QUARTERLY REPORT 2/2012

FLUGHAFEN WIEN AG

Vienna International Airport

KEY DATA ON THE FLUGHAFEN WIEN GROUP

Financial Indicators (in € mill., excluding employees)

	1–6/2012	Change in %	1–6/2011
Revenue	293.6	+4.7	280.3
Operating income	306.6	+6.2	288.7
EBITDA	109.3	+11.0	98.5
EBIT	68.7	+4.0	66.0
EBITDA margin (in %)[1]	37.2	n.a.	35.1
EBIT margin (in %)[2]	23.4	n.a.	23.6
Net profit after non-controlling interests	49.1	+13.3	43.3
Cash flow from operating activities	81.2	+25.2	64.9
Equity 30.6.2012 vs. 31.12.2011	840.0	+3.5	811.4
Equity ratio (in %) 30.6.2012 vs. 31.12.2011	40.1	n.a.	37.7
Net Debt 30.6.2012 vs. 31.12.2011	749.7	-0.3	751.7
Gearing (in %) 30.6.2012 vs. 31.12.2011	89.3	n.a.	92.6
Capital expenditure[3]	38.2	-65.1	109.5
Employees[4]	4,499	+0.7	4,468

Industry Indicators

MTOW in tonnes[5]	4,014,586	-1.3	4,065,977
Passengers	10,422,861	+7.9	9,663,194
Thereof transfer passengers	3,292,478	+17.6	2,800,790
Flight movements	120,455	-0.3	120,869
Cargo (air cargo and trucking; in tonnes)	131,061	-8.0	142,516
Seat occupancy (in %)[6]	69.7	n.a.	66.2

Definitions: 1) EBITDA margin (earnings before interest, taxes, depreciation and amortisation) = EBIT + depreciation and amortisation / Total revenue, 2) EBIT margin (earnings before interest and taxes) = EBIT / Total revenue, 3) Intangible assets, property, plant and equipment and prepayments, including corrections to invoices from prior years, 4) 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, 5) MTOW: maximum take-off weight for aircraft, 6) Seat occupancy: Number of passengers / Available number of seats

Stock Exchange Listings

Wien, Frankfurt (Xetra),
London (SEAQ International), New York (ADR)

Information on the Flughafen Wien Share

Share price on 31.12.2011 in €	29.25
Share price on 30.6.2012 in €	31.20
First half-year high on 17.04.2012 in €	34.50
First half-year low on 06.03.2012 in €	25.61
Market cap as of 30.6.2012 in € million	655.20

Financial Calendar 2012

Third quarter results	22 November 2012

Ticker Symbols

Reuters	VIE.VI
Bloomberg	FLU:AV
Datastream	O:FLU
ISIN	AT0000911805
ÖKB-WKN	091180
ÖTOB	FLU
ADR	VIAAY

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LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

Flughafen Wien AG set a milestone during the second quarter of 2012 with the successful start of operations in the new terminal Check-in 3 on 5 June. Since that time, all systems in this new complex have functioned nearly problem-free. The light and airy architecture as well as extensive new shopping areas create an entirely different travel experience and provide greater comfort for passengers. One example of these many improvements is a reduction of over 90% in the waiting time at security controls. As previously announced, the experience gained during real-time operations will now be used to further optimise Check-in 3 during the coming months – above all with regard to the guidance system – in order to provide passengers with even more comfort.

However, the terminal opening was only the high point of a very successful first half-year that was characterised by a further increase in passenger traffic. Vienna Airport handled 10,422,861 passengers during the first six months of 2011, which represents a plus of 7.9% in year-on-year comparison. Above-average growth was recorded in the number of transfer passengers with an increase of 17.6% to 3,292,478. This confirms the success of the strategy we are actively pursuing, which is designed to strengthen Vienna Airport's position as a hub – above all to Eastern Europe.

Flight movements remained nearly constant in year-on-year comparison at 120,455 (-0.3% vs. 1–6/2011), but passenger traffic increased. This led to an improvement in seat occupancy from 66.2% to 69.7%. Maximum take-off weight was 1.3% lower at 4,014,586 tonnes, chiefly due to the weak economy and a resulting minus of 8.0% in cargo turnover to 131,061 tonnes.

These factors held the growth in revenue below the increase in passenger traffic. Revenue development was also negatively influenced by the higher share of transfer passengers because of the incentives granted to airlines for this segment. However, revenue recorded by the Flughafen Wien Group still increased by 4.7% to € 293.6 million for the first half of 2012. Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 11.0% year-on-year to € 109.3 million, which represents an EBITDA margin of 37.2% (1–6/2011: 35.1%). The improvement in this indicator reflects the steps taken in earlier quarters to cut costs and improve productivity as well as measures to strengthen corporate structures.

Earnings before interest and taxes (EBIT) rose by 4.0% or € 2.7 million to € 68.7 million for the first half of 2012. Of special note is the fact that – despite the start of operations in the Check-in 3 with 150,000 square metres of additional terminal space – the number of employees remained nearly unchanged.

Net profit after non-controlling interests for the first six months of 2012 amounted to € 49.1 million, which is € 13.3% higher than the comparable prior year level (1–6/2011: € 43.3 million). This above-average increase is attributable, above all, to a basis effect in the first half of 2011 that involved an impairment charge to the investment in Friedrichshafen Airport.

In spite of these sound half-year results, we must note that the company's earnings will be significantly influenced by the start of operations in Check-in 3. We will recognise an additional € 25 million in depreciation and amortisation during the second half of this year, and operating costs will rise due to the near doubling of the terminal area. The capitalisation of borrowing costs on this project ended with the beginning of the second quarter of 2012, and this change will add roughly € 15 million to interest expense for the year. Start-up costs were also incurred during the first few months of operation, and expenditures are now planned for additional optimisation measures in the new terminal.

Our last guidance for revenue (over € 600 million) and EBITDA (over € 200 million) in 2012 is well protected from the current point of view. We have also raised our estimate for net profit from € 55 million to at least € 60 million. The forecasted slower development of passenger traffic during the second half-year leads us to reconfirm our forecast of 4% to 5% growth in the number of passengers for 2012. We also expect to record positive net cash flow for the full year as well as a slight reduction in net debt. The total volume of investments will be lower than originally planned at € 120 million for 2012 due to the rescheduling of individual projects into the coming year.

The start of operations in Check-in 3 represents a genuine milestone in the history of our company, and we would now like to report on another important step in the realisation of our next long-term goal: at the beginning of July, Flughafen Wien received a positive ruling on the environmental impact assessment for the construction of parallel runway 29/11. Current air traffic forecasts indicate that the two existing runways will reach their capacity limits by roughly 2020. A third runway will therefore be required to provide our airline customers with the framework for further growth and to protect the hub function of Vienna Airport. Due to the expected appeals against this ruling, a legally binding positive decision is not expected before the end of 2013 or more likely in 2014. Flughafen Wien will presumably make a final decision on this project in 2015 based on actual traffic development at that time. Construction would then start in 2016 at the earliest. Based on the first-instance ruling, which defines 460 requirements for this project, we have started to calculate construction costs and expect to have a first estimate by the end of this year.

In conclusion, we would like to thank our shareholders and customers for their confidence. Our particular thanks go out to our employees: without their extraordinary commitment, the successful opening of the new terminal would not have been possible. We are well aware that the many measures to improve cost efficiency and productivity represent a great challenge. We would like to thank all our employees for their exemplary dedication and their high professionalism.

Schwechat, 3 August 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

INTERIM GROUP MANAGEMENT REPORT

TRAFFIC DEVELOPMENTS

Vienna Airport handled a total of 10,422,861 passengers in the first six months of 2012, which represents an increase of 7.9% over the comparable prior year period. The number of passengers departing to destinations in Eastern Europe rose by an impressive 19.6% to 20.2% of the total passenger volume. Traffic to Western Europe increased 4.7% to equal a share of 67.9%. The number of passengers travelling to the Middle East was 10.8% higher, while traffic to the Far East declined by 1.2% following the termination of flights to Mumbai.

Traffic growth in the number of transfer passengers rose by 17.6% year-on-year. The Austrian Airlines Group, the largest and most important customer of Flughafen Wien, handled 9.5% more passengers at Vienna Airport during the first six months of 2012. This growth increased the airline's share of total passenger traffic from 49.0% in the first half of the previous year to 49.7%. The so-called low-cost carriers recorded a below-average increase of only 2.6%, and their share of total passenger traffic declined from 22.6% in the comparable prior year period to 21.5%.

Maximum take-off weight (MTOW) totalled 4,014,586 tonnes, which is 1.3% lower than the comparable prior year period. This development resulted from a lower number of flight movements as well as a decline in cargo flights. Cargo volume (air cargo and trucking) fell by 8.0% to 131,061 tonnes.

Flight movements decreased 0.3% to a total of 120,455. Seat occupancy rose from 66.2% in the prior year to 69.7% for the reporting period.

REVENUE FOR THE FIRST HALF OF 2012

Revenue recorded by the Flughafen Wien Group rose by 4.7% to € 293.6 million for the first half of 2012 (1–6/2011: € 280.3 million). This development was supported by the increase in passenger traffic as well as higher revenue from the Retail & Properties Segment. However, the increase was less than the growth in traffic because of the decline in flight movements and resulting lower income from landing tariffs as well as a reduction in MTOW. Additionally, transfers represented an above-average share of the increase in passenger traffic and the incentives granted to airlines for this segment did not allow for comparable revenue growth.

POSITIVE DEVELOPMENT IN THE SEGMENTS

The Airport Segment recorded an increase of € 7.8 million or 5.6% in external revenue to € 146.6 million for the first half of 2012. Revenue in the Handling Segment remained nearly unchanged at € 79.5 million (1–6/2011: € 79.7 million). The Retail & Properties Segment generated the highest increase in revenue with a plus of 10.6%. External revenue in the Other Segments matched the prior year level at € 7.7 million. (See point 3 of the notes for details on the development of segment revenue).

EARNINGS FOR THE FIRST HALF OF 2012

Earnings improved substantially in year-on-year comparison, with an increase of 11.0% in EBITDA, 4.0% in EBIT and 14.3% in net profit for the period.

In addition to the positive development of revenue in the Flughafen Wien Group (+4.7%), other operating income rose by € 4.6 million over the comparable prior year period to € 13.0 million. Own work capitalised was € 0.3 million higher at € 6.6 million, while income of € 2.5 million was recorded from insurance compensation for damages to the terminal extension Check-in 3 and € 1.6 million from invoiced penalties from the delayed tenant build-out by a lessee. However, the bankruptcy of the Sardana Group resulted in a valuation allowance to these penalties.

EXPENSES

Expenditures for consumables and services rose by € 1.0 million to € 20.6 million, primarily due to an increase in energy consumption in the second quarter 2012.

The Flughafen Wien Group had an average of 4,499 employees during the first six months of 2012 (1–6/2011: 4,468 employees). This 0.7% increase resulted chiefly from a higher average number of employees in the subsidiary Vienna International Airport Security GesmbH in connection with the hiring of additional security staff for Check-in 3. However, personnel expenses rose by only 1.3% to € 125.1 million (1–6/2011: € 123.4 million) despite wages and salaries increases mandated by collective bargaining agreements since May 2012.

The first concrete results of productivity improvement measures were noted in the personnel area: the number of employees totalled 4,303 as of 30 June 2012, which reflects a reduction of 198 since year-end 2011.

Other operating expenses rose by 9.5% over the first half of 2011 to € 51.5 million (1–6/2011: € 47.1 million). This development resulted from an increase in maintenance expenses (€ +1.7 million), third party services (€ +3.5 million) and damages (€ +1.0 million) as well as an addition to the valuation allowance for doubtful receivables (€ +3.4 million) in connection with the bankruptcy of the companies in the Sardana Group, a shop operator at Vienna Airport. In contrast, lower costs were recorded for marketing and market communications (€ -2.0 million). Especially a positive arbitration judgment led to the reversal of € 2.9 million in valuation allowances for doubtful receivables that were created in earlier years.

EBITDA RISES BY 11.0% TO € 109.3 MILLION

Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 11.0% year-on-year to € 109.3 million and the EBITDA margin improved 2.1 percentage points to 37.2%. Scheduled amortisation and depreciation increased 25.3% to € 40.6 million, above all due to the start of operations in Check-in 3 during June 2012 and impairment charges of € 2.5 million to capitalised costs.

EBIT TOTALS € 68.7 MILLION

Earnings before interest and taxes (EBIT) amounted to € 68.7 million (+4.0%), compared with € 66.1 million in the first half of the previous year. The EBIT margin declined slightly from 23.6% to 23.4% for the reporting period.

IMPROVEMENT IN FINANCIAL RESULTS TO € -5.0 MILLION

Income from investments rose to € 0.9 million owing to an increase in dividends (1–6/2011: € 0.2 million). Net interest income declined from minus € 5.0 million in the comparable prior year period to minus € 8.0 million in the first half of 2012. Interest income was 23.7% higher at € 2.3 million, while interest expense increased by 49.8% or € 3.4 million to € 10.3 million. The sharp rise in interest expense is attributable to the capitalisation of borrowing costs: only € 5.9 million were capitalised during the reporting period compared with € 10.3 million in the first half of the previous year. Other financial results were € 1.4 million lower than the first half of 2011 at € 0.1 million. Income from companies consolidated at equity amounted to € 1.9 million (1–6/2011: € -4.6 million after an impairment charge to the investment in Flughafen Friedrichshafen GmbH). Financial results for the first half of 2012 totalled minus € 5.0 million (1–6/2011: € -7.9 million).

EARNINGS PER SHARE: € 2.34

Profit before taxes (EBT) amounted to € 63.7 million (+9.4%) versus € 58.2 million in the first half of 2011.

After the deduction of tax expense totalling € 14.2 million (1–6/2011: € 14.9 million), net profit for the first six months of 2012 amounted to € 49.5 million (1–6/2011: € 43.3 million). This represents an increase of 14.3%. Net profit attributable to the shareholders of the parent company rose by 13.3% to € 49.1 million. Earnings per share equalled € 2.34, compared with € 2.06 in the previous year. The number of shares outstanding remained unchanged.

EARNINGS IN THE SECOND QUARTER OF 2012

The Flughafen Wien Group generated revenue of € 154.5 million in the second quarter of 2012 (4–6/2011: € 148.8 million), for a plus of 3.9%. Higher income from insurance compensation and penalties led to an increase of € 3.8 million in other operating income to € 8.5 million. The cost of consumables and services rose by 17.1% quarter-on-quarter to € 8.8 million, above all due to the start of operations in the new terminal Check-in 3.

Personnel expenses declined slightly to € 64.9 million (4–6/2011: € 65.2 million), whereby wage and salary increases mandated by collective bargaining agreements were more than offset workforce reductions.

Other operating expenses were 12.7% higher at € 29.7 million. A decline was recorded in expenditures for marketing and market communications (€ -0.6 million) and other operating expenses (€ -0.6 million). In contrast, increases were registered in the following areas: maintenance (€ +0.8 million), third party services (€ +1.6 million), legal, auditing and consulting fees (€ +0.3 million), expenses for damages (€ +1.0 million) and net changes in valuation allowances to receivables (€ +0.7 million).

EBITDA equalled € 59.5 million for the second quarter of the reporting year (4–6/2011: € 54.3 million), which represents an increase of 9.7%. Depreciation and amortisation were 30.9% higher at € 21.3 million, primarily due to the start of operations in Check-in 3 but also as a result of the implementation of airport-specific software. Earnings before interest and taxes (EBIT) rose by 0.6% to € 38.2 million.

Net interest income increased € 0.6 million quarter-on-quarter, chiefly as the result of an arbitration award. Gross interest expense fell from € 8.3 million to € 6.2 million following the premature repayment of € 64.0 million on a promissory note. However, the capitalisation of borrowing costs on the construction of Check-in 3 and the third runway were ended, respectively suspended, and this led to an increase in interest expense from € 3.6 million to € 6.9 million. In the second quarter of 2012 borrowing costs of only € 0.1 million were capitalised (4–6/2011: € 5.3 million). Income from the disposal of financial assets amounted to € 0.1 million in the second quarter of 2012, versus € 1.6 million in the comparable prior year period. Financial results for the second quarter of the previous year were negatively influenced, above all, by an impairment charge of € 5.7 million to the investment in Flughafen Friedrichshafen GmbH. Income from investments consolidated at equity totalled € 1.7 million (4–6/2011: € -4.5 million). In total, financial results improved from minus € 5.5 million in the second quarter of 2011 to minus € 2.6 million.

Profit before taxes (EBT) totalled € 35.6 million (4–6/2011: € 32.5 million), for a plus of 9.5%. After the deduction of € 7.7 million in taxes (4–6/2011: € 9.0 million), net profit equalled € 27.9 million (4–6/2011: € 23.5 million). Profit attributable to the shareholders of the parent company increased 16.8% to € 27.5 million. Basic earnings per share for the second quarter of 2012 amounted to € 1.31 (4–6/2011: € 1.12).

FINANCIAL, ASSET AND CAPITAL STRUCTURE

The financial, asset and capital structure improved in comparison with the respective levels as of 31 December 2011.

The equity ratio rose from 37.7% to 40.1%, despite the distribution of a € 21.0 million dividend. Net debt declined slightly to € 749.7 million (31.12.2011: € 751.7 million), while gearing improved from 92.6% to 89.3%.

Net cash flow from operating activities increased 25.2% or € 16.4 million to € 81.2 million. Net cash flow from investing activities matched the prior year level at € -58.3 million. Net cash flow from financing activities was negative at € -85.0 million due to the dividend distribution and the repayment of loans (1–6/2011: € 58.2 million).

ASSETS

Non-current assets declined € 3.8 million from the level on 31 December 2011 to € 1,921.5 million as of 30 June 2012. Additions of € 38.2 million for intangible assets, property, plant and equipment, prepayments and investment property were contrasted by depreciation and amortisation of € 40.6 million (1–6/2011: € 32.4 million) as well as book value disposals of € 1.1 million. The carrying amount of investments accounted for at equity increased 1.5% to € 92.3 million.

Current assets fell by a substantial € 52.4 million to € 172.5 million. The € 62.0 million or 55.7% decrease in cash and cash equivalents resulted from the repayment of non-current financial liabilities. As of 30 June 2012, cash and cash equivalents totalled € 49.3 million (31.12.2011: € 111.3 million) (see the section on cash flow for details). The positive development of traffic and the resulting higher revenue led to an increase of 11.8% in receivables and other assets to € 89.1 million. Inventories rose by 4.2% to € 4.5 million. Current securities remained nearly unchanged in comparison with year-end 2011.

EQUITY AND LIABILITIES

Equity rose by 3.5% over the level at 31 December 2011 to € 840.0 million as of 30 June 2012. The dividend payment of € 21.0 million for the 2011 financial year was contrasted by an increase of € 49.5 million in equity from net profit for the first half of 2012. The increase in equity is also attributable to the recognition of the fair value measurement of securities and hedges under other comprehensive income. Non-controlling interests as of 30 June 2012 represent the stake held by RZB Holding GmbH in the Slovakian subsidiary BTS Holding a.s., Bratislava. These non-controlling interests increased due to the reversal of a valuation allowance to other receivables in the individual financial statements of BTS Holding a.s.

The equity ratio equalled 40.1% as of 30 June 2012, compared with 37.7% on 31 December 2011. This improvement resulted from the reduction of financial liabilities also.

Non-current liabilities declined by 9.0% or € 91.4 million to € 920.2 million, chiefly as the result of a € 64.0 million premature repayment in the first quarter 2012 on a promissory note issued in 2009. An agreement was reached for the remaining balance of this promissory note that reduced the interest rate margin based on an unchanged term. Scheduled instalment payments for a loan contracted in 2010 and 2011 within the framework of an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetzes", ULSG) led to the reclassification of € 42.9 million to current financial liabilities. This decline was contrasted by an increase of € 2.1 million in non-current provisions to € 117.3 million, primarily for additions to the provisions for service anniversary bonuses, part-time work for older employees and severance compensation as well as a provision for impending losses for residual value risks from leases. Non-current deferred taxes rose by € 5.8 million over the level on 31 December 2011 to € 29.4 million, mainly due to a temporary deferred tax liability on depreciation that was connected with the start of operations in Check-in 3.

Other non-current liabilities rose by 14.6% to € 59.1 million. This increase resulted from a change in the maturity structure of liabilities due to the environmental fund as well as lower finance lease liabilities and a decline in accruals.

Current liabilities increased € 6.7 million to € 333.8 million. Other provisions declined by 31.1% or € 34.3 million, but the provision for taxes rose by € 4.0 million to € 11.2 million. This latter change reflected the improvement in profit before tax as well as lower advance payments on corporate income taxes. The above-mentioned scheduled repayments of the ULSG loan led to the reclassification of financial liabilities previously recorded under non-current to current as of 30 June 2012. Current financial liabilities therefore rose by 60.2% to € 114.2 million.

The € 5.4 million increase in trade payables to € 97.9 million was contrasted by a 24.7% reduction in other liabilities to € 34.4 million.

CASH FLOW STATEMENT

Profit before taxes (EBT) rose by 9.4% over the comparable prior year period to € 63.7 million for the first half of 2012.

The increase of € 1.7 million and € 9.6 million, respectively, in liabilities and receivables was contrasted by a € 7.3 million reduction in provisions. After the recognition of depreciation, amortisation, losses on the disposal of non-current assets and lower income tax payments, net cash flow from operating activities totalled € 81.2 million (1–6/2011: € 64.9 million).

Net cash flow from investing activities amounted to minus € 58.3 million for the first half of 2012, compared with minus € 59.4 million in the comparable prior year period. Payments of € 3.0 million were received on the disposal of non-current assets (1–6/2011: T€ 58.6) and € 1.8 million (1–6/2011: T€ 3.3) on the disposal of financial assets. These cash inflows were contrasted by payments of € 63.1 million for additions to non-current assets (excluding financial assets) (1–6/2011: € 93.6 million).

Net cash flow from financing activities of minus € 85.0 million for the first half of the reporting year resulted from a € 64.0 million repayment on non-current financial liabilities and the distribution of a € 21.0 million dividend for the 2011 financial year.

The change in cash and cash equivalents equalled minus € 62.0 million. As of 30 June 2012 cash and cash equivalents totalled € 49.3 million (31.12.2011: € 111.3 million).

CORPORATE SPENDING

Check-in 3 (formerly VIE Skylink) successfully started operations on 5 June 2012. The costs for the Check-in 3 are expected to be less than € 760 million.

The major investments during the first half of 2012 are as follows: the terminal extension Check-in 3 at € 19.9 million[1)], baggage sorting equipment at € 1.9 million[2)], the Check-in 3 guidance system at € 3.0 million, media installations for Check-in 3 at € 1.4 million and the security system for Check-in 3 at € 8.4 million. Other investments included € 0.5 million for quick boarding gates, € 2.2 million for furniture, fixtures and office equipment, € 1.3 million in retail facilities for Check-in 3, € 0.7 million in rental car facilities for car park 4, € 3.4 million in special vehicles, € 0.8 million in Check-in 3 lounges and € 5.7 million for a forwarding agent building. A total of € 38.2 million[3)] was invested during the first half of 2012.

1) Invoice corrections (deductions) of € 13.0 million as well as a reduction of € 8.6 million in acquisition costs to reflect insurance compensation were recognised during the reporting period.
2) Invoice corrections of € 1.7 million were recognised during the reporting period (deductions).
3) After invoice corrections and insurance compensation.

RISKS OF FUTURE DEVELOPMENT

In contrast to the previous year (natural disaster in Japan, political unrest in North Africa), the earnings position of the Flughafen Wien Group was not negatively affected by external crises during the first six months of 2012.

The major risks and uncertainties associated with the remaining six months of the 2012 financial year are connected, above all, with the development of the economy and the aviation industry. However, political factors such as military conflicts or natural disasters like pandemics could have a negative influence on the economic position of Flughafen Wien AG. A Group-wide risk management system systematically quantifies and records all major business risks and monitors the plans to minimise these risks.

Flughafen Wien AG is currently reviewing and actively pursuing claims against contractors for damages related to the terminal extension Check-in 3. Technical experts have identified deficient performance by contractors and unjustified cost increases, which amount to € 52.1 million for the cases reviewed. Impairment charges of € 31.6 million were subsequently recognised to property, plant and equipment in 2011. The public prosecutor's office has launched an investigation of the respective circumstances.

One contractor has already repaid € 7.6 million to Flughafen Wien AG.

In the second quarter of 2012 an agreement was reached with an insurance company that resulted in a lump-sum payment of € 11.1 million as compensation for damages based on a planner's liability insurance policy concluded by Flughafen Wien AG. Of these € 11.1 million, € 2.5 million were recognised as other income and the remaining € 8.6 million were recorded as a reduction of acquisition costs without recognition through profit or loss. In connection with this insurance agreement contractors waived receivables of € 3.0 million due from Flughafen Wien AG.

The environmental impact assessment for the construction of a third runway brought a positive decision in the first instance. A ruling issued on 10 July 2012 approved the construction and operation of "Parallel runway 11R/29L" by Flughafen Wien AG. This first-instance decision lists 460 requirements to protect residents and the environment. The appeal period runs until the end of August and objections are expected to be filed. The environmental senate will serve as the second instance for all such appeals. A legally binding positive decision is not expected before 2014. Construction would start in 2016 at the earliest, and the parallel runway would then be available for operations in 2020 or 2021. An estimate of the cost for this project, including the fulfilment of all requirements, should be completed by the end of this year.

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

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

OTHER INFORMATION

Information on significant transactions with related companies and persons is provided under point 8 of the notes to the consolidated interim financial statements.

OUTLOOK

The number of passengers handled in July 2012 was 1.8% higher than the comparable prior year period. Flight movements rose by 0.5%, while maximum take-off weight (MTOW) declined 1.9%. Passenger traffic (scheduled and charter flights) to Eastern Europe and the Middle East increased by 5.5 % and 1.2%, respectively, during July 2012.

Flughafen Wien AG is expecting an increase of 4% to 5% in the number of passengers for the full 2012 financial year. In contrast, no growth is expected in flight movements (0% to -1%) or maximum take-off weight (-2% to -3%). Accordingly, traffic development is expected to level off during the second half of the year.

Further major maintenance projects are planned for the second half of 2012. It should also be noted that higher depreciation and amortisation, additional operating expenses and increased interest expense will be incurred for Check-in 3 during the remainder of this year.

Investments totalling a maximum of € 120.0 million are scheduled for the 2012 financial year.

Schwechat, 3 August 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

SEGMENT REPORTING

Segment Results

in T€	1–6/2012	1–6/2011	Change in %
Airport			
External segment revenue	146,620.0	138,809.8	5.6
Segment EBIT	39,267.2	42,575.3	-7.8
Handling			
External segment revenue	79,529.8	79,710.5	-0.2
Segment EBIT	9,276.9	3,168.3	192.8
Retail & Properties			
External segment revenue	59,623.5	53,925.6	10.6
Segment EBIT	31,600.6	30,034.3	5.2
Other Segments			
External segment revenue	7,733.2	7,793.7	-0.8
Segment EBIT	1,280.7	1,990.6	-35.7

AIRPORT SEGMENT

The Airport Segment covers the operation and maintenance of aircraft movement areas and the terminals as well as all equipment and facilities used for passenger and baggage handling. The responsibilities of this segment also include: assisting existing airline customers and acquiring new carriers, the management of the VIP & Business Center and lounges, the rental of facilities to airlines, airport operations, the fire department, medical services, access controls and winter services.

COMPETITIVE TARIFFS

As of 1 January 2012, the tariffs were adjusted as follows based on the approved 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. A security tariff of € 7.7 per departing passenger was determined according to the results of the profitability calculation and subsequently implemented as of 16 April 2012 in accordance with the provisions of the Austrian Aviation Security Act.

Based on these index-related changes, the fixed landing tariff for scheduled and charter passenger flights was reduced to € 205.38 and the variable landing tariff to € 5.59 per MTOW. In exchange, the passenger tariff for scheduled and charter traffic was raised by € 0.74 to € 16.69 per departing passenger. The airside infrastructure tariff was cut by 10%, while the landside infrastructure tariff increased by € 0.20 to € 0.87 per departing passenger.

5.6% INCREASE IN REVENUE FOR THE AIRPORT SEGMENT

The Airport Segment generated revenue of € 146.6 million in the first half of 2012, which represents an increase of € 7.8 million or 5.6% over the comparable prior year period. This development was supported by the growth in traffic (passengers: +7.9%) as well as income from the passenger tariff (incl. PRM, passengers with reduced mobility) and the security tariff. In the first six months of 2012 revenue from the security tariff amounted to € 33.1 million, for a plus of 5.4% or € 1.7 million. Revenue from the passenger tariff rose by 18.0% or € 9.7 million to € 63.8 million. In contrast, revenue from the landing tariff declined by € 3.7 million or 11.4% to € 28,6 million because of the change in the tariff structure (see development of tariffs) and a decline in maximum take-off weight. Revenue from the infrastructure tariff was 4.1% higher at € 13.7 million. Revenue from fuelling was € 0.4 million lower than the comparable prior year period, while revenue from special guest services increased by € 0.3 million.

The cost of consumables in the Airport Segment declined 18.3% to € 1.8 million due to a reduction in the use of de-icing and other materials. This positive development was contrasted by a 6.3% rise in personnel expenses to € 16.9 million that resulted from a 4.2 % year-on-year increase in the workforce and higher additions to the provisions for part-time work for older employees. Other operating expenses declined by € 1.8 million or 7.0% to € 24.2 million, chiefly due to lower expenditures for legal, auditing and consulting fees, market communications and other operating costs.

SEGMENT EBITDA OF € 63.8 MILLION

After the inclusion of internal operating expenses totalling € 63.1 million (1–6/2011: € 54.7 million), segment EBITDA amounted to € 63.8 million for the first half of 2012 (1–6/2011: € 59.4 million). Depreciation and amortisation increased – due to the start of operations in Check-in 3 and an impairment of € 2.5 million – by € 7.8 million to € 24.5 million. The Airport Segment recorded EBIT of € 39.3 million in the first half of 2012, compared with € 42.6 million in the first half of the previous year. The EBITDA margin equalled 38.8% (1–6/2011: 38.3%) and the EBIT margin 23.9% (1–6/2011: 27.5%).

HANDLING SEGMENT

The Handling Segment includes VIE-Handling and the subsidiaries, Vienna Aircraft Handling GmbH and Vienna International Airport Security Services Ges.m.b.H. (VIAS). The latter is responsible for security controls.

REVENUE OF € 79.5 MILLION IN THE HANDLING SEGMENT

External revenue recorded by the Handling Segment totalled € 79.5 million in the first half of 2012 (1–6/2011: € 79.7 million). External revenue recorded by VIE – Handling from apron handling declined 0.8% to € 52.4 million, but revenue from cargo handling rose by 4.3% to € 16.9 million higher because of a change in the invoicing cycle. Revenue from security services provided by the subsidiary Vienna International Airport Security Ges.m.b.H totalled € 1.8 million and remained nearly constant in comparison with the first half of the previous year. External revenue from traffic handling rose by a slight 2.1% to € 5.2 million, while General Aviation revenues were € 0.5 million lower at € 3.3 million.

The cost of consumables in the Handling Segment declined 15.7% to € 4.7 million due to the mild winter and the corresponding lower de-icing requirements. Personnel expenses rose by € 0.8 million to € 78.4 million. This development resulted, above all, from a higher average workforce (+14.1%) in the subsidiary Vienna International Airport Security Ges.m.b.H following additional hiring for security functions in Check-in 3. In contrast, the average number of employees in VIE-Handling declined by 6.0%. A comparison with 31 December 2011 shows the positive effects of the personnel measures implemented during the past year: the Handling Segment had a workforce of 3,064 at the end of June 2012, which reflects a reduction of 166 employees or 5.1% versus year-end 2011. Other operating expenses fell by € 0.4 million to € 1.1 million. Internal expenses in this segment nearly matched the prior year level at € 16.5 million.

EBITDA INCREASE OF € 5.8 MILLION

EBITDA in the Handling Segment rose by an impressive € 5.8 million to € 12.2 million for the first six months of 2012 (1–6/2011: € 6.4 million). After the deduction of depreciation and amortisation totalling € 2.9 million (1–6/2011: € 3.2 million), EBIT amounted to € 9.3 million compared with € 3.2 million in the first six months of 2011. In comparison with the first half of the previous year, the EBITDA margin improved 4.9 percentage points to 10.8% and the EBIT margin 5.3 percentage points to 8.3%.

RETAIL & PROPERTIES SEGMENT

The Retail & Properties Segment covers shopping, gastronomy and parking as well as the development and marketing of real estate and advertising space.

REVENUE PLUS OF 10.6% IN THE RETAIL & PROPERTIES SEGMENT

The growing importance of the Retail & Properties Segment is also underscored by the impressive 10.6% increase in revenue to € 59.6 million for the first half of 2012. The share of Group revenue generated by this segment rose by 1.1 percentage points to 20.3%. Parking revenue was a sound 15.6% or € 2.9 million higher at € 21.5 million, while revenue from the rental of real estate and advertising space increased 2.4% to € 18.5 million. The shopping and gastronomy areas also recorded strong growth with a revenue plus of 13.8% or € 2.4 million.

The cost of consumables rose by € 0.2 million to € 0.6 million following an increase in expenses charged out. This was contrasted by a reduction of € 0.2 million in personnel expenses to € 2.2 million. Other operating expenses increased € 5.0 million to € 12.8 million due to higher additions to valuation allowances for receivables as well as an addition to a provision for damages following the loss of a tenant because of outstanding payments, failure to complete leased space and the insufficient stocking of shops. Internal operating expenses in this segment totalled € 17.2 million (1–6/2011: € 16.1 million). Depreciation and amortisation declined 4.6% to € 6.9 million.

€ 1.2 MILLION INCREASE IN EBITDA

EBITDA recorded by the Retail & Properties Segments rose by € 1.2 million to € 38.5 million for the first half of 2012 (1–6/2011: € 37.3 million) and EBIT totalled € 31.6 million (1–6/2011: € 30.0 million). The EBITDA margin for the first half of 2012 equalled 55.7%, compared with 58.8% in the previous year, and the EBIT margin was 45.7 % (1–6/2011: 47.4%).

OTHER SEGMENTS

The reportable segment “Other Segments“ provides a wide range of services for the other operating segments and for external customers. These services include 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. This segment also includes the subsidiaries of Flughafen Wien AG that directly or indirectly hold shares in foreign associates and joint ventures and have no other operating activities.

External revenue recorded by the Other Segments remained nearly constant in year-on-year comparison at € 7.7 million for the first half of 2012.

The cost of consumables and services was € 2.2 million higher than the comparable prior year period, chiefly due to the increased use of electricity and fuel. Personnel expenses were 4.4% lower at € 19.4 million. Higher third party services as well as increased legal, auditing and consulting fees were contrasted by the release of valuation allowances to other receivables. In total, other operating expenses rose by 10.5% to € 9.1 million. Depreciation and amortisation rose by € 1.0 million to € 6.2 million (1–6/2011: € 5.1 million) due to the implementation of software. Internal operating expenses totalled € 3.9 million, compared with € 3.6 million in the previous year.

In the first six months of 2012, the Other Segments recorded EBITDA of € 7.4 million (1–6/2011: € 7.1 million) and EBIT of € 1.3 million (1–6/2011: € 2.0 million).

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2012

CONSOLIDATED INCOME STATEMENT

in T€	1–6/2012	1–6/2011	Change in %	4–6/2012	4–6/2011
Revenue	293,581.9	280,306.9	4.7	154,542.9	148,789.1
Other operating income	12,981.2	8,348.1	55.5	8,452.2	4,604.0
Operating income	306,563.1	288,655.0	6.2	162,995.2	153,393.1
Consumables and services used	-20,630.2	-19,677.5	4.8	-8,808.7	-7,520.4
Personnel expenses	-125,094.5	-123,430.6	1.3	-64,949.0	-65,242.9
Other operating expenses	-51,538.2	-47,068.1	9.5	-29,731.7	-26,375.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	109,300.3	98,478.7	11.0	59,505.8	54,254.2
Depreciation and amortisation	-40,639.6	-32,437.0	25.3	-21,290.8	-16,260.8
Earnings before interest and taxes (EBIT)	68,660.7	66,041.7	4.0	38,215.0	37,993.4
Income from investments, excl. companies at equity	932.3	151.0	n.a.	859.4	151.0
Interest income	2,293.2	1,853.9	23.7	1,571.0	1,000.0
Interest expense	-10,276.1	-6,860.5	49.8	-6,881.1	-3,643.8
Other financial expense/income	133.6	1,577.3	-91.5	123.6	1,567.0
Financial results, excl. companies at equity	-6,917.0	-3,278.2	111.0	-4,327.1	-925.8
Income from companies at equity	1,934.0	-4,579.4	n.a.	1,730.4	-4,525.4
Financial results	-4,983.0	-7,857.6	-36.6	-2,596.6	-5,451.2
Profit before taxes (EBT)	63,677.7	58,184.2	9.4	35,618.4	32,542.2
Income taxes	-14,173.7	-14,874.3	-4.7	-7,692.9	-9,011.7
Net profit for the period	49,504.0	43,309.8	14.3	27,925.5	23,530.5
Thereof attributable to:					
Equity holders of the parent	49,062.4	43,318.1	13.3	27,482.7	23,538.2
Non-controlling interests	441.6	-8.3	n.a.	442.8	-7.7
Earnings per share in € (basic/diluted)	2.34	2.06	13.6	1.31	1.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in T€	1–6/2012	1–6/2011	Change in %	4–6/2012	4–6/2011
Net profit for the period	49,504.0	43,309.8	14.3	27,925.5	23,530.5
Income and expenses recognised directly in equity					
Change in fair value of available-for-sale securities	1.8	-1,970.9	n.a.	2.8	-1,691.0
Thereof changes recognised directly in equity	24.0	-62.0	n.a.	25.0	217.9
Thereof realised gains (-) / losses (+)	-22.2	-1,908.9	-98.8	-22.2	-1,908.9
Cash flow hedge	113.1	191.8	-41.0	68.5	25.9
Deferred taxes on items recognised directly in equity	-28.7	444.8	n.a.	-17.8	416.3
Other comprehensive income	86.2	-1,334.3	n.a.	53.5	-1,248.8
Total comprehensive income	49,590.2	41,975.5	18.1	27,979.0	22,281.6
Thereof attributable to:					
Equity holders of the parent	49,148.6	41,983.8	17.1	27,536.2	22,289.4
Non-controlling interests	441.6	-8.3	n.a.	442.8	-7.7

CONSOLIDATED BALANCE SHEET

ASSETS

in T€	30.6.2012	31.12.2011	Change in %
Non-current assets			
Intangible assets	20,323.4	15,285.5	33.0
Property, plant and equipment	1,675,528.5	1,692,541.2	-1.0
Investment property	128,405.2	119,935.4	7.1
Investments accounted for using the equity method	92,342.9	90,968.2	1.5
Other financial assets	4,873.1	6,514.4	-25.2
	1,921,473.0	1,925,244.6	-0.2
Current assets			
Inventories	4,526.9	4,343.3	4.2
Securities	29,559.0	29,535.0	0.1
Receivables and other assets	89,081.1	79,705.4	11.8
Cash and cash equivalents	49,331.6	111,330.0	-55.7
	172,498.6	224,913.7	-23.3
Total Assets	2,093,971.6	2,150,158.3	-2.6

EQUITY AND LIABILITIES

in T€	30.6.2012	31.12.2011	Change in %
Equity			
Share capital	152,670.0	152,670.0	0.0
Capital reserves	117,657.3	117,657.3	0.0
Other reserves	-1,924.3	-2,010.5	-4.3
Retained earnings	570,959.1	542,896.7	5.2
Attributable to the equity holders of the parent	839,362.2	811,213.5	3.5
Non-controlling interests	652.0	210.4	209.9
	840,014.1	811,423.9	3.5
Non-current liabilities			
Provisions	117,279.5	115,195.1	1.8
Financial liabilities	714,428.2	821,285.4	-13.0
Other liabilities	59,072.9	51,557.8	14.6
Deferred tax liabilities	29,420.3	23,606.9	24.6
	920,201.0	1,011,645.2	-9.0
Current liabilities			
Provisions for taxation	11,184.4	7,194.5	55.5
Other provisions	76,049.7	110,318.1	-31.1
Financial liabilities	114,206.4	71,301.9	60.2
Trade payables	97,885.9	92,531.6	5.8
Other liabilities	34,430.1	45,743.0	-24.7
	333,756.5	327,089.2	2.0
Total Equity and Liabilities	2,093,971.6	2,150,158.3	-2.6

CONSOLIDATED CASH FLOW STATEMENT

in T€	1–6/2012	1–6/2011	Change in %
Net cash flow from operating activities	81,212.4	64,855.6	25.2
+ Payments received on the disposal of non-current assets (excl. financial assets)	3,027.3	58.6	n.a.
+ Payments received on the disposal of financial assets	1,847.8	3.3	n.a.
– Payments made for the purchase of non-current assets (excl. financial assets)	-63,133.1	-93,559.7	-32.5
+ Payments received in connection with non-refundable government grants	0.0	96.0	n.a.
+ Payments received on the disposal of other financial assets (securities)	0.0	34,048.7	n.a.
Net cash flow from investing activities	-58,258.0	-59,353.1	-1.8
– Dividend	-21,000.0	-42,000.0	-50.0
–/+ Change in financial liabilities	-63,952.7	100,238.2	n.a.
Net cash flow from financing activities	-84,952.7	58,238.2	n.a.
Change in cash and cash equivalents	-61,998.3	63,740.7	n.a.
+ Cash and cash equivalents at the beginning of the period	111,330.0	63,632.7	75.0
Cash and cash equivalents at the end of the period	49,331.6	127,373.4	-61.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2011 in T€	Share capital	Capital reserves	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
	Attributable to equity holders of the parent						
Balance on 1.1.2011	152,670.0	117,657.3	-895.5	553,294.3	822,726.1	232.8	822,958.9
Market valuation of securities			-1,478.2		-1,478.2		-1,478.2
Cash flow hedge			143.9		143.9		143.9
Other comprehensive income	0.0	0.0	-1,334.3	0.0	-1,334.3	0.0	-1,334.3
Net profit for the period				43,318.1	43,318.1	-8.3	43,309.8
Total comprehensive income	0.0	0.0	-1,334.3	43,318.1	41,983.8	-8.3	41,975.5
Dividend				-42,000.0	-42,000.0		-42,000.0
Balance on 30.06.2011	152,670.0	117,657.3	-2,229.8	554,612.4	822,709.9	224.5	822,934.4

2012 in T€	Share capital	Capital reserves	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
	Attributable to equity holders of the parent						
Balance on 1.1.2012	152,670.0	117,657.3	-2,010.5	542,896.7	811,213.5	210.4	811,423.9
Market valuation of securities			1.3		1.3		1.3
Cash flow hedge			84.9		84.9		84.9
Other comprehensive income	0.0	0.0	86.2	0.0	86.2	0.0	86.2
Net profit for the period				49,062.4	49,062.4	441.6	49,504.0
Total comprehensive income	0.0	0.0	86.2	49,062.4	49,148.6	441.6	49,590.2
Dividend				-21,000.0	-21,000.0		-21,000.0
Balance on 30.6.2012	152,670.0	117,657.3	-1,924.3	570,959.1	839,362.1	652.0	840,014.1

SELECTED NOTES

(1) BASIS OF PREPARATION

The condensed consolidated interim financial statements of Flughafen Wien AG as of 30 June 2012 were prepared in accordance with IAS 34, as adopted by the European Union (EU).

In agreement with IAS 34 (Interim Financial Reporting), the condensed consolidated interim financial statements do not include all information and disclosures that are required for annual financial statements, and should be read in connection with the consolidated financial statements of Flughafen Wien AG as of 31 December 2011.

These condensed consolidated interim financial statements were reviewed by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

(2) SIGNIFICANT ACCOUNTING POLICIES

The accounting and valuation policies and the calculation methods applied in preparing the annual financial statements for 2011 were also used to prepare the condensed consolidated interim financial statements as of 30 June 2012, with the exception of the new standards that are applicable to the current reporting period. Additional information on these accounting and valuation policies as well as the new standards that require mandatory application as of 1 January 2012 is provided in the consolidated financial statements as of 31 December 2011, which form the basis for these condensed consolidated interim financial statements. The application of new standards did not result in any material changes. The use of automatic data processing equipment may lead to rounding differences in the addition of rounded amounts and percentage rates.

(3) INFORMATION ON OPERATING SEGMENTS (IFRS 8)

The composition of the operating segments, as defined in accordance with IFRS 8, has not changed since the balance sheet date on 31 December 2011. Information on the definition of the operating segments is provided in the notes to the consolidated financial statements for 2011.

REVENUE AND SEGMENT REPORTING 2012

1–6/2012 in T€	Airport	Handling	Retail & Properties	Other Segments	Group
External segment revenue	146,620.0	79,529.8	59,623.5	7,733.2	293,506.4
Internal segment revenue	17,792.0	32,788.3	9,484.5	40,665.5	
Segment revenue	164,412.0	112,318.1	69,108.0	48,398.7	
Other external revenue[1]					75.5
Group revenue					293,581.9
Segment results	39,267.2	9,276.9	31,600.6	1,280.7	81,425.3
Other (not allocated)					-12,764.6
Group EBIT					68,660.7

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

REVENUE AND SEGMENT REPORTING 2011

1–6/2011 in T€	Airport	Handling	Retail & Properties	Other Segments	Group
External segment revenue	138,809.8	79,710.5	53,925.6	7,793.7	280,239.6
Internal segment revenue	16,278.2	27,650.3	9,433.0	38,542.4	
Segment revenue	155,088.0	107,360.8	63,358.5	46,336.1	
Other external revenue[1]					67.4
Group revenue					280,306.9
Segment results	42,575.3	3,168.3	30,034.3	1,990.6	77,768.6
Other (not allocated)					-11,726.8
Group EBIT					66,041.7

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

AIRPORT SEGMENT

The Airport Segment covers the operation and maintenance of aircraft movement areas and the terminals as well as all equipment and facilities used for passenger and baggage handling. The responsibilities of this segment also include: assisting existing airline customers and acquiring new carriers, the management of the VIP & Business Center and lounges, the rental of facilities to airlines, airport operations, the fire department, medical services, access controls and winter services.

Competitive tariffs

As of 1 January 2012, the tariffs were adjusted as follows based on the approved 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. A security tariff of € 7.7 per departing passenger was determined according to the results of the profitability calculation and subsequently implemented as of 16 April 2012 in accordance with the provisions of the Austrian Aviation Security Act.

Based on these index-related changes, the fixed landing tariff for scheduled and charter passenger flights was reduced to € 205.38 and the variable landing tariff to € 5.59 per MTOW. In exchange, the passenger tariff for scheduled and charter traffic was raised by € 0.74 to € 16.69 per departing passenger. The airside infrastructure tariff was cut by 10%, while the landside infrastructure tariff increased by € 0.20 to € 0.87 per departing passenger.

5.6% increase in revenue for the Airport Segment

The Airport Segment generated revenue of € 146.6 million in the first half of 2012, which represents an increase of € 7.8 million or 5.6% over the comparable prior year period. This development was supported by the growth in traffic (passengers: +7.9%) as well as income from the passenger tariff (incl. PRM, passengers with reduced mobility) and the security tariff. In the first six months of 2012 revenue from the security tariff amounted to € 33.1 million, for a plus of 5.4% or € 1.7 million. Revenue from the passenger tariff rose by 18.0% or € 9.7 million to € 63.8 million. In contrast, revenue from the landing tariff declined by € 3.7 million or 11.4% to € 28,6 million because of the change in the tariff structure (see development of tariffs) and a decline in maximum take-off weight. Revenue from the infrastructure tariff was 4.1% higher at € 13.7 million. Revenue from fuelling was € 0.4 million lower than the comparable prior year period, while revenue from special guest services increased by € 0.3 million.

The cost of consumables in the Airport Segment declined 18.3% to € 1.8 million due to a reduction in the use of de-icing and other materials. This positive development was contrasted by a 6.3% rise in personnel expenses to € 16.9 million that resulted from a 4.2% year-on-year increase in the workforce and higher additions to the provisions for part-time work for older employees. Other operating expenses declined by € 1.8 million or 7.0% to € 24.2 million, chiefly due to lower expenditures for legal, auditing and consulting fees, market communications and other operating costs.

Segment EBITDA of € 63.8 million

After the inclusion of internal operating expenses totalling € 63.1 million (1–6/2011: € 54.7 million), segment EBITDA amounted to € 63.8 million for the first half of 2012 (1–6/2011: € 59.4 million). Depreciation and amortisation increased – due to the start of operations in Check-in 3 and an impairment of € 2.5 million – by € 7.8 million to € 24.5 million. The Airport Segment recorded EBIT of € 39.3 million in the first half of 2012, compared with € 42.6 million in the first half of the previous year. The EBITDA margin equalled 38.8% (1–6/2011: 38.3%) and the EBIT margin 23.9% (1–6/2011: 27.5%).

HANDLING SEGMENT

The Handling Segment includes VIE-Handling and the subsidiaries, Vienna Aircraft Handling GmbH and Vienna International Airport Security Services Ges.m.b.H. (VIAS). The latter is responsible for security controls.

Revenue of € 79.5 million in the Handling Segment

External revenue recorded by the Handling Segment totalled € 79.5 million in the first half of 2012 (1–6/2011: € 79.7 million). External revenue recorded by VIE – Handling from apron handling declined 0.8% to € 52.4 million, but revenue from cargo handling rose by 4.3% to € 16.9 million higher because of a change in the invoicing cycle. Revenue from security services provided by the subsidiary Vienna International Airport Security Ges.m.b.H totalled € 1.8 million and remained nearly constant in comparison with the first half of the previous year. External revenue from traffic handling rose by a slight 2.1% to € 5.2 million, while General Aviation revenues were € 0.5 million lower at € 3.3 million.

The cost of consumables in the Handling Segment declined 15.7% to € 4.7 million due to the mild winter and the corresponding lower de-icing requirements. Personnel expenses rose by € 0.8 million to € 78.4 million. This development resulted, above all, from a higher average workforce (+14.1%) in the subsidiary Vienna International Airport Security Ges.m.b.H following additional hiring for security functions in Check-in 3. In contrast, the average number of employees in VIE-Handling declined by 6.0%. A comparison with 31 December 2011 shows the positive effects of the personnel measures implemented during the past year: the Handling Segment had a workforce of 3,064 at the end of June 2012, which reflects a reduction of 166 employees or 5.1% versus year-end 2011. Other operating expenses fell by € 0.4 million to € 1.1 million. Internal expenses in this segment nearly matched the prior year level at € 16.5 million.

EBITDA increase of € 5.8 million

EBITDA in the Handling Segment rose by an impressive € 5.8 million to € 12.2 million for the first six months of 2012 (1–6/2011: € 6.4 million). After the deduction of depreciation and amortisation totalling € 2.9 million (1–6/2011: € 3.2 million), EBIT amounted to € 9.3 million compared with € 3.2 million in the first six months of 2011. In comparison with the first half of the previous year, the EBITDA margin improved 4.9 percentage points to 10.8% and the EBIT margin 5.3 percentage points to 8.3%.

RETAIL & PROPERTIES SEGMENT

The Retail & Properties Segment covers shopping, gastronomy and parking as well as the development and marketing of real estate and advertising space.

Revenue plus of 10.6% in the Retail & Properties Segment

The growing importance of the Retail & Properties Segment is also underscored by the impressive 10.6% increase in revenue to € 59.6 million for the first half of 2012. The share of Group revenue generated by this segment rose by 1.1 percentage points to 20.3%. Parking revenue was a sound 15.6% or € 2.9 million higher at € 21.5 million, while revenue from the rental of real estate and advertising space increased 2.4% to € 18.5 million. The shopping and gastronomy areas also recorded strong growth with a revenue plus of 13.8% or € 2.4 million.

The cost of consumables rose by € 0.2 million to € 0.6 million following an increase in expenses charged out. This was contrasted by a reduction of € 0.2 million in personnel expenses to € 2.2 million. Other operating expenses increased € 5.0 million to € 12.8 million due to higher additions to valuation allowances for receivables as well as an addition to a provision for damages following the loss of a tenant because of outstanding payments, failure to complete leased space and the insufficient stocking of shops. Internal operating expenses in this segment totalled € 17.2 million (1–6/2011: € 16.1 million). Depreciation and amortisation declined 4.6% to € 6.9 million.

€ 1.2 million increase in EBITDA

EBITDA recorded by the Retail & Properties Segments rose by € 1.2 million to € 38.5 million for the first half of 2012 (1–6/2011: € 37.3 million) and EBIT totalled € 31.6 million (1–6/2011: € 30.0 million). The EBITDA margin for the first half of 2012 equalled 55.7%, compared with 58.8% in the previous year, and the EBIT margin was 45.7 % (1–6/2011: 47.4%).

OTHER SEGMENTS

The reportable segment "Other Segments" provides a wide range of services for the other operating segments and for external customers. These services include 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. This segment also includes the subsidiaries of Flughafen Wien AG that directly or indirectly hold shares in foreign associates and joint ventures and have no other operating activities.

External revenue recorded by the Other Segments remained nearly constant in year-on-year comparison at € 7.7 million for the first half of 2012.

The cost of consumables and services was € 2.2 million higher than the comparable prior year period, chiefly due to the increased use of electricity and fuel. Personnel expenses were 4.4% lower at € 19.4 million. Higher third party services as well as increased legal, auditing and consulting fees were contrasted by the release of valuation allowances to other receivables. In total, other operating expenses rose by 10.5% to € 9.1 million. Depreciation and amortisation rose by € 1.0 million to € 6.2 million (1–6/2011: € 5.1 million) due to the implementation of software. Internal operating expenses totalled € 3.9 million, compared with € 3.6 million in the previous year.

In the first six months of 2012, the Other Segments recorded EBITDA of € 7.4 million (1–6/2011: € 7.1 million) and EBIT of € 1.3 million (1–6/2011: € 2.0 million).

RECONCILIATION OF REPORTABLE SEGMENT RESULTS TO GROUP EBIT

in T€	**1–6/2012**	**1–6/2011**
Total reported segment results (EBIT)	81,425.3	77,768.6
Administration		
Revenue	3,610.1	3,214.4
Other operating income	183.9	451.9
Consumables	-263.5	-369.2
Personnel expenses	-8,167.2	-7,248.7
Other operating expenses	-7,988.5	-7,649.2
Depreciation and amortisation	-139.4	-126.0
Total not allocated	-12,764.6	-11,726.8
Group EBIT	68,660.7	66,041.7

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

SEGMENT ASSETS

in T€	30.6.2012	31.12.2011
Assets by segment		
Airport	1,442,101.9	1,432,861.9
Handling	37,290.1	32,153.1
Retail & Properties	316,779.6	321,941.4
Other Segments	171,741.6	169,003.0
Total assets in reportable segments	1,967,913.3	1,955,959.5
Assets not allocated to a specific segment		
Intangible assets and property, plant and equipment used in administration	893.5	1,204.9
Other financial assets	4,430.5	6,045.9
Non-current receivables	86.5	86.5
Current securities	29,559.0	29,535.0
Inventories	133.2	242.5
Trade receivables	12.2	7.1
Receivables due from subsidiaries	1,102.5	339.0
Receivables due from investments recorded at equity	59.3	77.8
Receivables due from taxation authorities	28,159.7	35,477.5
Other receivables and assets	8,207.5	5,002.1
Prepaid expenses and deferred charges	4,082.8	4,850.7
Cash and cash equivalents	49,331.6	111,330.0
Total not allocated	126,058.3	194,198.9
Group assets	2,093,971.6	2,150,158.3

(4) SIGNIFICANT EVENTS AND TRANSACTIONS – SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Balance sheet

The balance sheet total of the Flughafen Wien Group amounted to € 2,094.0 million as of 30 June 2012 (31.12.2011: € 2,150.2 million). This reflects a decline of 2.6% from the level on 31 December 2011. Non-current assets were nearly unchanged at € 1,921.5 million. Investments totalling € 38.2 million were made in property, plant and equipment and intangible assets during the first six months of 2012. The major asset additions involved Check-in 3, security systems, furniture, fixtures and operating equipment, baggage sorting equipment and the forwarding agent building. Check-in 3 started operations during June 2012. Impairment charges and book value disposals equalled € 2.5 million and € 1.1 million, respectively, while scheduled depreciation and amortisation totalled € 38.1 million.

The Flughafen Wien Group held cash and cash equivalents totalling € 49.3 million as of 30 June 2012 (31.12.2011: € 111.3 million). The decline in cash and cash equivalents resulted from the repayment of a long-term loan. Part of the promissory note issued in 2009 was repaid prematurely in January 2012 (€ 64.0 million). An agreement was reached for the remaining balance of this promissory note that reduced the interest rate margin based on an unchanged term.

Equity rose by 3.5% over the level at 31 December 2011 to € 840.0 million as of 30 June 2012. Other comprehensive income (OCI) amounted to T€ 86.2 for the first half of the reporting year (1–6/2011: € -1.3 million) and, together with net profit for the period, supported the increase in equity. A dividend of € 21.0 million was distributed to shareholders during the second quarter of 2012.

Non-current liabilities declined 9.0% to € 920.2 million following the repayment of a non-current financial liability as well as the reclassification of € 42.9 million instalment on a long-term loan to current financial liabilities in accordance with the scheduled repayment. This reclassification was also responsible for a 2.0% increase in current liabilities to € 333.8 million. Non-current deferred taxes rose by € 5.8 million over the level on 31 December 2011 to € 29.4 million, primarily due to a temporary deferred tax liability on depreciation connected with the start of operations in Check-in 3.

INCOME STATEMENT

Revenue recorded by the Flughafen Wien Group rose by 4.7% to € 293.6 million for the first half of 2012 (1–6/2011: € 280.3 million). Detailed information is provided under point 3.

Other operating income rose by € 4.6 million to € 13.0 million, primarily due to an increase in insurance compensation as well as penalties invoiced to reflect the delayed completion of space by a lessee. However, the bankruptcy of companies of the Sardana Group resulted in a write-down to these penalties. Of the € 11.1 million in insurance compensation, € 2.5 million is reported under other income and the remaining € 8.6 million as a reduction of acquisition cost without recognition through profit or loss.

The cost of consumables and personnel expenses rose by 4.8% and 1.3%, respectively, year-on-year.

Other operating expenses increased 9.5% to € 51.5 million. In the first half of 2012, valuation allowances of € 3.4 million for doubtful receivables were recognised in connection with the bankruptcy of the Sardana Group, a shop operator at Vienna Airport. A positive arbitration judgment led to the reversal of € 2.9 million in valuation allowances for doubtful receivables that were created in earlier years. In addition, expenditures for marketing, rentals and leasing were reduced. This decrease is contrasted by higher expenses for book value disposals, maintenance and third party services.

The Flughafen Wien Group recorded EBITDA of € 109.3 million in the first half of 2012 (1–6/2011: € 98.5 million).

The start of operations in Check-in 3 and airport-specific software as well as an impairment charge of € 2.5 million led to a € 8.2 million increase in depreciation and amortisation to € 40.6 million. In the first half of 2012, depreciation was recognised for one month on Check-in 3.

in T€	1–6/2012	1–6/2011
Scheduled amortisation	1,717.1	940.6
Scheduled depreciation	36,374.2	31,496.4
Impairment of property, plant and equipment	2,548.3	0.0
Total amortisation and depreciation	40,639.6	32,437.0

After the deduction of depreciation and amortisation, EBIT equalled € 68.7 million for the reporting period (1–6/2011: € 66.0 million).

Financial results recorded by the Flughafen Wien Group improved € 2.9 million to minus € 5.0 million. Interest income and interest expense were as follows:

in T€	1–6/2012	1–6/2011
Interest income	2,293.2	1,853.9
Interest expense	-10,276.1	-6,860.5

Borrowing costs of € 5.9 million were capitalised during the first six months of 2012 (1–6/2011: € 10.3 million). The completion of Check-in 3 at the beginning of the second quarter of 2012 ended the capitalisation of borrowing costs for this project. The capitalisation of borrowing costs on construction work for the third runway was suspended in the second quarter of 2012. Interest income rose by € 0.4 million, primarily as a result of default interest awarded by an arbitration court.

Income from investments accounted for at equity improved by € 6.5 million to plus € 1.9 million. In the second quarter of 2011 a € 5.7 million impairment charge was recognised to the 25.15% investment in Flughafen Friedrichshafen GmbH (for details see the consolidated financial statements as of 31 December 2011).

EBT recorded by the Flughafen Wien Group totalled € 63.7 million for the first half of 2012 (1–6/2011: € 58.2 million).

Income taxes for the interim reporting period represent a best estimate of the weighted average annual income tax rate expected for the full financial year.

Tax expense for the Flughafen Wien Group comprises the following:

in T€	1–6/2012	1–6/2011
Current tax expense	8,389.0	12,094.8
Change in deferred income taxes	5,784.7	2,779.5
Total Income Taxes	14,173.7	14,874.3

After the deduction of € 14.2 million in tax expense (1–6/2011: € 14.9 million), net profit for the period – before non-controlling interests – amounted to € 49.5 million (1–6/2011: € 43.3 million).

Cash Flow

Net cash flow from operating activities increased € 16.4 million year-on-year to € 81.2 million. This improvement resulted, above all, from the increase in revenue and lower advance payments for corporate income taxes.

Net cash flow from investing activities amounted to minus € 58.3 million for the first half of 2012. This main components of this development included cash outflows for investments that were contrasted in part by cash inflows for the disposal of non-current assets (incl. financial assets).

Net cash flow from financing activities of minus € 85.0 million includes the dividend payment of € 21.0 million as well as the repayment of non-current financial liabilities totalling € 64.0 million.

The change in cash and cash equivalents amounted to minus € 62.0 million and resulted in cash and cash equivalents of € 49.3 million as of 30 June 2012.

(5) SEASONALITY OF THE AIRPORT BUSINESS

Revenue and earnings recorded for the first and fourth quarters of the calendar year are generally lower than the second and third quarters due to the seasonal distribution of business in the aviation industry. The higher results are a consequence of the increase in passenger volume during the vacation season in Europe.

Other effects on earnings are also seasonal, e.g. maintenance expenses are substantially higher in the second half-year. Results for the 2012 financial year will also be influenced by the start of operations in Check-in 3, which will result in increased depreciation, additional operating expenses and higher interest expense during the second six months.

(6) CONSOLIDATION RANGE

These condensed consolidated interim financial statements include Flughafen Wien AG as well as 14 domestic (31.12.2011: 14) and seven foreign (31.12.2011: seven) subsidiaries over which Flughafen Wien AG exercises control. In addition, three domestic companies (31.12.2011: four) and four foreign companies (31.12.2011: four) were included using the equity method.

Four (31.12.2011: six) subsidiaries were not included in the consolidated interim financial statements because they are immaterial for the provision of a true and fair view of the asset, financial and earnings position of the Group.

(7) OTHER OBLIGATIONS AND COMMITMENTS

As of 30 June 2012, obligations for the purchase of intangible assets amounted to € 1.2 million (31.12.2011: € 2.8 million) and obligations for the purchase of property, plant and equipment to € 75.1 million (31.12.2011: € 112.0 million).

There have been no material changes in commitments or other financial obligations since the last balance sheet date.

(8) RELATED PARTIES

The circle of related parties (natural persons and legal entities) remained generally unchanged compared with the last consolidated financial statements. Business relations with related parties did not change significantly in comparison with the first half of the previous year.

(9) OTHER INFORMATION

A dividend of in € 21,000,000, i.e. € 1.0 per share, was distributed to shareholders during the second quarter of 2012.

(10) EVENTS AFTER THE END OF THE REPORTING PERIOD

Other events after the end of the interim reporting period that are of material importance for recognition and measurement as of 30 June 2012, such as outstanding legal proceedings or claims for damages as well as other obligations and impending losses which must be recognised or disclosed in accordance with IAS 10, are included in these interim financial statements or are not known.

Schwechat, 3 August 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

STATEMENT BY THE MEMBERS OF THE MANAGEMENT BOARD

in accordance with § 87 (1) of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed consolidated interim financial statements provide a true and fair view of the assets, liabilities, financial position and profit of the group as required by the applicable accounting standards and that the group management report provides a true and fair view of important events that occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements as well as the principal risks and uncertainties for the remaining six months of the financial year and the major related party transactions disclosed.

Schwechat, 3 August 2012

The Management Board

Günther Ofner
Member, CFO

Julian Jäger
Member, COO

REPORT ON THE REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying condensed interim consolidated financial statements of **Flughafen Wien Aktiengesellschaft, Schwechat**, for the **period from 1 January 2012 to 30 June 2012**. These condensed interim consolidated financial statements comprise the condensed consolidated statement of financial position as of 30 June 2012, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, and the condensed consolidated statement of changes in equity for the period from 1 January 2012 to 30 June 2012 and selected explanatory notes.

Management is responsible for the preparation of these condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. Our liability towards the Company and towards third parties is limited in accordance with § 275 par. 2 of the Austrian Commercial Code (UGB).

SCOPE OF REVIEW

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE) 2410 „Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and/or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

STATEMENT ON THE CONSOLIDATED INTERIM MANAGEMENT REPORT AND ON MANAGEMENT'S STATEMENT IN ACCORDANCE WITH § 87 AUSTRIAN STOCK EXCHANGE ACT (BÖRSEG)

We have read the consolidated interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial information contains the statement by management in accordance with § 87 par. 1 Austrian Stock Exchange Act.

Vienna, 6 August 2012

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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