

Flughafen Wien AG results in Q1 2015: Increased revenue and earnings despite passenger decline

- **REVENUE** up slightly to €140.7 million (+0.9%), EBITDA improved to €54.0 million (+1.4%) and EBIT rose to €21.9 million (+4.8%)
- **NET PROFIT FOR THE PERIOD*** increased considerably to €14.1 million (+15.4%)
- **NET DEBT** reduced further to €492.9 million
- **POSITIVE OUTLOOK** confirmed for 2015: revenue of more than €645 million, net profit to surpass €85 million

In spite of the expected decline in passenger volume (-2.8%) and flight movements (-3.0%), Flughafen Wien AG reported an improvement in revenue (+0.9%) and net profit for the period (+15.4%) in the first quarter of 2015. The drop in the number of passengers can mainly be attributed to capacity reductions on the part of Austrian Airlines as well as the consequences of the political crises in Russia and the Ukraine and in the Middle East. The higher net profit for the period generated despite these conditions is primarily due to productivity increases and strict cost discipline. The strong cash flow gratifyingly enabled a further reduction in the net debt.

“Flughafen Wien AG also feels the impact of developments related to the crisis situations prevailing in Russia and the Ukraine and the reduction in the flight offering on the part of several airlines. Nevertheless, revenue and net profit could be improved in the first quarter of the year. This shows that we are on the right track with our strategy designed to reduce costs and increase productivity. For this reason, from today’s perspective we will also reach our earnings targets for 2015, namely to further raise revenue and the consolidated net profit for the period”, explains Günther Ofner, Member of the Management Board of Flughafen Wien AG.

“Numerous changes and new features in the flight offering from Vienna have already been announced this year, including new long-haul routes to Sri Lanka, Mauritius and Miami, additional destinations such as Tallinn, Bordeaux and many others and increased frequencies. In spite of the weaker seat load factor we confirm our flight traffic forecast for 2015. The development in the retail segment is also gratifying. We managed to boost revenue from shopping and gastronomy despite reduced passenger numbers”, says Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Flight traffic declined in Q1/2015 as expected – forecast confirmed for 2015

As previously disclosed by Flughafen Wien AG, flight traffic was down in the first quarter of 2015. A total of 4,300,592 passengers were handled by Vienna Airport in the first three months of the year, comprising a drop of 2.8% from the prior-year quarter. This is mainly related to reductions in the flight offering of Austrian Airlines and the crisis situations in Russia, the Ukraine and the Middle East. Total passenger volume to Eastern Europe fell by 15.3%, destinations in Western Europe saw a decline in passenger volumes by 1.6% and the number of passengers flying to the Middle East was down slightly by 0.7%.

**Net profit for the period after non-controlling interests*

In contrast, passenger volume to the Far East rose by 5.3% and to North America by 12.6%. Thanks to new routes to Africa introduced in 2014, the number of passengers flying to destinations in Africa even climbed by 65.3%. Air traffic forecasts remain unchanged and predict a growth in the total number of passengers between 0% and 2%, and a 0% to 1% rise in the number of flight movements.

Flight movements declined by 3% to a total of 49,658 in the first three months of 2015 due to the strategy of airlines to deploy larger aircraft, whereas the average seat occupancy (seat load factor) fell marginally to 67.7% from the 68.6% in the previous year. In contrast, the maximum take-off weight (MTOW) rose by 0.5% to 1,772,403 tonnes. Cargo volume (air cargo and trucking) in the first quarter of 2015 was down 1.2% to 63,311 tonnes.

Revenue and earnings development in the segments

Revenue of the Airport Segment in the first three months of 2015 rose by 0.9% year-on-year to € 70.9 million. Revenue generated by the Handling Segment remained virtually unchanged, decreasing by 0.3% to € 35.2 million. The Retail & Properties Segment increased its quarterly revenue by 3.1% to € 30.9 million. Revenue in the Other Segments at € 3.8 million was almost unchanged from the previous year.

Investments

Of the total investments amounting to € 17.0 million in the first quarter of 2015, € 10.7 million related to winter services and equipment parking garages, investments in connection with the third runway to the amount of € 2.1 million, € 1.0 million for refrigeration machines and € 0.3 million for construction of a new charter bus parking lot. Total CAPEX of about € 95 million is expected in 2015.

Traffic development in April 2015: 1.1% drop in passenger volume

Vienna Airport reported 1,915,233 passengers in the month of April 2015, a decline of 1.1% compared to April 2014. In particular, the decline in capacity utilization in the Austrian Airlines flight offering along with the crises in Russia and the Ukraine and the related drop in transfer traffic are the underlying reasons for this development. The number of local passengers rose by 1.5% in April 2015, whereas the total volume of transfer passengers fell by 8.4% from the previous year. The number of flight movements (starts and landings) was down by 0.9%. In contrast, the maximum take-off weight (MTOW) was clearly positive, rising by 5.3%. Cargo volume (air cargo and trucking) in April 2015 fell by 1.3% from the prior-year level.

The number of passengers flying to Western Europe was down 1.5% in April 2015. In Eastern Europe, passenger traffic fell by 10.5% compared to April 2014 as a result of the crises in Russia and the Ukraine. The Middle East region showed a decline of 2.0% in April 2015, whereas passenger volume to destinations in the Far East fell by 1.2%. Contrary to these developments, the number of passengers flying to North American destinations rose by 11.3%, and passenger traffic to Africa was up 30.3%.

Good development of strategic investments in Malta and Kosice

The foreign strategic investments of Flughafen Wien AG developed well. Malta Airport reported a cumulative passenger growth of 5.1% in the period January to April 2015 to 1,085,809 passengers. Kosice Airport handled a total of 74,822 passengers in the same period, a rise of 15.7%.

Results in detail

	April 2015	Change in %	January-April 2015	Change in %
Passengers (total):	1,915,233	-1.1	6,215,825	-2.3
Local passengers:	1,384,537	+1.5	4,559,817	+1.4
Transfer passengers:	523,208	-8.4	1,620,530	-12.7
Maximum take-off weight in tonnes:	722,684	+5.3	2,495,087	+1.8
Flight movements (arrivals & departures):	19,315	-0.9	68,973	-2.5
Air cargo and trucking in tonnes:	23,030	-1.3	86,341	-1.3

Consolidated Interim Financial Statements as of 31 March 2015

Income Statement in € million	Q1/2015	Q1/2014	Change in %
Revenue	140.7	139.5	0.9
Other operating income	3.6	4.2	-15.2
Operating income	144.3	143.7	0.4
Consumables and services used	-9.6	-11.3	-15.2
Personnel expenses	-62.2	-60.1	3.5
Other operating expenses	-18.5	-19.1	-2.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	54.0	53.2	1.4
Depreciation and amortisation	-32.1	-32.3	-0.7
Earnings before interest and taxes (EBIT)	21.9	20.9	4.8
Interest income	1.0	0.4	163.2
Interest expense	-5.7	-6.1	-6.5
Financial results excl. companies at equity	-4.8	-5.8	-17.5
Result from companies accounted for using the equity method	1.2	0.8	38.7
Financial results	-3.6	-4.9	-27.0
Earnings before taxes (EBT)	18.3	16.0	14.7
Income taxes	-4.2	-3.8	12.2
Net profit for the period	14.0	12.2	15.4
Thereof attributable to:			
Equity holders of the parent	14.1	12.2	15.4
Non-Controlling interests (in €1,000)	-0.6	-1.9	-66.4
Earnings per share (in €, basic = diluted)	0.67	0.58	15.4
Balance sheet Indicators in € million	31.3.2015	31.12.2014	Change in %
ASSETS:			
Non-current assets	1,789.4	1,803.4	-0.8
Current assets	86.0	88.8	-3.2
EQUITY AND LIABILITIES:			
Equity	967.2	952.5	1.5
Non-current liabilities	664.7	672.2	-1.1
Current liabilities	243.5	267.5	-9.0
Balance sheet total	1,875.4	1,892.2	-0.9
Net debt	492.9	506.2	-2.6
Gearing (in %)	51.0	53.1	n.a.

Cash flow Statement in €million	Q1/2015	Q1/2014	Change in %
Cash flow from operating activities	42.3	46.7	-9.4
from investing activities	-28.8	-18.3	57.3
from financing activities	-13.6	-28.5	-52.3
Free cash flow	13.6	28.4	-52.3
CAPEX	17.0	10.1	68.3

The report by Flughafen Wien AG of the first three months of 2015, from January 1 to March 31, 2015, is available to the general public at the company's offices at 1300 Flughafen Wien and at Bank Austria, 1010 Vienna, Schottengasse 6-8. It is also available on the Internet at http://viennaairport.com/en/company/investor_relations/publications_and_reports/quarterly_reports.

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