cash-generating unit in 2011 and tested for impairment. The impairment test led to the recognition of an impairment loss of € 5.6 million, which is attributable to the Airport Segment.

(7) INCOME FROM INVESTMENTS RECORDED AT EQUITY

in T€	2011	2010
Proportional share of results for the period	4,286.8	3,611.6
Impairment	-19,419.2	0.0
Income from companies at equity	-15,132.4	3,611.6

The cumulative total of unrecognised losses equals T€ 0.0 (2010: T€ 40.1). A pro rata share of gains totalling T€ 40.1 was not recognised during the reporting year (2010: T€ 101.8).

Expenses arising from investments recorded at equity include impairment charges of T€ 19,419.2 recognised in accordance with IAS 36, which are attributable to the associated company Flughafen Friedrichshafen GmbH and to Letisko Košice – Airport Košice, a.s. (KSC), each as an independent cash-generating unit.

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 recent periods as part of the at-equity valuation. The new medium-term planning for Flughafen Friedrichshafen GmbH, which covers the period from 2012 to 2015 and reflects the latest developments, shows that the financial goals cannot be met during this time. The impairment test, which was based on the determination of the value in use, led to an impairment charge of € 5.7 million, which was recorded under the Other Segments. This calculation also included a country-specific, weighted average cost of capital (WACC) of 5.25% (2010: 5.26%). 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, and FWAG now holds an indirect share of 66%. This investment is accounted for at equity (see information on the consolidation range). The company was profitable in the past, but the latest medium-term forecasts for 2012 to 2016 indicate that traffic growth will fall substantially below earlier expectations. The impairment test, which was 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. This impairment charge is included in the current results of Košice Airport, but is presented separately and allocated to the Other Segments. This calculation also included a country-specific, weighted average cost of capital (WACC) of 8.5% (2010: 6.45%). 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€	2011	2010
Income from subsidiaries not included in the consolidation	81.0	255.1
Income from investments in other companies	70.0	70.0
Income from the disposal of non-consolidated subsidiaries	214.0	0.0
Loss on the disposal of other financial assets	-0.1	0.0
Miscellaneous income from investments	365.0	325.1

(9) INTEREST INCOME/EXPENSE

in T€	2011	2010
Interest and similar income	4,620.7	3,368.5
Interest and similar expenses	-13,603.3	-11,031.7
	-8,982.6	-7,663.2

(10) OTHER FINANCIAL INCOME/ EXPENSE

in T€	2011	2010
Income from the write-up of financial assets	41.5	83.1
Income from the disposal of securities	1,556.6	0.0
	1,598.0	83.1

(11) INCOME TAXES

in T€	2011	2010
Current tax expense	6,517.3	16,675.8
Current tax expense related to prior periods	-5.1	2.0
Change in deferred income taxes	6,941.1	6,317.1
	13,453.3	22,994.9

An increase of T€ 6,569.4 in deferred taxes (2010: T€ 4,531.5) is the result of temporary differences. A change of T€ 0.0 (2010: T€ -61.8) in deferred taxes resulted from the use of tax loss carryforwards.

Tax expense of T€ 13,453.3 for the reporting year (2010: T€ 22,994.9) is T€ 2,195.0 (2010: T€ 1,675.5) higher (2010: lower) than the calculated tax expense of T€ 11,258.3 (2010: T€ 24,670.4) that would result from the application of the Austrian corporate tax rate (25%) to profit before tax of T€ 45,033.2 (2010: T€ 98,681.6).

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€	2011	2010
Profit before taxes	45,033.2	98,681.6
Calculated income tax	11,258.3	24,670.4
Decreases in taxes based on		
Adjustments for foreign tax rates	-1,568.8	-15.5
Tax effects of reductions for local taxes	-431.5	-1,247.0
Permanent differences	-52.1	-8.7
Tax effects from at equity valuations	-996.7	-1,092.8
	-3,049.2	-2,364.1
Increases in taxes based on		
Adjustments for foreign tax rates	15.6	58.1
Tax effects of additions for local taxes	453.9	438.5
Tax effects from at equity valuations	4,779.8	189.9
	5,249.3	686.5
Income tax expense for the period	13,458.4	22,992.9
Income tax expense from prior periods	-5.1	2.0
Income tax expense as reported on the income statement	13,453.3	22,994.9
Effective tax rate	29.9%	23.3%

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 the following effect on deferred tax liabilities as shown on the balance sheet:

DEFERRED TAXES

in T€	2011	2010
Deferred tax assets		
Intangible assets and property, plant and equipment	53.7	118.1
Financial assets	274.5	315.6
Provisions for severance compensation	4,812.6	5,022.7
Provisions for pensions	918.9	1,357.5
Provisions for service anniversary bonuses	1,364.0	1,186.6
Other provisions	1,219.0	2,393.8
Tax loss carryforwards	1,711.8	1,711.8
	10,354.6	12,106.1
Deferred tax liabilities		
Intangible assets and property, plant and equipment	30,670.1	26,833.6
Securities	166.2	746.7
Other assets and liabilities	484.9	822.1
Tax provisions from consolidation entries	2,640.4	741.0
	33,961.5	29,143.5
Total provisions for taxation (net)	-23,606.9	-17,037.4

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€	**2011**	**2010**
Balance on 1.1.	12,106.1	11,086.3
Changes recognised to profit or loss	-1,642.0	-1,215.3
Changes recognised directly in equity		
Actuarial differences	-109.4	2,235.1
Total changes recognised directly in equity	-109.4	2,235.1
Balance on 31.12.	10,354.6	12,106.1

DEVELOPMENT OF DEFERRED TAX LIABILITIES

in T€	**2011**	**2010**
Balance on 1.1.	29,143.5	23,654.1
Changes recognised to profit or loss	5,299.1	5,101.8
Changes recognised directly in equity		
Non-current securities	45.7	0.3
Current securities	-581.0	366.6
Hedging reserve	54.2	20.7
Total changes recognised directly in equity	-481.1	387.6
Balance on 31.12.	33,961.5	29,143.5

The calculation of deferred tax assets for the Austrian companies is based on the applicable corporate income 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 changes recorded under other comprehensive income without recognition through profit or loss involve gains and losses on available-for-sale financial instruments and cash flow hedges as well as actuarial gains and losses not affecting net income.

Deferred taxes were not recognised for investments recorded at equity or shares in subsidiaries and joint ventures. Temporary differences of T€ 6,346.6 (2010: T€ 11,171.7) are related to investments and joint ventures recorded at equity, which would have led to deferred tax assets of T€ 1,586.7 (2010: deferred tax liabilities of T€ 2,792.9).

Deferred tax assets of T€ 938.7 had not been recognised as of 31 December 2011 (2010: T€ 731.0). 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.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

(12) INTANGIBLE ASSETS

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

in T€	Concessions and rights	Goodwill	Total
Development from 1.1. to 31.12.2011			
Net carrying amount as of 1.1.2011	8,128.9	4,394.4	12,523.2
Additions	4,480.3	0.0	4,480.3
Transfers	302.0	0.0	302.0
Amortisation	-2,015.2	0.0	-2,015.2
Impairment	-4.9	0.0	-4.9
Net carrying amount as of 31.12.2011	10,891.2	4,394.4	15,285.5
Balance on 31.12.2011			
Acquisition cost	34,860.9	4,394.4	39,255.2
Accumulated amortisation	-23,969.7	0.0	-23,969.7
Net carrying amount	10,891.2	4,394.4	15,285.5

in T€	Concessions and rights	Goodwill	Total
Development from 1.1. to 31.12.2010			
Net carrying amount as of 1.1.2010	8,583.3	4,394.4	12,977.6
Additions	1,146.5	0.0	1,146.5
Transfers	191.0	0.0	191.0
Disposals	-1.6	0.0	-1.6
Amortisation	-1,790.4	0.0	-1,790.4
Net carrying amount as of 31.12.2010	8,128.9	4,394.4	12,523.2
Balance on 31.12.2010			
Acquisition cost	30,297.7	4,394.4	34,692.0
Accumulated amortisation	-22,168.8	0.0	-22,168.8
Net carrying amount	8,128.9	4,394.4	12,523.2

The major additions for the reporting year represent purchased software. Expenditures of T€ 1,930.0 for the development of individual modules for an internally generated airport operations software programme were recognised as expenses in 2011 (2010: T€ 2,585.8).

(13) PROPERTY, PLANT AND EQUIPMENT

in T€	Land and buildings	Technical equipment and machinery	Other equipment, furniture, fixtures and office equipment	Pre-payments and con-struction in progress	Total
Development from 1.1. to 31.12.2011					
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.

in T€	Land and buildings	Technical equipment and machinery	Other equipment, furniture, fixtures and office equipment	Pre-payments and con-struction in progress	Total
Development from 1.1. to 31.12.2010					
Net carrying amount as of 1.1.2010	512,346.7	256,180.4	45,323.2	657,489.3	1,471,339.5
Additions[1)]	2,934.6	2,988.9	11,396.7	126,370.0	143,690.2
Transfers	-15,429.0	2,366.0	66.4	-3,351.0	-16,347.5
Disposals	-43.1	-200.9	-107.7	-86.1	-437.8
Depreciation	-21,347.9	-25,058.3	-13,245.1	0.0	-59,651.3
Net carrying amount as of 31.12.2010	478,461.5	236,276.0	43,433.4	780,422.2	1,538,593.1
Balance on 31.12.2010					
Acquisition cost	776,752.6	657,204.0	180,100.5	780,937.1	2,394,994.2
Accumulated depreciation	-298,291.2	-420,928.0	-136,667.1	-514.9	-856,401.0
Net carrying amount	478,461.5	236,276.0	43,433.4	780,422.2	1,538,593.1

1) The additions include invoice corrections of T€ 13,666.9, which are accounted for as negative additions.

Borrowing costs of T€ 23,107.6 were capitalised in 2011 (2010: T€ 17,160.3). The average interest rate on financing for the reporting year was 4.0% (2010: 3.6%).

In 2011 a building was capitalised as a finance lease. The addition of € 9.4 million is reported under land and buildings.

FINANCE LEASES

T€	Land and buildings	Total
Development from 1.1. to 31.12.2011		
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	11 years	

The following table shows the major additions to property, plant and equipment in 2011 and 2010, including capitalised interest expense on debt:

Airport Segment in T€	2011
VIE-Skylink	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
VIE-Skylink furniture	2,446.5
Fixtures and operating equipment, incl. software	1,969.5
VIE-Skylink guidance system	1,704.4
External installations (aprons, lighting equipment)	1,697.8
VIE-Skylink baggage sorting equipment	1,610.5
Expansion of access roads	1,452.4
Access control equipment	1,384.4
VIE-Skylink 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
VIE-Skylink 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

Airport Segment in T€	2010
VIE-Skylink	95,160.7
Third runway	11,260.1
Security systems	6,664.2
Security control lines	2,107.4
Revitalisation of bus gates	2,085.3
Fixtures and operating equipment	1,529.8
Land	1,039.5
Ramp in front of the airport building	925.3
Revitalisation of Terminal 2	490.7
Infrastructure west expansion	468.3
Fire department building and checkpoints	287.0

Handling Segment in T€	2010
Lifting and loading vehicles	1,191.6
Special vehicles	1,007.7
Towing vehicles	966.5
Fixtures and operating equipment	427.4
Automobiles, busses, vans, delivery trucks	380.5

Retail & Properties Segment in T€	2010
Advertising space VIE-Skylink	1,884.6
Expansion of Office Park 3	682.9
Bus station (old) arrivals	467.1
K3 car park	285.3
Infrastructure west expansion	153.0

Other Segments in T€	2010
Infrastructure west expansion	2,023.6
IT hardware	1,578.4
Fixtures and operating equipment	1,131.4
Software	1,044.6
Aircraft de-icing equipment	499.0
Automobiles, busses, vans, delivery trucks	402.7
Replacement of network equipment	380.7
Special vehicles	117.2

(14) INVESTMENT PROPERTY

in T€	Investment property	Prepayments and construction in progress	Total
Development from 1.1. to 31.12.2011			
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€	Investment property	Prepayments and construction in progress	Total
Development from 1.1. to 31.12.2010			
Net carrying amount as of 1.1.2010	126,896.0	0.0	126,896.0
Additions	683.1	0.0	683.1
Transfers	16,156.5	0.0	16,156.5
Depreciation	-4,369.4	0.0	-4,369.4
Net carrying amount as of 31.12.2010	139,366.2	0.0	139,366.2
Balance on 31.12.2010			
Acquisition cost	177,279.8	0.0	177,279.8
Accumulated depreciation	-37,913.6	0.0	-37,913.6
Net carrying amount	139,366.2	0.0	139,366.2

in T€	2011	2010
Rental income	13,667.9	13,604.6
Operating expenses for rented properties	6,387.0	7,102.3
Operating expenses for vacant properties	1,472.2	638.2

Investment property consists of buildings that are held to generate rental income. The operating expenses for vacant properties are related to the Office Park 3, which is currently undergoing a general renovation and is therefore not occupied.

The fair value of the investment properties totalled T€ 133,193.3 as of 31 December 2011 (2010: T€ 164,609.4). This value was determined by internal calculations based on the respective earnings values.

(15) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

in T€	2011	2010
Development from 1.1. to 31.12.		
Net carrying amount as of 1.1.	108,485.9	107,368.9
Purchase of shares (addition)	0.0	85.9
Sale of shares (disposal)	-15.5	0.0
Share of profit for the period	4,604.3	4,371.2
Share of loss for the period	-306.6	-759.6
Impairment	-19,419.2	0.0
Dividends	-2,380.6	-2,580.6
Net carrying amount as of 31.12.	90,968.2	108,485.9

(16) OTHER FINANCIAL ASSETS

in T€	31.12.2011	31.12.2010
Originated loans and receivables (LaR)	1,412.6	1,608.2
Thereof loans granted to employees	86.5	106.8
Thereof other originated loans and receivables	1,326.1	1,501.3
Available-for-sale financial assets (AfS)	5,101.8	3,543.7
Thereof investments in non-consolidated subsidiaries	192.3	1,323.3
Thereof long-term investment funds and securities	4,909.4	2,220.4
	6,514.4	5,151.8

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

The originated loans and receivables include a loan of T€ 84.3 (2010: T€ 70.0) to Société Internationale Télécommunications Aéronautiques SC, a loan of T€ 225.8 (2010: T€ 450.0) to AIRPORT JET SET SERVICE, Christian Hirmann Gesellschaft m.b.H. and loans of T€ 86.5 (2010: T€ 106.8) to employees, a receivable of T€ 122.9 (2010: T€ 129.5) related to the granting of an investment subsidy by the Austrian Environmental Fund and a loan of T€ 893.2 (2010: T€ 851.8) granted in connection with the sale of land.

The impairment losses recognised to these items totalled T€ 332.0 (2010: T€ 332.0).

Available-for-sale financial assets consist chiefly of T€ 4,909.4 (2010: T€ 2,220.4) 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€ 192.3 (2010: T€ 1,323.3), which were not included in the consolidated financial statements because the related amounts are currently immaterial.

Based on a liquidation decision by the Potsdam county court on 22 July 2011, the € 1.1 million carrying amount of the investment in the non-consolidated company Flughafen Wien / Berlin Brandenburg International Entwicklungsbeteiligungsgesellschaft mbH – in short, VIE BBI – was derecognised as a disposal through profit or loss. This transaction resulted in a liquidation gain of € 0.2 million because Flughafen Wien AG held settlement liabilities totalling € 1.3 million due to VIE BBI as of 30 September 2011, and these liabilities were subsequently derecognised as income through profit or loss.

The shares in the non-consolidated OAO Petroport were sold through a sale contract dated 6 September 2011. The loss on the sale of these shares amounted to T€ 0.1.

The 1% stake in the non-consolidated AIRPORT JET SET SERVICE Christian Hirmann Gesellschaft m.b.H. (AJSS) was repurchased by the shareholder at historical cost. The loss on the sale of these shares amounted to T€ 10.9.

SHARES IN NON-CONSOLIDATED SUBSIDIARIES (2011)
- GetService Dienstleistungsgesellschaft m.b.H.
- „GetService"-Flughafen-Sicherheits- und Servicedienst GmbH
- Salzburger Flughafen Sicherheitsgesellschaft m.b.H.
- VIAS Hellas Security Air Transport Services Limited Liability Company, in liquidation
- VIE Shops Entwicklungs- und Betriebsges.m.b.H.
- Indian Airports Holding GmbH

CURRENT ASSETS

(17) INVENTORIES

in T€	31.12.2011	31.12.2010
Consumables	4,343.3	4,504.4
	4,343.3	4,504.4

Consumables and supplies are comprised above all of de-icing materials, fuel, spare parts and other materials used in airport operations. As of 31 December 2011 and 31 December 2010, no inventories were carried at net realisable value.

(18) SECURITIES

in T€	31.12.2011	31.12.2010
Short-term investment funds (AfS)	0.0	34,401.0
Fixed-interest securities	29,535.0	29,950.0
Thereof AfS	9,535.0	9,950.0
Thereof LaR	20,000.0	20,000.0
	29,535.0	64,351.0

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

As of 31 December 2011, no securities were pledged to Austrian financial institutions to obtain better conditions on short-term lines of credit (2010: T€ 34,401.0).

The € 34.8 million decline in securities resulted chiefly from the sale of an investment fund.

(19) CURRENT RECEIVABLES AND ASSETS

in T€	31.12.2011	31.12.2010
Gross trade receivables	38,848.5	49,790.2
Less valuation allowances	-4,890.2	-4,284.6
Net trade receivables (LaR)	33,958.3	45,505.7
Receivables due from non-consolidated subsidiaries (LaR)	339.0	348.8
Subtotal	34,297.3	45,854.5
Receivables due from investments recorded at equity (LaR)	77.8	128.9
Receivables due from taxation authorities	35,477.5	8,609.5
Other receivables and assets (excl. financial instruments)	201.1	0.0
Other receivables and assets (LaR)	4,800.9	3,931.8
Prepaid expenses and deferred charges	4,850.7	3,362.8
	79,705.4	61,887.5

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 (€ 18.6 million) as well as VAT tax credits of € 22.1 million that were offset against liabilities arising from payroll-related taxes.

(20) CASH AND CASH EQUIVALENTS

in T€	31.12.2011	31.12.2010
Cash	125.5	140.8
Deposits with financial institutions	15,204.5	12,491.9
Short-term deposits (fixed-term deposits)	96,000.0	51,000.0
	111,330.0	63,632.7

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 1.72% as of 31 December 2011 (2010: 1.35%). The carrying amount of cash and cash equivalents approximates fair value.

In order to obtain better conditions, fixed term deposits of T€ 23,000.0 were pledged to domestic financial institutions as of the balance sheet date (2010: T€ 0.0).

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 2011, 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, basis 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 2011 financial year equals € 1.00 (2010: € 2.00) per share.

(22) CAPITAL RESERVES

Capital reserves comprise a T€ 92,221.8 premium generated by the stock issue in 1992 and T€ 25,435.5 premium realised on the capital increase in 1995. These items were recognised in the individual accounts 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, in the case of non-financial underlying transactions, if the hedged transaction leads to an adjustment of the carrying amount in accordance with the applied accounting policy.
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 2011, which were prepared in accordance with Austrian generally accepted accounting principles.

INCOME AND EXPENSES RELATED TO THE EMPLOYEE FOUNDATION

The 10th (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 foundation distributes the dividends received from Flughafen Wien AG 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 fund total T€ 14,012.4 and were recognised directly in equity under retained earnings. There were no such effects in 2010 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.

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

NON-CURRENT LIABILITIES

(26) NON-CURRENT PROVISIONS

in T€	31.12.2011	31.12.2010
Severance compensation	58,513.3	61,040.7
Pensions	15,188.2	16,748.4
Service anniversary bonuses	14,199.0	13,713.0
Part-time work for older employees	20,054.6	12,840.5
Miscellaneous provisions	7,240.1	0.0
	115,195.1	104,342.5

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 OBLIGATION

in T€	2011	2010
Provision recognised as of 1.1. = present value (DBO) of obligations	61,040.7	52,806.6
Net expense recognised to profit or loss	6,805.6	6,305.4
Actuarial gains(-)/losses(+) not recognised to profit or loss	79.7	8,027.3
Severance compensation payments	-9,412.7	-6,098.6
Provision recognised as of 31.12. = present value (DBO) of obligations	58,513.3	61,040.7

The cumulative actuarial losses on the provisions for severance compensation that were recognised directly in equity amounted to T€ - 9,784.2 as of 31 December 2011 (2010: T€ - 9,670.8).

PERSONNEL EXPENSES INCLUDE THE FOLLOWING

in T€	2011	2010
Service cost	4,116.1	3,606.9
Interest cost	2,689.5	2,698.5
Severance compensation expense recorded under personnel expenses	6,805.6	6,305.4

HISTORICAL INFORMATION ON THE PROVISION FOR SEVERANCE COMPENSATION

in T€	2011	2010	2009	2008	2007
Present value (DBO) of obligations on 31.12.	58,513.3	61,040.7	52,806.6	49,910.1	50,734.1
Adjustments (+) gains / (-) losses based on experience	274.6	-1,504.1	630.0	-2,365.1	-1,216.4
As a % of the present value of the obligation (DBO) at the end of the period	0.5	-2.5	1.2	-4.7	-2.4

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 equal T€ 2,401.5 in 2012 (2010: T€ 2,670.2).

PROVISIONS FOR PENSIONS

Flughafen Wien AG has concluded individual agreements for the payment of supplementary defined benefit payments to certain active and retired key employees. These commitments are covered in part by reinsurance, which represents 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€	2011	2010
Present value (DBO) of the obligation as of 31.12.	15,188.2	19,254.8
Pension plan assets at fair value as of 31.12.	0.0	-2,506.4
Provision recognised as of 31.12.	15,188.2	16,748.4

DEVELOPMENT OF THE PRESENT VALUE OF THE OBLIGATION (DBO)

in T€	2011	2010
Present value (DBO) of the obligation as of 1.1.	19,254.8	22,735.6
Service cost	14.8	256.6
Interest cost	699.5	909.9
Actuarial gains(-) / losses(+) not recognised to profit or loss	-588.9	912.9
Pension payments	-4,192.1	-5,560.2
Present value (DBO) of the obligation as of 31.12.	15,188.2	19,254.8

The cumulative actuarial gains on the provisions for pensions that were recognised directly in equity amounted to T€ 522.5 as of 31 December 2011 (2010: T€ 80.9).

DEVELOPMENT OF PLAN ASSETS

in T€	2011	2010
Plan assets at fair value as of 1.1	2,506.4	5,089.5
Actual return on plan assets	0.0	209.9
Plan settlements	-2,506.4	-2,792.9
Plan assets at fair value as of 31.12.	0.0	2,506.4

The pension plan assets represented qualified reinsurance policies.

PERSONNEL EXPENSES INCLUDE THE FOLLOWING

in T€	2011	2010
Service cost	14.8	256.6
Interest cost	699.5	909.9
Actual return on plan assets	0.0	-209.9
Pension expenses recorded under personnel expenses	714.3	956.6

HISTORICAL INFORMATION ON PENSION OBLIGATIONS

in T€	2011	2010	2009	2008	2007
Present value (DBO) of obligations on 31.12.	15,188.2	19,254.8	22,735.6	22,068.6	22,230.6
Plan assets at fair value	0.0	-2,506.4	-5,089.5	-4,940.0	-3,320.9
Deficit (+) / surplus (-)	15,188.2	16,748.4	17,646.1	17,128.6	18,909.6
Adjustments (+) gains / (-) losses based on experience	759.7	-1,719.1	-1,196.3	-570.3	-1,651.6
As a % of the present value of the obligation (DBO) at the end of the period	5.0	-8.9	-5.3	-2.6	-7.4
As a % of pension plan assets at the end of the period	n.a.	-68.6	-23.5	-11.5	-49.7

Pension payments are expected to total T€ 1,298.3 in 2012 (2010: T€ 1,321.6).

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€	2011	2010
Provision recognised as of 1.1. = present value (DBO) of obligations	13,713.0	11,317.5
Net expense recognised to profit or loss	933.7	2,812.1
Service anniversary bonus payments	-447.7	-416.6
Provision recognised as of 31.12. = present value (DBO) of obligations	14,199.0	13,713.0

PERSONNEL EXPENSES INCLUDE THE FOLLOWING

in T€	2011	2010
Service cost	974.1	841.7
Interest cost	607.7	586.4
Actuarial gains(-) / losses (+) recognised to profit or loss	-648.0	1,384.0
Service anniversary bonuses recorded under personnel expenses	933.7	2,812.1

PROVISIONS FOR PART-TIME WORK 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.

PROVISION FOR PART-TIME WORK FOR OLDER EMPLOYEES

in T€	1.1.2011	Use	New creation	31.12.2011
Part-time work for older employees	12,840.5	-3,003.6	10,217.7	20,054.6

(27) NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

in T€	31.12.2011	31.12.2010
Current financial liabilities	71,301.9	204.0
Bank loans, long-term	821,285.4	794,112.9
Financial liabilities	892,587.3	794,316.9

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

In 2010 VIE Malta Finance Ltd., a subsidiary of Flughafen Wien AG, arranged for a € 300.0 million loan within the framework of an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz"). Of the total principal, € 200.0 million were received during 2010.

The remaining € 100.0 million of the above-mentioned loan contracted by VIE Malta Finance Ltd. were transferred during the reporting year.

THE REMAINING TERMS OF THE BANK LOANS ARE AS FOLLOWS

in T€	31.12.2011	31.12.2010
Up to one year	71,301.9	204.0
More than one year and up to five years	404,482.9	334,361.9
More than five years	416,802.5	459,751.0
	892,587.3	794,316.9

All financial liabilities were concluded in euros.

(28) OTHER NON-CURRENT LIABILITIES

in T€	31.12.2011	31.12.2010
Waste water association	2,700.0	0.0
Finance lease liabilities	8,108.0	0.0
Environmental fund (long-term portion)	11,692.9	10,489.3
Subtotal financial liabilities	22,500.8	10,489.3
Accruals	27,405.3	28,524.8
Investment subsidies from public funds	1,651.7	1,427.0
	51,557.8	40,441.1

The liabilities to the environmental fund represent obligations arising from the mediation process. Based on the assumption that the pay-out requirements for one-half of the liability will be met in 2011, T€ 11,692.9 each was reported under other non-current liabilities and other current liabilities.

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 (31) other current liabilities.

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

REMAINING TERMS OF LEASE LIABILITIES

in T€	**31.12.2011**
Up to one year	683.8
More than one year and up to five year	3,288.5
More than five years	4,819.5

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

TRANSITION FROM MINIMUM LEASE PAYMENTS TO PRESENT VALUE

in T€	**Remaining Term up to 1 year**	**Remaining Term 1–5 years**	**Remaining Term over 5 years**	**Total 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.

The price indexing of the lease resulted in the recognition of € 0.1 million as other operating expenses in 2011. The lease is indexed annually based on the Austrian CPI 2005.

CURRENT LIABILITIES

(29) CURRENT PROVISIONS

in T€	31.12.2011	31.12.2010
Unused vacation	9,441.8	9,948.9
Other claims by employees	12,470.2	5,649.6
Income taxes	7,194.5	951.6
Foundation expenses	906.3	906.3
Goods and services not yet invoiced	53,965.2	66,919.0
Outstanding discounts	24,571.6	17,812.3
Miscellaneous provisions	8,962.9	8,139.2
	117,512.7	110,326.9

DEVELOPMENT FROM 1.1. TO 31.12.2011

in T€	1.1.2011	Use	Reversal	New creation	31.12.2011
Unused vacation	9,948.9	-604.1	-2.2	99.2	9,441.8
Other claims by employees	5,649.6	-2,321.6	-761.2	9,903.5	12,470.2
Income taxes	951.6	-811.4	-137.4	7,191.8	7,194.5
Foundation expenses	906.3	0.0	0.0	0.0	906.3
Goods and services not yet invoiced	66,919.0	-19,023.4	-1,104.4	7,174.0	53,965.2
Outstanding discounts	17,812.3	-16,339.8	-312.9	23,412.1	24,571.6
Miscellaneous provisions	8,139.2	-2,141.5	-767.0	3,732.2	8,962.9
	110,326.9	-41,241.8	-3,085.2	51,512.8	117,512.7

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

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 accruals to cover claims for damages, a provision for liability insurance for 2011 and accrued borrowing costs.

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

(30) TRADE PAYABLES

in T€	31.12.2011	31.12.2010
To third parties	85,967.6	59,650.9
To subsidiaries	6,550.6	6,600.7
To companies recorded at equity	13.4	15.8
	92,531.6	66,267.4

(31) OTHER CURRENT LIABILITIES

in T€	31.12.2011	31.12.2010
Amounts due to companies recorded at equity	4,882.7	4,409.0
Customers with credit balances	1,556.1	4,801.0
Environmental fund (current portion)	11,692.9	10,489.3
Finance lease liabilities (current portion)	683.8	0.0
Miscellaneous liabilities	6,586.3	1,758.7
Subtotal financial liabilities at amortised cost (FLAC)	25,401.8	21,458.0
Derivative financial instruments	240.5	457.4
Other tax liabilities	1,624.2	1,826.6
Other accruals (deferred income)	1,494.1	1,914.5
Other social security liabilities	7,287.3	7,093.8
Government grants	278.0	1,024.0
Miscellaneous liabilities (excl. financial liabilities)	18.7	185.4
Liabilities to employees	9,398.6	8,844.8
	45,743.0	42,804.5

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

Amounts due to the environmental fund were reclassified from non-current to current liabilities to reflect the expected payment date.

OTHER DISCLOSURES

(32) 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€ 4,338.1 (2010: T€ 2,179.9) represent interest income and T€ 32,964.6 (2010: T€ 25,732.6) interest expense. Dividends received totalled T€ 171.2 (2010: T€ 1,476.3). 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 not been made by the end of the reporting year were eliminated from the cash flow statement as a non-cash transaction. Including payments made and eliminated in prior years, the elimination totalled minus T€ 39,313.3 (2010: plus T€ 26,809.5).

(33) 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:

2011 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	39,176.1	36,899.0	699.3	274.5	-92.0	396.2	113.6
Remaining term over 1 year	21,326.1	21,326.1	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

2010 in T€	Carrying amount after valuation allowance 31.12.2010	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	49,915.2	40,089.0	5,434.3	1,482.7	344.4	876.2	540.1
Remaining term over 1 year	21,501.3	21,501.3	0.0	0.0	0.0	0.0	0.0
Total	71,416.5	61,590.3	5,434.3	1,482.7	344.4	876.2	540.1

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 2011 and 2010:

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
	6,184.1	-264.0	-566.2	1,435.8	6,789.7

2010 in T€	Valuation allowances 1.1.2010	Use	Reversal	Addition	Valuation allowances 31.12.2010
Individual valuation allowances	12,200.3	-5,825.6	-994.5	725.1	6,105.4
Collective valuation allowances	108.5	0.0	-29.8	0.0	78.7
	12,308.8	-5,825.6	-1,024.3	725.1	6,184.1

Expenses for the derecognition of receivables (primarily trade receivables) totalled € 194.9 in 2011 (2010: T€ 138.4).

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

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

2010 in T€	Carrying amount before valuation allowance 31.12.2010	Individual valuation allowance 31.12.2010	Collective valuation allowance 31.12.2010	Carrying amount after valuation allowance 31.12.2010
Overdue < 1 year	1,068.7	848.4	16.2	204.1
Overdue > 1 year	6,239.5	5,257.0	62.5	920.0
Total	7,308.2	6,105.4	78.7	1,124.1

FINANCIAL LIABILITIES – TERM STRUCTURE

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

2011 in T€	Carrying amount 31.12.2011	Gross cash flows 31.12.2011	Cash flows < 1 year	Cash flows 1–5 years	Cash flows > 5 years	Interest rate[1]
Fixed-interest bank loans	471,426.3	764,567.8	31,209.6	509,765.3	223,593.0	4.5%
Variable interest bank loans	421,161.0	448,967.8	113,618.5	335,349.3		3.5%
Trade payables	92,531.6	92,531.6	92,531.6			n.a.
Other liabilities	39,110.8	39,110.8	39,110.8			n.a.
Finance lease liabilities	8,791.8	12,130.0	1,299.6	5,198.6	5,631.8	7.5%
Derivative liabilities	240.5	248.6	248.6			3.8%
Total	1,033,262.0	1,357,556.8	278,018.8	850,313.2	229,224.8	

1) Weighted average as of the balance sheet date

2010 [1] in T€	Carrying amount 31.12.2010	Gross cash flows 31.12.2010	Cash flows < 1 year	Cash flows 1–5 years	Cash flows > 5 years	Interest rate[2]
Fixed-interest bank loans	473,411.6	801,324.8	21,285.7	159,847.8	620,191.2	4.5%
Variable interest bank loans	320,905.3	349,268.3	28,295.1	320,973.3		2.7%
Trade payables	66,267.4	66,267.4	66,267.4			n.a.
Other liabilities	31,947.3	31,947.3	31,947.3			n.a.
Derivative liabilities	457.4	474.9	304.5	170.4		3.8%
Total	892,989.1	1,249,282.8	148,100.0	480,991.5	620,191.2	

1) Adjusted 2) Weighted average as of the balance sheet date

This listing includes all instruments held by the Group as of 31 December 2011 for which payments have been contractually agreed. The variable interest payments on financial instruments were based on the interest rates established as of 31 December 2011. 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

2011 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[1)]	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)	AfS	192.3	
Available-for-sale securities	AfS	14,444.4	
Thereof long-term investment funds, securities and rights	AfS	4,909.4	
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	25,401.8	
Thereof current lease liabilities	FLAC	683.8	
Thereof miscellaneous current liabilities	FLAC	24,718.0	
Total	FLAC	1,033,021.5	
Derivative financial liabilities			
Derivatives with hedges	Hedging	240.5	

1) Fair value could not be reliably determined due to the lack of market values for all assets; for reasons of simplicity, these items are therefore shown 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 31.12.2011	Notes
					111,330.0	(20)
	34,297.3				34,297.3	(19)
	26,204.9				26,204.9	
	20,000.0				20,000.0	(18)
	77.8				77.8	(19)
	4,800.9				4,800.9	(19)
	1,326.1				1,326.1	(16)
	60,502.2				60,502.2	
		192.3			192.3	(16)
		632.6	13,811.8		14,444.4	
		632.6	4,276.8		4,909.4	(16)
			9,535.0		9,535.0	(18)
		825.0	13,811.8		14,636.8	
	92,531.6				92,531.6	(30)
	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)
	25,401.8				25,559.4	(31)
	683.8				841.4	(31)
	24,718.0				24,718.0	(31)
	1,033,021.5				1,028,103.1	
			240.5		240.5	(31)

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

CARRYING AMOUNTS, AMOUNTS RECOGNISED AND FAIR VALUES BY VALUATION CATEGORY

2010 in T€	Valuation category	Carrying amount 31.12.2010	Nominal value = fair value
ASSETS			
Cash and cash equivalents	Cash reserve	63,632.7	63,632.7
Trade receivables	LaR	45,854.5	
Originated loans and other receivables[1)]	LaR	25,562.0	
Thereof fixed-interest securities	LaR	20,000.0	
Thereof receivables due from associated companies	LaR	128.9	
Thereof other receivables	LaR	3,931.8	
Thereof originated loans	LaR	1,501.3	
Total	LaR	71,416.5	
Other non-derivative financial assets			
Investments in other companies (not consolidated)	AfS	1,323.3	
Available-for-sale securities	AfS	46,571.4	
Thereof long-term investment funds and securities	AfS	2,220.4	
Thereof short-term investment funds	AfS	34,401.0	
Thereof fixed-interest securities	AfS	9,950.0	
Total	AfS	47,894.7	
LIABILITIES			
Trade payables	FLAC	66,267.4	
Financial liabilities	FLAC	794,316.9	
Other liabilities	FLAC	31,947.3	
Thereof miscellaneous non-current financial liabilities	FLAC	10,489.3	
Thereof miscellaneous current financial liabilities	FLAC	21,458.0	
Total	FLAC	892,531.7	
Derivative financial liabilities			
Derivatives with hedges	Hedging	457.4	

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.

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

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 31.12.2010	Notes
				63,632.7	(20)
45,854.5				45,854.5	(19)
25,562.0				25,562.0	
20,000.0				20,000.0	(18)
128.9				128.9	(19)
3,931.8				3,931.8	(19)
1,501.3				1,501.3	(16)
71,416.5				71,416.5	
1,129.9	193.4			1,323.3	(16)
	632.6	45,938.8		46,571.4	
	632.6	1,587.7		2,220.4	(16)
		34,401.0		34,401.0	(18)
		9,950.0		9,950.0	(18)
1,129.9	826.0	45,938.8		47,894.7	
66,267.4				66,267.4	(30)
794,316.9				623,249.2	(27)
31,947.3				31,947.3	
10,489.3				10,489.3	(28)
21,458.0				21,458.0	(31)
892,531.7				721,464.0	
		457.4		457.4	(31)

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 related to these obligations and in accordance with the applicable yield curve and credit spread appropriate for Flughafen Wien AG.

VALUATION METHODS AND ASSUMPTIONS FOR THE DETERMINATION OF FAIR VALUE

The fair value of financial assets and financial liabilities is determined as follows:

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 (Level 1).

The securities (investment funds) and similar rights classified under level two 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 2).

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 (Level 3).

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.

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:

- The prices listed for identical assets or liabilities on active markets (applied without change) (Level 1),
- Input factors that do not include listed prices as defined for Level 1, but which can be monitored directly (e.g. prices) or indirectly (e.g. derived from prices) for the relevant asset or liability (Level 2), and
- Factors not based on monitored market data that are used to measure the relevant asset or liability (non-observable input factors) (Level 3).

				31.12.2011
	Level 1	**Level 2**	**Level 3**	**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

				31.12.2010
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS				
Financial assets carried at fair value				
Available-for-sale securities	10,304.6	35,634.2	0.0	45,938.8
Available-for-sale financial assets – total	10,304.6	35,634.2	0.0	45,938.8
LIABILITIES				
Financial liabilities at fair value				
Derivatives with hedges	0.0	457.4	0.0	457.4
Total derivatives	0.0	457.4	0.0	457.4

No items were reclassified between Levels 1 and 2 during the reporting year.

MAJOR ASSUMPTIONS FOR THE DETERMINATION OF FAIR VALUE

Available-for-sale securities: The fair value of available-for-sale securities classified under Level 1 is based on the market price (stock exchange listings) on the respective balance sheet date. The securities (investment funds) and similar rights classified under Level 2 are not traded directly on a stock exchange, but represent shares and bonds that are listed on public exchanges. The fair value of these securities is derived from the market values of the listed shares and bonds.

Derivatives with hedges: For interest rate swaps, fair value 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 amount is calculated by applying the interest rates and interest rate curves applicable to the balance sheet date.

NET RESULTS BY VALUATION CATEGORY

2011 in T€	From interest income	From interest expense	From subsequent measurement: At fair value through profit or loss	At fair value not through profit or loss	Foreign currency translation	Impairment	From derecog-nition	Net results 2011
Cash reserves	1,919.5				0.3			0.3
Loans and receivables (LaR)	2,065.0				1.0	-1,023.1		-1,022.2
Available-for-sale financial assets (AfS)	703.3			-174.3			1,770.6	1,596.4
Financial liabilities at amortised cost (FLAC)		-13,262.6						0.0
Hedging		-251.7		216.9				216.9
Total	4,687.7	-13,514.2	0.0	42.6	1.3	-1,023.1	1,770.6	791.4

2010 in T€	From interest income	From interest expense	From subsequent measurement: At fair value through profit or loss	At fair value not through profit or loss	Foreign currency translation	Impairment	From derecog-nition	Net results 2010
Cash reserves	38.9				-0.9			-0.9
Loans and receivables (LaR)	1,525.6				2.3	243.9		246.2
Available-for-sale financial assets (AfS)	1,873.9			1,100.6				1,100.6
Financial liabilities at amortised cost (FLAC)		-10,668.0						0.0
Hedging		-304.9		82.9				82.9
Total	3,438.3	-10,972.9	0.0	1,183.5	1.4	243.9	0.0	1,428.8

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€ 13,262.6 (2010: T€ 10,668.0) 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. A further component of this position is the interest income on an interest rate derivative, which was used by Flughafen Wien AG during the reporting year as part of a cash flow hedge to hedge the risk of cash flows related to 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, net valuation gains / losses of minus T€ 174.3 were recognised directly in equity during the reporting year (2010: net valuation gains of T€ 1,100.6).

(34) 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

	31.12.2011	**31.12.2010**
Nominal value in T€	10,000.0	10,000.0
Fair value T€	-240.5	-457.4
Average interest rate received	1.14%	0.77%
Average interest rate paid	3.76%	3.76%
Remaining term in years	0.9	1.9

This calculation reflects market data 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 directly in equity of the change in the fair value of the hedging instrument resulted in the recording of a T€ 162.7 gain to the hedging reserve during 2011 (2010: gain of T€ 62.2).

(35) 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 steady optimisation of operating and financial activities. Measures to achieve these objectives depend on the expected risk, and include the selected use of derivative and non-derivative hedging instruments. Hedging generally involves only those risks that could have an impact on 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 basically 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 their 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 (33).

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 also 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 2011 that could reduce the maximum risk of default.

Additional quantitative information is provided under note (33). Information on other financial obligations and risks is included in note (37).

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 above all in the euro zone. In accordance with the current and forecasted debt structure, the treasury department selectively uses interest rate derivatives 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 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 2011, earnings would have been T€ 2,271.0 lower/higher (2010: T€ 2,076.9 higher/lower). The theoretical impact of T€ 2,271.0 (2010: T€ 2,076.9) 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 2011, equity – including tax effects – would have been T€ 1,703.3 lower/higher (2010: T€ 1,557.7 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 2011 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 2011.

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 2011 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 2011 and 2010, 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 two-thirds for the debt ratio as a secondary indicator. This goal remains unchanged from the previous year. The following table shows the development of gearing:

in T€		**2011**	**2010**
	Financial liabilities	892,587.3	794,316.9
–	Liquid funds	-111,330.0	-63,632.7
–	Current securities	-29,535.0	-64,351.0
=	Net financial liabilities	751,722.3	666,333.2
./.	Carrying amount of equity	811,423.9	822,958.9
=	Gearing	92.6%	81.0%

Gearing rose in year-on-year comparison, above all due to an increase of € 98.3 million (2010: € 112.1 million) in borrowings. The higher level of borrowings is contrasted by an increase of € 47.7 million in cash and cash equivalents (2010: € 58.2 million).

Neither Flughafen Wien AG nor its subsidiaries are subject to minimum capital requirements defined by external sources.

(36) 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).

Flughafen Wien as the lessor

in T€	2011	2010
Lease payments recognised as income of the reporting period	118,420.4	116,150.2
Thereof conditional payments from revenue-based rents	8,576.0	7,149.3
Future minimum lease payments		
Up to one year	58,711.9	57,139.0
More than one and up to five years	41,186.1	93,348.7
More than five years	109,162.7	193,994.9

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 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:

Flughafen Wien as the lessee

in T€	2011	2010
Lease payments recognised as expense of the reporting period	8,676.1	7,879.9
Thereof conditional payments from expense-based rents	2,022.6	1,659.4
Future minimum lease payments		
Up to one year	8,761.8	8,579.6
More than one and up to five years	33,200.2	27,677.7
More than five years	52,044.3	54,644.2

The conditional lease payments recognised as expenses during the reporting period are linked to a fixed reference interest rate (6-month EURIBOR).

(37) 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€ 3,878.4 (2010: T€ 4,316.2) 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 € 13.2 million as of 31 December 2011. 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.

A tax audit of the Austrian companies was started in 2009. This audit covers the years from 2004 to 2007 (corporate income tax and value added tax) and also includes a review of 2008 and 2009 in accordance with § 144 of the Austrian Fiscal Code. The audit had not been concluded by 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 2011.

Information on obligations arising from obligations to make pension and pension subsidy payments is provided under note (26).

As of 31 December 2011, obligations for the purchase of intangible assets amounted to € 2.8 million (2010: € 4.1 million) and obligations for the purchase of property, plant and equipment to € 112.0 million (2010: € 184.0 million).

(38) INFORMATION ON BUSINESS ASSOCIATIONS WITH RELATED COMPANIES AND PERSONS

The province of Lower Austria and the city of Vienna each hold 20% of the shares in Flughafen Wien AG. Both shareholders have a significant influence on Flughafen Wien AG because of the size of these stakes. Therefore, the province of Lower Austria and the city of Vienna as well as entities under their control, joint management or significant influence are classified as related parties of Flughafen Wien AG. In 2011 Flughafen Wien AG maintained business relationships that are individually significant with the province of Lower Austria and the city of Vienna as well as entities under their control, joint management or significant influence.

Moreover, all subsidiaries, joint ventures and associated companies as well as key managers and the members of the Supervisory Board of Flughafen Wien AG are considered to be related parties or persons. 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€ 6,092.0 in 2011 (2010: T€ 5,636.4).

In 2011 the Flughafen Wien Group recorded revenue of T€ 948.4 (2010: T€ 1,153.5) with the joint venture City Air Terminal Betriebsgesellschaft m.b.H., T€ 676.6 (2010: T€ 492.9) with the associated company Schedule Coordination Austria GmbH and T€ 789.3 (2010: T€ 730.3) 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 2011, receivables and originated loans due from joint ventures recorded at equity amounted to T€ 23.5 (2010: T€ 534.9). The comparable amount for associated companies recorded at equity was T€ 48.3 (2010: T€ 43.9).

As of 31 December 2011, liabilities to joint ventures recorded at equity totalled T€ 4,882.7 (2010: T€ 4,409.0) and liabilities to associated companies recorded at equity equalled T€ 13.4 (2010: T€ 15.8).

NATURAL RELATED PARTIES:
No material transactions were conducted in 2011 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 (39).

(39) INFORMATION ON CORPORATE BODIES AND EMPLOYEES

The following table shows the average number of employees in the Flughafen Wien Group:

Employees (excluding Management Board and managing directors)	**2011**	**2010**
Workers	3,314	3,101
Staff	1,211	1,165
	4,525	4,266

The members of the Management Board of Flughafen Wien AG received the following remuneration for the 2011 and 2010 financial years:

2011 in T€	Fixed compen-sation	Performance-based compen-sation 2010	Non-cash remuner-ation	Termination benefits	Total remuner-ation
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

2010 in T€	Fixed compen-sation	Performance-based compen-sation 2010	Non-cash remuner-ation	Total remuner-ation
Herbert Kaufmann	254.1	84.6	7.5	346.2
Gerhard Schmid	254.1	84.6	7.5	346.2
Ernest Gabmann	254.1	70.5	7.2	331.9
	762.4	239.8	22.1	1,024.3

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 2010 financial year that were paid out during 2011. There are no stock option plans for management.

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€ 1,450.8 (2010: T€ 630.8). Pension obligations of € 4.3 million for former members of the Management Board were transferred to a pension fund in 2011.

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 2011 and 2010, including the changes in provisions:

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
Benefits due at the end of employment	0.0	165.4	521.1
Total	136.1	1,557.0	2,564.3

Payments of T€ 141.1 were made to the members of the Supervisory Board in 2011.

2010 in T€	Supervisory Board	Management Board	Key employees
Current payments	121.6	1,123.5	2,112.4
Post-employment benefits	0.0	981.4	896.7
Other long-term benefits	0.0	4.0	31.3
Benefits due at the end of employment	0.0	882.3	172.0
Total	121.6	2,991.3	3,212.3

(40) SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

In January 2012 € 64 million of the promissory note was repaid. An agreement was also reached that calls for repayment of the outstanding balance over the previously defined term, but at a reduced margin.

The terms of the European Investment Bank (EIB) credit agreement that determine the liability of qualified guarantors for this financing were violated in December due to the downgrading of one guarantor (volume: € 100 million). The exchange of guarantors and other possibilities for the provision of collateral are currently under evaluation together with the EIB.

All events occurring after the balance sheet date that are important for valuation and measurement as of 31 December 2011 – 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, 27 February 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

SUBSIDIARIES OF FLUGHAFEN WIEN AG

Company	Abbre-viation	Parent company	Country	Share owned by the group	Type of con-solidation
Flughafen Wien AG	VIE		Austria		VK
Flughafen Wien Immobilienverwertungsgesellschaft 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 Beteiligungsmanagement Gesellschaft m.b.H.	VINT	VIAB	Austria	100.0%	VK
VIE Liegenschaftsbeteiligungsgesellschaft 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.	BTSH	VIE	Slovakia	80.95%	VK
KSC Holding, a.s.	KSCH	VIE	Slovakia	100.00%	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
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

CONTINUED: SUBSIDIARIES OF FLUGHAFEN WIEN AG

Company	Abbre-viation	Parent company	Country	Share owned by the group	Type of con-solidation
Malta International Airport p.l.c.	MIA	VIE Malta	Malta	10.1%	EQ
Malta Mediterranean Link Consortium Limited (Teilkonzern mit Malta International Airport p.l.c.)	MMLC	VIE Malta	Malta	57.1%	EQ
Columinis Holding GmbH	CMIS	VAPB	Austria	50.0%	EQ
GetService Dienstleistungsgesellschaft 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
Indian Airports Holding GmbH	VIND	VINT	Austria	100.0%	NK
VIAS Hellas Security Air Transport Services Limited Liability Company, in Liquidation	VIAS Hellas	VIAS	Greece	100.0%	

Type of consolidation:
VK = full consolidation, EQ = equity method, NK = not consolidated for reasons of immateriality

INVESTMENTS OF FLUGHAFEN WIEN AG

All amounts were determined in accordance with national law, unless IFRS data were available.

1. SUBSIDIARIES FULLY CONSOLIDATED IN THE GROUP FINANCIAL STATEMENTS

FLUGHAFEN WIEN IMMOBILIENVERWERTUNGSGESELLSCHAFT M.B.H. (IVW)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

The commercial leasing of assets, in particular real estate, as well as the acquisition of property and buildings at Vienna Airport.

IFRS values in T€	2011	2010
Assets	105,186.0	107,990.4
Liabilities	24,345.6	20,982.0
Equity	80,840.5	87,008.4
Revenue	16,118.4	15,774.3
Net profit for the period	1,486.1	7,496.8

FLUGPLATZ VÖSLAU BETRIEBSGMBH (LOAV)

Headquarters:	2540 Bad Vöslau – Flugplatz
Share owned:	100% VAH

Operation and development of Vöslau Airfield as well as the planning, construction and operation of buildings and equipment.

IFRS values in T€	2011	2010
Assets	1,546.1	5,942.6
Liabilities	368.5	415.3
Equity	1,177.6	5,527.3
Revenue	843.1	819.6
Loss for the period	-4,350.4	-117.0

MAZUR PARKPLATZ GMBH (MAZU)

Headquarters:	2320 Schwechat
Share owned:	100% VIEL

Operation of the Mazur car park and parking facilities.

IFRS values in T€	2011	2010
Assets	5,760.2	6,128.9
Liabilities	300.8	1,038.0
Equity	5,459.4	5,091.0
Revenue	2,190.7	1,731.7
Net profit for the period	1,097.1	739.7

VIE INTERNATIONAL BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. (VINT)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIAB

Founding and management of local project companies for international acquisitions; consulting and project management.

IFRS values in T€	2011	2010
Assets	44,697.0	65,091.9
Liabilities	7,067.6	8,542.7
Equity	37,629.4	56,549.2
Revenue	335.7	1,837.7
Loss for the period	-18,919.8	-206.2

VIE LIEGENSCHAFTSBETEILIGUNGSGESELLSCHAFT M.B.H. (VIEL)

Headquarters:	1300 Flughafen Wien
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€	2011	2010
Assets	58,051.6	57,928.8
Liabilities	6,698.0	7,146.5
Equity	51,353.6	50,782.3
Revenue	0.0	0.0
Net profit for the period	1,671.3	1,380.1

VIE OFFICE PARK ERRICHTUNGS- UND BETRIEBSGESELLSCHAFT M.B.H. (VOPE)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIEL

Development of real estate, in particular the Office Park 2.

IFRS values in T€	2011	2010
Assets	43,787.0	44,897.1
Liabilities	24,763.8	25,870.7
Equity	19,023.2	19,026.3
Revenue	3,150.2	3,148.5
Net profit for the period	996.9	1,010.8

VIENNA AIRCRAFT HANDLING GESELLSCHAFT M.B.H. (VAH)

Headquarters:	1300 Flughafen Wien
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€	2011	2010
Assets	7,227.9	7,305.4
Liabilities	1,112.2	1,196.4
Equity	6,115.7	6,109.0
Revenue	11,733.2	11,354.9
Net profit for the period	1,709.5	1,686.4

VIENNA AIRPORT BUSINESS PARK IMMOBILIENBESITZGESELLSCHAFT M.B.H. (BPIB)

Headquarters:	1300 Flughafen Wien
Share owned:	99% VIEL, 1% IVW

Purchase and marketing of property.

IFRS values in T€	2011	2010
Assets	9,648.4	8,524.5
Liabilities	7,902.0	2,487.6
Equity	1,746.3	6,036.9
Revenue	8,207.4	6,100.6
Loss/net profit for the period	-4,290.5	247.1

VIENNA AIRPORT INFRASTRUKTUR MAINTENANCE GMBH (VAI)

Headquarters:	1300 Flughafen Wien
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€	**2011**	**2010**
Assets	4,440.4	4,276.5
Liabilities	1,878.7	1,874.9
Equity	2,561.7	2,401.6
Revenue	12,765.2	10,993.8
Net profit for the period	1,160.5	1,089.2

VIENNA INTERNATIONAL AIRPORT BETEILIGUNGSHOLDING GMBH (VIAB)

Headquarters:	1300 Flughafen Wien
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€	**2011**	**2010**
Assets	59,700.1	59,569.7
Liabilities	2,103.5	2,022.2
Equity	57,596.5	57,547.5
Revenue	0.0	0.0
Net profit for the period	49.1	2,092.5

VIENNA INTERNATIONAL AIRPORT SECURITY SERVICES GES.M.B.H. (VIAS)

Headquarters:	1300 Flughafen Wien
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€	**2011**	**2010**
Assets	18,368.5	19,115.1
Liabilities	10,243.3	9,792.1
Equity	8,125.1	9,323.0
Revenue	39,238.3	34,533.8
Loss/net profit for the period	-150.2	1,610.7

VIE OFFICE PARK 3 BETRIEBSGMBH (VWTC)

Headquarters:	1300 Flughafen Wien
Share owned:	99% VIEL, 1% BPIB

Rental and development of real estate, in particular the Office Park 3.

IFRS values in T€	2011	2010
Assets	10,241.2	22,932.8
Liabilities	5,240.5	2,408.4
Equity	5,000.7	20,524.4
Revenue	2,741.6	2,104.3
Loss for the period	-15,523.7	-622.3

BTS HOLDING A.S. (BTSH)

Headquarters:	811 03 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€	2011	2010
Assets	1,264.1	1,245.7
Liabilities	160.1	23.6
Equity	1,104.1	1,222.0
Revenue	0.0	0.0
Loss for the period	-117.9	-161.6

KSC HOLDING A.S. (KSCH)

Headquarters:	811 03 Bratislava, Slovakia
Share owned:	47.7% VIE, 52.3% VINT

Holding company for the 66% investment in Košice Airport as well as the provision of consulting services.

IFRS values in T€	2011	2010
Assets	33,137.1	47,866.1
Liabilities	3,986.1	5,572.2
Equity	29,151.0	42,293.9
Revenue	0.0	0.0
Loss/net profit for the period	-13,143.0	772.4

VIE (MALTA) LIMITED (VIE MALTA)

Headquarters:	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€	2011	2010
Assets	51,202.8	48,742.6
Liabilities	14,994.5	16,003.7
Equity	36,208.3	32,738.9
Revenue	2.0	730.3
Net profit for the period	3,469.4	3,476.5

VIE MALTA FINANCE HOLDING LTD. (VIE MFH)

Headquarters:	Malta
Share owned:	99.95% VIE, 0.05% VIAB

Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS values in T€	2011	2010
Assets	994.6	978.9
Liabilities	44.3	0.0
Equity	950.3	978.9
Revenue	0.0	0.0
Loss/net profit for the period	-28.6	1,575.4

VIE MALTA FINANCE LTD. (VIE MF)

Headquarters:	Malta
Share owned:	99.95% VIE MFH, 0.05% VIAB

Purchase and sale, investment and trading in financial instruments.

IFRS values in T€	2011	2010
Assets	416,065.5	306,811.9
Liabilities	409,382.7	306,809.9
Equity	6,682.8	2.0
Revenue	0.0	0.0
Net profit for the period	6,680.8	959.0

VIE ÖBA GMBH (OEBA)

Headquarters:	1300 Flughafen Wien
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€	2011	2010
Assets	3,764.1	2,086.4
Liabilities	3,354.5	2,081.8
Equity	409.6	4.5
Revenue	6,424.2	1,870.0
Net profit/loss for the period	405.1	-30.5

VIENNA AUSLANDS PROJEKTENTWICKLUNG UND BETEILIGUNG GMBH (VAPB)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Acquisition of international subsidiaries and investments in other companies.

IFRS values in T€	2011	2010
Assets	263.9	318.2
Liabilities	214.5	284.8
Equity	49.4	33.4
Revenue	488.7	353.3
Net profit/loss for the period	16.0	-1.6

VIE OPERATIONS HOLDING LIMITED (VIE OPH)

Headquarters:	Malta
Share owned:	99.95% VINT 0.05%, VIAB

Holding company for VIE Operations Limited.

IFRS values in T€	2011	2010
Assets	11.9	4.0
Liabilities	30.7	2.0
Equity	-18.8	2.0
Revenue	0.0	0.0
Loss for the period	-20.8	0.0

VIE OPERATIONS LIMITED (VIE OP)

Headquarters:	Malta
Share owned:	99.95% VIE OPH, 0.05% VINT

Provision of support, services and consultancy for international airports.

IFRS values in T€	2011	2010
Assets	926.1	2.0
Liabilities	461.1	0.0
Equity	465.0	2.0
Revenue	789.3	0.0
Net profit for the period	463.0	0.0

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:	1300 Flughafen Wien
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 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€	2011	2010
Non-current assets	10,827.9	11,668.9
Current assets	5,258.7	4,833.2
Non-current liabilities	400.7	431.4
Current liabilities	1,818.3	2,571.4
Equity	13,867.5	13,499.3
Revenue	9.726,7	9,309.6
Net profit for the period	368.2	228.6

SCA SCHEDULE COORDINATION AUSTRIA GMBH (SCA)

Type of holding:	Associated company
Headquarters:	1300 Flughafen Wien
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 Austrian Commercial Code in T€	2011[1)]	2010
Assets	790.8	826.8
Liabilities	116.3	133.2
Equity	674.5	693.6
Revenue	871.6	874.5
Net profit for the period	5.4	52.0

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€	2011	2010
Assets	46,846.2	49,893.5
Liabilities	34,139.8	34,526.3
Equity	12,706.4	15,367.1
Revenue	10,564.1	10,659.7
Loss for the period	-2,660.7	-2,938.3

LETISKO KOŠICE – AIRPORT KOŠICE, A.S. (KSC)

Type of holding:	Joint venture
Headquarters:	Košice, Slovakia
Share owned:	66% KSCH

Operation of Košice Airport.

IFRS values in T€	2011	2010
Non-current assets	37,125.5	56,728.9
Current assets	14,026.9	15,459.0
Non-current liabilities	507.0	3,353.2
Current liabilities	786.5	691.5
Equity	49,858.9	68,143.2
Revenue	9,185.6	8,943.2
Loss/net profit for the period	-19,300.2	1,188.7

MALTA INTERNATIONAL AIRPORT PLC. (MIA)

Type of holding:	Joint venture
Headquarters:	Malta
Share owned:	10.1% VIE Malta, 40% MMLC

Operation of Malta International Airport.

IFRS values in T€	2011[1]	2010[2]
Non-current assets	106,550.2	109,217.5
Current assets	39,142.5	25,515.8
Non-current liabilities	69,773.4	64,161.6
Current liabilities	16,594.2	14,382.0
Equity	59,325.2	56,189.6
Revenue	52,429.7	51,342.1
Net profit for the period	11,909.4	10,691.2

1) Preliminary values, 2) Adjusted to reflect final values

This company is listed on the Malta Stock Exchange. The market price per share equalled € 1.70 as of the balance sheet date (2010: € 1.66) and the market value of the shares owned was T€ 11,615.50 (2010: T€ 11,342.19).

MALTA MEDITERRANEAN LINK CONSORTIUM LTD. (MMLC) GROUP

Type of holding:	Joint venture
Headquarters:	Malta
Share owned:	57.1% VIE Malta

Holding company for the investment in Malta International Airport.

IFRS values in T€	2011[1]	2010[2]
Non-current assets	133,365.0	136,032.2
Current assets	38,628.1	26,523.9
Non-current liabilities	80,883.4	77,371.6
Current liabilities	17,375.9	16,471.9
Equity	73,733.9	68,712.7
Revenue	52,429.7	51,342.1
Net profit for the period[3]	4,531.7	4,081.3

1) Preliminary values, 2) Adjusted to reflect final values, 3) Only the proportional share of net profit for the period

COLUMINIS HOLDING GMBH (CMIS)

Type of holding:	Joint venture
Headquarters:	Austria
Share owned:	50.0% VAPB

Joint venture to acquire investments in other companies.

IFRS values in T€	2011	2010
Non-current assets	0.0	0.0
Current assets	20.1	33.3
Non-current liabilities	0.0	0.0
Current liabilities	0.8	9.0
Equity	19.3	24.2
Revenue	0.0	0.0
Loss for the period	-4.9	-10.8

3. INVESTMENTS NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

GETSERVICE DIENSTLEISTUNGSGESELLSCHAFT M.B.H. (GETS)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIAS

Provision of all types of security services related to airport operations.

Values in acc. with Austrian Commercial Code in T€	2011	2010
Assets	1,323.3	967.9
Liabilities	475.3	345.0
Equity	848.0	622.9
Revenue	3,058.7	2,483.9
Net profit for the period	306.1	161.7

"GETSERVICE"-FLUGHAFEN-SICHERHEITS- UND SERVICEDIENST GMBH (GET2)

Headquarters:	1300 Flughafen Wien
Share owned:	51% VIAS

Provision of security services, personnel leasing, cleaning including snow removal etc.

Values in acc. with Austrian Commercial Code in T€	2011	2010
Assets	5,657.0	4,730.9
Liabilities	1,341.0	1,202.9
Equity	4,316.0	3,528.0
Revenue	5,784.7	5,202.5
Net profit for the period	788.0	639.8

SALZBURGER FLUGHAFEN SICHERHEITSGESELLSCHAFT M.B.H. (SFS)

Headquarters:	5020 Salzburg
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€	2011	2010
Assets	53.8	55.1
Liabilities	0.0	0.0
Equity	53.8	55.1
Revenue	0.0	0.0
Loss for the period	-1.3	-1.6

VIE SHOPS ENTWICKLUNGS- UND BETRIEBSGES.M.B.H (SHOP)

Headquarters:	1300 Flughafen Wien
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€	2011	2010
Assets	8.1	12.3
Liabilities	0.0	0.0
Equity	8.1	12.3
Revenue	0.0	0.0
Loss for the period	-4.1	-5.6

INDIAN AIRPORTS HOLDING GMBH (VIND)

Headquarters:	1300 Flughafen Wien
Share owned:	74% VINT, 26% VIE

Acquisition of international subsidiaries and investments in airport projects, above all in India.

Values in acc. with Austrian Commercial Code in T€	2011	2010
Assets	63.8	54.3
Liabilities	22.9	12.6
Equity	40.9	41.6
Revenue	0.0	0.0
Loss for the period	-0.8	-3.3

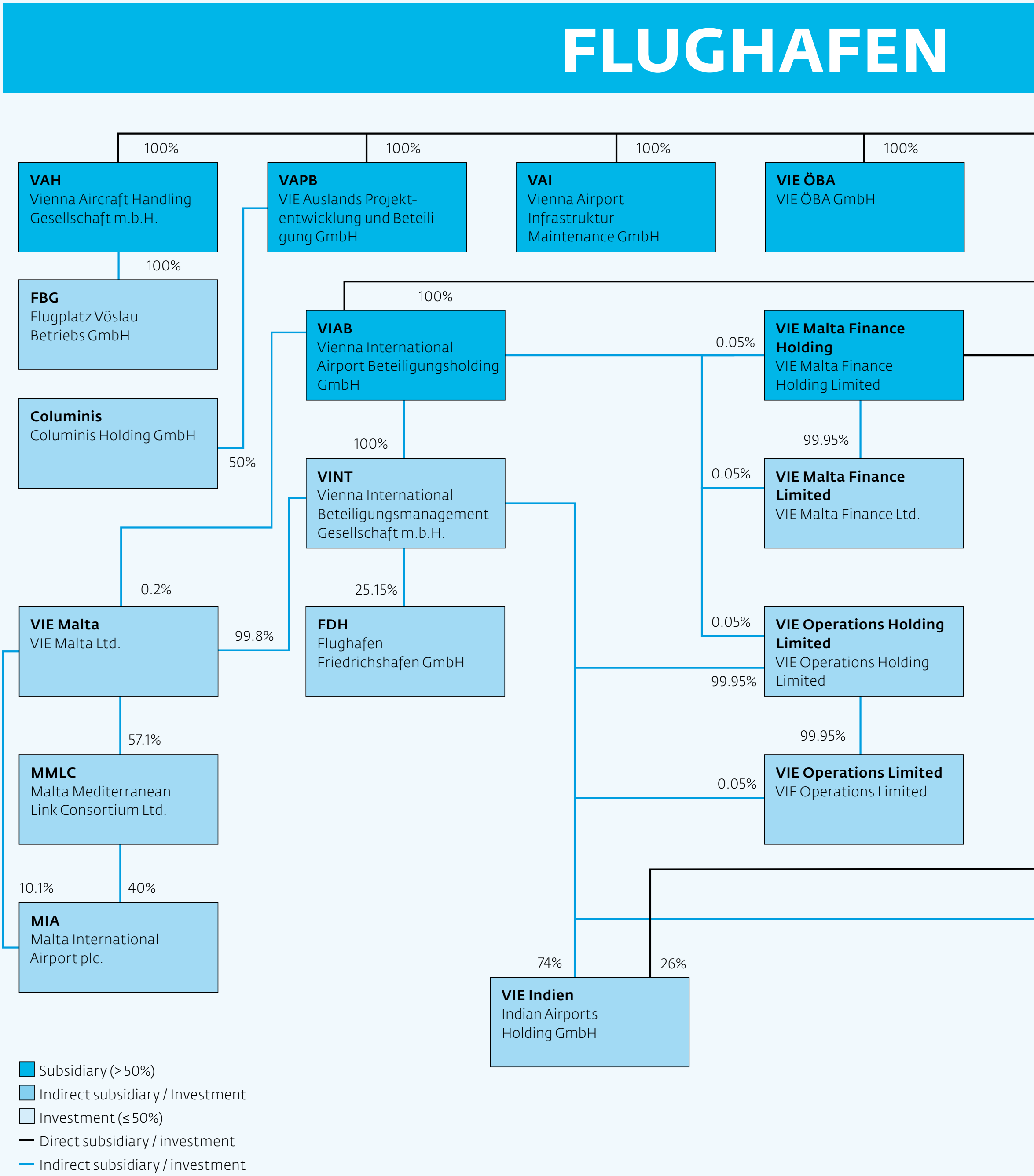
VIAS HELLAS SECURITY AIR TRANSPORT SERVICES LIMITED LIABILITY COMPANY (VIAS HELLAS), IN LIQUIDATION

Headquarters:	Athens, Greece
Share owned:	100% VIAS

Provision of security services for airports; the company was founded to enable VIAS to participate in tenders for the provision of security services at airports in Greece.

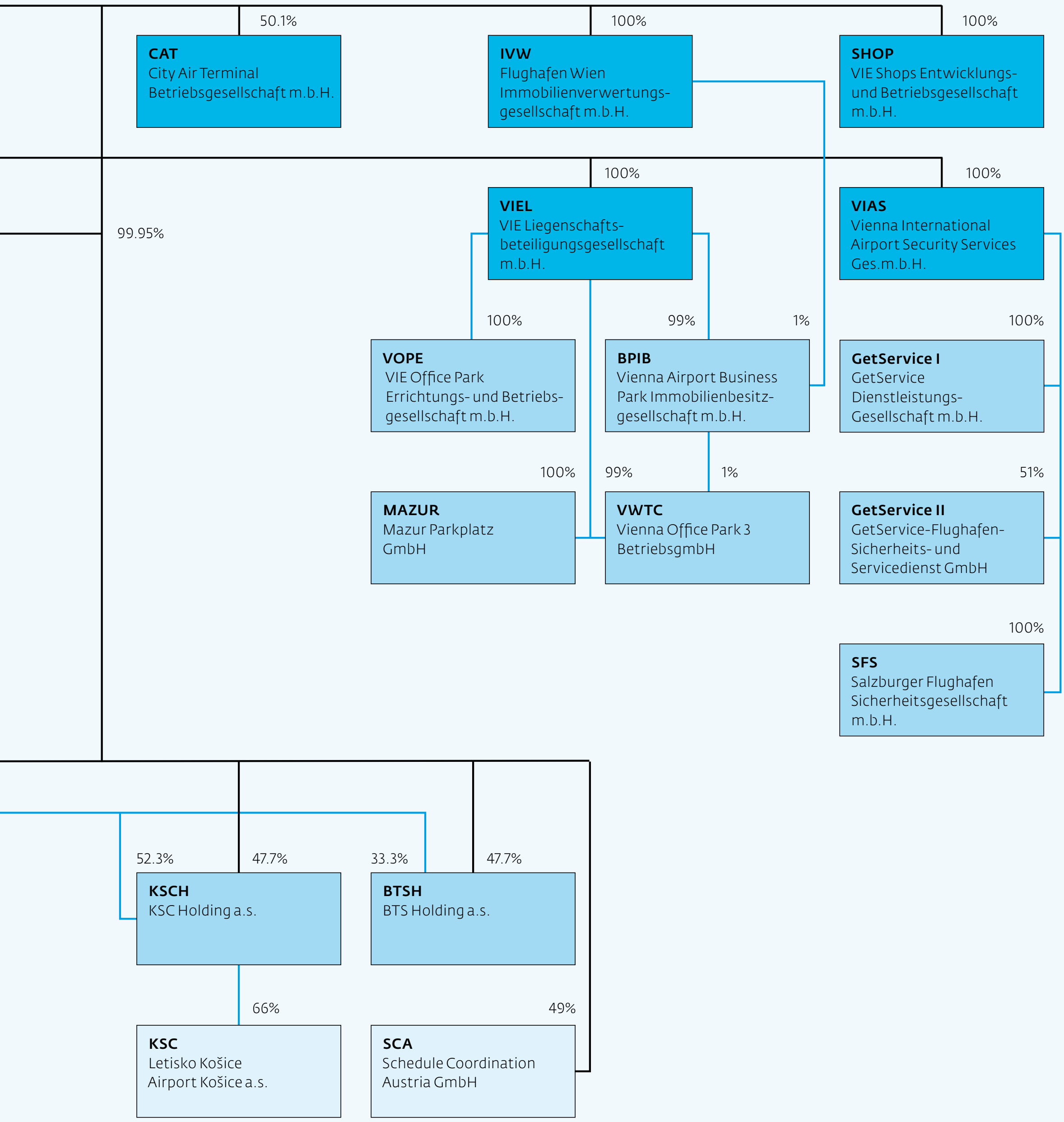
in T€	2005
Equity	11.7
Revenue	0.0
Loss for the period	-2.6

SUBSIDIARIES AND INVESTMENTS OF FLUGHAFEN WIEN AG



Percentages are based on the share of capital as of 31.12.2011

WIEN AG


50.1%
CAT
City Air Terminal Betriebsgesellschaft m.b.H.
100%
IVW
Flughafen Wien Immobilienverwertungs-gesellschaft m.b.H.
100%
SHOP
VIE Shops Entwicklungs- und Betriebsgesellschaft m.b.H.
100%
VIEL
VIE Liegenschafts-beteiligungsgesellschaft m.b.H.
100%
VIAS
Vienna International Airport Security Services Ges.m.b.H.
99.95%
100%
VOPE
VIE Office Park Errichtungs- und Betriebs-gesellschaft m.b.H.
99%
1%
BPIB
Vienna Airport Business Park Immobilienbesitz-gesellschaft m.b.H.
100%
GetService I
GetService Dienstleistungs-Gesellschaft m.b.H.
100%
MAZUR
Mazur Parkplatz GmbH
99%
1%
VWTC
Vienna Office Park 3 BetriebsgmbH
51%
GetService II
GetService-Flughafen-Sicherheits- und Servicedienst GmbH
100%
SFS
Salzburger Flughafen Sicherheitsgesellschaft m.b.H.
52.3%
47.7%
KSCH
KSC Holding a.s.
33.3%
47.7%
BTSH
BTS Holding a.s.
66%
KSC
Letisko Košice Airport Košice a.s.
49%
SCA
Schedule Coordination Austria GmbH

STATEMENT BY THE MEMBERS OF THE MANAGEMENT BOARD

In accordance with § 82 of the Austrian Stock Corporation Act

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, 27 February 2012

The Management 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, Austria

for the **year from 1 January 2011 to 31 December 2011.** These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2011 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, 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 2011 and of its financial performance and its cash flows for the year from 1 January to 31 December 2011 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, 5 March 2012

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Walter Reiffenstuhl	Martin Wagner
Wirtschaftsprüfer	Wirtschaftsprüfer

(Austrian Chartered Accountants)

MANAGEMENT REPORT

THE BUSINESS ENVIRONMENT

The economic success of an airport is influenced by a wide variety of external factors. On the one hand, there is a close relationship between the central issue of air travel and the state of the economy. However, unforeseeable events – like the eruption of the Icelandic volcano in 2010 – can trigger a sharp drop in travel that is in no way connected with economic development. The standing of the tourism industry is also decisive for an airport because of its significant influence on air traffic.

In 2011 economic developments were characterised by a slowdown in growth beginning with the third quarter.

World Bank estimates place global economic growth at 3.2% for 2011, compared with 3.8% in the previous year. The euro zone reached only the low prior year level of 1.7%. With a GDP increase of 3.3%, the Austrian economy recorded comparatively better performance.

Another key indicator for the worldwide economy is the volume of international trade in goods and services. This statistic also showed a clear year-on-year decline in 2011. According to the International Monetary Fund, global trade rose by 12.8% in 2010 but by only 7.5% in 2011. As a reaction to these economic developments, both the European Central Bank (ECB) and the US Federal Reserve (Fed) have announced a continuation of their low-interest policy.

TOURISM IN AUSTRIA

According to Statistik Austria, the Austrian tourism industry produced only weak growth in 2011. The share of foreign tourists in the total number of overnight stays rose by 0.9% to over 90 million. The strongest growth in the number of overnight stays was recorded with visitors from Russia (plus. 25.6%) and Switzerland (plus 12.6%). Austria was also visited by a higher number of travellers from Belgium, the Czech Republic, France, Hungary, Poland and Romania. A slight decline of 1.6% was recorded in the number of German guests, who represent the largest and most important group.

TRAVEL IN AUSTRIA

The development of travel in Austria was extremely positive during 2011. Statistik Austria reported nearly 6.5 million holiday trips during summer 2011 (July–September), the most important season for such activities. In comparison with the previous summer, this represents an increase of 5.4%. Of the total Austrian population over 15 years of age, 57.2% took at least one trip in summer 2011: 2.3 million short holidays were registered, in comparison with 4.2 million main holidays with four or more overnight stays. However, the number of short trips increased 11.3% while main holidays rose by a much lower 2.4%. The airplane was the preferred mode for 18.9% of travellers to reach their vacation destination. Foreign countries were the destination for 55.4% of vacationers – with Italy (23.8%), Croatia (17.5%), Germany (13.2%), Spain (6.7%) and Greece (5.2%) as the most popular countries.

THE ECONOMY AND AIR TRAVEL

There is a close correlation between economic cycles and developments in the air travel industry, which are significantly influenced by economic crises. Both the cargo market and the travel market for airlines operating in Europe are dependent to a significant extent on the condition of the economy in the euro zone.

TRAFFIC AT VIENNA AIRPORT

VIENNA AIRPORT IN EUROPEAN COMPARISON

Passenger traffic at the European airports rose by 7.3%[1] in 2011. With growth of 7.2% for the year, Vienna Airport matched the European average. The number of transfer passengers increased 10.2% to 6,521,292, while the local passenger volume rose by 6.0% to 14,529,317. Vienna Airport handled a total of 21,106,292 passengers in 2011. Flight movements increased by 4.1% on average in Europe, but matched the previous year in Vienna. Despite strong growth in the number of passengers during 2011, the quality of services at Vienna Airport remained at a very high level. Vienna is one of the most punctual European airports in international comparison, ranking ahead of the other Lufthansa hubs in Munich, Zurich and Frankfurt.

1) ACI Airports Council International – Europe. Inhouse; January-December 2011

Traffic at European Airports in 2011

	Passengers in thous.	Change vs. 2010 in %	Flight movements	Change vs. 2010 in %
London[1]	121,148.4	4.9	858,290	4.1
Paris[2]	88,109.6	6.0	735,422	4.1
Frankfurt	56,436.3	6.5	477,113	5.3
Amsterdam	49,754.9	10.0	420,249	8.8
Madrid	49,644.3	-0.4	428,298	-1.0
Munich	37,763.7	8.8	388,044	5.5
Rome	37,651.2	3.9	324,132	0.2
Milan[3]	36,772.2	5.7	181,491	3.7
Zurich	24,335.7	6.6	238,559	4.7
Vienna	**21,106.3**	**7.2**	**244,611**	**0.1**
Prague	11,788.6	2.0	147,689	-3.3
Budapest	8,911.3	9.0	104,763	4.3

1) London Heathrow, Gatwick and Stansted
2) Paris Charles de Gaulle, Paris Orly
3) Milan Malpensa, Linate, Bergamo
Source: ACI Europe Traffic Report December 2011

Despite the negative effects of the events in Japan (Fukushima) and North Africa (revolutions in Libya and Egypt), Vienna Airport clearly exceeded the originally forecasted growth of 5% in 2011. This increase was also supported by the absence of negative effects from the previous year, which included a severe winter in 2010 and the eruption of the Icelandic volcano Eyjafjallajökull. The number of flight movements totalled 246,157 and reflected the prior year level. Maximum take-off weight (MTOW) rose by 3.7% to 8,269,850 tonnes. The positive reporting year development – where forecasts called for growth of only 3.0% – is explained by the increased use of larger aircraft. Seat occupancy equalled 69.6% in 2011, compared with 68.9% in the previous year.

Cargo turnover at Vienna Airport totalled 277,784 tonnes in 2011, or 6.2% lower than the previous year. This decline is attributable to unusually strong growth in air cargo during 2010, the elimination of several cargo rotations and the termination of flight operations by Air China Cargo and Jade Cargo International. In 2011 air cargo was 8.9% lower at 199,809 tonnes, while trucking increased 1.7% to 77,976 tonnes.

Vienna Airport offered scheduled flights to 174 destinations in 2011 (2010: 177). Forty-four of these destinations (2010: 46) are located in Eastern Europe, which underscores Vienna's position as a leading east-west hub. Traffic to Eastern Europe increased by an above-average 14.9% to total 19.1% of all departing passengers. The number of passengers travelling to the Middle East and Far East rose by 3.5% and 7.0%, respectively.

There were no major year-on-year shifts in the regional distribution of scheduled passenger traffic during 2011. One slight change was noted in the share of passengers travelling to Eastern Europe, which rose by 1.2 percentage points to 19.1% due to the above-average growth of 14.9% in traffic. Western Europe remained the most popular destination with 69.2% of the total passengers. The strongest destinations in Western Europe were Frankfurt, London, Zurich and Paris, and in Eastern Europe Moscow, Bucharest and Sofia. The most passengers on long-haul flights were recorded by Bangkok with 103,359 passengers, followed by New York with 84,325 and Tokyo with 72,222.

Passenger Traffic by Region – Scheduled Traffic

Region	2011	Share in %
Western Europe	7,122,059	69.23
Eastern Europe	1,964,997	19.10
Far East	408,047	3.97
Middle East	493,594	4.80
North America	207,473	2.02
Africa	88,990	0.87
South America	2,225	0.02
Total	**10,287,385**	**100.00**

THE MAJOR AIRLINES AT VIENNA AIRPORT

The Austrian Airlines Group reported growth of 5.2% in the number of passengers during 2011 and, with a share of 50.0% (2010: 50.9%), remained the dominant home carrier at Vienna Airport. In addition, the low-cost carrier NIKI expanded its position as the second largest airline in Vienna during the reporting year. NIKI carried 15.1% more passengers and thereby raised its share of the total passenger volume to 11.6%. Eight other low-cost carriers also served Vienna on a regular basis during (2010: eight). The low-cost carriers (incl. NIKI) handled 4,583,800 passengers in 2011, for an absolute increase of 5.2% (2010: 4.0%). However, their market share declined from 22.1% to 21.7%.

Seventy-three airlines carried out scheduled flights to Vienna in 2011. New airline customers included, among others, Peoples Vienna Line, Cirrus Airlines, Transavia Airlines, Tap Portugal, Condor, Ural Airlines and SkyWork, which added Vienna to their flight schedules. In contrast, seven airlines terminated services to and from Vienna.

TARIFF AND INCENTIVE POLICY

The tariff scheme at Vienna Airport is very attractive in international comparison. Adjustments to these tariffs are based on a price-cap formula model that was established jointly by the airlines and the Austrian civil aviation authority (Federal Ministry for Transport, Innovation and Technology). These tariff adjustments are linked to the growth in traffic and the inflation rate.

The following adjustments were implemented as of 1 January 2011:

• Landing tariff, airside infrastructure tariff, parking tariff	+ 1.29%
• Passenger tariff, landside infrastructure tariff	+ 1.68%
• Infrastructure tariff for fuelling	+ 1.80%

The PRM (passengers with reduced mobility) tariff remained unchanged at € 0.34 per departing passenger.

In the general aviation sector, the landing tariff was raised by 20% for aircraft up to four tonnes MTOW and reduced by approx. 0.5% to 0.7% for aircraft between four tonnes and 25 tonnes MTOW.

In accordance with the amendments to the Austrian Aviation Security Act of 2011, in particular § 21 (1), Flughafen Wien AG set the security tariff at € 6.89 per local departing passenger and € 4.49 per departing transfer passenger. This change led to a reduction of € 0.49 in the passenger tariff per departing passenger in 2011.

A transfer incentive was introduced many years ago to strengthen Vienna's position as a transfer airport. This incentive was increased by € 1.15 per departing transfer passenger in 2011. Airlines that use Vienna as a hub currently receive a refund of € 11.36 per departing transfer passenger. The increase in the transfer incentive represents an important measure to increase the attractiveness and strengthen the competitive position of the tariff scheme applied by Vienna Airport. In order to further improve the positioning of Vienna Airport as a hub to Eastern Europe and the Middle East, the existing growth incentive programme was continued during the reporting year. It comprises a destination and frequency incentive as well as a frequency rate incentive and is intended to support the positioning of Vienna as a bridgehead between west and east.

REVENUE 2011

REVENUE GROWTH OUTPACES INCREASE IN TRAFFIC

Flughafen Wien AG recorded an increase of 8.5% in revenue to € 567.0 million in 2011. This development exceeded the 7.2% growth in passenger traffic and resulted chiefly from the strong rise in aviation revenue. The 15.5% decline in non-aviation revenue was caused, above all, by the loss of income from security services.

Airport revenue rose by 38.5% to € 273.8 million. This increase was limited by higher revenue deductions, but was supported, in particular, by the security tariff introduced in 2011 as well as the positive development of traffic.

Vienna Airport handled 21.1 million passengers in 2011. That represents an increase of 7.2% or 1.4 million passengers over the previous year. Maximum take-off weight (MTOW) rose by 3.7% and the number off light movements remained constant at the prior year level. Cargo turnover (incl. trucking) declined 6.2% year-on-year.

Airport activities generated revenue of € 273.8 million in 2011 (2010: € 197.6 million), whereby € 67.7 million are attributable to security-related services ("security tariff"). In comparison with revenue of € 2.6 million from security controls reported in 2010, this reflects an increase of € 65.0 million. Revenue from the landing tariff rose by 4.8% to € 72.0 million. The passenger tariff increased € 11.0 million to € 164.4 million. Higher revenue of € 23.6 million (2010: € 21.3 million) was also recorded from the infrastructure tariff.

Handling activities produced revenue of € 149.9 million in 2011. The 3.5% decline resulted mainly from lower revenue from individual services (service outside handling contracts, e.g. aircraft de-icing, provision of additional equipment and other personnel services), which fell by 29.1%. With a stable average market share of 89.2% (2010: 89.3%), VIE handling was able to maintain its sound position in competition with Fraport Ground Services Austria GmbH during the reporting year. At the end of 2011 Fraport sold this company, which provides both passenger and apron handling services at Vienna Airport, to the Turkish Celebi Group. Celebi Ground Handling Austria GmbH entered the Vienna market in December 2011 to become the second provider of ground handling services at Vienna Airport. Revenue from ramp handling rose 3.5% year-on-year to € 100.9 million and traffic handling increased 1.9% to € 11.7 million.

Revenue from cargo handling was 10.4% lower in 2011. This development resulted from a decline in cargo volume (air cargo: -8.9%, trucking: +1.7%). The market share of VIE-Handling in the cargo segment rose by an average of 0.8 percentage points to 94.8%.

Cargo turnover amounted to 277,784 tonnes in 2011, which represents a decline of 6.2% compared with the previous year.

Non-aviation revenue totalled € 143.2 million for the reporting year (2010: € 169.6 million). Revenue from rentals and concessions amounted to € 105.5 million, compared with € 104.9 million in the previous year. Revenue from parking increased 7.4% to € 30.4 million. No revenue was recorded from security services in 2011. This revenue previously resulted from the collection of a fixed fee in accordance with § 4a (3) of the Austrian Aviation Safety Act. The tariff served as compensation for the provision of security services which, since 2011, are provided by the subsidiary Vienna International Airport Security Services. Primary revenue from the retail and gastronomy operations totalled € 162.3 million, compared with € 153.6 million in 2010. The Retail & Properties Segment generated 19.0% of Group revenue for the reporting year (2010: 17.5%).

SEASONALITY

Vienna Airport normally generates its highest revenue in the second and third quarters of the year due to the holiday season in Europe. Accordingly, the third quarter was also the strongest in 2011 with 26.6% of annual revenue, followed by the second quarter with high passenger growth and a share of 25.6%. The fourth and first quarters of the year were responsible for 25.2% and 22.6% of annual revenue, respectively.

EARNINGS

The development of earnings in the Flughafen Wien AG during 2011 can be summarised as follows:

- Revenue: plus 8.5% to € 567.0 million
- Operating income: plus 7.9% to € 578.9 million
- Cost of consumable and services: increase of 4.2% to € 69.1 million
- Personnel expenses: increase of € 3.4 million to € 214.0 million
- Operating expenses, excluding depreciation and amortisation: plus € 4.8 million to € 407.8 million
- Earnings before interest, taxes, depreciation and amortisation (EBITDA): plus 27.8% to € 171.7 million
- Depreciation and amortisation: 52.8% to € 92.8 million
- Earnings before interest and taxes (EBIT) plus 7.2% to € 78.9 million
- Financial results: minus € 6.6 million to minus € 22.0 million
- Earnings before taxes: (EBT) minus 2.3% to € 56.9 million
- Net profit for the year: plus 2,7 % to € 46.5 million
- Retained earnings: minus 50.0% to € 21.0 million

Other operating income declined € 3.8 million to € 5.7 million in 2011, primarily due to a decrease in the reversal of provisions. Operating income increased to € 578.9 million (2010: € 536.7 million).

Operating expenses

Amounts in € million	**2011**	**2010**
Consumables and services	69.1	66.4
Personnel	214.0	210.6
Other operating expenses	124.1	125.4
Depreciation and amortisation	92.8	60.7
Total	**500.0**	**463.1**

The cost of consumables and services rose by € 2.8 million or 4.2% to € 69.1 million.

The average number of employees increased slightly by 3.1% to 3,385 during the reporting year. Personnel expenses rose by € 3.4 million or 1.6% to € 214.0 million, chiefly due to wage and salary increases. These changes were offset in part by a decline in severance compensation and pension expenses.

Other operating expenses declined € 1.3 million to € 124.1 million. This development comprised, above all, a decrease in marketing expenses (minus € 2.4 million) and legal, audit and consulting fees (minus € 4.2 million) that was offset in part by higher miscellaneous operating expenses (€ 2.0 million) as well as an increase in maintenance (€ 1.7 million) and third party services for subsidiaries (€ 1.5 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded by Flughafen Wien AG rose by 27.9% to € 171.7 million in 2011 (2010: € 134.3 million).

Depreciation and amortisation, and investments (excl. financial assets)

in € million	2011	2010
Depreciation and amortisation	92.8	60.7
Investments	237.6	140.1

The improvement in EBITDA supported an increase in EBIT, which rose by 7.2% to € 78.9 million for the reporting year (2010: € 73.6 million).

Financial results were € 6.6 million or 42.8% lower at minus € 22.0 million. This negative development resulted primarily from an increase of € 15.5 million in interest and similar expenses, but also reflected the absence of expenses for financial assets and current securities (2010: € 5.6 million). Positive effects included an increase of € 1.1 million in income from investments in other companies, higher interest and similar income of € 2.9 million and an increase of € 1.5 million in income from the disposal and write-up of financial assets and current securities.

The tax rate equalled 18.3% for 2011, compared with 22.3% in the previous year. Net profit of € 46.5 million represents a year-on-year increase of € 1.2 million.

INFORMATION ON MANAGEMENT POLICIES

The financial management of Flughafen Wien AG 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 Flughafen Wien AG moves in the pursuit of its primary goal to realise profitable growth.

Depreciation, which will rise over the coming years due to the high level of capital expenditure at Vienna Airport, has a significant influence on the earnings indicators used by Flughafen Wien AG. 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 company also uses the EBITDA margin, which shows the relationship of EBITDA to revenue. The EBITDA margin equalled 29.7% in 2011, compared with 25.0% in the previous year. The defence 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.

The financial liabilities held by Flughafen Wien AG declined by € 2.0 million during the reporting year. Cash and cash equivalents increased € 6.7 million, which resulted in a year-on-year decrease of € 8.7 million in net debt. Based on equity of € 682.8 million at year-end 2011, gearing equalled 52.9% (2010: 54.5%).

In addition to the EBIT margin, the after-tax return on equity (ROE) is also used to evaluate the company's profitability. The ROE compares net profit for the period with the average capital employed during the financial year. It is the objective of Flughafen Wien AG to exceed the return required by investors and lenders on the capital market. The standard 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).

Income Statement, Summary

in € million	2011	Change in %	2010
Revenue	567.0	8.5	522.5
Other operating income (incl. own work capitalised)	11.9	-16.2	14.2
Operating income	578.8	7.9	536.7
Operating income excl. depreciation and amortisation	-407.2	1.2	-402.4
EBITDA	171.7	27.9	134.3
Depreciation and amortisation	-92.8	-52.8	-60.7
EBIT	78.9	7.2	73.6
Financial results	-22.0	42.8	-15.4
EBT	56.9	-2.3	58.2
Income taxes	-10.4	-19.6	-13.0
Net profit	46.5	2.7	45.2

FINANCIAL, ASSET AND CAPITAL STRUCTURE

ASSETS

Total assets rose by 8.6% to € 2,033.3 million as of 31 December 2011 (2010: € 1,872.2 million). The on-going extensive capital expenditure programme was reflected in an 8.1% increase in non-current assets to € 1,816.9 million (2010: € 1,680.2 million). Current securities declined 52.9% year-on-year to € 28.9 million (2010: € 61.4 million). Trade receivables were € 11.9 million lower at € 32.5 million. Deposits with financial institutions and cash on hand increased € 39.2 million to € 99.1 million, and represented the main reason for the increase in current assets from € 189.6 million to € 212.3 million.

EQUITY AND LIABILITIES

Net profit for the year supported an increase of 0.7% in equity to € 682.8 million as of 31 December 2011. An addition of € 25.5 million was made to voluntary reserves, which consequently grew to € 391.5 million. Provisions rose by 4.1% from € 204.1 million to € 212.6 million, primarily due to an increase of € 7.2 million in provisions for part-time work for older employees, € 5.2 million in other provisions and € 5.1 million in other employee-related provisions. The provisions for deliveries and services not yet invoiced decreased € 9.4 million. Declines were also recorded in the provisions for severance compensation (minus € 2.5 million) and pensions (minus € 4.1 million). The provision for service anniversary bonuses increased slightly (plus € 0.4 million). A provision for taxes was created following a reimbursement by the taxation authorities of a tax prepayment made in 2006; these funds were returned in accordance with § 205 (3) of the Austrian Tax Code because a final assessment of corporate income tax for that year was not yet available. Liabilities increased from € 149.7 million to € 1,099.8, chiefly due to an increase of € 111.0 million in amounts due to subsidiaries as of the balance sheet date and higher trade payables. Amounts due to financial institutions declined slightly by € 2.0 million to € 489.0 million.

Cash Flow

in T€		2011	2010
Net cash flow from operating activities:			
+/–	Profit/loss for the year	46,462.8	45,243.6
+	Depreciation and amortisation	92,763.4	60,704.6
–	Write-ups to financial assets	-831.3	-1,027.3
+	Untaxed reserves	-521.3	-1,024.0
+/–	Change in employee-related provisions	-6,195.6	6,225.5
+/–	Change in other non-current provisions	7,214.1	1,667.7
–/+	Gains(-)/losses(+)on the disposal of non-current assets / valuation adjustments	4,519.0	13,863.8
+/–	Gains(-)/losses(+) on the disposal of financial assets	-214.1	-30.2
+	Results from the disposal of current securities	-1,556.6	0.0
	Gross cash flow	**141,640.4**	**125,623.7**
–/+	Increase/ decrease in inventories	161.1	-1,173.6
–/+	Increase/ decrease in receivables due from customers	11,907.2	-12,647.4
–/+	Increase/ decrease in receivables due from group companies (excl. financing)	11.0	-4,401.8
–/+	Increase/ decrease in other receivables and assets (excl. financing) as well as prepaid expenses and deferred charges	-29,720.4	6,113.1
+/–	Increase/ decrease in trade payables and prepayments received	-14,359.5	-22,974.2
+/–	Increase/ decrease in amounts due to group companies (excl. financing)	11,499.0	15,089.3
+/–	Increase/ decrease in other provisions	7,448.1	24,681.4
+/–	Increase/ decrease in other liabilities (excl. financing) and deferred income	16,063.9	9,045.7
		3,010.4	**13,732.6**
	Operating cash flow	**144,650.8**	**139,356.3**
Net cash flow from investing activities:			
–	Payments made for investments in intangible assets and property, plant and equipment	-200,146.6	-156,263.1
+	Disposal of intangible assets and property, plant and equipment	213.0	52.3
–	Investments in financial assets	-223.0	-244.7
+	Disposal of financial assets and current securities	38,749.0	6,623.4
		-161,407.6	**-149,832.1**
Net cash flow from financing activities:			
–	Dividend/repayment of shareholder contributions	-42,000.0	-44,100.0
+/–	Change in long-term and short-term financial liabilities	97,963.0	112,401.8
		55,963.0	**68,301.8**
Change in cash and cash equivalents		**39,206.2**	**57,826.0**

Profitability indicators

	2011	2010
EBIT in T€	78,931.6	73,638.8
EBITDA in T€	171,695.1	134,343.4
EBIT margin in %	13.6	13.7
EBITDA margin in %	29.7	25.0
ROE in %	6.7	6.6

Balance sheet structure

Assets		
Non-current assets in %	89.4	89.7
Current assets in %	10.6	10.3
Total assets in T€	2,033,266.2	1,872,211.2
Equity and liabilities		
Equity in %	34.2	36.9
Liabilities in %	65.8	63.1
Total equity and liabilities in T€	2,033,266.2	1,872,211.2

DEFINITION OF INDICATORS:

EBIT MARGIN

EBIT (Earnings before Interest and Taxes)
Formula: EBIT / Operating income

EBITDA MARGIN

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation)
Formula: (EBIT + depreciation and amortisation) / Operating income

ROE

(Return on Equity after Tax)
Formula: Net profit for the period / Average equity (including untaxed reserves and investment subsidies)
Average equity: (Equity in the prior year + equity in the current year)/2

CORPORATE SPENDING

Investments in intangible assets, property, plant and equipment and financial assets rose by 69.6% to € 237.9 million in 2011. These expenditures include € 233.2 million for property, plant and equipment, € 4.4 million for intangible assets and € 0.2 million for financial assets.

TERMINAL EXTENSION VIE-SKYLINK

Investments for the reporting year focused primarily on the terminal extension VIE-Skylink at € 153.8 million.

Following the cancellation and renegotiation of all contracts for the VIE-Skylink during the interruption of construction in 2009, construction on this project was basically completed in 2011.

Capital expenditure on the VIE-Skylink amounted to over € 232 million from the resumption of construction in May 2010 to December 2011. Construction on the terminal extension has been largely completed, with only minor finalisation work and the start-up of equipment still open. The building sections and equipment required for the current on-going test operations were completed in advance and on schedule.

A series of sample boarding trials started in June 2011, and test operations in the terminal and pier began on 1 December 2011. The seven test days in December were carried out without test passengers, as planned, in order to train internal and external staff in standard procedures that rely on the new communications and technology systems. Additional programmes were started at the same time to familiarise and train employees and to prepare for the parallel simulation of movements with the automatic generation and processing of test flights. A special focus has been placed on the functioning of the new communications and technology systems, above all the door control and video system, as well as the organisational coordination of activities between the AUA boarding agents, the terminal operation centre and the security headquarters. Test passengers were included in this process as of 5 January 2012.

The acceptance of the individual services and transfer of the facilities to the tenants and operators should be completed by the end of April 2012. Negotiations with the responsible authorities for the operating certificate and other necessary permits will be carried out at the same time.

Construction in the gastronomy and retail areas has also been largely completed, and finishing work on the individual shops can now proceed as planned.

A total of 3,200 test passengers will assess the VIE-Skylink on 33 days during the period from 5 January 2012 to 26 April 2012, including two peak days with up to 400 participants and two night tests. The results will then be analysed on non-test days and any necessary adjustments will be made. The goal is to identify and remedy as many errors and problems as possible in advance – in this connection, scenarios such as gate changes and problems with baggage logistics will be artificially created. The conclusions will then be analysed and the project will be adjusted accordingly. This procedure allows for the identification and remedy of possible difficulties before the start of operations in the VIE-Skylink during June 2012.

Following the restructuring of the project and the renegotiation of contracts, it can be assumed that the costs for the terminal extension VIE-Skylink will be less than € 770 million.

A list of the major investments is provided in the following table:

Major investments

in € million	2011
Property, plant and equipment	
Terminal extension VIE-Skylink	153.8
Third runway	14.5
Equipment storage hall West	9.4
Security systems	4.5
Revitalisation of B bus gates	4.3
Quick boarding gates	3.2
Forwarding agent building	2.2
Special, towing and loading vehicles	2.1
Security control lines	2.0

BRANCH OFFICES

As in the prior year, the company had no branch offices during 2011.

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, originated loans 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 are comprised above all of amounts due to financial institutions, trade payables and derivative financial liabilities. 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.

In 2007 Flughafen Wien concluded an interest rate swap (receive variable – pay fixed) to hedge the cash flows on a variable interest financial liability. This variable interest financial liability was designated as the hedged item at an amount reflecting the nominal value of the interest rate swap. Further details are provided in the notes to the financial statements.

RISKS OF FUTURE DEVELOPMENT

RISK MANAGEMENT

A risk management guideline defines and regulates the related activities at Flughafen Wien AG. 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 identified risks and measures to be implemented.

The company has concluded insurance policies to minimise the risks arising from damages and liability. An internal control system (ICS) has been installed to guarantee the correctness and completeness of all business transactions in the company's accounting system. Flughafen Wien has 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 subsequently 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 Flughafen Wien AG is significantly influenced by global trends in air travel which, in turn, are heavily dependent on general economic conditions. The indications of a slowdown in growth throughout the European Union lead the company to expect a less favourable macroeconomic environment in 2012 (see Eurostat, December 2011). Consequently, the passenger traffic forecasts for 2012 are reserved. However, economic forecasters (see OECD, European Commission) are predicting a substantial recovery in the European economy over the medium-term.

The development of traffic is also significantly influenced by external factors – such as terror, war or other external shocks (e.g. pandemics, closing of air space due to natural events etc.) that are outside the control of an individual company. 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, Flughafen Wien AG can react to the decline in traffic triggered by such shocks with flexible cost and price structures as well as the modification of its capital expenditure programme.

BRANCH RISKS

A key success factor for Flughafen Wien AG is the positioning of Vienna Airport as an east-west hub. This function is used, above all, by the Austrian Airlines Group as Vienna's largest airline customer. Vienna Airport recorded an increase of 7.2% in the number of passengers during the reporting year. The strongest growth was registered in traffic to Eastern Europe with a plus of 14.9%.

The air travel branch is facing a number of major challenges in 2012 as a result of the above-mentioned tense macroeconomic situation and specific branch-related factors. These factors include the inclusion of air traffic in the EU emissions trading scheme, rising fuel prices and increasing competition. It can therefore be assumed that the European airlines will intensify their consolidation strategies in 2012 (cost reduction, portfolio optimisation, slower fleet expansion). This will also increase the cost pressure on airports throughout Europe.

With the enactment of a new federal law ("Flugabgabegesetz") in 2011, an additional charge for airline passengers took effect. 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 equals € 8 for domestic and short-haul flights, € 20 for mid-haul flights and € 35 for long-haul flights. Since this type of tax has only been implemented in Germany, Austria and Great Britain, it will have a negative influence on passenger traffic and thereby also weaken the economic position of Vienna Airport.

MARKET AND CUSTOMER STRUCTURE RISKS

With approx. 50% of passenger volume, the Austrian Airlines Group is the largest customer of Flughafen Wien AG.

Austrian Airlines was unable to produce positive operating results in 2011. The further development of this airline will have a significant influence on passenger volumes and air traffic at Vienna Airport in the future. The airline now intends to complete the financial turnaround in 2012 with a mix of measures to reduce costs and increase revenue. These measures include, among others, increased sales activities on the home market, the harmonisation of the medium-haul fleet (elimination of the Boeing 737), adjustment of the route network and a reduction in operating costs and personnel expenses. In 2014, plans call for the realisation of growth opportunities on long-haul routes.

In addition to the traditional network carriers, a number of younger airlines that are focused mainly on point-to-point traffic have served as growth drivers for Flughafen Wien AG in recent years. However, their business models have not always proven to be sustainable (e.g. SkyEurope). Particularly strong growth was recorded by NIKI in 2011: the number of passengers carried rose by 15.1% year-on-year to over 2.4 million. NIKI, which is now a wholly owned subsidiary of Air Berlin, currently has a market share of 11.6% at Vienna Airport.

The strong growth recorded by the so-called low-cost carriers and hybrid airlines that have entered the market since 2000 has driven passenger volumes and air traffic at Vienna Airport, but has also increased the competitive pressure on the network carriers. Additionally, the above-average growth of these carriers has diversified the customer portfolio of Flughafen Wien AG.

Flughafen Wien AG utilises marketing measures as well as competitive tariff and incentive models to create effective growth inducements for all airlines. An analysis of the incentives shows that the airport tariffs in Vienna are substantially lower than Frankfurt and lower than Munich and Zurich.

The handling services provided by Flughafen Wien are the subject of increasing price pressure as well as higher quality demands from the airlines. In 2011 Flughafen Wien AG was able to protect its leading market position in both the ramp handling (market share: 89.2%) and cargo sectors (market share: 94.8%). This competitive strength in comparison with other service providers is based on individualised service offers and high quality standards.

The FRAPORT Ground Services subsidiary, which is the second provider authorised to offer restricted ramp handling services, was sold to the Turkish Celibi Ground Handling Inc. in 2011.

Flughafen Wien will face an additional challenge from a guideline for ground handling services that was recently presented 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. However, the implementation of the guideline is only expected over the medium-term.

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

The capital expenditure programme of the Flughafen Wien Group is financed primarily by operating cash flow as well as long-term, fixed interest and/or variable interest borrowings. In order to protect liquidity and to cover the peaks of the investment programme, the Flughafen Wien Group arranged for additional borrowings of € 200.0 million during 2010 in accordance with an Austrian law for the protection of liquidity ("Unternehmensliquiditätsstärkungsgesetz"). A further € 100.0 million were transferred in January 2011. Together with the issue of a € 103.5 million multi-tranche promissory note in 2009, these borrowings will provide sufficient medium-term financing for future expansion and possible airport acquisitions.

INVESTMENT RISK

The expansion projects of the Flughafen Wien Group are exposed to various risks – including the loss of suppliers, higher construction costs or changes in planning – that could increase the planned 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 of these investments and ensure that sufficient capacity is available to meet the forecasted demand.

Construction on the terminal extension VIE-Skylink was resumed in mid-February 2010 and operations are scheduled to start during June 2012.

Flughafen Wien AG filed an application with the provincial government of the province of Lower Austria for the approval of the project “parallel runway 11R/29L (third runway)“ in accordance with the Austrian environmental impact assessment act. A decision on the start of construction will be made after receipt of the final ruling, which is expected in 2013 at the earliest, and an extensive analysis of the airport’s long-range requirements at that time. A legally valid, negative ruling on this application would have far-reaching consequences for Flughafen Wien AG because previously incurred and capitalised costs, including the noise protection programme, would have to be expensed as impairment charges.

The valuation of all 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.

Applications for tariff adjustments are subject to approval by the Austrian civil aviation authority. This agency approved the tariffs developed with the current index model up to the end of 2012. If an extension is not granted, the legal regulations will apply.

Flughafen Wien successfully settled all disputes – with the exception of one – which were related to its refusal to accept certain invoices upon the cancellation of contracts for the terminal extension VIE-Skylink.

Possible claims for damages in connection with the terminal extension as well as the related consequences are currently under analysis. In the cases reviewed by technical experts, damages of approx. € 52.1 million were identified as the result of deficient performance by contractors and unjustified cost increases. Impairment charges of € 31.6 million were subsequently recognised. Flughafen Wien AG is actively pursuing claims for compensation from the involved companies. One company has already repaid € 7.6 million, 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 the Flughafen Wien Group. 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 breakdown, destruction of central systems and defects in compliance) were further reduced in 2011.

Preventive measures based on the redundancy of key operating systems were expanded and audited through regular tests, and the error solution process was optimised. System reliability, above all in the network area, was further improved by the on-going migration to new technologies.

An external control system for the exposed IT building was installed with EU funds and placed in operation. This system will prevent unauthorised access as far as possible. In addition, monitoring in the central data processing centres will be updated to reflect the latest technological standards.

Data protection issues were handed over and the necessary structures were created. An external security audit of the FWAG website was carried out to better assess and further minimise the risk of hacker attacks.

ENVIRONMENTAL RISKS

The situation at Vienna Airport can be considered stable due to 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 the Flughafen Wien Group is protected for the foreseeable future and did not identify any risks that could endanger this continued existence. The Flughafen Wien Group 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 Flughafen Wien AG.

The objective of the internal control system (ICS) is to support management in implementing – and continuously improving – effective internal controls for accounting. The internal control system is designed to ensure compliance with guidelines and directives, and to also create favourable conditions for specific control activities in key accounting processes.

The description of the major features of these internal controls is based on the structure defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The internal control system comprises the 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. These controls are recorded in an ICS database, which – in addition to other analyses – supports group-wide inquiries on the effectiveness of all ICS controls in the company. The internal audit department carries out independent and regular reviews of compliance with corporate policies for the accounting area. This department reports directly to the Management Board.

CONTROL ENVIRONMENT

The corporate culture within which management and employees operate has a significant influence on the control environment. Flughafen Wien 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.

The implementation of the internal control system for accounting processes is regulated in 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 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 monitoring internal control systems throughout the group. In addition, the individual department heads and senior managers are responsible for monitoring activities in their individual areas. Controls and plausibility checks are carried out at regular intervals, and the internal control system is also reviewed by the internal audit department. In addition, the internal control system includes a self-monitoring and supervisory function.

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.

In 2011 the activities of the information systems service unit also focused on the implementation of the CDM-ISP project (Collaboration Decision Making-Information Sharing Platform). The information sharing platform to be developed as part of this project will create the basis for introducing the CDM process at Flughafen Wien. Through more exact planning, better analysis and the optimisation of resources, this tool will lead to significant cost savings for the participating system partners. Costs of € 0.3 million were associated with this project in 2011 (2010: € 0.3 million).

ENVIRONMENTAL AND LABOUR ISSUES

Flughafen Wien AG is committed to careful and conscious interaction with the environment as well as sustainable management, and has implemented numerous measures to reach these goals. A total of T€ 1,260.3 (2010: T€ 913.3) was invested in environmental protection during the reporting year. 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.

■ Overview of Environmental Indicators for Flughafen Wien AG

	2011	**2010**
Number of passengers	21,106,292	19,691,206
Electricity consumption per year in kWh	135,871,470	128,187,468
Electricity consumption in kWh per year and passenger	6.44	6.51
Heat consumption per year in MWh	122,317	131,218
Heat consumption in MWh per year and passenger	0.0058	0.0067
Water consumption per year in m³	674,472	745,771
Water consumption in m³ per year and passenger	0.032	0.038
Waste water disposal per year in m³	663,500	683,876
Residual waste aircraft in kg	1,125,500	999,990
Residual waste aircraft in kg per passenger	0.053	0.051
Waste paper VIE in kg	2,016,180	1,782,280
Waste paper VIE in kg per passenger	0.10	0.09
Aluminium/cans/metal VIE in kg	6,395	5,630
Biogenic waste VIE in kg	217,580	195,160
Biogenic waste VIE in kg per passenger	0.010	0.010
Glass VIE in kg	74,281	85,364
Glass VIE in kg per passenger	0.004	0.004
Plastic packaging VIE in kg	145,660	160,540
Plastic packaging VIE in kg per passenger	0.007	0.008
Hazardous waste VIE in kg	140,257	118,733
Hazardous waste VIE in kg per passenger	0.007	0.006
Share recycled in %	90.9%	88.6%

WORKFORCE ISSUES

The growth in traffic during the reporting year was reflected in an increase in the number of persons employed by Flughafen Wien AG to 3,385. The largest increase was recorded in the Handling Segment. The average number of employees rose by 102.

The company-wide cost reduction programme that was started in earlier years was continued in 2011 with a greater focus on the reduction of overtime and unused holidays. Moreover, the restructuring of the group presented numerous opportunities for the realisation of synergy effects.

Employees

	2011	Change in %	2010	2009
Number of employees	3,385	3.1	3,283	3,236
Thereof wage employees	2,301	3.6	2,222	2,265
Thereof salaried employees	1,081	1.9	1,061	1,071
Apprentices	56	7.4	52	43
Traffic units per employee 1)	6,848	2.4	6,686	6,194
Average age in years 1)	39.5	0.8	39.2	39.2
Length of service in years 1)	10.5	1.9	10.3	10.4
Share of women in % 1)	12.3	0.0	12.3	13.0
Training expenditures in EUR 1)	902,000	-14.5	1,055,000	973,000
Reportable accidents 1)	143	-13.3	165	123
Accidents per 1,000 employees	43.5	-12.3	49.6	37.5

1) Based on Flughafen Wien AG

As a result of the strong development of traffic, the number of traffic units per employee increased 2.4% to 6,848 units.

Flughafen Wien AG 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 Vienna, a day care centre with flexible opening hours and reduced costs for numerous recreational and sporting activities.

The independent private foundation established in 2000 gives Flughafen Wien employees an opportunity to participate in the success of the company. This foundation holds 10% of the shares in Flughafen Wien AG and distributes the dividends received on these shares to company employees. A total of € 4.20 million was dispersed during the reporting year – which represents the dividend payment for 2010 – and corresponds to 56.25% 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. 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. 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.

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 million EIB (European Investment Bank) loan, the € 103.5 million promissory note and the € 300 million loan concluded pursuant to an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz"). These financing agreements with a total volume of € 803.5 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 € 653.5 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

The deteriorating global economic environment and prevailing uncertainty have led economic researchers and analysis to predict a slowdown in growth during 2012. WIFO, the Austrian economic research institute, has estimated real GDP growth for this nation's economy at 0.4% in 2012. The financial and sovereign debt problems and general crisis of confidence that spread across the world in 2011 are reflected in deteriorating prospects for 2012. These developments will have a negative influence on Austria – despite the country's sound fundamental economic data – because of its strong export orientation. WIFO is forecasting stagnating growth of 0.0% for the euro zone and a subdued 3.2% for the global economy.

According to WIFO, the Austrian export sector is expected to grow by a real 3.5% in 2012. Unemployment should increase slightly to 7.1%, and private consumer spending should rise by only 0.8%.

Against this backdrop of expected weaker economic development, Flughafen Wien AG is forecasting an increase of 0% to 1% in the number of passengers as well as a decline of 0% to 1% in flight movements and 2% to 3% in maximum take-off weight (MTOW) for 2012.

The Flughafen Wien Group expects an increase in revenue and, following the impairment charges recognised in 2011, an improvement in profit for the period. However, profit for the period will be substantially lower than recent years. Capital expenditure of € 160 million is planned for 2012. In order to hold debt at a stable level, investments were cut from € 650 million to € 590 million for the period up to 2015.

SUBSEQUENT EVENTS

The positive development of traffic continued during January 2012. The number of passengers rose by 9.0% year-on-year to 1,397,711. Declines were recorded in flight movements with minus 2.7%, maximum take-off weight (MTOW) with minus 4.5% and cargo turnover with minus 10.1%. The number of transfer passengers increased 19.4%.

As of 1 January 2012, the tariffs were adjusted as follows based on the tariff formula:

- Landing tariff, infrastructure tariff airside, parking tariff + 0.81%
- Passenger tariff, infrastructure tariff landside + 0.39%
- Infrastructure tariff fuelling + 0.68%

The PRM tariff (passengers with reduced mobility) remains unchanged at € 0.34 per departing passenger. Also unchanged is the security tariff at € 4.49 per departing transfer passenger and € 6.89 per departing local passenger.

Based on these index-related changes, the fixed landing tariff for scheduled and charter passenger flights will decline to € 205.38 and the variable landing tariff will be reduced to € 5.59 per MTOW. The passenger tariff for scheduled and charter flights will increase by € 0.74 per departing passenger to a total of € 16.69. In addition, the airside infrastructure tariff will be reduced by 10%, while the landside infrastructure tariff will increase € 0.20 per departing passenger to € 0.87 per departing passenger.

Schwechat, 27 February 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

NOTES TO THE 2011 ANNUAL FINANCIAL STATEMENTS OF FLUGHAFEN WIEN AG

BALANCE SHEET
as of 31 December 2011

ASSETS	31.12.2011 in €	31.12.2010 in T€
A) Non-current assets		
I. Intangible assets		
1. Concessions and rights	9,536,016.02	6,752.0
II. Property, plant and equipment		
1. Land and buildings	451,735,812.70	452,404.0
2. Machinery and equipment	164,522,637.68	187,416.5
3. Other equipment, furniture, fixtures and office equipment	44,746,143.27	40,816.6
4. Prepayments made and construction in progress	891,073,323.70	734,092.5
Total II	1,552,077,917.35	1,414,729.5
III. Financial assets		
1. Shares in subsidiaries	190,765,748.10	191,895.7
2. Loans granted to subsidiaries	49,475,571.65	51,778.5
3, Investments in other companies	9,116,686.50	9,121.7
4. Loans granted to companies in which an investment is held	0.00	450.0
5. Non-current securities (rights)	4,553,299.54	4,372.2
6. Other loans granted	1,326,141.22	1,051.3
Total III	255,237,447.01	258,669.5
Total A)	1,816,851,380.38	1,680,151.0
B) Current assets		
I. Inventories		
1. Supplies	4,137,113.99	4,298.2
II. Receivables and other assets		
1. Trade receivables	32,469,522.27	44,376.7
2. Receivables due from subsidiaries	8,105,750.31	8,065.9
3. Receivables due from companies in which an investment is held	76,476.30	127.3
4. Other receivables and assets	39,416,198.92	11,383.5
Total II	80,067,947.80	63,953.4
III. Securities and shares		
1. Miscellaneous securities and shares	28,900,000.00	61,392.1
Total III	28,900,000.00	61,392.1
IV. Cash on hand and deposits with financial institutions	99,145,067.76	59,939.4
Total B)	212,250,129.55	189,583.2
C) Prepaid expenses and deferred charges	4,164,728.28	2,477.0
Total Assets	2,033,266,238.21	1,872,211.2

EQUITY AND LIABILITIES	31.12.2011 in €	31.12.2010 in T€
A) Equity		
I. Share capital	152,670,000.00	152,670.0
II. Share premium (appropriated)	117,657,318.52	117,657.3
III. Reserves		
1. Statutory reserve	2,579,158.88	2,579.2
2. Other reserves (voluntary reserves)	388,900,888.90	363,400.9
Total III	391,480,047.78	365,980.0
IV. Retained earnings		
Thereof profit carried forward: € 4,250,90 (2010: T€ 5,0)	21,009,077.87	42,004.3
Total A)	682,816,444.17	678,311.6
B) Untaxed reserves		
1. Valuation reserve based of special depreciation	9,629,403.52	9,671.4
2. Other untaxed reserves	170,602.10	170.6
Total B)	9,800,005.62	9,842.0
C) Government grants	1,929,656.57	2,451.0
D) Provisions		
1. Provisions for severance compensation	55,595,795.00	58,102.5
2. Provisions for pensions	15,188,165.00	19,254.8
3. Provisions for taxes	5,594,000.00	-
4. Other provisions	136,214,257.66	126,768.2
Total D)	212,592,217.66	204,125.6
E) Liabilities		
1. Amounts due to financial institutions	489,087,270.07	491,125.0
2. Prepayments received on orders	44,020.55	526.3
3. Trade payables	80,798,032.47	57,194.2
4. Amounts due to subsidiaries	467,362,253.55	356,334.4
5. Amounts due to companies in which an investment is held	4,896,070.06	4,424.8
6. Other liabilities, Thereof from taxes: € 0.0 (2010: T€ 0.0) Thereof from social security: € 6,147,334.65 (2010: T€ 6,084.6)	57,603,415.07	40,443.2
Total E)	1,099,791,061.77	950,047.9
F) Deferred income	26,336,852.42	27,433.2
Total Equity and Liabilities	2,033,266,238.21	1,872,211.2
Contingent liabilities	89,352,453.96	92,147.9

INCOME STATEMENT

for the period from 1 January to 31 December 2011

	1.1. – 31.12.2011 in €	1.1. – 31.12.2010 in T€
1. Revenue	566,987,779.35	522,545.6
2. Own work capitalised	6,210,376.17	4,634.2
3. Other operating income		
a) Income from the disposal of non-current assets, with the exception of financial assets	73,835.75	46.7
b) Income from the reversal of provisions	2,014,995.35	5,163.9
c) Income from the reversal of government grants	617,328.58	1,024.0
d) Miscellaneous	2,991,446.81	3,303.4
Total 3.	5,697,606.49	9,538.0
Operating income (subtotal of No. 1 to 3)	578,895,762.01	536,717.8
4. Cost of consumables and services		
a) Cost of materials	33,677,686.21	37,313.6
b) Cost of services	35,456,820.69	29,059.6
Total 4.	69,134,506.90	66,373.2
5. Personnel expenses		
a) Wages	90,040,915.12	82,618.9
b) Salaries	67,001,370.14	61,851.9
c) Expenses for severance compensation and contributions to employee severance compensation fund	9,664,197.03	16,207.7
d) Expenses for pensions	3,859,750.54	8,039.4
e) Expenses for legally required social security and payroll-related duties and mandatory contributions	41,324,381.19	39,780.7
f) Other employee benefits	2,073,370.78	2,112.4
Total 5.	213,963,984.80	210,611.0
6. Depreciation and amortisation Thereof impairment charges to non-current assets in acc. with § 204 (2) Austrian Commercial Code: € 31.624.794.62 (2010: T€ 0.0)	92,763,437.02	60,704.6

	1.1. – 31.12.2011 in €	1.1. – 31.12.2010 in T€
7. Other operating expenses		
a) Non-income based taxes	355,975.41	303.4
b) Miscellaneous	123,746,242.58	125,086.8
Total 7.	124,102,217.99	125,390.3
Total 4 – 7.	499,964,146.71	463,079.0
8. Operating profit (subtotal of No. 1 to 7)	78,931,615.30	73,638.8
9. Income from investments in other companies Thereof from subsidiaries: € 12,575,914.71 (2010: T€ 13,632.9)	12,657,870.71	13,712.4
10. Income from other securities and loans granted Thereof from subsidiaries: € 1,599,959.23 (2010: T€ 1,702.6)	1,624,076.18	1,707.6
11. Interest and similar income Thereof from subsidiaries: € 2,201,127.42 (2010: T€ 732.4)	6,914,832.86	3,973.1
12. Income from the disposal and write-up of financial assets	2,601,920.34	1,057.5
13. Expenses arising from financial assets and current securities Thereof write-downs: € 0,0 (2010: T€ 0,0)	0.00	5,562.4
14. Interest and similar expenses Thereof to subsidiaries: € 23,640,382.44 (2010: T€ 6,512.5)	45,840,968.42	30,320.8
15. Financial results (subtotal of No. 9 to 14)	-22,042,268.33	-15,432.7
16. Profit on ordinary activities	56,889,346.97	58,206.1
17. Income taxes	-10,426,500.00	-12,962.5
18. Net profit for the year	46,462,846.97	45,243.6
19. Reversal of untaxed reserves	41,980.00	1.5
20. Addition to untaxed reserves	0.00	1,645.8
21. Addition to reserves	25,500,000.00	1,600.0
22. Profit carried forward from the prior year	4,250.90	5.0
23. Retained earnings	21,009,077.87	42,004.3

NOTES TO THE 2011 ANNUAL FINANCIAL STATEMENTS OF FLUGHAFEN WIEN AG

GENERAL INFORMATION ON THE 2011 ANNUAL FINANCIAL STATEMENTS OF FLUGHAFEN WIEN AG

GENERAL INFORMATION

These annual financial statements are based on the prevailing provisions of Austrian commercial law. They were prepared in accordance with the principles of correct bookkeeping and accounting. In particular, the principle of prudence was observed and impending losses were recognised but unrealised gains were not recorded. All assets, provisions and obligations were recorded and individually measured, whereby valuation was free of arbitrariness.

The income statement was prepared in accordance with the nature of expense method under which "total costs" are shown.

It should be noted that rounding differences can result from the use of rounded amounts in the annual financial statements.

LEGAL RELATIONSHIPS

As of 31 December 2011 Flughafen Wien AG was party to a contract for the transfer of profit and loss with the subsidiary Vienna Aircraft Handling Gesellschaft m.b.H.

CLASSIFICATION

The company is classified as a large corporation under the provisions of § 221 (3) of the Austrian Commercial Code.

STRUCTURE AND ACCOUNTING METHODS

The balance sheet was structured in accordance with the provisions of §§ 224 ff of the Austrian Commercial Code. The income statement was prepared in accordance with the nature of expense method under which "total costs" are shown pursuant to § 231 (2) of the Austrian Commercial Code.

VALUATION METHODS

Purchased intangible assets and property, plant and equipment are carried at acquisition or production cost, less scheduled amortisation and depreciation as well as any necessary impairment charges. Production costs also include an appropriate part of material and production overheads, but exclude interest.

The company's assets have the following useful lives: intangible assets: 4 to 20 years; facilities installed on property: 10 to 20 years; buildings: 10 to 50 years; machinery and equipment: 4 to 20 years; and other equipment, furniture, fixtures and office equipment: 4 to 15 years. Low-value assets are written off completely in the year of purchase.

The determination of the acquisition and production cost of construction in progress is connected with uncertainty because of the on-going construction activity and associated examination requirements. This uncertainty reflects the fact that the services provided by third parties for construction in progress were still under examination when these financial statements were prepared. Any disputes over the services performed could lead to an adjustment of the capitalised amounts.

Non-interest bearing loans granted by the company are discounted, while interest-bearing loans are carried at the nominal value as of the balance sheet date.

In accordance with § 206 of the Austrian Commercial Code, current assets are carried at acquisition or production cost that reflects loss-free valuation.

Identifiable risks related to receivables are reflected in valuation adjustments.

Foreign currency assets are measured using the exchange rate (FX-bid rate) in effect on the date of acquisition or the lower rate on the balance sheet date. Foreign currency liabilities are measured using the exchange rate (FX-offer rate) in effect on the date of acquisition or the higher rate on the balance sheet date.

Revaluations permitted by § 208 (1) of the Austrian Commercial Code were not recorded in accordance with § 208 (2) of the Austrian Commercial Code, when a lower value could be retained for the determination of taxable profit under the condition that this amount can also be used in the annual financial statements.

The company did not elect to use the option provided by § 198 (10) of the Austrian Commercial Code for the capitalisation of deferred taxes.

Provisions were recorded at the amount considered necessary by reasonable judgment.

Liabilities were recorded at their repayment amount.

DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate and foreign exchange hedges are included in the valuation of primary financial instruments. Losses arising from changes in the present value of derivative financial instruments that do not qualify for hedge accounting are expensed as incurred.

INTEREST RATE SWAP

A fixed interest rate swap with a nominal value of T€ 10,000.0 and a term of five years was concluded in 2007 as a hedge against future increases in interest rates. The market value was negative as of 31 December 2011, and a provision was therefore created for impending losses.

The valuation of the interest rate swap was based on recognised mathematical methods and market data available at the time of calculation.

in T€	Book value 2011	Market value 2011	Book value 2010	Market value 2010
EUR	-240.5	-240.5	-457.4	-457.4

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

The development of the individual positions of non-current assets is shown on the attached schedule of non-current assets. The value of land included under land and buildings is T€ 92,419.1 (2010: T€ 91,508.8).

The following write-ups were recorded to loans granted to subsidiaries: T€ 670.3 (2010: T€ 730.6) to reflect the reversal of the discount from a shareholder loan (IVW) and T€ 119.5 (2010: T€ 253.6) to a shareholder loan (KSC-Holding). Of the total loans granted, T€ 2,721.8 (2010: T€ 2,607.0) are due and payable within one year.

NON-CURRENT SECURITIES AND SIMILAR RIGHTS

Non-current securities comprise the following:

in T€	Book value 2011	Book value 2010
Shares	494.9	494.9
Other	4,058.4	3,877.3
	4,553.3	4,372.2

The position “Other“ is comprised primarily of the repurchase value of reinsurance for pensions (T€ 3,920.7).

CURRENT ASSETS

Inventories were valued using the weighted average price method or, in certain cases, the fixed price method. In individual cases, write-downs were recorded to reflect low turnover.

Valuation adjustments of T€ 4,436.0 (2010: T€ 4,108.9) had been recorded to trade receivables as of the balance sheet date.

As in the prior year, receivables due from subsidiaries resulted primarily from invoices for the provision of goods and services as well as a contract for the transfer of profit and loss.

The following table shows the terms of receivables and other assets:

REMAINING TERM UP TO ONE YEAR FLUGHAFEN WIEN AG

Amounts in T€	**2011**	**2010**
Trade receivables	32,469.5	44,376.7
Receivables due from subsidiaries	8,105.8	8,065.9
Receivables due from associates	76.5	127.3
Other receivables and assets	39,329.7	11,276.7
Total	79,981.5	63,846.6

REMAINING TERM OVER ONE YEAR FLUGHAFEN WIEN AG

Amounts in T€	**2011**	**2010**
Other receivables and assets	86.5	106.8
Total	86.5	106.8

Other receivables and assets include T€ 1,453.0 of credit card settlements and T€ 1,169.3 of accrued interest, which will only become due and payable after the balance sheet date.

The major components of other receivables are as follows:

FLUGHAFEN WIEN AG

Amounts in T€	**2011**	**2010**
Receivables from taxes	34,941.4	7,790.4
Receivables from credit card companies	1,453.0	1,437.2
Accrued interest	1,169.3	920.7
Receivables from salary/wage advances	391.9	453.9
Miscellaneous receivables	1,460.6	781.3
Total	39,416.2	11,383.5

The receivables from taxes represent corporate income tax prepayments of € 18.6 million and value added tax credits of € 22.1 million that were offset against payroll taxes and duties due from the same taxation authority.

TREASURY SHARES

The company held no treasury shares as of 31 December 2011.

CURRENT SECURITIES

Current securities consist of the following:

in T€	Book value 2011	Market value 2011	Book value 2010	Market value 2010
GF 7 Fund	0.0	0.0	32,492.1	34,401.0
RZB bond (subordinated)	8,900.0	9,535.0	8,900.0	9,950.0
RLB NÖ supplementary capital	20,000.0	21,689.2	20,000.0	21,066.0
	28,900.0	31,224.2	61,392.1	65,417.0

Write-ups of T€ 635.0 to current securities would have been possible in 2011 (2010: write-ups not recorded T€ 2,958.9).

PREPAID EXPENSES AND DEFERRED CHARGES

The company did not elect to use the option provided by § 198 (10) of the Austrian Commercial Code for the capitalisation of deferred taxes. Deferred tax assets totalled T€ 7,379.8 (2010: T€ 7,858.2).

The deferred tax assets are related primarily to employee-related provision.

EQUITY AND LIABILITIES

EQUITY

Share capital totalled € 152,670,000.00 as of 31 December 2011. It is divided into 21,000,000 shares of bearer common stock.

The stock issue in 1992 generated a premium of T€ 92,221.8, while the capital increase in 1995 generated a premium of T€ 25,435.5. These two amounts comprise the appropriated share premium. The statutory reserve remains unchanged at the prior year level of T€ 2,579.2.

Voluntary reserves rose from T€ 363,400.9 to T€ 388,900.9, or by T€ 25,500.0.

Retained earnings total T€ 21,009.1 (2010: T€ 42,004.3).

The following table shows the development of retained earnings:

in T€		
	Retained earnings as of 31.12.2010	42,004.3
-	Distribution of profit	-42,000.0
+	Net profit for the year	46,462.8
+	Release of untaxed reserves	42.0
-	Addition to reserves	-25,500.0
	Retained earnings as of 31.12.2011	21,009.1

UNTAXED RESERVES

The composition and development of untaxed reserves is shown in the attached appendices 2, 3 and 4.

GOVERNMENT GRANTS

The company received investment subsidies from public authorities during the period from 1977 to 1985. These grants are shown separately after untaxed reserves as an extension to the legal structure of the balance sheet. The classification and development of this position are shown in the attached listing.

PROVISIONS

The calculation of the provision for severance compensation at Flughafen Wien AG as of 31 December 2011 was based on an actuarial expert opinion, which was prepared in accordance with IFRS (IAS 19). An interest rate of 4.5% (2010: 4.5%) and the projected unit credit method were used for the calculation. 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 biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for male and female employees. An assumed increase 3.72% (2010: 3.77%) was applied to salaries. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.25%). All actuarial gains and losses are recognised immediately.

The provisions for pensions were determined in accordance with actuarial principles based on IFRS (IAS 19). An interest rate of 4.5% (2010: 4.5%) and the projected unit credit method were used for the calculation. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for salaried employees. 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. An assumed increase of 3.72% (2010: 3.77%) was applied to salaries and a retirement trend of 2.01% (2010: 2.14%) was assumed. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.25%). All actuarial gains and losses are recognised immediately.

Other provisions consist mainly of the following: provisions for service anniversary bonuses T€ 13,246.9 (2010: T€ 12,869.1), provisions for part-time work for older employees: T€ 20,054.6 (2010: T€ 12,840.5), unused vacation: T€ 7,743.4 (2010: T€ 8,337.5), bonuses for 2011 and previous years: T€ 3,353.1 (2010: T€ 2,203.0), deliveries and services not yet invoiced: T€ 47,112.9 (2010: T€ 56,523.8), provisions for discounts: T€ 24,571.6 (2010: T€ 17,812.3), provisions for various employee-related expenses: T€ 8,050.6 (2010: T€ 2,939.3) and a provision for an impending loss from a put option of T€ 5,562.4 (2010: T€ 5,562.4) granted by Vienna Aircraft Handling Ges.m.b.H. for the acquisition of Flugplatz Vöslau BetriebsGmbH.

The provisions for service anniversary bonuses were computed in accordance with actuarial principles based on IFRS (IAS 19). An interest rate of 4.5% (2010: 4.5%) and the projected unit credit method were used for the calculation. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for male and female employees. 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. An assumed increase of

3.72% (2010: 3.77%) was applied to salaries. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.50%). All actuarial gains and losses are recognised immediately.

As of 31.12.2011 the provisions for part-time work for older employees were calculated for the first time in accordance with actuarial principles based on IFRS (IAS 19). An interest rate of 4.5% and the projected unit credit method were used for the calculation. An assumed increase of 3.72% was applied to salaries. Ancillary wage costs were included at a rate of 21% (up to the maximum assessment base defined for Austrian social security contributions). All actuarial gains and losses are recognised immediately.

LIABILITIES

The following table shows the terms of liabilities:

REMAINING TERM UP TO ONE YEAR

Amounts in T€	**2011**	**2010**
Amounts due to financial institutions	28,444.7	204.0
Prepayments received	44.0	526.3
Trade payables	80,798.0	57,194.2
Amounts due to subsidiaries	63,862.3	52,834.4
Amounts due to companies in which an investment is held	4,896.1	4,424.8
Other liabilities	34,474.1	28,901.6
Total	212,519.2	144,085.3

REMAINING TERM FROM ONE TO FIVE YEARS

Amounts in T€	**2011**	**2010**
Amounts due to financial institutions	78,175.0	31,170.0
Amounts due to subsidiaries	300,000.0	303,500.0
Other liabilities	15,609.8	11,541.5
Total	393,784.8	346,211.5

REMAINING TERM OVER FIVE YEARS

Amounts in T€	**2011**	**2010**
Amounts due to financial institutions	382,467.5	459,751.0
Amounts due to subsidiaries	103,500.0	0.0
Other liabilities	7,519.5	0.0
Total	493,487.0	459,751.0

Of the total amounts due to subsidiaries, T€ 403,500.00 are related to financing and the investment of liquid funds by the subsidiaries with the parent company

Amounts due to companies in which an investment is held consist primarily of bank deposits invested for City Air Terminal Betriebsgesellschaft m.b.H.

Other liabilities include wages and salaries totalling T€ 7,570.7 (2010: T€ 7,280.5) from payroll accounting for December 2011 and 2010, customer credits of T€ 1,520.2 (2010: T€ 2,379.0), amounts of T€ 6,147.3 (2010: T€ 6,084.6) due to social security carriers and accrued interest of T€ 126.0 (2010: T€ 232.6) that will only become due and payable after the balance sheet date.

Term deposits of T€ 23,000.0 were pledged as collateral for amounts due to financial institutions.

DEFERRED INCOME

Deferred income is comprised chiefly of T€ 25,136.0 (2010: T€ 26,090.6) in advance rental payments for the air traffic control tower.

CONTINGENT LIABILITIES

In accordance with § 7 Par. 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€ 3,878.4 of loans related to the construction and expansion of sewage treatment facilities

Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H a wholly owned subsidiary of the Flughafen Wien Group, concluded a lease with HERMIONE Raiffeisen-Immobilien-Leasing GmbH in December 2005 for hangar buildings at Vienna International Airport. Flughafen Wien AG has issued a guarantee for payment of the variable leasing fees, which currently equal approximately T€ 432.5 and T€ 38.6 per month over the remaining term of 14 years, and for annual payments of T€ 450.6 on borrowing costs for construction financing over a period of 14 years. A total liability of T€ 85,474.1 was recorded below the balance sheet up to the end of these terms.

OTHER FINANCIAL OBLIGATIONS

The company entered into purchase obligations for intangible assets and property, plant and equipment totalling € 114.5 million during the reporting year (2010: € 188.0 million).

Flughafen Wien AG is required to carry the costs of the Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) through subsequent contributions to the fund. These costs consist primarily of corporate income tax.

The following table shows the obligations to third parties arising from the use of property, plant and equipment not shown on the balance sheet:

REMAINING TERM FROM ONE TO FIVE YEARS

Amounts in T€	**2012**	**2012–2016**
Liabilities arising from operating leases	2,646.1	13,230.1
Liabilities arising from a contract for participation rights concluded with subsidiaries	16,118.4	80,592.0
Total	20,776.5	93,822.1

Flughafen Wien AG has provided Landesbank Baden-Württemberg with a guarantee for the correct and timely payment of principal and interest related to the T€ 103,500.0 promissory note issued by the subsidiary VIE Malta Finance Ltd.

Flughafen Wien AG has provided BAWAG/PSK, Hypo NOE Gruppe Bank AG, Raiffeisen Landesbank Oberösterreich, Raiffeisen Landesbank Niederösterreich, Raiffeisenbank International and Unicredit Bank Austria with guarantees totalling a maximum of T€ 300,000.0 for the correct and timely payment of all principal and interest payments related to the financing program contracted by the subsidiary VIE Malta Finance Ltd in accordance with an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz").

The Malta Mediterranean Link Consortium Group (MMLC) entered into a loan with a term ending in mid-2018 and an outstanding balance of € 13.2 million as of 31 December 2011. 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.

NOTES TO THE INCOME STATEMENT

REVENUE FLUGHAFEN WIEN AG

Amounts in T€	**2011**	**2010**
Airport revenue	273,810.9	197,637.6
Handling revenue	149,946.3	155,349.3
Aviation revenue	423,757.2	352,986.9
Lease, rental and usage revenue, parking revenue	100,244.2	100,156.1
Other revenue	42,986.4	69,402.6
Non-aviation revenue	143,230.6	169,558.7
Total revenue	566,987.8	522,545.6
Thereof with subsidiaries	14,255.0	13,410.3

Aviation revenue comprises airport and handling revenues. Non-aviation revenue consists of revenues generated by energy supply and waste disposal services, IT services, rentals and concessions, passenger services, security services and other services.

All revenues are generated in Austria.

Aviation revenue rose by 20.0% year-on-year in 2011 (T€ 70,770.4) due to a change in charges for the security tariff.

Non-aviation revenue recorded by Flughafen Wien AG was 8.5% (T€ 26,328.2) lower than the previous year. This decline resulted, above all, from the loss of revenue from security services (T€ 41,782.9), which was contrasted by an increase of T€ 10,136.2 in rental income, T€ 2.076,3 in energy supply, waste disposal and IT services, and T€ 2,103.5 in parking revenue.

Income from the release of government grants reflected the write-down or disposal of the relevant assets, which were carried at full acquisition cost less depreciation. This position also includes a release of T€ 332.3 (2010: T€ 766.1) from the investment allowance created during earlier years in accordance with § 108e of the Austrian Income Tax Act.

Flughafen Wien AG recorded a year-on-year increase of 1.6% in personnel expenses to T€ 213,964.0 (2010: T€ 210,611.0). This development resulted primarily from an increase in the number of employees, wage and salary increases mandated by collective bargaining agreements and higher expenses for part-time work for older employees that was contrasted by lower expenses for severance compensation and pensions. Total wages rose by T€ 7,422.0 to T€ 90,040.9 and total salaries increased T€ 5,149.4. Expenses for severance compensation and pensions declined T€ 10,723.1.

Severance compensation expenses are classified as follows:

SEVERANCE COMPENSATION EXPENSES FLUGHAFEN WIEN AG

Amounts in T€	**2011**	**2010**
Change in severance compensation provision	-2,506.7	7,539.4
Severance payments	11,101.3	7,723.9
Contributions to employee severance compensation funds	1,069.6	944.4
Total	9,664.2	16,207.7

Depreciation and amortisation increased 52.8% year-on-year, primarily due to impairment charges of T€ 31,624.8 that were recognised to construction in progress.

Other operating expenses comprise the following:

OTHER OPERATING EXPENSES FLUGHAFEN WIEN AG

Amounts in T€	**2011**	**2010**
Services provided by subsidiaries	41,775.0	40,302.5
Marketing and market communication	23,729.2	26,138.8
Maintenance	20,288.4	18,565.2
Third party services	12,190.2	12,207.3
Legal, audit and consulting fees	7,433.2	11,617.8
Rentals and leasing	3,120.8	3,642.4
Insurance	3,356.8	3,372.7
Miscellaneous operating costs	4,080.8	2,071.5
Travel and training costs	1,527.6	1,726.5
Postage and telecommunications expenses	1,365.8	1,474.8
Addition to valuation adjustments to receivables	1,083.6	703.7
Losses on disposals of non-current assets	935.4	243.5
Miscellaneous expenses	3,215.4	3,323.6
Total	124,102.2	125,390.3

Expenses for the auditor of the annual financial statements, KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, amounted to T€ 328.3 (2010: T€ 374.3), whereby T€ 94.5 are related to the audit of the annual financial statements (2010: T€ 90.0) and T€ 225.7 (2010: T€ 284.3) to other services.

Financial results totalled T€ -22,042.3 (2010: T€ -15,432.7) and consist of the following:

FINANCIAL RESULTS FLUGHAFEN WIEN AG

Amounts in T€	**2011**	**2010**
Income from investments in other companies	12,657.9	13,712.4
Thereof from subsidiaries	12,575.9	13,632.9
Income from securities and loans granted	1,624.1	1,707.6
Thereof from subsidiaries	1,600.0	1,702.6
Interest and similar income	6,914.8	3,973.1
Thereof from subsidiaries	2,201.1	732.4
Income from the disposal and write-up of financial assets	2,601.9	1,057.5
Thereof from the write-up of loans granted to subsidiaries	831.3	1,027.3
Expenses arising from financial assets and current securities	0.0	-5,562.4
Thereof from subsidiaries	0.0	-5,562.4
Interest and similar expenses	-45,841.0	-30,320.8
Thereof due to subsidiaries	-23,640.4	-6,512.5
Total	-22,042.3	-15,432.7

Income from investments in other companies includes income of T€ 1,694.9 (2010: T€ 1,632.8) from contracts for the transfer of profit and loss.

There were no expenses arising from financial assets or current securities in 2011 (2010: T€ 5,562.4). The expenses reported for 2010 resulted from a provision for an impending loss on a put option granted by Vienna Aircraft Handling Ges.m.b.H. for the acquisition of Flugplatz Vöslau Betriebs-GmbH.

Since 2005, Flughafen Wien AG has served as the head of a tax group as defined in § 9 of the Austrian Corporate Tax Act. The head of the group charges or (in the case of a loss) credits corporate income tax to the members of the group based on their individual tax liability (or credit). Income tax expenses fell by T€ 2,536.0 to T€ 10,426.5 in 2011 and represent the tax expense of the head of the group for that year.

The theoretical income tax expenses attributable to profit on ordinary activities amounted to T€ 14,222.3. The actual tax rate was 18.3% for 2011, compared with 22.3% in the previous year.

As in the prior year, tax accruals that could have been capitalised in accordance with § 198 (10) of the Austrian Commercial Code were not recorded in 2011.

OTHER INFORMATION

CORPORATE BODIES AND EMPLOYEES

THE MEMBERS OF THE SUPERVISORY BOARD IN 2011 ARE LISTED BELOW:
Johannes **CORETH,** (Former) Deputy General Director of Niederösterreichische Versicherung (up to 29.4.2011)
Gabriele **DOMSCHITZ,** Member of the Management Board of Wiener Stadtwerke Holding AG (as of 29.4.2011)
Bettina **GLATZ-KREMSNER,** Member of the Management Board of Casinos Austria AG and Österreichische Lotterien Ges.m.b.H. (as of 29.4.2011)
Erwin **HAMESEDER,** General Director of Raiffeisen Holding NÖ-Wien (as of 31.8.2011)
Christoph **HERBST,** Attorney (function suspended from 1.1.2011 to 31.8.2011)
Burkhard **HOFER,** (Former) General Director of EVN AG
Ewald **KIRSCHNER,** General Director of GESIBA Gemeinnützige Siedlungs- und Bauaktiengesellschaft (as of 29.4.2011)
Franz **LAUER,** General Director of Wiener Städtische Versicherung (ret.)
Hans-Jörgen **MANSTEIN,** Manstein Zeitschriftenverlag GesmbH
Alfons **METZGER,** Metzger Realitäten Group
Claus J. **RAIDL,** President of the Austrian National Bank (as of 31.8.2011)
Alfred **REITER,** Chairman of the Management Board of Investkredit Bank AG (ret.). (up to 29.4.2011)
Wolfgang **RUTTENSTORFER,** (Former) General Director of OMV Aktiengesellschaft (as of 29.4.2011)
Karl **SAMSTAG,** (Former) General Director of Bank Austria Creditanstalt AG, (up to 29.4.2011)
Karl **SKYBA,** (Former) General Director of Wiener Stadtwerke Holding AG, (up to 29.4.2011)

DELEGATED BY THE WORKS' COMMITTEE:
Manfred **BIEGLER,** Chairman of the Salaried Employees' Works Committee
Thomas **SCHÄFFER,** Vice-Chairman of the Salaried Employees' Works Committee
Dieter **ROZBORIL,** Chairman of the Waged Employees' Works Committee
Karl **HROMADKA,** Vice-Chairman of the Waged Employees' Works Committee
Heinz **WESSELY,** Waged Employees' Works Committee

CHAIRMAN OF THE SUPERVISORY BOARD:
Erwin **HAMESEDER** (as of 31.8.2011)
Christoph **HERBST** (function suspended from 1.1.2011 to 31.8.2011)

HIS DEPUTIES:
Ewald **KIRSCHNER** (as of 29.4.2011)
Alfred **REITER** (up to 29.4.2011)
Wolfgang **RUTTENSTORFER** (as of 29.4.2011)
Karl **SAMSTAG** (up to 29.4.2011)

REPRESENTATIVES OF THE SUPERVISORY AUTHORITIES:
Peter **FRANZMAYR** (up to 10.10.2011)
Josef **HACKL** (as of 10.10.2011)

THE MEMBERS OF THE MANAGEMENT BOARD IN 2011 WERE:
Gerhard **SCHMID,** member (up to 31.12.2011)
Ernest **GABMANN,** member (up to 31.12.2011)
Christoph **HERBST,** chairman (up to 31.8.2011)
Julian **JÄGER,** member (as of 5.9.2011)
Günther **OFNER,** member (as of 5.9.2011)

THE FOLLOWING PERSONS WERE JOINT SIGNATORIES IN 2011:
Ernest **EISNER** (up to 4.10.2011)
Franz **IMLINGER** (up to 30.11.2011)
Werner **HACKENBERG**
Michael **HÖFERER**
Friedrich **LEHR** (up to 30.11.2011)
Karl **SCHLEINZER** (up to 30.11.2011)
Michael **TMEJ**
Norbert **STEINER**
Christoph **LEHR**
Andreas **SCHADENHOFER**
Andreas **EDER** (as of 1.12.2011)
Wolfgang **FASCHING** (as of 1.12.2011)

The average number of employees was as follows:

Flughafen Wien AG[1]	**2011**	**2010**
Wage employees	2,301	2,222
Salaried employees	1,084	1,061
Total	3,385	3,283

1) Excluding the members of the Management Board

The members of the Management Board of Flughafen Wien AG received the following remuneration for their work in 2011 and 2010:

	2011	**2011**	**2011**	**2011**	**2011**	**2010**
in T€	**Fixed compensation**	**Performance based compensation 2010**	**Non-cash remuneration**	**Termination benefits**	**Total remuneration**	**Fixed compensation**
Herbert Kaufmann	0.0	0.0	0.0	0.0	0.0	346.2
Gerhard Schmid	256.7	84.8	7.5	323.2	672.1	346.2
Ernest Gabmann	256.7	84.8	7.2	50.7	399.3	331.9
Christoph Herbst	166.6	0.0	0.0	0.0	166.6	0.0
Günther Ofner	80.6	0.0	2.3	0.0	82.9	0.0
Julian Jäger	80.6	0.0	2.3	0.0	82.9	0.0
	841.2	169.5	19.3	373.9	1,403.9	1,024.3

The performance-based compensation represents bonuses for the 2010 financial year, which were paid out during 2011.

Compensation paid to former members of the Management Board totalled T€ 1,450.8 (2010: T€ 630.8).

Pension obligations of T€ 4,340.5 for former members of the Management Board were transferred to a pension fund during the reporting year

The total expenses for severance compensation and pensions, excluding former members of the Management Board, amounted to T€ 736.1 (2010: T€ 2,932.4) for the members of the Management Board and key employees. The comparable amount for other employees was T€ 12,787.8 (2010: T€ 21,314.6).

The members of the Supervisory Board received attendance fees and remuneration of T€ 141.1 in 2011 (2010: T€ 121.6).

As of 31 December 2011, there were no outstanding receivables from advances or loans granted to the members of the Supervisory Board or Management Board.

Schwechat, 27 February 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member,COO

APPENDIX TO THE NOTES

DEVELOPMENT OF NON-CURRENT ASSETS FROM 1 JANUARY 2011 TO 31 DECEMBER 2011

APPENDIX 1 TO THE NOTES

	Development of acquisition and production cost		
Non-current assets in €	**Balance on 1.1.2011**	**Direct additions**	**Reclassification**
I. Intangible assets			
1. Concessions and rights	26,573,360.97	4,411,665.43	302,031.73
2. Goodwill	0.00	0.00	0.00
3. Prepayments made	0.00	0.00	0.00
Subtotal	26,573,360.97	4,411,665.43	302,031.73
II. Property, plant and equipment			
1. Land and buildings, including buildings on land owned by third parties	656,973,855.16	15,963,070.41	2,649,062.02
2. Machinery and equipment	651,909,235.95	4,209,761.38	189,723.63
3. Other equipment, furniture, fittings and office equipment	174,512,699.99	17,100,040.03	26,305.69
4. Prepayments made and construction in progress	734,092,498.14	195,943,027.92	-3,167,123.07
Subtotal	2,217,488,289.24	233,215,899.74	-302,031.73
III. Financial assets			
1. Shares in subsidiaries	194,565,660.40	0.00	0.00
2. Loans granted to subsidiaries	55,769,989.06	0.00	0.00
3. Investments in other companies	9,121,343.50	0.00	0.00
4. Other investments	380.00	0.00	0.00
5. Loans granted to companies in which an investment is held	450,000.00	0.00	-450,000.00
6. Non-current securities (rights)	4,372,237.97	181,061.57	0.00
7. Other loans granted	1,277,315.93	41,920.85	450,000.00
Subtotal	265,556,926.86	222,982.42	0.00
Total	2,509,618,577.07	237,850,547.59	0.00

Disposals	Balance on 31.12.2011	Accumulated depr./amort. 31.12.2011	Book values: Balance on 31.12.2011	Book values: Balance on 1.1.2011	Depr./amort. for current financial year	Write-ups for current financial year
181,347.54	31,105,710.59	21,569,694.57	9,536,016.02	6,752,037.78	1,929,718.44	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
181,347.54	31,105,710.59	21,569,694.57	9,536,016.02	6,752,037.78	1,929,718.44	0.00
150,339.59	675,435,648.00	223,699,835.30	451,735,812.70	452,403,963.23	19,129,943.37	0.00
340,520.33	655,968,200.63	491,445,562.95	164,522,637.68	187,416,482.80	27,166,020.94	0.00
7,104,132.49	184,534,913.22	139,788,769.95	44,746,143.27	40,816,584.35	12,912,959.65	0.00
4,170,284.67	922,698,118.32	31,624,794.62	891,073,323.70	734,092,498.14	31,624,794.62	0.00
11,765,277.08	2,438,636,880.17	886,558,962.82	1,552,077,917.35	1,414,729,528.52	90,833,718.58	0.00
2,099,912.30	192,465,748.10	1,700,000.00	190,765,748.10	191,895,660.40	0.00	0.00
3,092,765.35	52,677,223.71	3,201,652.06	49,475,571.65	51,778,523.73	0.00	-789,813.27
4,657.00	9,116,686.50	0.00	9,116,686.50	9,121,343.50	0.00	0.00
380.00	0.00	0.00	0.00	380.00	0.00	0.00
0.00	0.00	0.00	0.00	450,000.00	0.00	0.00
0.00	4,553,299.54	0.00	4,553,299.54	4,372,237.97	0.00	0.00
258,552.89	1,510,683.89	184,542.67	1,326,141.22	1,051,319.97	0.00	-41,453.29
5,456,267.54	260,323,641.74	5,086,194.73	255,237,447.01	258,669,465.57	0.00	-831,266.56
17,402,892.16	2,730,066,232.50	913,214,852.12	1,816,851,380.38	1,680,151,031.87	92,763,437.02	-831,266.56

DEVELOPMENT OF VALUATION RESERVE BASED ON SPECIAL DEPRECIATION

APPENDIX 2 TO THE NOTES

in €	Balance on 1.1.2011	Use to cover direct depreciation	Reversal to disposed assets	Addition	Balance on 31.12.2011
I. Property, Land and Equipment					
1. Land and buildings	1,227,833.00	0.00	0.00	0.00	1,227,833.00
2. Machinery and equipment	1,094,974.66	0.00	74.98	0.00	1,094,899.68
3. Other equipment, furniture, fixtures and office equipment	2,324,822.67	0.00	40,451.84	0.00	2,284,370.83
Total	4,647,630.33	0.00	40,526.82	0.00	4,607,103.51

DEVELOPMENT OF VALUATION RESERVE BASED ON TRANSFER OF UNDISCLOSED RESERVES IN ACC. WITH § 12 AUSTRIAN INCOME TAX ACT

APPENDIX 3 TO THE NOTES

in €	Balance on 1.1.2011	Use to cover direct depreciation	Addition	Balance on 31.12.2011
I. Property, Land and Equipment				
1. Land and buildings	5,023,753.19	1,453.18	0.00	5,022,300.01
Total	5,023,753.19	1,453.18	0.00	5,022,300.01

DEVELOPMENT OF OTHER UNTAXED RESERVES

APPENDIX 4 TO THE NOTES

in €	Balance on 1.1.2011	Reversal	Addition	Balance on 31.12.2011
Investment allowance in acc. with § 10 of the Austrian Income Tax Act				
1994	5,412.31	0.00	0.00	5,412.31
1996	4,647.35	0.00	0.00	4,647.35
1997	452.57	0.00	0.00	452.57
1998	886.72	0.00	0.00	886.72
2000	159,203.15	0.00	0.00	159,203.15
Total	170,602.10	0.00	0.00	170,602.10

DEVELOPMENT OF GOVERNMENT GRANTS

APPENDIX 5 TO THE NOTES

in €	Balance on 1.1.2011	Disposal	Reversal	Addition	Balance on 31.12.2011
I. Property, Land and Equipment					
1. Land and buildings	1,880,755.43	0.00	232,646.07	0.00	1,648,109.36
2. Machinery and equipment	237,937.87	0.00	38,676.36	0.00	199,261.51
3. Other equipment, furniture, fixtures and office equipment	0.00	0.00	13,714.30	96,000.00	82,285.70
Total	2,118,693.30	0.00	285,036.73	96,000.00	1,929,656.57

DEVELOPMENT OF INVESTMENT ALLOWANCE

APPENDIX 6 TO THE NOTES

in €	Balance on 1.1.2011	Disposal	Reversal	Balance on 31.12.2011
Investment allowance in acc. with § 108e of the Austrian Income Tax Act				
2004	332,291.85	0.00	332,291.85	0.00
Total	332,291.85	0.00	332,291.85	0.00

INVESTMENTS OF FLUGHAFEN WIEN AG

APPENDIX 7 TO THE NOTES

FLUGHAFEN WIEN IMMOBILIENVERWERTUNGSGESELLSCHAFT M.B.H. (IVW)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

The commercial leasing of assets, in particular real estate, as well as the acquisition of property and buildings at Vienna Airport.

in T€	2011	2010	Change	Change in %
Equity	79,294.5	84,967.5	-5,673.0	-6.7
Revenue	16,118.4	15,774.3	344.1	2.2
Net profit for the period	1,981.0	7,654.6	-5,673.6	-74.1

VIENNA AIRCRAFT HANDLING GESELLSCHAFT M.B.H. (VAH)

Headquarters:	1300 Flughafen Wien
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).

in T€	2011	2010	Change	Change in %
Equity	5,583,4	5,583.4	0.0	0.0
Revenue	11,733,2	11,354.9	378.3	3.3
Net profit for the period	1,694.9	1,645.7	49.2	3.0

VIENNA AIRPORT INFRASTRUKTUR MAINTENANCE GMBH (VAI)

Headquarters:	1300 Flughafen Wien
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.

in T€	2011	2010	Change	Change in %
Equity	2,497.0	2,346.8	150.2	6.4
Revenue	12,765.2	10,993.8	1,771.4	16.1
Net profit for the period	1,150.2	1,048.4	101.9	9.7

VIENNA INTERNATIONAL AIRPORT SECURITY SERVICES GES.M.B.H. (VIAS)

Headquarters:	1300 Flughafen Wien
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.

in T€	2011	2010	Change	Change in %
Equity	7,456.8	8,673.6	-1,216.8	-14.0
Revenue	39,238.3	34,533.8	4,704.4	13.6
Loss/net profit for the year	-89.8	1,207.1	-1,296.9	-107.4

VIE LIEGENSCHAFTSBETEILIGUNGSGESELLSCHAFT M.B.H. (VIEL)

Headquarters:	1300 Flughafen Wien
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.

in T€	2011	2010	Change	Change in %
Equity	50,257,6	49,941.3	316.3	0.6
Revenue	0,0	0.0	0.0	n.a.
Net profit for the period	1,416.3	1,122.1	294.2	26.2

VIENNA INTERNATIONAL AIRPORT BETEILIGUNGSHOLDING GMBH (VIAB)

Headquarters:	1300 Flughafen Wien
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.

in T€	2011	2010	Change	Change in %
Equity	57,596.4	57,547.4	49.1	0.1
Revenue	0.0	0.0	0.0	n.a.
Net profit for the period	49.1	2,092.5	-2,043.5	-97.7

VIE SHOPS ENTWICKLUNGS- UND BETRIEBSGESELLSCHAFT M.B.H (VIE-SHOPS)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Planning, development, marketing and operation of shops at airports in Austria and other countries.

in T€	2011	2010	Change	Change in %
Equity	8.1	12.3	-4.1	-33.8
Revenue	0.0	0.0	0.0	n.a.
Loss for the year	-4.1	-5.6	1.4	25.8

CITY AIR TERMINAL BETRIEBSGESELLSCHAFT M.B.H. (CAT)

Headquarters:	1300 Flughafen Wien
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.

in T€	2011	2010	Change	Change in %
Equity	12,377.8	11,904.3	473.5	4.0
Revenue	9,726.7	9,309.6	417.1	4.5
Net profit for the period	473.5	289.3	184.2	63.7

SCA SCHEDULE COORDINATION AUSTRIA GMBH (SCA)

Headquarters:	1300 Flughafen Wien
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.

in T€	2011[1)]	2010[2)]	Change	Change in %
Equity	674.5	693.6	-692.9	-99.9
Revenue	871.6	874.5	-873.6	-99.9
Net profit for the period	5.4	52.0	-52.0	-100.0

1) Preliminary values, 2) Adjusted to reflect final values

BTS HOLDING A.S. (BTSH)

Headquarters:	811 03 Bratislava, Slovakia
Share owned:	47.7% VIE

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€	2011	2010	Change	Change in %
Equity	1,104.1	1,222.0	-117.9	-9.6
Revenue	0.0	0.0	0.0	n.a.
Loss for the year	-117.9	-161.6	43.6	27.0

KSC HOLDING A.S. (KSCH)

Headquarters:	811 03 Bratislava, Slovakia
Share owned:	47.7% VIE

Holding company for the 66% investment in Košice Airport as well as the provision of consulting services.

IFRS values in T€	2011	2010	Change	Change in %
Equity	29,151.0	42,293.9	-13,142.9	-31.1
Revenue	0.0	0.0	0.0	n.a.
Loss/net profit for the year	-13,143.0	772.4	-13,915.4	-1,801.6

INDIEN AIRPORTS HOLDING GMBH (VIND)

Headquarters:	1300 Flughafen Wien
Share owned:	26% VIE

Acquisition of international subsidiaries and investments in airport projects, above all in India.

in T€	2011	2010	Change	Change in %
Equity	40.9	41.6	-0.7	-1.8
Revenue	0.0	0.0	0.0	n.a.
Loss for the year	-0,8	-3.3	2.5	-75.9

VIE ÖBA GMBH (OEBA)

Headquarters:	1300 Flughafen Wien
Share owned:	100.00% VIE

Provision of all types of construction and construction-related services, among others for construction projects realised by Flughafen Wien AG or other companies.

in T€	2011	2010[1]	Change	Change in %
Equity	378.3	-22.5	400.7	-1,783.2
Revenue	6,424.2	1,870.0	4,554.2	243.5
Net profit/loss for the period	400.7	-45.1	445.9	-988.1

1) Abbreviated financial year - founded in 2010

VIENNA AUSLANDS PROJEKTENTWICKLUNG UND BETEILIGUNG GMBH (VAPB)

Headquarters:	1300 Flughafen Wien
Share owned:	100.00% VIE

Acquisition of international subsidiaries and investments in other companies.

in T€	2011	2010[1]	Change	Change in %
Equity	49.4	33.4	16.0	48.0
Revenue	488.7	353.3	135.4	38.3
Net profit/loss for the period	16.0	-1.6	17.7	-1,095.4

1) Abbreviated financial year - founded in 2010

VIE MALTA FINANCE HOLDING LTD. (VIE MFH)

Headquarters:	Malta
Share owned:	99.95% VIE, 0.05% VIAB

Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS values in T€	2011	2010	Change	Change in %
Assets	994.6	978.9	15.7	1.6
Liabilities	44.3	0.0	44.3	n.a.
Equity	950.3	978.9	-28.6	-2.9
Revenue	0.0	0.0	0.0	n.a.
Loss/net profit for the period	-28.6	1,575.4	-1,604.0	-101.8

STATEMENT BY THE MEMBERS OF THE MANAGEMENT BOARD

In accordance with § 82 of the Austrian Stock Corporation Act

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Schwechat, 27 February 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

AUDITOR'S REPORT

Translation[1)]

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements, including the accounting system, of

Flughafen Wien Aktiengesellschaft,
Schwechat, Austria,

for the fiscal year from **1 January 2011 to 31 December 2011**. These financial statements comprise the balance sheet as of **31 December 2011**, the income statement for the fiscal year ended **31 December 2011**, and the notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

AUDITORS' RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements,

1) This report is a translation of the original report in German, which is solely valid.

whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 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 financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2011 and of its financial performance for the year from **1 January 2011 to 31 December 2011** in accordance with Austrian Generally Accepted Accounting Principles.

REPORT ON OTHER LEGAL REQUIREMENTS (MANAGEMENT REPORT)

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the 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 is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 5 March 2012

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
signed by:

Walter Reiffenstuhl	Martin Wagner
Wirtschaftsprüfer	Wirtschaftsprüfer

(Austrian Chartered Accountants)

IMPRINT

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

Disclaimer:
This annual financial report contains assumptions and forecasts, which were based on information available up to the copy deadline on 27 February 2012. 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 2011 of Flughafen Wien AG is also available online on our homepage www.viennaairport.com under http://ar2011.viennaairport.com

This annual financial report was prepared by Mensalia (www.mensalia.at) on behalf of Flughafen Wien AG.

www.viennaairport.com

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