

01.03.2017 – 08:01 Uhr

EANS-News: FWAG: Good Business Results of the Flughafen Wien Group: Further Improvement of Revenue and Earnings Despite High Extraordinary Depreciation of EUR 30.4 Million Due to Negative Runway Ruling

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annual result/Preliminary results 2016

Good Business Results of the Flughafen Wien Group: Further Improvement of Revenue and Earnings Despite High Extraordinary Depreciation of EUR 30.4 Million Due to Negative Runway Ruling

- .) DIVIDEND rise of 25%
- .) REVENUE up to EUR 741.6 million (+3.0%), EBITDA increase to record level of EUR 329.8 million (+5.5%)
- .) NET PROFIT FOR THE PERIOD*) climbed to EUR 112.6 million (+0.7%) in spite of the high extraordinary depreciation (EUR 30.4 million) related to Federal Administrative Court ruling on the 3rd Runway
- .) NET DEBT further reduced to EUR 355.5 million (down EUR 132.4 million from the end of 2015)
- .) Substantial increase in the free cash flow of 35% to EUR 141.0 million (2015: EUR 104.4 million)
- .) Positive outlook confirmed for 2017: rise in revenue to over EUR 740 million, EBITDA of EUR 315 million and net profit for the period before non-Controlling interests of at least EUR 120 million

*) Net profit for the period before non-controlling interests

"2016 was a very successful financial year marked by increases in revenue and earnings. In spite of the adverse decision handed down by the Federal Administrative Court on the 3rd Runway project and the related extraordinary depreciation of EUR 30.4 million, we were able to achieve our financial targets for 2016. We expect a further improvement of our financial performance indicators in 2017, and the aviation sector will continue to grow in the long run. This makes it all the more important for Vienna Airport to have favourable growth perspectives. We will continue to pursue the 3rd Runway project, exploiting all the legal possibilities at our disposal", says Günther Ofner, Member of the Management Board of Flughafen Wien AG.

"The past year was very successful for Vienna Airport, characterised by three passenger records and a total of 23.4 million travellers. The Flughafen Wien Group showed 3.8% growth in passenger volume to 28.9 million passengers. We are also optimistic for 2017, anticipating a rise of up to 2% in the number of passengers handled by Vienna Airport and up to 3% for the entire Flughafen Wien Group. Flight traffic will increase on a long-term basis. ACI, IATA and the major aircraft manufacturers expect annual passenger growth of up to 4% until the year 2040. Whether Austria as a business and tourism location is able to take advantage of this trend will largely depend on whether Vienna Airport is allowed to grow in the long term", explains Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Dividend up by 25% to EUR 0.625 per share

Based on the good business development in 2016, an increased dividend (EUR 0.625 per share) will be proposed to the Annual General Meeting scheduled for May 31, 2017, compared to the dividend of EUR 0.50 per share distributed for the 2015 financial year. All Flughafen Wien AG employees will benefit from the higher dividend, which is also the result of their successful work, via the employee foundation, which holds 10% of the shares. The dividend yield for the 2016 financial years in relation to the share price as of December 31, 2016 equals 2.7%, and the pay-out ratio as a percentage of the net profit for the period is 51.2%.

Note on the presentation of the consolidated financial Statements

In accordance with a ruling handed down by the Financial Market Authority (FMA) with respect to the consolidation of Malta Airport, the consolidated financial statements of Flughafen Wien AG for the 2015 and 2016 financial years are adjusted as if this consolidation had already been recognised in the year 2006.

Improvements in financial performance indicators despite one-off effect

Revenue of the Flughafen Wien Group rose by 3.0% to EUR 741.6 million, and EBITDA improved by 5.5% to EUR 329.8 million. Impairment losses of EUR 30.4 million were recognised in the 2016 consolidated financial statements for the capitalised costs relating to the environmental impact assessment being carried out for more than ten years in connection with the 3rd Runway project following the adverse decision handed down by the Federal Administrative Court. In contrast, the reversal of impairment for a building had a positive impact of EUR 10.1 million. As a result, EBIT amounted to EUR 172.0 million, comprising a rise of 0.1%. Thanks to the improvement in the financial results, the net profit for the period ultimately rose 0.7% to EUR 112.6 million (EUR 102.6 million after non-controlling interests).

Revenue and earnings development in the segments

Revenue in the Airport Segment rose by 3.2% year-on-year to EUR 370.8 million. In spite of the good operating results, EBIT fell by 1.7% to EUR 52.6 million, which can be attributed to the significant rise due to the impairment losses related to the 3rd Runway. The Handling Segment registered a 4.7% rise in revenue to EUR 158.4 million, with EBIT generated by this segment increasing by 38.7% to EUR 15.9 million. This also includes the security services of VIAS as well as the handling services provided by Vienna Aircraft Handling (VAH). The Retail & Properties Segment reported a 3.4% decline in revenue to EUR 123.9 million. This is mainly due to the lower rental income relating to the transfer of economical ownership of buildings to a tenant as a result of a rental prepayment (Hermione, minus EUR 5.3 million), and the restrained development of parking and retail income. Segment EBIT totalled EUR 61.8 million (-10.3%). Revenue of the Malta Segment amounted to EUR 73.1 million in 2016 (+9.1%), and segment EBIT equalled EUR 30.3 million (+15.9%). Revenue in the Other Segments climbed 6.3% in 2016 to EUR 15.4 million, whereas segment EBIT fell 3.2% to EUR 11.4 million.

Investments

Of the total investments (excluding investments in financial assets) of EUR 92.0 million in 2016, EUR 25.6 million related to investments in the Runway System 11/29 (runway renovation), EUR 9.0 million was for investments in connection with the 3rd Runway, EUR 2.8 million involved new apron positions for wide-bodied aircraft and EUR 2.4 million was spent on the renovation of an operations building. Moreover, EUR 63.7 million was invested to acquire additional Shares in MMLC (increased of Flughafen Wien AG's share in Malta Airport). Total investments in the year 2017 are expected to be about EUR 100 million.

Good traffic development 2016 - New passenger record at the Vienna flight hub
The year 2016 developed well from a flight traffic perspective. Flughafen Wien AG including its strategic foreign investments in Malta and Kosice Airports generated passenger growth of 3.8% compared to the previous year, handling a total of 28.9 million passengers. At its Vienna flight hub, Flughafen Wien

reported an increase of 2.5% to 23.4 million travellers, thus posting a new passenger record in the history of Vienna Airport. Cargo volume also developed positively in the course of the year, and expanded by 3.7% to 282,726 tonnes. A total of 74 airlines regularly served Vienna Airport in 2016, flying to a total of 186 destinations in 72 countries.

Strong start in 2017: Strong passenger growth in January 2017

The year 2017 is off to a good start. The Flughafen Wien Group, including its strategic foreign investments in Malta and Kosice Airports, reported a strong growth in passenger volume of 10.8% in January 2017. Vienna Airport also registered a substantial rise of 7.9% in the number of passengers and handled to a total of 1.4 million.

Forecast for passenger development and financial guidance for 2017

The Flughafen Wien Group, including its strategic foreign investments in Malta and Kosice Airports, anticipates passenger growth of between +1% and +3% in 2017. Accordingly, revenue is expected to rise to more than EUR 740 million, and EBITDA of EUR 315 million is targeted. From today's perspective, the net profit after taxes should reach a level of at least EUR 120 million. The net debt of the company is to be reduced below EUR 350 million.

Flughafen Wien AG expects passenger growth of between 0% and +2% at Vienna Airport. Initial impetus can be expected, amongst other factors, by flight service offered to new routes i.e. to Los Angeles (US), Mahé (SC), Burgas (BG) and Gothenburg (SE) by Austrian Airlines, to 19 destinations by Eurowings as well as frequency increases and new flight connections by Volotea, Flybe/Stobart Air, Germania, S7 Airlines and SunExpress.

Preliminary Consolidated Financial Statements for 2016*)

Income Statement

in EUR million	2016	2015**)	Change in %
Revenue	741.6	720.2	+3.0
Other operating income	10.4	7.4	+40.0
Operating income	752.0	727.7	+3.3
Consumables and services used	-35.9	-37.2	-3.5
Personnel expenses	-272.0	-268.9	+1.2
Other operating expenses	-116.4	-111.9	+4.0
Proportional share of income from companies recorded at equity	2.1	2.8	-24.8
Earnings before interest, taxes, depreciation and amortisation	329.8	312.5	+5.5
Scheduled depreciation and amortisation	-137.5	-142.7	-3.6
Reversal of impairment	10.1	2.0	n.a.
Impairment	-30.4	-	n.a.
Earnings before interest and taxes			

(EBIT) -----	172.0	171.8	+0.1

Income from			
investments,			
excluding			
investments			
recorded at equity	0.7	0.3	n.a.
Interest income ---	3.0	2.5	+21.9
Interest expense ---	-22.2	-24.5	-9.5
Other financial			
result -----	-	1.7	-100.0
Financial result ---	-18.5	-20.1	+7.6

Earnings before			
taxes (EBT) -----	153.5	151.7	+1.1

Income taxes -----	-40.8	-39.9	+2.4

Net profit for the			
period -----	112.6	111.8	+0.7

Thereof			
attributable to: ---			
Equity holders of			
the parent -----	102.6	100.3	+2.4
Non-controlling			
interests -----	10.0	11.6	-13.7

Earnings per share			
(in EUR, basic =			
diluted) *** -----	1.22	1.19	+2.4

*) All financial indicators refer to the preliminary results of Flughafen-Wien-Group for 2016

**) 2015 figures adjusted

***) Earnings per share adjusted according to IAS 33.26

Balance Sheet Indicators

in EUR million ---	31.12.2016	31.12.2015 *)	Change in %
ASSETS: -----			
Non-current assets	1,835.9	1,956.4	-6.2
Current assets ---	182.4	214.5	-14.9

LIABILITIES: -----			
Equity -----	1,144.0	1,139.3	+0.4
Non-current			
liabilities -----	652.2	666.6	-2.2
Current			
liabilities -----	222.2	365.0	-39.1

Total equity and			
liabilities -----	2,018.3	2,170.9	-7.0

Net debt -----	355.5	487.8	-27.1
Gearing (in%) -----	31.1	42.8	-11.7 p%

Cash Flow Statement

in EUR million	2016	2015	Change in %
Net cash flow from operating activities	255.1	255.5	-0.2
investing activities	-114.1	-151.1	-24.5
financing activities	-142.3	-92.7	+53.5
Free cash flow	141.0	104.4	+35.0
CAPEX**)	92.0	87.1	+5.6

*) 2015 figures adjusted;

**) Excluding financial assets and Business acquisitions

The Annual Report by Flughafen Wien AG for 2016, from January 1 to December 31, 2016, will be 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 at the end of April 2017.

The Management Board of Flughafen Wien AG

Vienna Airport, March 1, 2017

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sector: Transport

ISIN: AT00000VIE62

indexes: ATX Prime

stockmarkets: official market: Wien

language: English

Original content of: Flughafen Wien AG, transmitted by news aktuell

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