

# FLUGHAFEN WIEN AG

Results Q1-3/2015

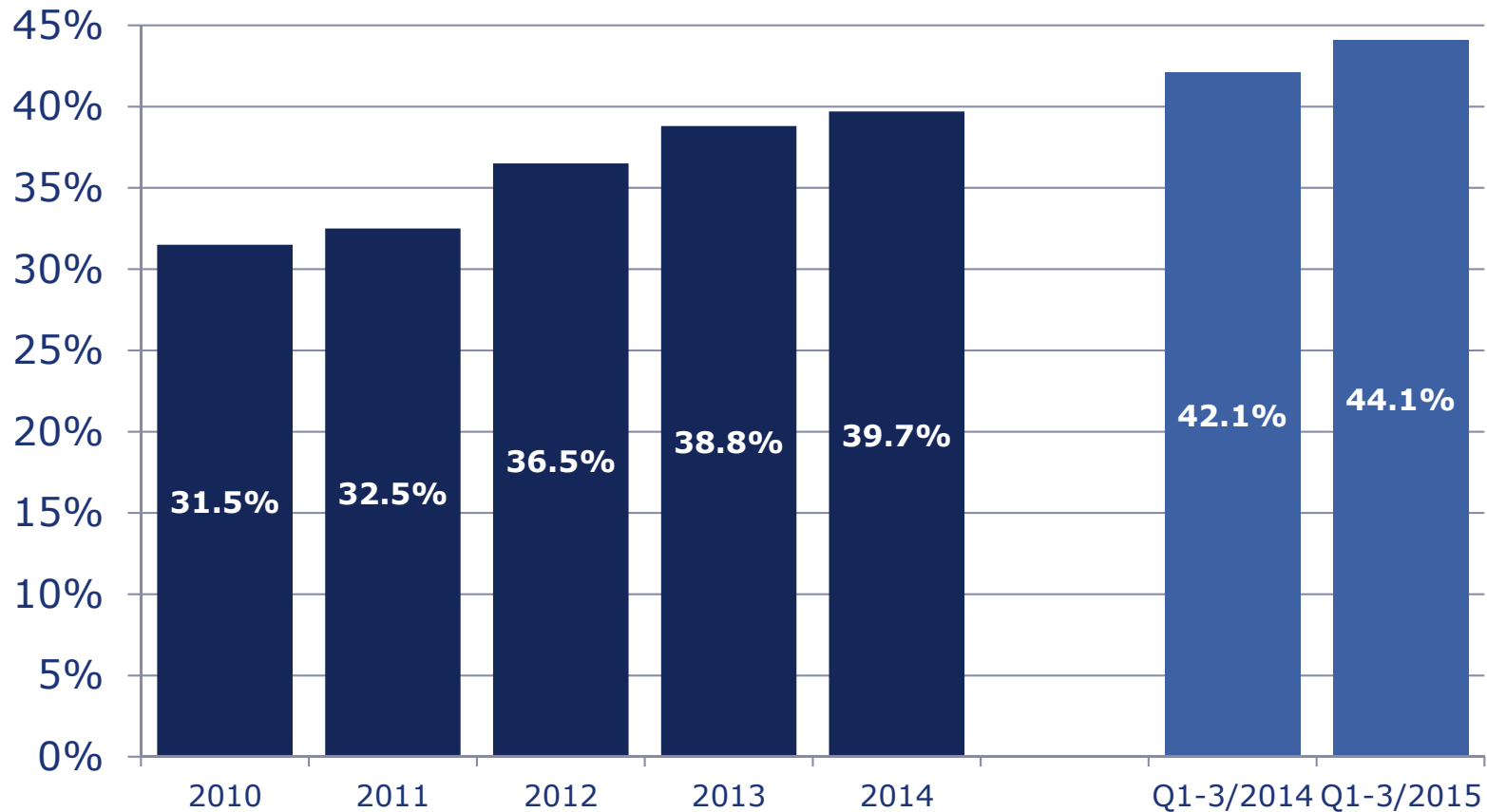


# Q1-3/2015: Improved traffic results

## - Disproportionally high increase in earnings

- ✈ Recovery of passenger volume: traffic results positive once again, showing 1.5% rise from the previous year in Q1-3/2015 in spite of crisis regions and temporary capacity reductions by Austrian Airlines
- ✈ Good business development of Flughafen Wien AG in Q1-3/2015: revenue up 3.8%, disproportional improvement in net profit for the period<sup>1)</sup> at € 84.4 million (+11.9%)
- ✈ Earnings growth due to enhanced productivity: EBITDA margin up from 31.5% (2010) to 44.1% (Q1-3/2015)
- ✈ Costs continue to be under control – further cost reductions in spite of salary increase
- ✈ Further reduction of net debt – already clearly below the medium-term objective of net debt/EBITDA of 2.5
- ✈ Improved growth prospects for the entire year 2015 in spite of passenger decline in the first months and upward adjustment of guidance: revenue of over € 650 million, EBITDA above € 260 million and net earnings expected to exceed € 95 million

# Continuous improvement in the EBITDA margin demonstrates strong productivity gains



# Steady earnings improvement, slight rise in passenger volume

€ million	Q1-3/2015	Q1-3/2014	Δ in %
Revenue	495.1	476.8	+3.8
Earnings before interest, tax, depreciation and amortization (EBITDA)	218.6	200.8	+8.8
Earnings before interest and taxes (EBIT)	118.2	105.8	+11.7
Financial results	-8.6	-8.3	+2.8
Earnings before tax (EBT)	109.6	97.5	+12.4
Net profit for the period (after taxes and non-controlling interests)	84.4	75.4	+11.9

- Higher revenue due to passenger development, fee adjustments, lower incentives, higher income from shopping & gastro and handling operations
- Slight reduction in expenses despite higher personnel costs and one-off effect of allocations to employee provisions thanks to efficiency improvements, strict cost discipline and release of provisions
- Financial results at about the prior-year level despite the shortfall of the positive effect relating to the sale of Friedrichshafen Airport in 2014 (EUR 2.2 million), particularly supported by the lower interest expense

# Expenses: further reduction of cost level in spite of salary increases

✈ Expenses for consumables and services used down € 2.7 million from the previous year as a result of reduced energy costs and fuel consumption

✈ Personnel expenses up € 2.9 million  
 ✈ due to collective wage increases and a slightly higher average number of employees (4,366; +0.9%) as a consequence of integration of temporary employees in the subsidiary VAT and hiring of new employees for passenger handling

✈ However, lower allocations to provisions have a dampening effect

✈ Reduction in other operating expenses by € 3.8 million

✈ among others as a result of lower third party services (due to insourcing) and  
 ✈ in spite of release of provisions and higher maintenance costs

€ million	Q1-3/2015	Q1-3/2014	Δ in %
Consumables and services used	-25.5	-28.2	-9.7
Personnel expenses	-191.1	-188.2	+1.5
Other operating expenses	-66.9	-70.8	-5.4
Depreciation, amortization & impairment losses	-100.4	-95.0	+5.7

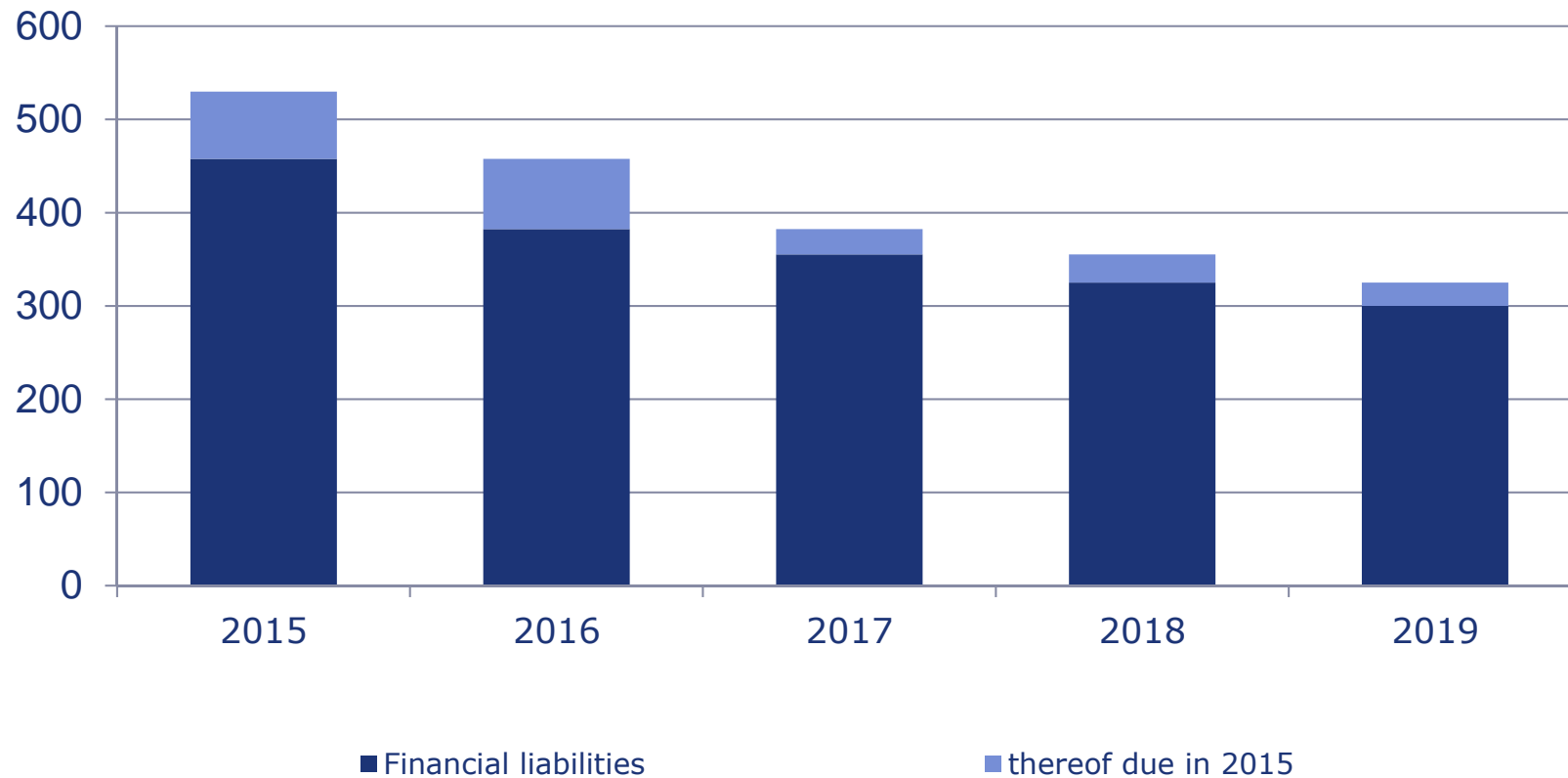
# Further reduction in net debt (-20.5%) Gearing improved to 40.1%

	Q1-3/2015	Q1-3/2014	Δ in %
Net debt (€ million) <sup>1)</sup>	402.3	506.2	-20.5
Gearing (%) <sup>1)</sup>	40.1	53.1	-13.0%p.
Cash flow from operating activities (€ million)	186.6	186.8	-0.1
Free cash flow (€ million)	139.1	139.3	-0.2
CAPEX (€ million) <sup>2)</sup>	45.0	54.1	-16.8
Equity (€ million) <sup>1)</sup>	1,003.2	952.5	+5.3
Equity ratio (%) <sup>1)</sup>	52.9	50.3	+2.6%p.

Net debt already clearly below the medium-term target of net debt/EBITDA of about 2.5x

# Improvement in the maturity structure – net debt down to € 402.3 million

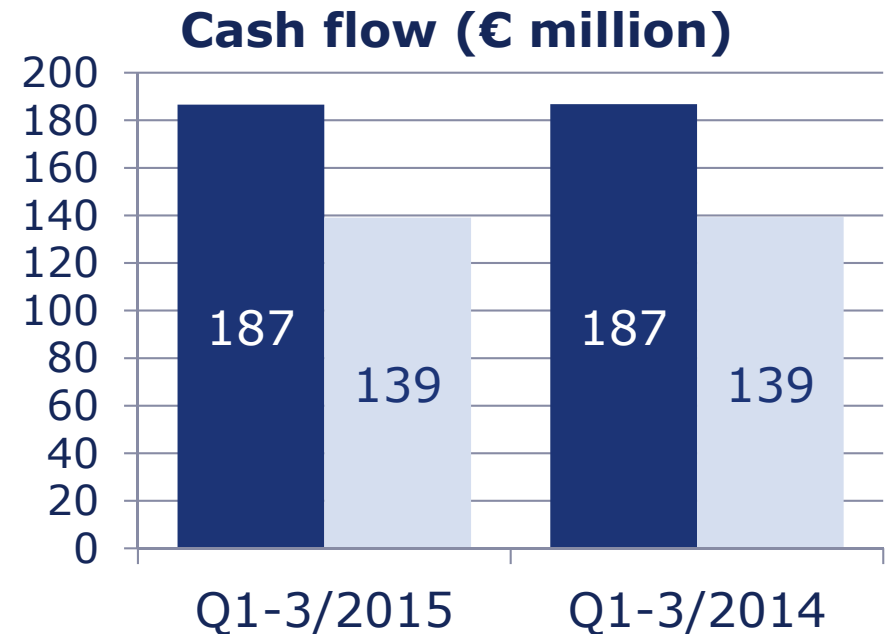
**Maturity structure**  
(as of December 31, 2014; € million)



# Constantly strong cash flow

## CAPEX slightly below the prior-year level

- ✈ Constantly strong free cash level despite higher tax payments and net cash flow from investing activities at the prior-year level
- ✈ Cash flow from operating activities the same as in the previous year – improved operating results in contrast to higher tax payments
- ✈ Cash flow from investing activities of € 47.5 million at the prior-year level – higher maintenance costs in 2015
- ✈ Cash flow from financing activities below 2014 – especially due to lower loan repayments relating to the changed maturity structure



- Cash flow from operating activities
- Free cash flow

- ✈ Investments (CAPEX) of € 45.0 million – the biggest additions to property, plant and equipment related to winter service and equipment parking garages (€ 9.9 million) as well as investments in taxiways (fillets – € 10.7 million), in connection with Runway 3, explosive trace detectors, cooling units and a transformer station



# CAPEX outlook reduced to below € 95 million as a result of cost reductions, delays and cancellation of several projects

## Main projects in 2015:

- ✈ Purchase of winter service and equipment parking garages
- ✈ Project start for the expansion of the Air Cargo Center
- ✈ Preparations for new hotel construction
- ✈ Runway renovation 11/29 – Part 1
- ✈ Expansion of conferencing/Revitalization of Office Park 3



# Outlook for 2015: Upward revision of guidance – Clear earnings improvement expected in 2015

	2014	Financial objectives in 2015
Revenue	€ 630.2 million	> € 650 million
EBITDA	€ 250.2 million	> € 260 million
Group net profit <sup>1)</sup>	€ 82.5 million	≥ € 95 million
Net debt	€ 506.2 million	≤ € 500 million
CAPEX	€ 75.1 million	< € 95 million

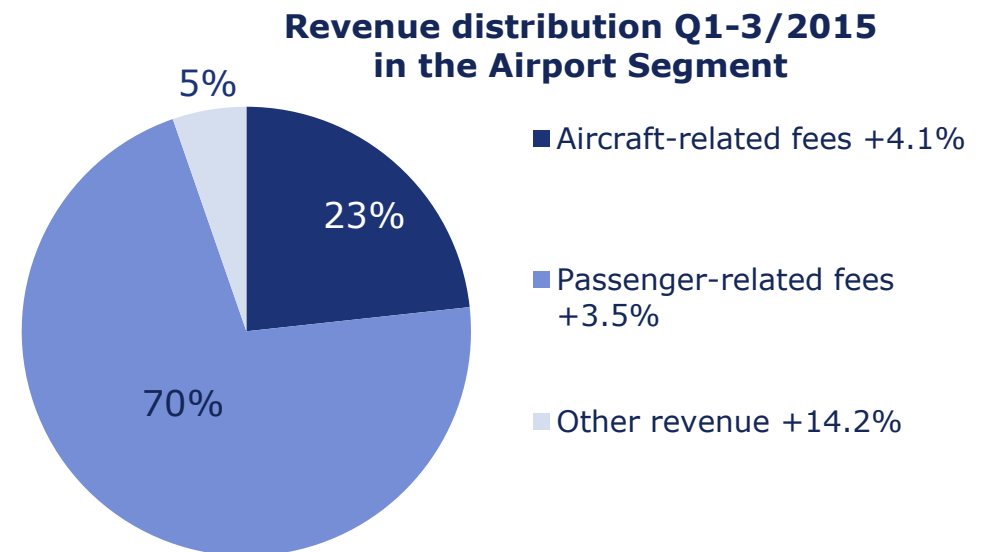
# SEGMENT RESULTS



# Airport: Revenue increase in spite of pressure from crisis regions

- ✈ Negative impact of crisis regions more than offset by positive impetus from Western Europe, Middle East, North America, Far East and Africa
- ✈ Revenue rise due to higher passenger volume, increased MTOW, increased fees in line with index formula and lower incentives
- ✈ Skytrax awards: 4-Star Airport, Best Airport Staff 2015

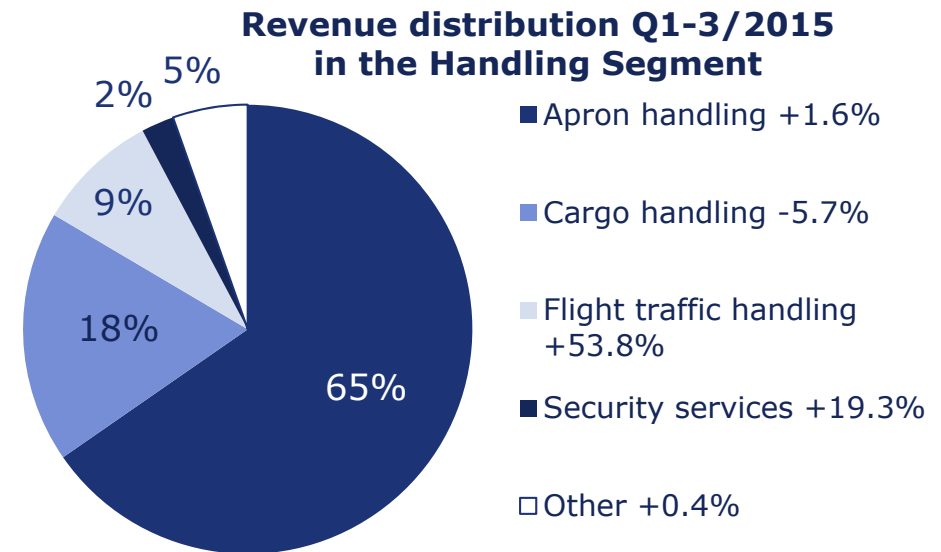
€ million	Q1-3/2015	Q1-3/2014	Δ in %
External revenue	273.0	262.1	+4.1
EBITDA	127.0	115.6	+9.9
EBIT	52.7	46.0	+14.5
Employees <sup>1)</sup>	510	509	+0.2



# Handling: Negative impact due to reduced flight movements – positive development of PAX handling

- ✈ Decline in revenue from cargo handling due to lower cargo volumes and partly from apron handling as a result of fewer flight movements ...
- ✈ ... but substantial revenue increase from flight traffic handling thanks to expansion of the service offering (PAX handling).
- ✈ Higher expenses, especially due to higher wages and salaries mandated by collective wage agreements, hiring of personnel for PAX handling and the one-off effect related to the allocation to employee provisions offset by higher income; as a result, year-on-year EBIT and EBITDA increase

€ million	Q1-3/2015	Q1-3/2014	Δ in %
External revenue	113.6	109.8	+3.5
EBITDA	15.9	13.7	+16.1
EBIT	11.8	9.6	+22.2
Employees <sup>1)</sup>	3,069	3,014	+1.8



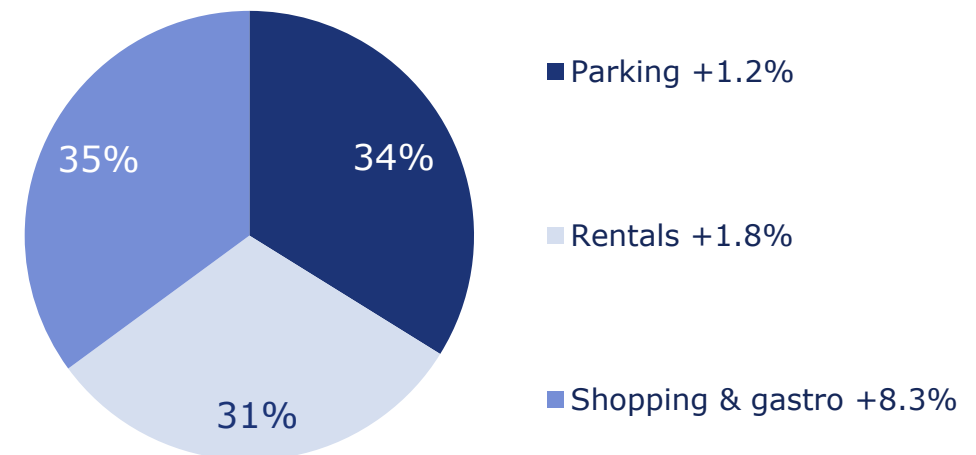
# Retail & Properties: Strong development of shopping & gastro income

✈ Shopping and gastro strategy has a positive impact: revenue (+ 8.3%) higher than PAX rise and higher income per passenger in spite of crises in Russia/Ukraine (PRR: € 1.95 per passenger, +6.8% from 2014)

✈ Positive effect of marketing measures, parking and rental income also above the prior-year level

€ million	Q1-3/2015	Q1-3/2014	Δ in %
External revenue	96.8	93.3	+3.8
EBITDA	59.2	59.0	+0.3
EBIT	47.1	47.7	-1.3
Employees <sup>1)</sup>	95	83	+14.4

**Revenue distribution Q1-3/2015 in the Retail & Properties Segment**



# Results of strategic investments in 2014, Q1-3/2015

## Malta Int. Airport

### Q1-3/2015

✈ ~3,623,000 passengers (+7.0%)

### 2014

✈ About 4.3 million passengers (+6.4%)

✈ Revenue: € 64.3 million

✈ EBITDA: € 34.1 million

EBIT: € 27.5 million

✈ EBITDA/EBIT margin: 53.0%/42.8%

✈ Earnings contribution: € 4.7 million



## Airport Kosice

### Q1-3/2015

✈ ~328,400 passengers (+9.8%)

### 2014

✈ About 0.4 million passengers (+50.4%)

✈ Revenue: € 9.0 million

✈ EBITDA: € 2.7 million

EBIT: € 1.9 million

✈ EBITDA/EBIT margin: 30.0%/20.8%

✈ Earnings contribution: € 1.0 million



# TRAFFIC RESULTS

Results and outlook 2015





# Traffic development at Vienna Airport Q1-3/2015

	Q1-3/2015	Q1-3/2014	Δ in %
Passengers (millions)	17.49	17.22	+1.5
Local passengers (millions)	12.49	12.08	+3.4
Transfer passengers (millions)	4.92	5.09	-3.3
Flight movements (in 1,000)	172.98	175.68	-1.5
MTOW (millions of tonnes)	6.38	6.17	+3.3
Seat load factor (percent)	74.7	75.6	-0.8%p
Cargo incl. trucking (in 1,000 tonnes)	198.94	199.62	-0.3

- ✈ Crisis regions have a negative effect on transfer passenger volumes
- ✈ Overall increase in the number of passengers; the development in the summer months more than compensated for the pressure from the crisis regions

# Shares of scheduled carriers Q1-3/2015

	Q1-3/2015	Q1-3/2014	
	Share in %	Share in %	PAX Δ in %
Austrian Airlines Group	45.7	48.1	-3.7
Lufthansa	3.9	4.9	-18.5
Germanwings	3.6	2.8	+30.1
Swiss Intl.	1.6	1.6	-0.0
Total for LH Group <sup>1)</sup>	56.4	58.9	-2.8
NIKI	11.2	11.6	-2.2
airberlin	6.4	6.2	+4.6
Total for HG/AB Group	17.6	17.8	+0.2
Turkish Airlines	2.1	2.2	-1.5
British Airways	1.9	1.8	+8.5
Emirates	1.7	1.6	+10.6
KLM	1.4	1.3	+10.7
Other	18.9	16.4	+16.7

1) Including Brussels Airlines, SunExpress and SunExpress Germany

# Traffic development of Vienna Airport in October 2015


	10/2015	10/2014	Δ in %	1-10/2015	1-10/2014	Δ in %
Passengers (mill.)	2.03	2.04	-0.3	19.52	19.26	+1.4
Local passengers (mill.)	1.44	1.41	+2.0	13.93	13.49	+3.2
Transfer passengers (mill.)	0.59	0.62	-5.3	5.51	5.71	-3.5
Flight movements (in 1,000)	20.01	20.65	-3.1	192.99	196.34	-1.7
MTOW (millions of tonnes)	0.74	0.74	+0.2	7.12	6.92	+3.0
Seat load factor (percent)	74.9	75.3	-0.5%p	74.8	75.5	-0.8%p
Cargo including trucking (in 1,000 tonnes)	25.80	26.97	-4.4	224.74	226.59	-0.8

# What's new in 2015

✈ **Austrian Airlines:** New to Colombo (Sri Lanka), Manchester, Marrakech, Mauritius, Miami, Menorca and Odessa

✈ **NIKI:** New to Alicante, Catania and Paphos

✈ **Further increases in frequencies and new destinations**

✈ **New Eurowings base**   
New to Barcelona, London Stansted and Palma

✈ **Easyjet easyJet**  
New to Amsterdam, Berlin, Bristol, London Luton and Manchester

✈ **Aegean**   
New to Rhodes and Heraklion


✈ **Air Baltic**   
New to Tallinn

✈ **Air Moldova**   
New to Chişinău

✈ **British Airways**   
New to London Gatwick

✈ **Europe Airpost**   
New to Bordeaux and Toulouse

✈ **SunExpress**   
New to Dalaman

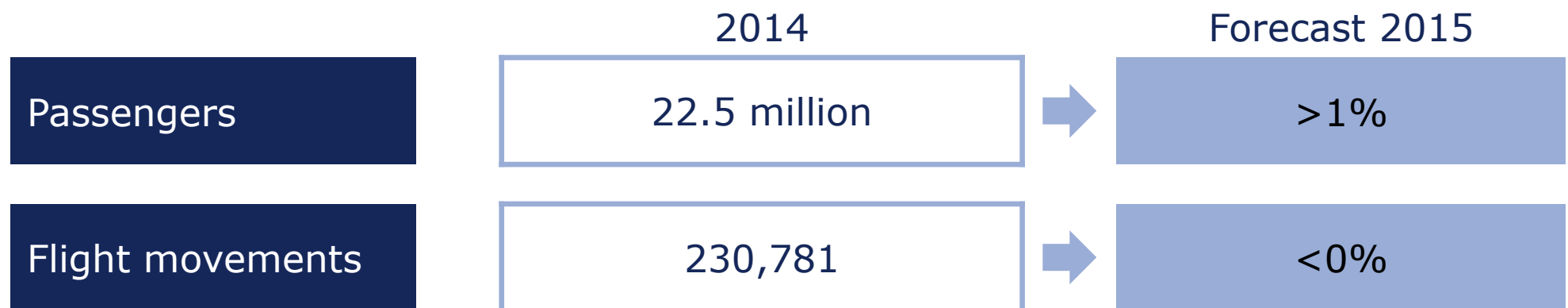
✈ **TUIfly**   
New to Heraklion, Hurghada, Corfu, Kos and Rhodes

✈ **Vueling**   
New to Rome

# Traffic forecast for 2015

## New destinations and increased frequencies in H2/2015

- ✈ Positive outlook for the entire year
  - Higher seating capacities – but seat load factor remains an uncertainty factor
  - New long-haul routes as of the autumn of 2015 (Colombo, Mauritius, Miami)
  - New Eurowings base starting in the fall of 2015
  - Expansion of destinations and flight connections in H2 2015



**THANK YOU FOR YOUR ATTENTION**

