Annual Financial Report 2010

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

VIE Vienna International Airport

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Contents

Flughafen Wien Group

Individual Financial Statements of Flughafen Wien AG

Management Report 2010

Annual Financial Statements 2010

Group Management Report

The Business Environment

The success of an airport is significantly influenced by external factors that include the development of the economy and the purchasing power of private households which, in turn, have an effect on travel behaviour. After the severe global recession caused by the international financial crisis, the first signs of a turnaround appeared in mid-2009. Economic growth has since been driven by strong exports and, not least, by expansive monetary and fiscal policies. According to statistics published by the International Monetary Fund, the global economy grew by approx. 5.0% in 2010. A Eurostat report shows GDP growth of 1.7% for the euro zone, while the Austrian economy generated a plus of 2.0%.

Forecasts for 2011

Economic forecasters expect a continuation of this upward trend in 2011, but global growth will most likely be paralleled by weakness in the Austrian economy through mid-year. In the euro zone, the slowing momentum in worldwide trade and the consolidation of government budgets have had a subduing effect on recovery. Market developments reflect two speeds: Germany and countries closely related to the German economy – like Austria – will continue to expand as a result of worldwide growth, while the outlook for Southern Europe and Ireland is less optimistic due to drastic government austerity programmes and lower competitive ability. Consequently, the upturn in the euro zone should be less dynamic than the rest of the world over the coming years. Only the EU member states in Central-East Europe are expected to generate significant growth.

According to the economic research institute WIFO, growth in Austria should reach 2.2% in 2011 and 2.0% in 2012. The economic stimulus measures implemented during 2009 and 2010 (tax reform, increase in transfer incomes, short-time work) provided support for real disposable personal income and stabilised the overall development of the economy through an increase in private consumption. Consumer spending is expected to rise by an average of 1.2% annually from 2011 to 2015. The global economy – above all the economies in the largest emerging markets of Asia and South America – mastered the consequences of the crisis faster than expected and should generate average growth of 4.5% per year during the period from 2011 to 2015.

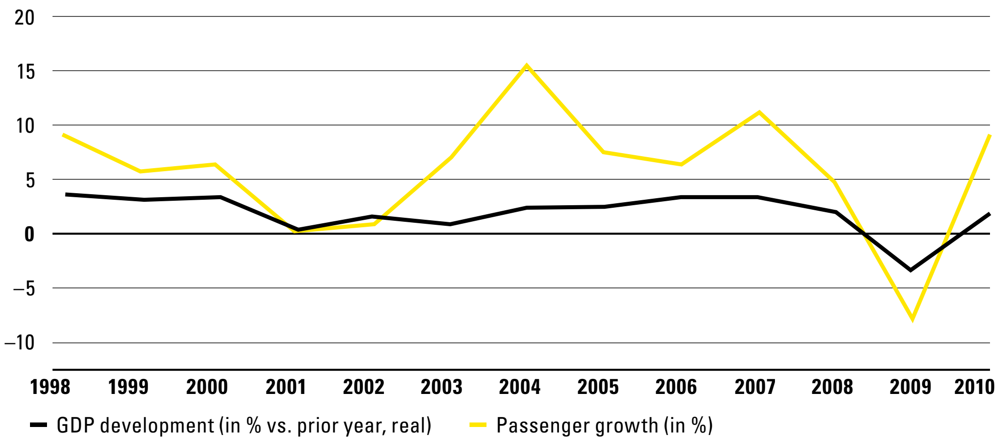
Tourism in Austria

The decline in overnight stays during 2009 was followed by a slight increase in the reporting year. According to Statistik Austria, the number of overnight stays rose by 0.4% year-on-year to 124.8 million in 2010 (2009: 124.3 million). Vienna set a new record with a plus of 10.3% to 10.86 million overnight stays. An analysis of the key countries of origin for visitors to Vienna shows the strongest increase in the number of overnight stays from Russia at 35%, followed by Austria (+14%), Italy and France (each +12%), Germany and the USA (each +11%). Sound growth was also recorded in overnight stays by guests from Turkey (+34%), the Arabian countries in Asia and Brazil (each +21%) as well as China (+28%).

Economic growth and air travel

Numerous studies confirm the close correlation between the economic success of a country and the demand for air travel, whereby passenger volumes tend to fluctuate significantly more than economic growth. Experts are forecasting an average increase in air traffic above the mean increase in global GDP by 2030. However, this development differs substantially by region, with China and India representing the largest growth markets. The following graph shows the development of passenger volumes at Vienna International Airport compared with GDP growth in Austria and illustrates this correlation. With the exception of 2001 and 2002, when the pulmonary disease SARS led to a sharp drop in the number of passengers and the "crisis year" 2009, the increase in the number of passengers has always outpaced the Austrian economy.

Correlation between the economy and passenger volume



Traffic at Vienna International Airport

Vienna International Airport in European Comparison

2010 was a period of significant recovery for the European aviation industry. However, the year was influenced by the effects of the volcanic ash cloud and severe winter weather that, in both cases, led to numerous flight cancellations. The European airports recorded an average increase of 4.2%[1] in passengers for the year, but the growth in Vienna was more than double this level with a plus of 8.7%. With a total of 19,691,206 passengers, Vienna International Airport nearly reached the pre-crisis level and missed the 9.0% traffic forecast by only a slight margin. Many European airports reported a decline in flight movements for 2010 due to the numerous cancellations. The European average, with a decline of 1.1% in flight movements for the year, is contrasted by a 1.1% increase in flight movements to 246,146 at Vienna International Airport.

Traffic at European Airports

	Passengers in thous.	Change vs. 2009 in %	Flight movements	Change vs. 2009 in %
London[1)]	115,837.0	-2.2	826,207	-4.1
Frankfurt	53,009.2	4.1	453,228	0.2
Paris[2)]	83,369.3	0.4	707,578	-4.2
Amsterdam	45,211.7	3.8	386,316	-1.3
Madrid	49,768.2	2.8	432,430	-0.3
Rome	36,228.5	7.4	323,326	1.4
Munich	34,721.6	6.2	367,760	-2.4
Milan	18,947.8	8.0	189,580	3.5
Zurich	22,826.9	4.3	227,819	2.0
Vienna	19,691.2	8.7	246,146	1.1
Prague	11,556.9	-0.7	152,805	-4.8
Budapest	8,179.4	1.2	100,408	-3.6

1) London Heathrow, Gatwick and Stansted
2) Paris Charles de Gaulle, Paris Orly
Source: ACI Europe Traffic Report December 2010

Traffic at Vienna International Airport

Vienna International Airport recorded an increase of 8.7% in the number of passengers to 19,691,206 in 2010, thereby nearly reaching the traffic forecast of 9.0%. Growth was limited by the eruption of the Icelandic volcano Eyjafjallajökull in April and the severe winter weather, which resulted in numerous flight cancellations. Despite the negative effects of the volcanic ash cloud on air traffic, flight movements increased – above all during the third and fourth quarter – by a total of 1.1% to 246,146 for the year. Maximum take-off weight (MTOW) rose by 9.9% to 7,975,333 tonnes, in comparison with a forecast of 10.0%. The average seat occupancy equalled 68.9% versus 68.7% in the previous year.

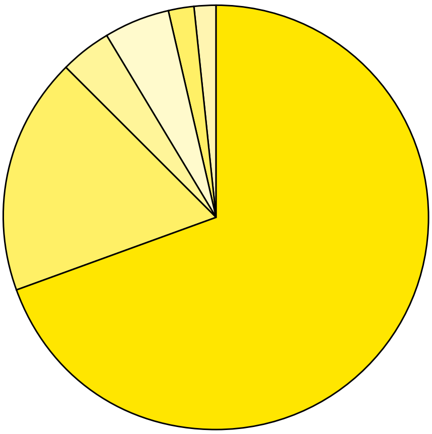
1) Source: ACI Airport Traffic Report, December 2010 – full year

Cargo turnover at Vienna International Airport rose by 16.5% to 295,989 tonnes. This strong development resulted, above all, from increased air cargo traffic to and from the Far East and Middle East as well as the rapid economic recovery. Air cargo was 18.1% higher at 219,334 tonnes, while trucking grew 12.3% to 76,655 tonnes.

Vienna International Airport offered flights to a total of 172 destinations in 2010, including 40 cities in Eastern Europe. This extensive flight plan allowed Vienna to maintain its standing as the leading east-west hub in European comparison. Traffic to Eastern Europe increased by an above-average 13.6% in 2010, after a sharp 14.6% drop in the previous year. Travel to the Middle East also grew by a sound 10.0%, while the Far East increased 3.6%.

There were no major year-on-year shifts in the regional distribution of scheduled passenger traffic during 2010. Western Europe remained the most popular destination with 69.6%, with Frankfurt, London, Zurich and Paris as the strongest destinations.

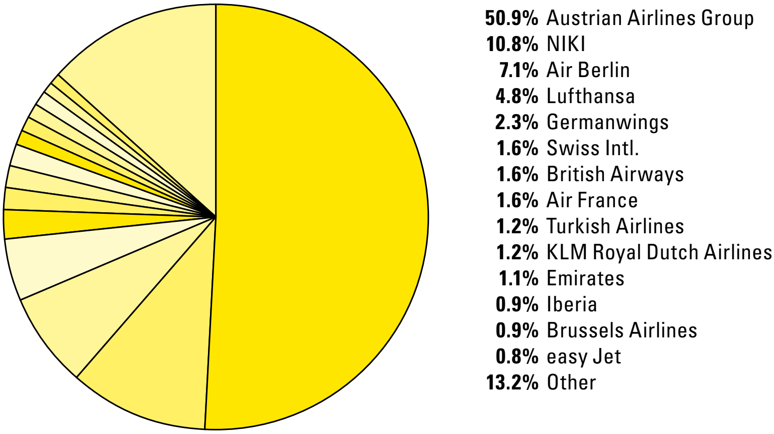
Passenger traffic – scheduled flights
Departing passengers (change vs. prior year in percentage points)



The Major Airlines at Vienna International Airport

The Austrian Airlines Group, as the home carrier at Vienna International Airport, recorded 12.0% growth in the number of passengers handled during 2010, which raised its share of the total passenger volume from 49.5% in the previous year to 50.9%. With an increase of 27.7% in passengers and a share of 10.8% (2009: 9.2%), the low-cost carrier NIKI was able to expand its position as Vienna's second largest carrier. Eight other low-cost carriers also served Vienna on a regular basis during 2010 (2009: 11). The termination of flights by SkyEurope, Tuifly.com and Myair.com reduced the market share of the low-cost carriers by one percentage point to 22.1%. The low-cost carriers handled 4,356,707 passengers during the reporting year, for a plus of 4.0% (2009: -9.0%). Four new airlines (Alitalia, British Midland, China Southern Airlines and Wataniya Airlines) added Vienna International Airport to their flight schedules in 2010, while four airlines terminated services to and from Vienna.

Passengers in 2010 by airline



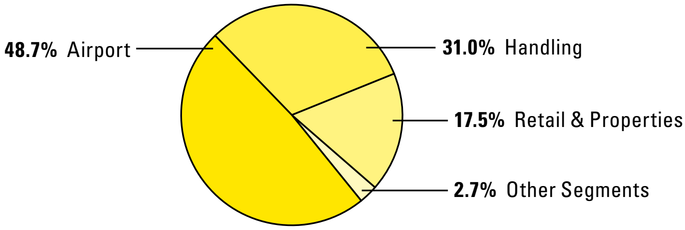
Tariff and Incentive Policy

The tariff adjustments implemented by Flughafen Wien as of 1 January 2010 (landing, passenger, parking and infrastructure tariffs) were determined using the index formula that has been in effect for many years. Accordingly, these tariffs were increased by the consumer price index of 0.5%. Revenue-neutral changes involved a 13.0% reduction in the landing tariff and a 7.3% increase in the passenger tariff. These adjustments still give Flughafen Wien a highly competitive tariff structure. Applications for tariff changes are subject to the approval of the Austrian civil aviation authority, which has authorised the use of the index-based formula for adjustments up to the end of 2011.

Revenue

Revenue recorded by the Flughafen Wien Group rose by 6.4% to € 533.8 million in 2010. This increase was less than the 8.7% growth in traffic because of higher revenue deductions, among others from the extension of the increase in the transfer incentive and the agreements[1] concluded with NIKI and the Austrian Airlines Group.

Group Revenue 2010 by Segment



The Airport Segment generated external revenue of € 260.0 million for the reporting year (2009: € 226.5 million). The increase resulted, above all, from a € 29.6 million change in the allocation of revenue from passenger and baggage controls. In 2009 this revenue was assigned to the Handling Segment. The 13.0% reduction in the landing tariff and the 7.3% increase in the passenger tariff resulted in a neutral shift in revenue. Revenue from the MTOW-related landing tariff therefore fell by 8.5%, while revenue from the passenger tariff rose 4.2%. With a share of 48.7%, the Airport Segment again made the largest contribution to group revenue in 2010 (2009: 45.1%).

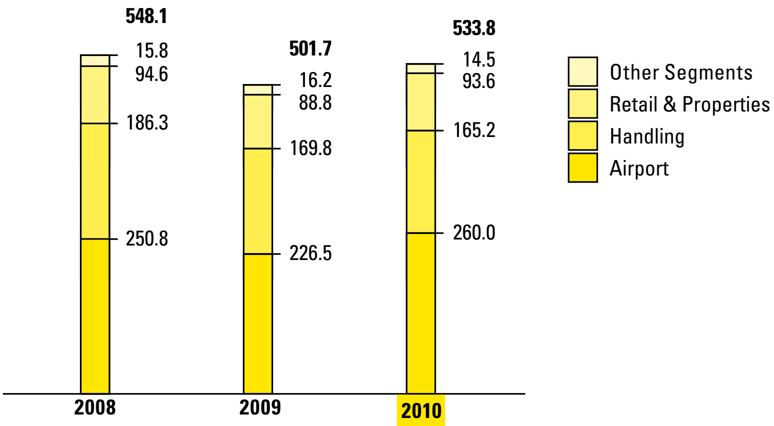
The Handling Segment reported external revenue of € 165.2 million, which represents a decline of € 4.6 million or 2.7%. This development reflected a change from the prior year through the reclassification of € 27.3 million from passenger and baggage controls to internal revenue. Therefore, external revenue from security controls and other services provided by VIAS amounted to € 3.4 million, or € 23.7 million less than in 2009. Revenue from apron handling services totalled € 109.2 million (2009: € 97.4 million) and represented the largest component of external revenue in this segment. This development was also related to a year-on-year increase in individual services. Higher cargo volumes supported a € 6.9 million rise in cargo handling to € 34.7 million. The market share of VIE-Handling in the cargo segment rose by an average of 0.4 percentage points to 94.0%. The Handling Segment generated 31.0% of group revenue in 2010 (2009: 33.8%).

Revenue recorded by the Retail & Properties Segment amounted to € 93.6 million in 2010, compared with € 88.8 million in the previous year. Parking revenue rose by 13.6% to € 34.8 million, but revenue from rentals declined 5.2% to € 31.8 million. This change reflected lower income from the rental of advertising space (€ -0.4 million) as well as a decrease in revenue from the rental of the AUA base (€ -1.1 million). Revenue from shopping and gastronomy facilities increased slightly more than the growth in traffic, rising 9.7% to € 26.9 million. Primary revenues from retail and gastronomy space totalled € 153.6 million, compared with € 144.8 million in 2009.

1) Details on the agreements are provided on page 22.

The reporting segment "Other Segments" recorded a slight decline in revenues from € 16.2 million to € 14.5 million. This revenue consists primarily of energy supply and waste disposal services totalling € 6.1 million (2009: € 7.5 million), telecommunications and IT services of € 3.3 million (2009: € 3.7 million) and material supplies of € 1.7 million (2009: € 1.5 million). The services provided by facility management, the workshops and external revenue from the fully consolidated foreign subsidiaries generally reflect the respective prior year levels (€ +0.3 million).

Group revenue in € million



Seasonality of the Airport Business

Flughafen Wien AG generally records the highest revenues during the second and third quarters of the year because of the vacation season in Europe. The largest share of revenue in 2010 was recorded during the third quarter with 27.1%. In contrast to the usual pattern, this was followed by the fourth quarter with 25.5% of annual revenue due to strong growth in passenger traffic. The second and first quarters were responsible for 24.4% and 23.0% of annual revenue, respectively.

Earnings

The development of earnings in the Flughafen Wien Group during 2010 can be summarised as follows:

- Revenue: plus 6.4% to € 533.8 million
- Operating income: plus 6.4% to € 550.2 million
- Operating expenses, excl. depreciation and amortisation: plus 9.0% to € 382.1 million
- Earnings before interest, taxes, depreciation and amortisation (EBITDA): plus 1.0% to € 168.1 million
- Depreciation and amortisation: minus € 1.1 million to € 65.8 million
- Earnings before interest and taxes (EBIT): plus 2.8% to € 102.3 million
- Financial results: minus € 0.1 million to minus € 3.6 million
- Earnings before taxes (EBT): plus 2.8% to € 98.7 million
- Net profit before non-controlling interests: plus 3.2% to € 75.7 million
- Share of Flughafen Wien AG in annual profit: plus € 2.3 million to € 75.7 million

Income statement, summary, in € million

Consolidated Income Statement	2010	Change in %	2009	2008
Revenue	533.8	6.4	501.7	548.1
Other operating income	16.4	6.4	15.4	13.2
Operating income	550.2	6.4	517.1	561.3
Operating expenses. excl. depreciation and amortisation	382.1	9.0	350.6	359.4
EBITDA	168.1	1.0	166.5	201.9
Depreciation and amortisation	65.8	-1.6	66.9	68.7
EBIT	102.3	2.8	99.6	133.3
Financial results	-3.6	-2.3	-3.6	-14.3
EBT	98.7	2.8	96.0	119.0
Income taxes	23.0	1.5	22.7	27.8
Net profit for the period	75.7	3.2	73.3	91.1
Thereof attributable to non-controlling interests	0.0	–	0.0	0.0
Thereof attributable to equity holders of the parent	75.7	3.2	73.4	91.1
Earnings per share in EUR	3.61	3.4	3.49	4.34

Segment results for 2010 in € million

	Airport	Handling	Retail & Properties	Other Segments	Not allocated	Group
Operating income	305.0	221.3	110.7	95.3	8.1	550.2
Operating expenses	226.1	206.2	72.7	98.7	34.3	447.9
EBIT	78.9	15.1	38.0	-3.4	-26.3	102.3

Other operating income rose by € 1.0 million to € 16.4 million in 2010. The high volume of capital expenditure at Vienna International Airport was reflected a € 1.0 million increase in own work capitalised, which is provided not only by Flughafen Wien AG but also by the subsidiaries VIE-ÖBA GmbH and Vienna Airport Infrastruktur Maintenance GmbH. Operating income amounted to € 550.2 million for the reporting year (2009: € 517.1 million).

Operating expenses

	2010	2009	2008	2007
Consumables and services used	42.3	37.5	40.0	37.0
Personnel expenses	238.1	215.4	220.2	213.4
Depreciation and amortisation	65.8	66.9	68.7	70.6
Other operating expenses	101.6	97.7	99.2	94.4

The cost of consumables and services totalled € 42.3 million and was 13.0% higher than 2009. This difference reflected the increased use of de-icing materials (€ +2.3 million) as a result of the severe winter weather. Electricity costs amounted to € 10.8 million, which is € 1.9 million lower than the previous year, while expenses for long-distance heating rose by € 2.2 million due to higher prices and consumption. The cost of other materials increased € 2.0 million to € 11.4 million.

Traffic growth during the reporting year led to additional hiring. The average number of employees equalled 4,266, which reflects a year-on-year increase of 2.8% and a return to the 2008 level. The average workforce declined 2.7% in the Airport Segment, but rose by 3.7% in the Handling Segment. Personnel expenses were 10.5% higher at € 238.1 million in part due to the higher average number of employees, but also as the result of additional overtime work (e.g. winter services), wage and salary increases mandated by collective bargaining agreements and higher costs for severance compensation and pensions.

Other operating expenses (excluding depreciation and amortisation) rose by 4.0% or € 3.9 million to € 101.6 million. Additions to the valuation allowances for receivables were € 4.4 million lower, and a € 2.0 million provision created in 2009 was released during the reporting year. In 2009 costs of € 8.4 million for the VIE-Skylink were recognised as expenses. This was contrasted by an increase of € 6.9 million in marketing and market communication costs and € 3.3 million in legal and consulting fees during 2010. Increases were also recorded in leasing and rental expenses (€ +1.1 million), maintenance (€ +2.4 million) and third party services (€ +1.7 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded by the Flughafen Wien Group rose by 1.0% to € 168.1 million (2009: € 166.5 million). The Airport Segment generated the largest share of group EBITDA with € 112.4 million (2009: € 113.3 million) or 66.9%, followed by the Retail & Properties Segment with € 52.6 million (2009: € 57.0 million) or 31.3%. EBITDA in the Handling Segment amounted to € 22.0 million (2009: € 20.8 million) or 13.1% of the group total, while the Other Segments generated EBITDA of € 7.1 million (2009: € 4.1 million) or 4.2%. The non-allocated, negative EBITDA is related above all to personnel expenses and other operating expenses in the administrative area.

EBITDA by segment in € million

	2010	2009	2008
Airport	112.4	113.3	134.4
Handling	22.0	20.8	25.0
Retail & Properties	52.6	57.0	58.9
Other Segments	7.1	4.1	10.5
Group EBITDA	168.1	166.5	201.9
Not allocated	-26.0	-28.7	-26.8

Group EBITDA by segment in %

	2010	2009	2008
Airport	66.9	68.1	66.6
Handling	13.1	12.5	12.4
Retail & Properties	31.3	34.2	29.1
Other Segments	4.2	2.4	5.2
Group EBITDA	100.0	100.0	100.0
Not allocated	-15.5	-17.3	-13.4

Despite the high level of capital expenditure, depreciation and amortisation fell by € 1.1 million to € 65.8 million, since prepayments and assets under construction are only written down after completion.

Capital expenditure and depreciation in € million

	2010	2009	2008
Capital expenditure	146.9	224.7	299.0
Depreciation and amortisation	65.8	66.9	68.7

The improvement in EBITDA and the decline in depreciation led to an increase of 2.8% or € 2.8 million in EBIT to € 102.3 million. The Airport Segment made the largest contribution to EBIT at € 78.9 million (2009: € 78.7 million), followed by the Retail & Properties Segment with € 38.0 million (2009: € 42.8 million). The Handling Segment recorded EBIT of € 15.1 million (2009: € 13.7 million), which represents the largest increase for the reporting year. The Other Segments reported EBIT of minus € 3.4 million (2009: € -6.5 million).

EBIT by segment in € million

	2010	2009	2008
Airport	78.9	78.7	97.3
Handling	15.1	13.7	16.9
Retail & Properties	38.0	42.8	46.5
Other Segments	-3.4	-6.5	-0.2
Group EBIT	102.3	99.6	133.3
Not allocated	-26.3	-29.1	-27.2

Group EBIT by segment in %

	2010	2009	2008
Airport	77.1	79.1	73.0
Handling	14.8	13.7	12.7
Retail & Properties	37.2	43.0	34.9
Other Segments	-3.4	-6.5	-0.2
Group EBIT	100.0	100.0	100.0
Not allocated	-25.7	-29.3	-20.4

Financial results remained nearly unchanged in year-on-year comparison at minus € 3.6 million. Lower distributions from short-term securities led to a decline in interest income from securities and other interest income to € 3.4 million (2009: € 3.6 million). The increase in financial liabilities resulted in higher interest expense, which rose by 5.4% to € 11.0 million. This reflected the mandatory capitalisation of € 17.2 million (2009: € 15.9 million) in borrowing costs on assets under construction, but also led to a reduction in interest expense. Excluding the capitalisation of these borrowing costs, interest expense would have risen from € 26.4 million to € 28.2 million.

Other financial results (excluding companies consolidated at equity) improved from minus € 0.3 million to plus € 0.1 million. This development reflected the write-off of € 0.3 million in loans granted during 2009, which were contrasted by write-ups of € 0.1 million to financial assets in the reporting year.

Associates consolidated at equity and joint ventures generated income of € 3.6 million (2009: € 3.4 million). The investments in Malta Airport and Košice Airport were responsible for income of € 3.4 million (2009: € 2.7 million) and € 0.8 million (2009: € 1.3 million), respectively. The investment in Friedrichshafen Airport produced a loss of € 0.8 million (2009: € -0.7 million). Additional income of T€ 114.5 (2009: T€ 40.0) was attributable to the investment in City Air Terminalbetriebsgesellschaft m.b.H. and T€ 25.5 (2009: T€ 66.0) to the investment in Schedule Coordination Austria GmbH. Profit before taxes (EBT) amounted to € 98.7 million for the reporting year (2009: € 96.0 million).

The income from the companies included in the consolidated financial statements was taxed almost exclusively in Austria. The tax rate equalled 23.3% in 2010, compared with 23.6% in the previous year. Net profit of € 75.7 million for the 2010 financial year (2009: € 73.3 million) includes minus € 30,781.85 that is attributable to non-controlling interests. Therefore, the share of net profit attributable to the equity holders of the parent company amounted to € 75.7 million in 2010 (2009: € 73.4 million). Based on an unchanged number of shares outstanding, earnings per share equalled € 3.61, compared with € 3.49 in 2009.

Financial and Capital Management

The financial management of the Flughafen Wien Group is supported by a system of indicators that is based on selected and closely synchronised ratios. These indicators define the scope of development, profitability and financial security within which the Flughafen Wien Group moves in the pursuit of its primary goal to realise profitable growth.

Depreciation, which will rise over the coming years due to the high level of capital expenditure at the airport, has a significant influence on the earnings indicators used by the Flughafen Wien Group. In order to permit an independent evaluation of the operating strength and performance of the individual business segments, EBITDA – which equals operating profit plus depreciation and amortisation – is defined as the key indicator. The group also uses the EBITDA margin, which shows the relationship of EBITDA to revenue. The EBITDA margin equalled 31.5% in 2010, compared with 33.2% in the previous year. The defence of high profitability is a stated goal of management.

The optimisation of the financial structure has top priority for Flughafen Wien. This financial security is measured by the gearing ratio, which compares net financial liabilities with the carrying amount of equity. Financial liabilities rose by € 112.1 million during the reporting year, above all through financing for the capital expenditure programme. Cash and cash equivalents increased € 58.2 million, which resulted in a year-on-year increase of € 52.4 million in net debt as of 31 December 2010. Based on equity of € 823.0 million at year-end 2010, gearing equalled 81.0% (2009: 77.2%).

In addition to the EBIT margin, the return on equity (ROE) is also used to evaluate the group's profitability. ROE compares net profit for the period with the average capital employed during the financial year. It is the objective of the Flughafen Wien Group to exceed the return required by investors and lenders on the capital market. The standard for this return is the cost of capital, which represents a weighted average of the cost of equity and debt (weighted average cost of capital; WACC).

Profitability indicators in %

	2010	**2009**	**2008**
EBITDA margin	31.5	33.2	36.8
EBIT margin	19.2	19.9	24.3
ROE	9.4	9.3	12.1
ROCE	5.1	5.4	8.4

Financial indicators

	2010	**2009**	**2008**
Net debt in € million	666.3	613.9	507.3
Equity ratio in %	41.2	42.7	44.7
Gearing in %	81.0	77.2	65.3
Equity in € million	823.0	794.8	776.4
Working capital in € million	-153.0	-158.2	-142.1
Fixed assets / balance sheet total in %	90.3	92.6	90.1
Asset coverage II in %	98.6	89.5	89.7

Value added in € million

Source	**2010**	**Change in %**	**2009**	**2008**
Operating income	550.2	6.4	517.1	561.3
Less cost of consumables and services	-202.0	3.7	-194.8	-207.9
Value added	**348.2**	**8.1**	**322.3**	**353.4**
Use				
Employees	233.2	10.6	210.8	215.4
Shareholders	42.0	-4.8	44.1	54.6
Company	33.7	15.2	29.3	36.5
Creditors (interest)	11.0	5.4	10.5	13.8
Public authorities (taxes)	28.4	2.5	27.7	33.1
Non-controlling interests	0.0	–	0.0	0.0
Value added	**348.2**	**8.1**	**322.3**	**353.4**

Financial, Asset and Capital Structure

Assets

Non-current assets rose by 4.7% during the reporting year to € 1,804.1 million as of 31 December 2010. The carrying amount of intangible assets declined 3.5% to € 12.5 million. Goodwill remained unchanged at the prior year level of € 4.4 million. The major additions – primarily software – amounted to € 1.1 million in 2010 and were contrasted by amortisation of € 1.8 million. Property, plant and equipment with a combined carrying amount of € 1,538.6 million represented the largest component of non-current assets. Additions of € 143.7 million were contrasted by depreciation of € 57.2 million. The majority of these additions (€ 126.4 million) represent prepayments and construction in progress relating to the terminal extension VIE-Skylink, the third runway and the revitalisation of the bus gates. Land and buildings declined € 33.9 million, whereby additions of € 2.9 million were contrasted by depreciation of € 21.3 million. The changes in investment property are related primarily to depreciation of € 4.4 million and reclassifications of € 16.2 million. The carrying amount of companies consolidated at equity rose by € 1.1 million in 2010 following the recognition of the proportional share of results due to Flughafen Wien for the reporting year.

Current assets rose by 40.4% to € 194.4 million, chiefly due to short-term investments of € 51.0 million that are reported under cash and cash equivalents. Receivables and other assets declined 7.4% to € 61.9 million, whereby the major component of this position represents trade receivables of € 45.5 million (2009: € 44.0 million). Receivables due from taxation authorities were 38.7% lower at € 8.6 million, and consist chiefly of value added tax on investments and income tax receivables. Cash and cash equivalents rose by € 58.2 million to € 63.6 million, primarily due to short-term investments. Inventories increased 36.1% to € 4.5 million due to higher stocks of de-icing materials and other items. Securities totalling € 34.4 million were pledged to Austrian banks to improve refinancing conditions.

Cash and cash equivalents rose by a higher amount than property, plant and equipment in 2010 and, in turn, led to a decrease in non-current assets as a per cent of total assets from 92.6% in the prior year to 90.3%. The balance sheet total increased 7.4% to € 1,998.5 million as of 31 December 2010.

Equity and Liabilities

Equity recorded by the Flughafen Wien Group rose by 3.5% to € 823.0 million as of 31 December 2010. Net profit of € 75.7 million for the reporting year was contrasted by the dividend payment of € 44.1 million for 2009. The fair value measurement of securities and hedging instruments increased equity by € 1.2 million, while actuarial losses on employee-related provisions reduced equity by € 6.7 million. The acquisition of the remaining 19.05% stake in KSC Holding a.s. led to a € 2.1 million increase in equity. Non-controlling interests as of 31 December 2010 represent the stake held by RZB Holding GmbH in the Slovakian subsidiary BTS Holding a.s., Bratislava. The increase in financial liabilities as a result of the capital expenditure programme at Vienna International Airport led to a decline in the equity ratio, which fell by 1.5 percentage points to 41.2%.

Non-current liabilities rose by 27.9% to € 955.9 million, primarily due to a € 200.0 million loan that was concluded in connection with an Austrian law to strengthen liquidity

("Unternehmensliquiditätsstärkungsgesetz"). The increase in long-term bank loans is intended to secure medium-term financing for the expansion plans of the Flughafen Wien Group. Non-current provisions rose by € 11.4 million to € 104.3 million. This increase reflected higher provisions for severance compensation (€ +8.2 million) and service anniversary bonuses (€ +2.4 million) as well as additions of € 0.8 million to other provisions for employee-related items (pensions and part-time work for older employees).

Miscellaneous non-current liabilities declined 19.3% to € 40.4 million. This decrease reflected the repayment of a € 1.6 million loan to the owners of non-controlling interests as well as a decrease of € 6.5 million on a liability due to the environmental fund, which was established in connection with the mediation process. Additions of € 5.8 million were made during the reporting year without recognition through profit or loss, and € 10.5 million were reclassified to other current liabilities based on the expected payment date. Non-current deferred tax liabilities increased € 4.5 million over the level on 31 December 2009.

Current liabilities were reduced by € 99.3 million to € 219.6 million. The increased use of long-term loans was reflected in a € 90.5 million decline in current financial liabilities. Miscellaneous current provisions rose by 20.4% to € 109.4 million, chiefly due to a higher volume of goods and services not yet invoiced (€ +8.8 million) and provisions for discounts to airlines (€ +10.3 million). Trade payables were reduced by 36.2% to € 66.3 million, while miscellaneous current liabilities increased by € 10.0 million. The net change in miscellaneous current liabilities resulted from the following items: the current portion of the liability to the environmental fund (€ +10.5 million), accruals for other liabilities to social security carriers (€ +2.6 million), the repayment of a loan due to the owners of non-controlling interests (€ -8.2 million), liabilities to companies included at equity (€ -1.4 million), accruals for customers with credit balances (€ +3.6 million) and other accruals (€ +2.3 million).

Balance sheet structure, summary

	2010	2010	2009	2009
Assets	**in € million**	**as a % of the balance sheet total**	**in € million**	**as a % of the balance sheet total**
Non-current assets	1,804.1	90.3	1,722.5	92.6
Current assets	194.4	9.7	138.4	7.4
Thereof liquid funds	63.6	3.2	5.4	0.3
Balance sheet total	**1,998.5**	**100.0**	**1,860.9**	**100.0**

Equity and liabilities	**in € million**	**as a % of the balance sheet total**	**in € million**	**as a % of the balance sheet total**
Equity	823.0	41.2	794.8	42.7
Non-current liabilities	955.9	47.8	747.2	40.2
Current liabilities	219.6	11.0	318.9	17.1
Balance sheet total	**1,998.5**	**100.0**	**1,860.9**	**100.0**

Cash Flow Statement

Net cash flow from operating activities rose by € 14.3 million to € 169.7 million, chiefly due to the € 2.7 million increase in profit before taxes to € 98.7 million. The net total of write-ups and depreciation and amortisation led to an increase of € 0.1 million. An increase of € 1.2 million in inventories and € 21.0 million in provisions was contrasted by a reduction of € 5.1 million in receivables. Income tax payments were € 0.8 million higher.

Net cash flow from investing activities amounted to minus € 173.5 million in 2010, compared with minus € 176.0 million in the previous year. Payments of € 173.7 million for the purchase of property, plant and equipment and intangible assets were contrasted by proceeds of € 0.2 million on the disposal of non-current assets. In 2009 payments of€ 32.2 million were received on the sale of securities.

A dividend of € 44.1 million was distributed to the shareholders of the parent company in 2010 (2009: € 54.6 million). The purchase of the RZB stake in KSC Holding a.s. resulted in payments of € 6.0 million to the owners of non-controlling interests. Current and non-current borrowings rose by € 112.1 million. In total, cash and cash equivalents increased € 58.2 million to € 63.6 million as of 31 December 2010.

Cash flow statement, summary in € million

	2010	Change in %	2009	2008
Cash and cash equivalents as of 1 January	5.4	-18.3	6.6	29.3
Net cash flow from operating activities	169.7	9.2	155.5	148.4
Net cash flow from investing activities	-173.5	-1.4	-176.0	-234.7
Net cash flow from financing activities	61.9	221.1	19.3	63.5
Currency translation adjustments	0.0	0.0	0.0	0.1
Cash and cash equivalents as of 31 December	63.6	1.072.2	5.4	6.6

Corporate Spending

Investments in intangible assets, property, plant and equipment and financial assets fell by 34.6% to € 146.9 million in 2010. The expenditures comprise € 144.4 million for property, plant and equipment, € 1.1 million for intangible assets and € 1.3 million for financial assets.

Terminal extension VIE-Skylink

Investments for the reporting year focused primarily on the terminal extension VIE-Skylink at € 95.2 million. The VIE-Skylink includes a new pier that will house up to 17 aircraft positions (so-called "fingers") close to the building as well as a new terminal with additional check-in counters, modern baggage sorting equipment and large attractive shopping and gastronomy areas. The passenger flow concept over three levels with vertical connections will reduce transfer routes to manageable distances and safeguard Vienna's 25-minute minimum connecting time in the future. It will also separate departing and arriving passengers. In accordance with the one-roof concept, the terminal extension VIE-Skylink is connected directly to the existing facilities and will be accompanied by a new large centre with access to railway connections and car parks.

After the refocusing and reorganisation of the VIE-Skylink project and the interruption of construction in 2009, work was resumed during February 2010. Since the summer all firms have directed their full attention to completing construction on schedule, and the pace and scope of work have increased steadily. The progress of work at the construction site is satisfactory.

Parallel to construction, preparations are underway for the opening of the new terminal extension. Start-up concepts were developed and the required organisation is in place. Regular workshops to prepare for the opening have been held since last summer. Flughafen Wien is supported in these activities by international experts, who have had experience with the construction and start-up of terminals at other international airports. A number of functional responsibilities were defined and working groups established to prepare for the start of operations, whereby the continuous exchange of information with the construction team is designed to ensure compliance with the agreed schedule. Test operations are planned for the fourth quarter of 2011.

Following the reorganisation of the project, all prerequisites are now in place to complete the terminal extension on schedule and within budget. The process timeline prepared by project management confirms the overall schedule with the completion of construction as planned in 2011 and also guarantees the start of operations during the first half of 2012. Projections by the new project management also indicate that the project can be finalised within the forecasted budget of € 830 million. This amount includes provisions for risk, reserves and the possible commissioning of a general contractor for the entire project. However, the goal is to hold the total costs below the upper limit.

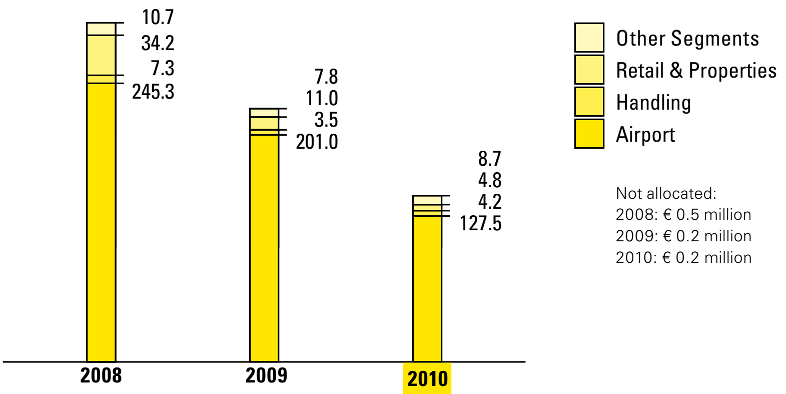
The tender to select a general contractor for the entire project proceeded at full speed during the reporting year. The final decision to award the contract will be based on the economic benefits for Flughafen Wien.

With respect to the shop and gastronomy areas, discussions with the top-ranked candidates from the 2007/2008 tender were resumed in the second half of 2010. The contracts for the commercial space were signed by the major operators, and reflect the centre mix and quality criteria defined by Flughafen Wien.

Other investments

Other major investments during the reporting year included technical noise protection and the environmental fund (€ 10.1 million), security systems (€ 6.7 million), infrastructure extensions for the west expansion (€ 2.6 million), security control lines (€ 2.1 million) and the revitalisation of the bus gates (€ 2.1 million). A total of € 1.9 million was invested in advertising space, € 1.0 million in software, € 1.2 million in lifting platforms, € 1.0 million in towing vehicles and € 1.0 million in land.

Investments in intangible assets and property, plant and equipment by segment in € million



Major projects in 2010 in € million
(including capitalised borrowing costs)

Intangible assets	
Software	1.0

Property, plant and equipment	
Terminal extension VIE-Skylink	95.2
Third runway	11.3
Security systems	6.7
Special, towing and loading vehicles	3.3
Furniture, fixtures and office equipment	3.1
Infrastructure extensions for west expansion	2.6
Security control lines	2.1
Revitalisation of bus gates	2.1
Advertising space	1.9
IT equipment	1.6
Land	1.0
Plaza in front of the terminal building	0.9

Financial assets	
Licenses	1.2

Major projects in 2009 in € million
(including capitalised borrowing costs)

Intangible assets	
Software	1.7

Property, plant and equipment	
Terminal extension VIE-Skylink	115.4
Third runway	13.3
Plaza in front of the terminal building	13.0
Security systems	9.1
Construction of new fire department building and checkpoints	8.7
Austrian Federal Railway station	6.7
Land	6.0
Taxiways and aprons	4.9
Guidance system	4.4
Baggage sorting equipment	4.0
Gate equipment for car parks and parking areas	2.2
Forwarding agent building	2.1

Financial assets	
Loans granted	1.1

Investments and financing in € million

	2010	**Change in %**	**2009**	**2008**
Investments				
Intangible assets	1.1	-47.7	2.2	5.2
Property, plant and equipment	144.4	-34.8	221.4	292.9
Financial assets	1.3	20.5	1.1	0.9
Total investments	146.9	-34.6	224.7	299.0
Financing				
Net cash flow from operating activities	169.7	9.2	155.5	148.4
Depreciation and amortisation	66.9	-1.4	67.8	70.3

Financial Instruments

Information on the financial instruments used by the Flughafen Wien Group is provided in the notes to the financial statements.

Branch Offices

The Flughafen Wien Group had no branch offices in 2010 or 2009.

Development Risks

Risk management

A specific guideline defines and regulates risk management in the Flughafen Wien Group. The risk management process is designed to systematically identify and assess the risks to which the company is exposed and to take appropriate measures to minimise these risks. The related procedures cover all operating and strategic business processes. Responsibility lies with the individual business unit managers or subsidiary directors. The risk management group in the general secretariat of Flughafen Wien supports this process as a consulting and coordination partner. The investment management and controlling departments are also involved in risk management.

The identified risks are documented in a separate database as a risk environment. This application is regularly optimised to ensure effective and efficient utilisation. Appropriate steps to strengthen the integration of the risk environment in the database are currently under evaluation.

The company has concluded insurance policies to cover specific damages and liability risks, which allow for the minimisation of possible financial losses. In addition to various control systems and instruments, Flughafen Wien has established an internal audit department that regularly evaluates business practices and organisational processes for compliance with group guidelines, security and efficiency. The Management Board has therefore created the necessary instruments and structures to identify risks at an early point in time and to subsequently implement appropriate countermeasures or otherwise minimise these risks. The existing systems will be further developed and evaluated as part of projects that are currently in progress.

Economic risks

The development of business at Flughafen Wien is significantly influenced by global trends in air travel which, in turn, are heavily dependent on general economic conditions. External factors such as terror, war or other external shocks (e.g. the pulmonary disease SARS or the volcanic ash cloud) trigger a decline in traffic, but are extremely difficult for an individual company to control. In addition to emergency plans, Vienna International Airport works to counter the effects of such shocks, above all with high demands on the quality of security and proactive public relations. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specially designed security measures for customers. Flughafen Wien AG can also react to the intensity and impact of such events with flexible cost and price structures as well as the modification of its capital expenditure programme.

Branch risks

A key success factor for the Flughafen Wien Group is the positioning of Vienna International Airport as an east-west hub, whereby this function is used above all by the Austrian Airlines Group as Vienna's largest airline customer. In 2010 this carrier recorded a 12.0% increase in the number of passengers handled and a 15.8% increase in passenger traffic to Eastern Europe. The future role of the Austrian Airlines Group within the Lufthansa organisation is therefore a significant factor for the future development of Flughafen Wien. The route adjustments resulting from the corporate integration were largely completed in 2010. Since the East European destinations flown by Lufthansa, Swiss and the Austrian Airlines Group overlap to only a limited extent, Flughafen Wien assumes the Austrian Airlines Group will continue its growth strategy with a focus on Eastern Europe. Vienna International Airport also intends to increase its positioning as a leading east-west hub for travel to the emerging economic regions of Central and Eastern Europe over the coming years.

Under the name "Austrian Next Generation", the Austrian Airlines Group is implementing a concept that will refocus and restructure the company. This concept comprises three elements: 1) A new active market strategy with a concentration on top quality service and a larger offering of flights at lower costs; 2) Cost reduction through leaner corporate structures; and 3) Synergies with the Lufthansa Group in sales and marketing.

Flughafen Wien works to strengthen the financial position of Vienna International Airport by creating sustainable incentives for airlines that generate long-term growth in Vienna and thereby improve the hub system. One of the measures implemented by Flughafen Wien to achieve this goal is the conclusion of agreements with Austrian Airlines and NIKI to further improve the existing system partnerships.

The costs to Flughafen Wien AG arising from these agreements will amount to approx. € 17.0 million per year during the period from 2010 to 2012. However, payment is contingent on the achievement of the agreed growth targets.

The new agreements are designed to support the development of joint growth perspectives. They extend the increase in the transfer incentive, which was raised to € 10.21 per passenger in 2009 and would have expired at the end of June 2010. The agreement with the Austrian Airlines Group also includes measures to optimise the space in the AUA base at Vienna International Airport. Cooperation within the framework of the system partnership will be strengthened to improve joint core processes, with the goal of sharing the resulting cost and performance benefits.

In connection with the enactment of the 2011 Austrian budget law ("Budgetbegleitgesetz 2011"), a new charge for airline passengers will take effect on 31 March 2011 ("Flugabgabegesetz"). The airlines will be required to collect this additional duty for passengers departing from Austrian airports on behalf of the Austrian Finance Ministry. The amount of the duty is dependent on the destination, and equals € 8 for domestic and short-haul flights, € 20 for mid-haul flights and € 35 for long-haul flights. The possible effects of this duty on the development of passenger volumes are to be monitored.

Market and customer structure risks

Mergers and takeovers as well as the growing concentration in aviation alliances are strengthening the power of the airlines.

The Austrian Airlines Group is the largest customer of Flughafen Wien with a 50.9% share of passenger volume. The long-term development of this airline as a strong and independent home carrier and the network strategy of the Star Alliance, in which the Austrian Airlines Group is a partner, represent key factors for the success of the Flughafen Wien Group. Therefore, developments in this area are monitored on a continuous basis. The strategic positioning of Austrian Airlines within the Lufthansa Group and the implementation of the "Austrian Next Generation" strategy will create interesting growth opportunities for AUA, but are also connected with incalculable factors and uncertainty that could have an effect on Vienna's hub function.

The low-cost carriers are a further growth driver for Flughafen Wien. However, past events have shown that these airlines are not always solid financial partners. The share of the low-cost carriers in the total passenger volume at Vienna rose by 4.0% in 2010, with NIKI recording the strongest growth at 27.7%. These above-average growth rates increase the cost pressure on traditional carriers.

Flughafen Wien AG counters market risk with marketing programmes as well as attractive tariff and incentive models that benefit all airlines. A key goal of these measures is to share the airlines' occupancy risk and also support key intercontinental flights as well as destinations throughout Eastern and Central Europe. Including the incentives offered by Flughafen Wien AG, the duties charged by Vienna International Airport are below the European average.

The handling services provided by Flughafen Wien are the subject of growing pressure on prices as well as demands for higher quality services from the airlines. Service level agreements that include penalties for the failure to reach specific targets are becoming standard practice. Flughafen Wien counters competition from other service providers with individualised service offers and high quality standards. That minimises the risk of losing market shares to competing firms like Fraport (ramp handling) or Swissport (cargo). The ability to meet these quality demands is dependent on sufficient capacity and, consequently, on the continuous expansion of the airport's infrastructure. The loss of key customers in the handling segment would have a negative effect on earnings. The limited number of airlines and forward agents operating in the cargo area, above all the Asian carriers Korean and Asiana as well as ALC (Austrian Lufthansa Cargo), also represent a risk through their collective market power. This risk is reduced as far as possible through the continuous monitoring of the airlines and the acquisition of new customers.

Development risks for international business

The foreign airport investments of Flughafen Wien (Malta, Košice and Friedrichshafen) are basically exposed to the above-mentioned risks. A bankruptcy or other far-reaching developments involving the respective home carrier as well as a change in external factors could have a negative influence on traffic growth at the respective airport. Political and regulatory risks are monitored continuously, e.g. the taxation of air travel, air traffic restrictions by public authorities, changes in applicable laws and requirements by public authorities that result in additional costs. These types of factors can influence medium-term planning and create a risk that a specific investment may become impaired.

Financial risks

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

Investment risks

The expansion projects carried out by the Flughafen Wien Group are defined in a master plan, which is modified regularly to meet actual developments. These projects are exposed to a variety of risks – including the loss of suppliers, higher construction costs or changes in planning – that could increase the planned expenditures. A special analysis procedure is therefore used to evaluate the potential risk associated with investment projects in the planning stage, while regular risk monitoring is based on an analysis and evaluation process that is part of project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations.

Expansion projects are developed in close coordination with the airlines based on the expected development of traffic. Expert forecasts for the growth in passenger volumes over the medium- and long-term reduce the financial risk of these investments, which will ensure that sufficient capacity is available to meet the forecasted demand.

The expansion of airport capacity is connected with risks, above all in connection with the terminal extension VIE-Skylink. Work on the terminal extension VIE-Skylink was resumed in mid-February 2010, and operations in this facility are scheduled to start during the first half of 2012. If this start-up is delayed, capacity in the existing terminal buildings may not be sufficient to handle traffic and growth in Vienna may stagnate. A delay in the start-up of the VIE-Skylink may also cause delays in other investment projects.

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

The valuation of all assets reflects the assumption that Vienna International Airport will continue to operate as an east-west hub that is focused on the east.

Legal risks

The requirements of public authorities, above all in the area of environmental protection (e.g. noise and emissions) can create legal risks. Flughafen Wien AG works to counter these risks, above all, with information and the involvement of local citizens in the mediation process (e.g. third runway) or through neighbourhood advisory boards.

The tariffs charged by Vienna International Airport are subject to approval by the Austrian civil aviation authority. Flughafen Wien AG and this agency have agreed to an index model that covers tariffs up to the end of 2011. If this agreement is not extended, the provisions of the Austrian Civil Aviation Act will take effect.

The implementation of EU Directive 2009/12/EC dated 11 March 2009 on airport charges into national law should be completed during the first months of 2011.

This directive permits, among others, the inclusion of non-aviation revenues in the calculation of tariffs, the recognition of users as parties to tariff approval procedures and the implementation of a new price-cap rule.

The implementation of this directive could have a lasting effect on the tariff system currently used by Flughafen Wien.

Flughafen Wien AG has refused to recognise certain invoices for work on the terminal extension VIE-Skylink. Due to the cancellation of contracts for the VIE-Skylink project and based on current information, the initiation of court proceedings by individual suppliers against Flughafen Wien cannot be excluded. However, these claims cannot be quantified at the present time.

Flughafen Wien AG has commissioned a legal evaluation of the possibility to file claims against the respective contracting firms for damages in connection with the terminal extension and an assessment of the possible consequences.

Personnel risks

Motivated and committed employees play an important role in the success of the Flughafen Wien Group. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee ties. Steps have also been taken to increase occupational safety and to minimise illness-related absences.

The short-term expansion of security controls to keep place with the strong development of traffic could lead to bottlenecks, since the required employees must first be recruited and trained.

Operating risks

The major operating risks in the area of information and communications technology are considered to lie in the possible breakdown of a core system or service (e.g. network infrastructure) that would directly interfere with flight operations or lead to flight delays or cancellations if a restart does not take place within the tolerance period. Flughafen Wien uses redundant in systems, infrastructure and staff as the primary measures to prevent breakdowns wherever possible. The company has also implemented an effective second-level data backup concept that will permit the fast recovery of data and systems in an emergency. Both scenarios are rehearsed regularly in training programmes and the related activities are continuously improved. For example, the redundancy and system stability of the network and data storage units was strengthened in 2010.

A widespread system breakdown could also be caused by physical impairment or the destruction of the central IT infrastructure, for example due to vandalism, environmental damage or terrorism. Special security measures for the building infrastructure, access controls and monitoring support the prevention or early identification of intentional or unplanned failure in critical system rooms as well as damage by external environmental factors and allow for the timely implementation of emergency measures. Activities in 2010 included the installation of access control equipment in the IT centres and other system and engineering areas and the implementation of stricter access procedures for external persons (maintenance) through a dual-control process as well as emergency training.

The failure to comply with legal regulations for the operation of information and communications infrastructure could lead to the suspension of operations or costly requirements by the responsible authorities that could also result in the short-term interruption or cancellation of services. Flughafen Wien addresses this risk through the use of a specially audited internal control system in the IT area, which ensures compliance with all relevant legal requirements. The internal control system was expanded horizontally in 2010 to include new information and communications services and vertically through the implementation of additional controls.

Damage risks

The risk of damages includes fire and other events that could result from natural disasters, accidents or terror as well as the theft of property. In addition to appropriate safety and fire protection measures and emergency plans that are rehearsed on a regular basis, these risks are covered by insurance.

General risk assessment

A general evaluation of the risk situation concluded that the continued existence of the Flughafen Wien Group is protected for the foreseeable future and did not identify any risks that could endanger this continued existence. The Flughafen Wien Group has sufficient liquidity reserves to pursue the airport expansion without delay.

Report on the Key Features of the Internal Control and Risk Management Systems for Accounting Processes

In accordance with § 82 of the Austrian Stock Corporation Act, the Management Board is responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the company's requirements. The following section explains the organisation of the internal controls related to accounting processes at Flughafen Wien AG.

Introduction

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

The description of the major features of these internal controls is based on the structure defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The internal control system comprises the control environment, risk assessment, control activities, information and communication and monitoring. The relevant processes involve the identification and assessment of the financial and accounting risks to which the company is exposed as well as the implementation of appropriate controls. These controls are recorded in an ICS database, which – in addition to other analyses – supports group-wide inquiries on the effectiveness of all ICS controls in the company. The internal audit department carries out independent and regular reviews of compliance with corporate policies for the accounting area. This department reports directly to the Management Board.

Control environment

The corporate culture within which management and employees operate has a significant influence on the control environment. Flughafen Wien works actively to improve communications and to convey its principal values as a means of anchoring moral standards, ethics and integrity in the company and in interaction with other parties.

The implementation of the internal control system for accounting processes is regulated in internal guidelines and directives. The related responsibilities were adjusted to meet the needs of the company and thereby create a satisfactory control environment.

Risk assessment

The risks associated with accounting processes are identified by management and monitored by the Supervisory Board. Attention is focused on risks that are normally considered to be material. The annual financial statements form the main criterion for the identification of the major ICS risks. A change in the volume of business processes or the underlying accounts can lead to changes in the identifiable ICS risks and controls.

A risk-oriented model is used to evaluate the internal control activities carried out by the relevant Flughafen Wien functions. The risk arising from erroneous financial reporting is assessed according to different criteria. For example, complex accounting policies can lead to an increased risk of error. Different principles for the valuation of assets and a complex or changing business environment can also lead to material errors in financial reporting. The continuous evaluation of risks and reporting to the Supervisory Board are based on a risk management database that was created especially for this purpose.

The preparation of the annual financial statements involves the use of estimates, which carry an inherent risk of deviation from actual future developments. In particular, the following circumstances or positions in the annual financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables and the valuation of investments in other companies and property, plant and equipment. The company draws on external experts or publicly available sources whenever necessary, in order to minimise the risk of inaccurate estimates.

Control activities

In addition to the Supervisory Board and Management Board, mid-level management (e.g. department heads and senior managers) carry out control activities for ongoing business processes to ensure that potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the review of results for the various accounting periods by management and the controlling department to the specific transition of accounts and the analysis of routine accounting processes.

The Management Board is responsible for defining hierarchy levels to ensure that activities are not carried out and controlled by the same person.

Control activities to guarantee IT security represent an integral part of the internal control system. Access to sensitive functions and data is restricted. SAP and PC Konsol enterprise reporting software are used for accounting and financial reporting purposes. The functionality of the accounting system is guaranteed, among others, by automated IT controls.

In the subsidiaries, the respective managers are responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the needs of their particular company. These managers also represent the final authority for ensuring compliance with all related group guidelines and directives.

The further development of the internal control system involves the systematic recording of the required controls, which are subsequently entered in the ICS database where they are classified under various categories and characteristics. Each risk is recorded, among others, in accordance with a definition of the controls, the type of controls, the frequency of controls, the control criterion and the control effectiveness.

Information and communications

The guidelines and directives for financial reporting are updated regularly by management, and communicated to all involved employees via the Intranet or internal announcements. Moreover, financial reporting and the related guidelines and directives are regularly discussed by various corporate bodies, e.g. at meetings of the department heads, senior managers and management. These corporate bodies include management as well as department heads and key accounting managers. The work of these corporate bodies is intended to ensure compliance with all accounting guidelines and directives, and to also identify and communicate weak points and opportunities for the improvement of accounting processes. The accounting staff also attends regular training courses that cover changes in international accounting policies and practices, in order to minimise the risk of unintended errors.

Monitoring

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

The results of monitoring activities are reported to management and the Supervisory Board. Top management receives regular financial reports, e.g. monthly reports on the development of revenue and earnings in the individual segments of business as well as reports on the development of net debt and receivables. The Supervisory Board is also provided with regular information on the financing of the Flughafen Wien Group. Financial statements intended for publication are reviewed by key accounting employees and the Management Board, and then by the Audit Committee of the Supervisory Board, before they are passed on to the responsible corporate bodies.

Research and Development

Flughafen Wien is a service provider and, as such, does not carry out traditional research activities. However, the aviation services unit was involved in a research project during 2010. The AsaP (Airport Security and Productivity) project was initiated to further optimise productivity without endangering security levels. It was carried out jointly by Institut für empirische Sozialforschung GmbH (IFES), Alcatel-Lucent Austria AG and the Austrian Institute of Technology GmbH (AIT).

In addition, the Flughafen Wien IT department started work on the CDM-ISP (Collaboration Decision Making-Information Sharing Platform) project in 2010. CDM-ISP involves the development of an information sharing platform that will create the basis for introducing the CDM process in the Flughafen Wien Group. This tool will allow for more exact planning, better analysis and the optimisation of resources in a large number of cases. In summary, CDM will improve the coordination and joint data collection between Austro Control AG, the various airlines (e.g. Austrian Airlines AG) and Flughafen Wien as well as the handling agents. Costs of € 0.3 million were associated with this project in 2010. Other investments focused on the improvement of individual programme modules for the airport operating software that was developed by Flughafen Wien.

Environmental and Labour Issues

The Environment

Flughafen Wien AG is committed to careful and conscious interaction with the environment as well as sustainable management. A total of T€ 913.3 was invested in environmental protection during the reporting year (2009: T€ 799.3). Activities focused on the reduction of pollutant and noise emissions in order to minimise the impact of the airport on its surrounding environment – and above all on neighbouring residents. The noise protection programme defined in the mediation contract also continued during 2010. Nearly 11,000 households are entitled to participate in this programme, and the preparation of expert opinions and renovations are currently in process. The noise protection programme is intended to improve the quality of life for neighbouring residents under both the current two-runway system and a possible three-runway system.

Environmental indicators for Flughafen Wien AG

	2010	2009
Number of passengers	19,691,206	18,114,103
Electricity consumption per year in kWh	128,187,468	129,536,376
Electricity consumption in kWh per year and passenger	6.51	7.15
Heat consumption per year in MWh	131,218,40	117,943,00
Heat consumption in MWh per year and passenger	0.0067	0.0065
Water consumption per year in m³	745,771	604,650
Water consumption in m³ per year and passenger	0.038	0.033
Waste water disposal per year in m³	683,876	581,434
Waste water disposal in m³ per year and passenger	0.035	0.032
Residual waste aircraft in kg	999,990	1,012,540
Residual waste aircraft in kg per passenger	0.051	0.056
Waste paper VIE in kg	1,782,280	1,881,560
Waste paper VIE in kg per passenger	0.09	0.10
Aluminium/cans/metal VIE in kg	5,630	9,646
Aluminium/cans/metal VIE in kg per passenger	0.0003	0.0005
Biogenic waste VIE in kg	195,160	202,440
Biogenic waste VIE in kg per passenger	0.010	0.011
Glass VIE in kg	85,364	78,794
Glass VIE in kg per passenger	0.004	0.004
Plastic packaging VIE in kg	160,540	168,895
Plastic packaging VIE in kg per passenger	0.008	0.009
Hazardous waste VIE in kg	118,733	186,079
Hazardous waste VIE in kg per passenger	0.006	0.010
Share recycled in %	88.6%	90.0%

Workforce Issues

Traffic growth during the reporting year led to additional hiring by the Flughafen Wien Group. The average number of employees rose by 118 to 4,266, which generally reflects the 2008 level. The Handling Segment reported the largest increase in handling and security services, where added personnel were required to deal with higher volumes, peak hour shifts and the increased work connected with larger aircraft. The Other Segments also hired employees for the technical area, information systems and the VIE-Skylink.

As a result of the strong development of traffic, the number of traffic units per employee increased 7.9% to 6.686 units.

Employees

	2010	Change in %	2009	2008
Number of employees	4,266	2.8	4,148	4,266
Thereof wage employees	3,101	3.6	2,993	3,119
Thereof salaried employees	1,165	0.8	1,156	1,146
Apprentices	52	20.1	43	36
Traffic units per employee [1)]	6,686	7.9	6,194	6.624
Average age in years[1)]	39.2	0.0	39.2	38.6
Length of service in years[1)]	10.3	-1.0	10.4	9.8
Share of women in %[1)]	12.3	-5.4	13.0	12.7
Training expenditures in EUR[1)]	1,055,000	8.4	973,000	1,072,000
Reportable accidents[1)]	165	34.1	123	149
Accidents per 1.000 employees	49.6	32.3	37.5	44.9

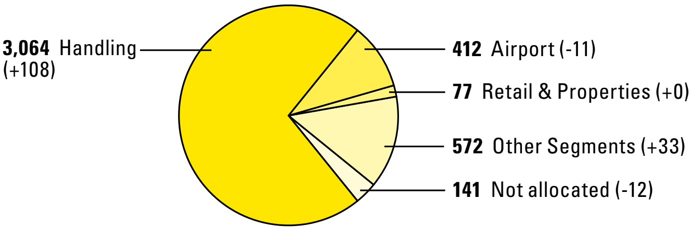
1) Based on Flughafen Wien AG

Employees by segment

	2010	Change in %	2009	2008
Airport	412	-2.7	423	399
Handling	3,064	3.7	2,955	3,132
Retail & Properties	77	0.1	77	79
Other Segments	572	6.1	539	502
Not allocated	141	-7.8	153	154

Employees by segment

(change vs. prior year)



Motivation and Corporate Identification

Flughafen Wien provides a variety of voluntary benefits for its workforce to strengthen identification with the company and to increase motivation. As a supplement to legal pension schemes and private pension planning, the company transfers 2.5% of monthly salaries and wages for its employees to a company pension fund and gives employees the option of making a matching contribution. Flughafen Wien also provides financial assistance for supplementary accident, health and pension insurance.

Employees may also utilise free-of-charge transportation to their workplaces at the airport with the City Airport Train (CAT) or bus connections to the neighbouring communities. A total of € 785,000 was invested in these benefits during 2010. The company also provides meal subsidies of € 1 per employee and working day, for a total of € 544,000 in the past year. Recreational and sporting activities with selected partners are also supported by the company's cultural and sport association.

The creativity of employees is an important factor for Flughafen Wien, and a continuous improvement programme was therefore started as a platform for the evaluation of ideas and suggestions for change. A special commission grants an award for every implemented suggestion. Information for employees on developments and news from the company is provided in the quarterly magazine "Blockzeit". Information on job openings, airport-related topics and special offers for employees are also published in the Intranet.

Performance-based Compensation

The compensation system for the members of the Management Board and the first two levels of management includes a performance-based component. This variable compensation is based on the fulfilment of financial and qualitative goals – for example, variable payments to the department heads are also dependent on the results of the customer survey. Flughafen Wien does not have a stock option programme.

Labour Trust

Flughafen Wien has been a member of the Steyr labour trust since 2009. This organisation was founded in 1993 and comprises by well-known Austrian companies. This public trust provides goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times. Flughafen Wien views this participation not only as a strategic personnel measure, but also as an expression of its responsibility toward former employees. Five employees entered the Steyr labour trust in 2010.

Employee Foundation

An independent private foundation was established in 2000 to give Flughafen Wien employees an opportunity to participate in the success of the company. This foundation holds 10% of the shares in Flughafen Wien AG and distributes the dividends received on these shares to company employees. A total of € 4.41 million was dispersed during the reporting year – which represents the dividend payment for 2009 – and corresponds to 60.72% of the average monthly salary or wage per employee. Distributions to employees are based on the individual annual gross salary or wage. The administration of the employee foundation is completely independent of Flughafen Wien AG and includes a managing board, supervisory board and auditor.

Workplace Safety and Health

The preventive services unit, which is part of the airport services department, deals with industrial medicine and workplace safety. Its responsibilities include providing advice and support for the prevention of work accidents, job-related illnesses and work-related disorders. Specific measures include regular workplace inspections as well as discussions with individual employees and/or groups. Activities in 2010 focused on the successful safety campaign "Sicherheit an 1. Stelle – Safety Karl", mobile beverage supplies, a "healthy back" seminar and programmes to help employees stop smoking. Preventive health examinations, basic and refresher courses for first aid and vaccination campaigns were also well received.

Despite the many initiatives launched by Flughafen Wien, 2010 was not a good year from the viewpoint of workplace safety. The number of reportable accidents rose for the first time since 2000. This increase was triggered by various factors that included working conditions during the extremely high temperatures in July as well as the early start of winter at the end of November/beginning of December. Flughafen Wien takes this development very seriously and is undertaking all possible measures to prevent or reduce accidents. The causes of all accidents are analysed in detail by area to permit the implementation of the necessary technical, organisational and personnel improvement measures.

Work accidents

	2010	Change in %	2009	2008	2007
Reportable work accidents	165	34.1	123	149	161
Per 1,000 employees	49.6	32.3	37.5	44.9	50.6

Disclosures required by § 243a of the Austrian Commercial Code

1. Share capital and shares

The share capital of Flughafen Wien AG totals € 152,670,000 and is fully paid in. It is divided into 21,000,000 shares of bearer stock. All shares carry the same rights and obligations ("one share = one vote").

2. Syndication agreement

Two core shareholders – the province of Lower Austria (4.2 million shares) and the city of Vienna (4.2 million shares) – hold 40% of the company's shares in a syndicate. The syndication agreement was concluded in 1999 and has remained unchanged since that time. It calls for the joint exercise of voting rights on the syndicated shares at the annual general meeting. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval. The syndication agreement provides for reciprocal rights of purchase if one party intends to sell its syndicated shares to a buyer outside the syndicate (third party) through a legal transaction in exchange for return compensation. This reciprocal right of purchase does not apply if the syndicated shares are transferred to a holding company in which the transferring syndicate partner owns at least a majority stake. The company is not aware of any other limitations on voting rights or the transfer of shares.

3. Investments of over 10% in the company

The city of Vienna and the province of Lower Austria each hold an investment of 20% in Flughafen Wien AG. In addition, Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee fund) holds 10% of the share capital of Flughafen Wien AG. The company is not aware of any other shareholders with a stake of 10% or more in share capital.

4. Shares with special control rights

The company is not aware of any special control rights on the part of shareholders.

5. Control of voting rights for the shares held by the employee fund

The voting rights for the shares held by the Flughafen Wien employee fund are exercised by the managing board of this entity. The appointment to or dismissal of members from the fund's managing board requires the approval of the advisory board of the Flughafen Wien employee fund, whereby a simple majority is required for such decisions. The advisory board is comprised of five members, with two members each delegated by employees and the employer. These four members unanimously elect a fifth person to serve as the chairman of the advisory board.

6. Appointment and dismissal of members of the Management and Supervisory Boards

In accordance with the Austrian Corporate Governance Code, the company's articles of association permit the appointment of a person to the Management Board for the last time in the calendar year in which the candidate reaches his/her 65th birthday. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches his/her 70th birthday. There are no other provisions governing the appointment or dismissal of members of the Management or Supervisory Boards or the amendment of the company's articles of association that are not derived directly from Austrian law.

7. Share buyback and authorised capital

The Management Board has been granted no explicit rights that are not derived directly from Austrian law, in particular with respect to the issue or repurchase of shares in the company. The company has no authorised capital at the present time.

8. Change of control

Change of control clauses are included in the agreements for the € 400 million EIB (European Investment Bank) loan, the € 103.5 million promissory note and the € 300 million loan concluded pursuant to an Austrian law to strengthen liquidity ("Unternehmensliquiditäts-stärkungsgesetz"). These financing agreements with a total volume of € 803.5 million were concluded with Austrian and international financial institutions. In the event of an actual, impending or justifiably assumed change of control (in accordance with the following definition), these financial liabilities could be called prematurely and related collateral may be cancelled if there are reasons to assume the change will or could have a negative impact on the future fulfilment of the financial liability and Flughafen Wien AG does not take actions within a certain period of time to provide this contract partner with collateral that is deemed acceptable. A change of control is defined as an event that leads to (i) a direct or indirect reduction in the investment held jointly by the province of Lower Austria and the city of Vienna in Flughafen Wien AG to less than 40% of the total number of voting shares or (ii) a natural person or legal entity that currently does not exercise control over Flughafen Wien AG gains control over Flughafen Wien AG (e.g. either directly or indirectly, through the ownership of shares, economic circumstances or in another manner, and either alone or together with third parties (i) acquires more than 50% of the voting shares in Flughafen Wien AG or (ii) the right to nominate the majority of members to the decision-making bodies of Flughafen Wien AG or exercises a controlling influence over these persons). For financing of € 653.5 million, a change of control does not include the direct or indirect reduction in the joint investment held by the province of Lower Austria and the city of Vienna to less than 40% but more than 30% of the voting shares in Flughafen AG in conjunction with a capital increase by the company without the full or partial exercise of subscription rights by these two shareholders, unless a natural person or legal entity that does not currently exercise control over Flughafen Wien AG gains control over the company at the same time.

9. Compensation agreements in the event of a public takeover bid

There are no agreements for compensation between the company and the members of its Management Board, Supervisory Board or employees that would take effect if a public takeover bid is made.

Outlook

Economic researchers are forecasting a continuation of the upward trend in 2011. However, the various markets are expected to develop at different speeds and recovery in the euro zone is likely to lag behind the rest of the world. Average GDP growth per year is predicted to reach 2.2% in Austria, 3.7% in the "new" EU states and 4.5% for the global economy by 2015. This economic development should also support further growth in air travel, but at a slower pace than 2010. Experts are expecting an annual increase of 4.2% in the number of passengers up to 2020.

For 2011 Flughafen Wien is forecasting an increase of 5.0% in the number of passengers, 3.0% in maximum take-off weight (MTOW) and 2.0% in flight movements.

The project plan of the Flughafen Wien Group calls for a total investment volume of € 344.6 million in 2011. This amount also includes € 14.9 million of expenses that cannot be capitalised and, accordingly, the pure investment volume totals € 329.7 million (excluding borrowing costs during construction).

Subsequent Events

The positive development of traffic continued during January 2011. The number of passengers rose by 6.7% year-on-year to 1,282,574. Increases were also recorded in flight movements with plus 0.7%, maximum take-off weight (MTOW) with plus 12.8% and cargo with plus 0.6%. The number of transfer passengers was 4.6% higher.

As of 1 January 2011, the tariffs were adjusted as follows based on the tariff formula:

- Landing tariff, infrastructure tariff airside, parking tariff: +1.29%
- Passenger tariff, infrastructure tariff landside: +1.68%
- Infrastructure tariff fuelling: +1.80%

The tariff structure of Flughafen Wien remains competitive, even with these adjustments.

In January 2011 € 100 million were transferred to Flughafen Wien from the financing concluded in 2010 pursuant to the Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz").

Schwechat, 28 February 2011

The Management Board

Ernest Gabmann
Member of the Board

Christoph Herbst
Chairman and Speaker of the Board

Gerhard Schmid
Member of the Board

Consolidated Financial Statements 2010 of Flughafen Wien AG

Consolidated Income Statement

for the period from 1 January to 31 December 2010

in T€	Notes	2010	2009
Revenue	(1)	533,834.7	501,687.5
Other operating income	(2)	16,376.8	15,386.8
Operating income		550,211.5	517,074.3
Consumables and services used	(3)	-42,341.2	-37,474.3
Personnel expenses	(4)	-238,108.2	-215,394.2
Other operating expenses	(5)	-101,625.9	-97,731.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		168,136.1	166,474.1
Depreciation and amortisation	(6)	-65,811.1	-66,908.9
Earnings before interest and taxes (EBIT)		102,325.1	99,565.2
Income from investments, excl. companies at equity	(8)	325.1	225.0
Interest income	(9)	3,368.5	3,570.3
Interest expense	(9)	-11,031.7	-10,470.9
Other financial expense/income	(10)	83.1	-302.8
Financial results, excl. companies at equity		-7,255.0	-6,978.3
Income from companies at equity	(7)	3,611.6	3,417.4
Financial results		-3,643.5	-3,560.9
Profit before taxes (EBT)		98,681.6	96,004.3
Income taxes	(11)	-22,994.9	-22,657.3
Net profit for the period		75,686.7	73,346.9
Thereof attributable to:			
Equity holders of the parent		75,717.5	73,360.9
Non-controlling interests		-30.8	-13.9
Number of shares outstanding (weighted average)	(21)	21,000,000	21,000,000
Earnings per share (in €, basic = diluted)		3.61	3.49
Recommended/paid dividend per share (in €)		2.00	2.10
Recommended/paid dividend (in T€)		42,000.0	44,100.0

Consolidated Statement of Comprehensive Income

for the period from 1 January to 31 December 2010

in T€	2010	2009
Net profit for the period	75,686.7	73,346.9
Income and expenses recognised directly in equity (gross)		
Change in fair value of available-for-sale securities	1,467.5	664.0
Cash flow hedge	82.9	-164.2
Actuarial gains and losses	-8,940.2	-1,939.6
Employee foundation	0.0	1,288.0
Deferred taxes on items recognised directly in equity	1,847.5	38.0
Other comprehensive income	-5,542.4	-113.9
Total comprehensive income	70,144.3	73,233.0
Thereof attributable to:		
Equity holders of the parent	70,175.1	73,247.0
Non-controlling interests	-30.8	-13.9

Consolidated Balance Sheet

as of 31 December 2010

ASSETS

in T€	Notes	31.12.2010	31.12.2009
Non-current assets			
Intangible assets	(12)	12,523.2	12,977.6
Property, plant and equipment	(13)	1,538,593.1	1,471,339.5
Investment property	(14)	139,366.2	126,896.0
Investments accounted for using the equity method	(15)	108,485.8	107,368.9
Other financial assets	(16)	5,151.8	3,923.3
		1,804,120.2	1,722,505.4
Current assets			
Inventories	(17)	4,504.4	3,310.8
Securities	(18)	64,351.0	62,884.7
Receivables and other assets	(19)	61,887.5	66,802.0
Cash and cash equivalents	(20)	63,632.7	5,428.6
		194,375.6	138,426.2
Total Assets		1,998,495.7	1,860,931.6

EQUITY AND LIABILITIES

in T€	Notes	31.12.2010	31.12.2009
Equity			
Share capital	(21)	152,670.0	152,670.0
Capital reserves	(22)	117,657.3	117,657.3
Other reserves	(23)	-895.5	4,646.9
Retained earnings	(24)	553,294.3	519,554.7
Attributable to the equity holders of the parent		822,726.1	794,528.9
Non-controlling interests	(25)	232.8	263.6
		822,958.9	794,792.4
Non-current liabilities			
Provisions	(26)	104,342.5	92,943.0
Financial liabilities	(27)	794,112.9	591,551.6
Other liabilities	(28)	40,441.1	50,137.6
Deferred tax liabilities	(11)	17,037.4	12,567.8
		955,934.0	747,199.9
Current liabilities			
Provisions for taxation	(29)	951.6	835.0
Other provisions	(29)	109,375.4	90,863.2
Financial liabilities	(27)	204.0	90,671.6
Trade payables	(30)	66,267.4	103,804.1
Other liabilities	(31)	42,804.5	32,765.3
		219,602.9	318,939.3
Total Equity and Liabilities		1,998,495.7	1,860,931.6

Consolidated Cash Flow Statement

for the period from 1 January to 31 December 2010

in T€		2010	2009
	Profit before taxes	98,681.6	96,004.3
+	Depreciation / - revaluation of non-current assets	64,683.4	64,599.2
+	Losses / - gains on the disposal of non-current assets	374.2	734.6
+	Losses / - gains on the disposal of securities	0.0	33.8
-	Reversal of investment subsidies from public funds	-1,024.0	-1,354.8
-	Other non-cash transactions	82.9	-164.2
-	Increase / + decrease in inventories	-1,193.6	225.1
-	Increase / + decrease in receivables	5,101.9	555.7
+	Increase / - decrease in provisions	20,971.5	-14,027.0
+	Increase / - decrease in liabilities	-1,190.4	24,793.6
	Net cash flows from ordinary operating activities	186,487.5	171,400.4
-	Income taxes paid	-16,744.1	-15,926.7
	Net cash flow from operating activities	169,743.4	155,473.7
+	Payments received on the disposal of non-current assets	182.9	1,140.9
-	Payments made for the purchase of non-current assets	-173,668.1	-209,274.2
+	Payments received on the disposal of securities	0.0	32,152.6
	Net cash flow from investing activities	-173,485.2	-175,980.7
-	Dividend	-44,100.0	-54,600.0
-	Payments made for the acquisition of non-controlling interests	-6,047.9	0.0
	Change in financial liabilities	112,093.7	73,892.8
	Net cash flow from financing activities	61,945.8	19,292.8
	Change in cash and cash equivalents	58,204.1	-1,214.3
+	Cash and cash equivalents at the beginning of the period	5,428.6	6,642.8
	Cash and cash equivalents at the end of the period	63,632.6	5,428.6

Consolidated Statement of Changes in Equity

in T€	Share capital	Capital reserves	Available-for-sale reserve	Hedging reserve
Balance on 1.1.2009	152,670.0	117,657.3	-194.0	-282.1
Market valuation of securities			498.0	
Cash flow hedge				-123.2
Actuarial gains and losses				
Employee foundation				
Other comprehensive income	0.0	0.0	498.0	-123.2
Net profit for the period				
Total comprehensive income	0.0	0.0	498.0	-123.2
Market valuation of non-controlling interests put option				
Dividend				
Balance on 31.12.2009	152,670.0	117,657.3	304.1	-405.2

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

Attributable to equity holders of the parent						
Actuarial gains/losses	Currency translation reserve	Total other reserves	Retained earnings	Total	Non-controlling interests	Total
-1,430.0	7,632.9	5,726.8	500,052.7	776,106.8	277.5	776,384.3
		498.0		498.0		498.0
		-123.2		-123.2		-123.2
-1,454.7		-1,454.7		-1,454.7		-1,454.7
		0.0	966.0	966.0		966.0
-1,454.7	0.0	-1,079.9	966.0	-113.9	0.0	-113.9
			73,360.9	73,360.9	-13.9	73,346.9
-1,454.7	0.0	-1,079.9	74,326.9	73,247.0	-13.9	73,233.0
		0.0	-224.9	-224.9		-224.9
			-54,600.0	-54,600.0		-54,600.0
-2,884.8	7,632.9	4,646.9	519,554.7	794,528.9	263.6	794,792.4

-2,884.8	7,632.9	4,646.9	519,554.7	794,528.9	263.6	794,792.4
		1,100.6		1,100.6		1,100.6
		62.2		62.2		62.2
-6,705.2		-6,705.2		-6,705.2		-6,705.2
-6,705.2	0.0	-5,542.4	0.0	-5,542.4	0.0	-5,542.4
			75,717.5	75,717.5	-30.8	75,686.7
-6,705.2	0.0	-5,542.4	75,717.5	70,175.1	-30.8	70,144.3
		0.0	2,122.1	2,122.1		2,122.1
			-44,100.0	-44,100.0		-44,100.0
-9,589.9	7,632.9	-895.5	553,294.3	822,726.1	232.8	822,958.9

Notes to the Consolidated Financial Statements

General Information and Methods

Information on the company

Flughafen Wien Aktiengesellschaft (AG), the parent company of the group, and its subsidiaries are service companies that are active in the construction and operation of civil airports and related facilities. As a civil airport operator, the company manages Vienna International Airport. Vöslau-Kottingbrunn Airport is operated by the subsidiary Flugplatz Vöslau BetriebsGmbH. The company's headquarters are located in Schwechat, Austria. The address is: Flughafen Wien AG, P.O. Box 1, A-1300 Wien-Flughafen. Flughafen Wien AG is listed in the company register of the provincial and commercial court of Korneuburg under number FN 42984 m.

Basis of preparation

The consolidated financial statements of Flughafen Wien AG as of 31 December 2010 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), as well as the requirements of § 245a of the Austrian Commercial Code.

The financial year represents the calendar year. The structure of the balance sheet distinguishes between non-current and current assets and liabilities, which are in part classified by term in the notes. The income statement is prepared in accordance with the nature of expense method under which "total costs" are shown.

The consolidated financial statements are generally prepared at historical acquisition and production cost. In contrast to this procedure, derivative financial instruments and available-for-sale financial assets are stated at fair value. Plan assets that are deducted from the present value of pension obligations are also carried at fair value.

The financial statements of Flughafen Wien AG and its subsidiaries are consolidated on the basis of uniform accounting and valuation principles. The financial statements of all subsidiaries included in the consolidation are prepared as of the balance sheet date for the consolidated financial statements.

The consolidated financial statements are prepared in euros. In order to provide a better overview, amounts are generally shown in thousand euros (T€). These rounded figures also include exact amounts that are not shown, and rounding differences can therefore occur. The same applies to other information such as the number of employees, traffic data etc.

Application of new and revised standards and interpretations

The group applied all new or revised standards and interpretations that were issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB and adopted by the EU, if these standards and interpretations were relevant for the business activities of the group and required mandatory application during the reporting year. In particular, the following announcements by the IASB were applied for the first time in 2010:

Improvements to individual IFRS (improvement project) from April 2009	Applicable to financial years beginning on or after 1 January 2010
Amendments to IFRS 2 concerning share-based payments that are settled in cash	Applicable to financial years beginning on or after 1 January 2010
Amendments to IFRS 1 concerning additional exceptions for first-time adopters	Applicable to financial years beginning on or after 1 January 2010
IFRIC 18 "Transfers of Assets from Customers"	Applicable to transactions taking place on or after 1 November 2009
IFRIC 17 "Distributions of Non-cash Assets to Owners"	Applicable to financial years beginning on or after 31 October 2009
Amendment to IAS 27 "Consolidated and Separate Financial Statements"	Applicable to financial years beginning on or after 1 July 2009
Amendment to IFRS 3 "Business Combinations"	Applicable to financial years beginning on or after 1 July 2009
Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" concerning qualified hedging instruments	Applicable to financial years beginning on or after 1 July 2009

IAS 27 and IFRS 3

The amendment of IFRS 3 "Business Combinations" introduced a transaction-based option for valuing the shares attributable to non-controlling interests. These shares may be measured at fair value or at an amount equal to the share of the non-controlling interests in the fair value of the acquired net assets of the acquiree. IFRS 3 (2008) also requires the accounting for acquisition-related costs separate from the business combination, and therefore generally leads to the recognition of these costs through profit or loss. The Flughafen Wien Group applied IFRS 3 (2008) prospectively to all business combinations beginning on 1 January 2010. IAS 27 (2008) "Consolidated and Separate Financial Statements under IFRS" requires the recognition of transactions with non-controlling interests under equity when there is no change of control. This standard also defines the method to be used in accounting for a loss of control. Any remaining share in the subsidiary is restated at fair value, and any resulting gain or loss is recognised to profit or loss. These changes had no effect on the asset, financial or earnings position, financial performance or cash flows of the group in 2010.

The application of the new or revised standards and interpretations had no effect on the asset, financial or earnings position, financial performance or cash flows of the group.

The following standards and interpretations have been announced, but did not require mandatory application during the reporting year:

Amendments to IAS 24 "Related Party Disclosures" and amendments to IFRS 8	Applicable to financial years beginning on or after 1 January 2011
Amendments to IFRIC 14 concerning voluntary payments in connection with minimum funding requirements	Applicable to financial years beginning on or after 1 January 2011
IFRS 9 "Financial Instruments"	Applicable to financial years beginning on or after 1 January 2013; not adopted by the EU into European law as of the balance sheet date[1)]
Amendments to IFRS 1 and IFRS 7 concerning limited exemptions for presentation of comparative information by first-time adopters under IFRS 7	Applicable to financial years beginning on or after 1 July 2010
Improvements to individual IFRS (improvement project) from May 2010	Applicable to financial years beginning on or after 1 July 2011; not adopted by the EU into European law as of the balance sheet date[1)]
IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"	Applicable to financial years beginning on or after 1 July 2010
Amendments to IAS 32 concerning the classification of issued rights	Applicable to financial years beginning on or after 1 February 2010

Amendments to IFRS 7 concerning the transfer of financial assets	Applicable to financial years beginning on or after 1 July 2011; not adopted by the EU into European law as of the balance sheet date[1)]
Amendments to IFRS 1 concerning fixed transition dates and hyperinflation	Applicable to financial years beginning on or after 1 July 2011; not adopted by the EU into European law as of the balance sheet date[1)]
Amendments to IAS 12 concerning deferred taxes: recovery of underlying assets	Applicable to financial years beginning on or after 1 January 2012; not adopted by the EU into European law as of the balance sheet date[1)]

1) The effective date as stated in the relevant EU directive can vary from the effective date defined by the International Accounting Standards Board.

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

Consolidation range

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

Seven subsidiaries and one associated company were not included in the consolidated financial statements in 2010 or 2009 because their economic significance and influence on the asset, financial and earnings position of the group are immaterial. The combined consolidated revenues of these companies equalled less than 1.0% of group revenue for the reporting year (2009: less than 1.0%).

The existence and effects of potential voting rights that can be exercised or converted at the present time are included in determining whether control exists. Control is considered to exist when the parent company is directly or indirectly able to govern the financial and operating policies of an entity. A subsidiary is initially consolidated when control begins and deconsolidated when control ends.

Joint ventures are companies in which control is exercised together with other entities. Associated companies are entities over which Flughafen Wien AG can exercise significant influence but do not qualify for classification as a subsidiary or joint venture. Associated companies and joint ventures are included in the consolidated financial statements using the equity method.

The 2010 consolidated financial statements include Flughafen Wien AG as well as 14 domestic (2009: 12) and 7 foreign (2009: 5) subsidiaries that are controlled by Flughafen Wien AG. In addition, 4 domestic companies (2009: 3) and 4 foreign companies (2009: 4) were included at equity.

The companies included in the consolidated financial statements and the respective consolidation methods are listed in an appendix to the notes.

An additional stake in SCA Schedule Coordination Austria GmbH was acquired for € 68,400 through a contract of assignment dated 22 October 2009; this stake represents a fully paid-in share with a nominal value of € 6,750. In accordance with point six of the assignment contract, all rights and obligations connected with this investment were transferred to the new shareholder as of 31 December 2009. Goodwill of € 8,536.20 is attributed to the acquired stake; this goodwill is included in the carrying amount of the investment in accordance with IAS 28.23 and is not shown separately.

A 19.05% stake in KSC Holding a.s. was acquired through a contract of assignment dated 18 June 2010. The Flughafen Wien Group now holds 100% of the shares in this company which, in turn, owns 66% of Košice Airport. The results of the fair value measurement of the related put option held by the non-controlling interests were recognised directly in equity during the reporting period.

City Air Terminal Betriebsgesellschaft m.b.H., Malta Mediterranean Link Consortium Ltd. and Letisko Košice – Airport Košice, a.s. are included in the consolidated financial statements using the equity method, even though Flughafen Wien AG directly or indirectly controls the majority of voting rights. These companies are considered to be under joint control because key decisions on corporate policies are made in cooperation with the co-shareholders.

Changes in the consolidation range during 2010

The following companies were included in the consolidated financial statements for the first time in 2010:

Company	Date of consolidation	Type of consolidation	Share of capital	Description
VIE ÖBA GmbH	6.5.2010	Full consolidation	100.0%	Founding
VIE Auslands Projektentwicklung und Beteiligung GmbH	27.4.2010	Full consolidation	100.0%	Founding
VIE Operations Holding Limited	27.12.2010	Full consolidation	100.0%	Founding
VIE Operations Limited	27.12.2010	Full consolidation	100.0%	Founding
Columinis Holding GmbH	30.7.2010	At equity	50.0%	Founding

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

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

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

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

There were no deconsolidations during the 2010 financial year.

Changes in the consolidation range during 2009

The following companies were included in the consolidated financial statements for the first time in 2009:

Company	Date of consolidation	Type of consolidation	Share of capital	Description
VIE Malta Finance Holding Ltd.	1.6.2009	Full consolidation	100.0%	Founding
VIE Malta Finance Ltd.	1.6.2009	Full consolidation	100.0%	Founding

In 2009 Flughafen Wien AG and Vienna International Airport Beteiligungsholding GmbH founded VIE Malta Finance Holding Ltd. with share capital of T€ 2.0. VIE Malta Finance Holding Ltd. and Vienna International Airport Beteiligungsholding GmbH subsequently founded VIE Malta Finance Ltd. with share capital of T€ 2.0. The registered headquarters of these companies are located in Luqa, Malta, and their areas of business cover financing activities for the Flughafen Wien Group.

There were no deconsolidations during the 2009 financial year.

Significant Accounting Policies

Consolidation principles

In accordance with IFRS, acquired subsidiaries are accounted for using the acquisition method. The cost of the acquisition represents the fair value of the surrendered assets and issued equity instruments as well as any liabilities arising or assumed as of the transaction date. The acquisition cost also includes the fair value of recognised assets or liabilities resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred. In connection with the initial consolidation, the identifiable assets, liabilities and contingent liabilities resulting from the business combination are measured at fair value as of the acquisition date.

For each business combination, the group decides on an individual basis whether to recognise non-controlling interests in the acquired company at fair value or on the basis of the proportional share of net assets in the acquired company.

Goodwill represents the excess of the fair value of return compensation, the fair value of any non-controlling interest in the acquired company and the fair value of any previously held equity interests as of the acquisition date over group's share of net assets measured at fair value. If an acquisition takes place below market value – i.e. the acquisition cost is lower than the net assets of the acquired company measured at fair value – this negative amount is again reviewed and subsequently recognised to profit or loss.

Non-controlling interests are reported separately on the consolidated balance sheet under equity.

All intercompany balances, business transactions, income and expenses are eliminated. Any gains or losses resulting from intercompany transactions that are included in the carrying amount of assets such as inventories or property, plant and equipment are also eliminated.

The accounting and valuation methods used by the subsidiaries were changed, where necessary, to ensure the application of uniform policies throughout the group.

Changes in the investment that do not lead to a loss of control over the subsidiary are accounted for as transactions with shareholders of the parent company. If the acquisition of a non-controlling interest results in a difference between the return compensation and the respective share of the carrying amount of the net assets in the subsidiary, this difference is recognised directly in equity. Gains or losses on the sale of non-controlling interests are also recognised directly in equity.

Investments in associated companies and joint ventures that are included in the consolidated financial statements using the equity method are recognised at cost as of the acquisition date. This carrying amount is subsequently increased or decreased by the share of profit or loss attributable to the Flughafen Wien Group and by any distributions, capital contributions or capital withdrawals. Goodwill related to an associated company or joint venture is included in the carrying amount of the investment and is not amortised on a scheduled basis. In the periods following the initial recognition of a business combination, any realised differences between the carrying amount and the fair value of assets and liabilities are adjusted, amortised or reversed in accordance with the treatment of the corresponding items. If the application of IAS 39 indicates that the investment could be impaired, the full carrying amount is tested for impairment. The 10.1% stake directly held in MIA is classified as an associate because – together with the shares held through MMLC – significant influence can be exercised over the company's business and financial policies.

Foreign currency translation

Foreign currency transactions in the individual company financial statements are translated into the functional currency at the exchange rate in effect on the date of the business deal. Monetary items in foreign currencies are translated at the exchange rate in effect on the balance sheet date. Differences arising from foreign currency translation are basically recognised to profit and loss as a net amount.

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

Intangible assets

Intangible assets with a finite useful life are recognised at cost and amortised on a straight-line basis over a useful life of four to ten years. If there are signs of impairment and the recoverable amount – which is the higher of fair value less costs to sell and the value in use of the asset – is less than the carrying amount, an impairment loss is recognised.

Internally generated intangible assets are recognised at production cost when the relevant criteria have been met, and amortised over their expected useful life. The useful life of these assets equals eight years.

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

Intangible assets with indefinite useful lives are valued at cost, and are immaterial in the Flughafen Wien Group. These assets are not amortised on a systematic basis, but are tested for impairment each year and reduced to the recoverable amount if necessary. If the reasons for a previously recognised impairment loss cease to exist, the carrying amount of the relevant asset is increased accordingly; this procedure is not applied to goodwill.

Goodwill is not amortised on a systematic basis; but is tested for impairment by evaluating the recoverable amount of the cash-generating unit to which the goodwill was allocated ("impairment only approach"). Cash-generating units are created by combining assets at the lowest level that generate independent cash flows or form the basis of monitoring by management. An impairment test must be carried out each year and also when there are signs that the cash-generating unit may be impaired. If the carrying amount of a cash-generating unit exceeds its recoverable amount, the relevant goodwill must be written down by the difference. Impairment losses recognised to goodwill may never be reversed. If the impairment of a cash-generating unit exceeds the carrying amount of allocated goodwill, the remaining impairment loss is recognised through a proportional reduction in the carrying amounts of the assets belonging to the cash-generating unit.

The recoverable amount of a cash-generating unit is generally determined by calculating the value in use according to the discounted cash flow (DCF) method. These DCF calculations are based on financial plans covering several years, which were approved by management and are also used for internal reporting. The designated planning periods reflect the assumptions for market developments over the short- to medium-term. Cash flows after the detailed planning period are computed using the expected long-term growth rates. The risk-adjusted cost of capital represents the weighted average cost of capital for equity and debt.

Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost, which is reduced by straight-line depreciation. The production cost for internally generated assets comprises direct costs and an appropriate share of material and production overheads as well as production-based administrative expenses. Acquisition and production cost includes the purchase price as well as any direct costs that are required to bring the asset to the intended location and operating condition. Borrowing costs that are directly related to the acquisition, construction or production of qualified assets are capitalised as part of acquisition or production cost.

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

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

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

Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment that show signs of impairment are tested by comparing the respective carrying amount with the recoverable amount. If it is not possible to associate the asset with future cash flows that are independent of other assets, the impairment test is performed on the next higher group of assets. If the recoverable amount is less than the carrying amount, an impairment loss is recognised to reduce the asset or cash-generating unit to this lower amount. In cases where the reasons for previously recognised impairment losses cease to exist, the impairment loss is accordingly reversed.

The recoverable amount of a cash-generating unit is generally determined by calculating the value in use according to the discounted cash flow (DCF) method. This involves the preparation of cash flow forecasts that extend beyond the expected useful life of the asset or cash-generating unit. The (pre-tax) discount rate used for the calculation reflects the risk associated with the asset or cash-generating unit.

Leased and rented assets

The economic ownership of a leased asset is attributable to the contract partner that carries the major opportunities and risks arising from the lease. If the lessor carries the major opportunities and risks (operating lease), the leased asset remains on the lessor's balance sheet and is measured in accordance with the accounting regulations applicable to the relevant asset. In an operating lease, both the lessor and lessee recognise the lease payment through profit and loss.

If the lessee carries the major opportunities and risks connected with a leased asset (finance lease), the asset is recognised by the lessee at fair value or the lower present value of future minimum lease payments at the time of acquisition and subsequently depreciated over the economic useful life or shorter contract term. At the same time, a lease obligation is recorded equal to the carrying amount of the leased asset. The lessor records a receivable equal to the net investment value of the lease. The lease expense and income are apportioned between a finance charge / finance income and a reduction of the outstanding liability / receivable. The Flughafen Wien Group did not serve as the lessor or lessee in a finance lease as of 31 December 2010 or 31 December 2009.

Investment property

Investment property comprises all property that is held to generate rental income and/or for capital appreciation, and is not used for production or administrative purposes. It also includes land held for a future use that cannot be determined at the present time. If the property is used in part for business operations, the relevant share is allocated to this category of use. Investment property is carried at depreciated cost. Borrowing costs are capitalised as part of acquisition or production cost. Depreciation is calculated over a period of 33.3 to 50 years based on the straight line method. The fair value of investment property is determined independent of measurement based on the amortised purchase or production cost. If prices on an active market are not available, fair value is not supported by market evidence but is determined internally by applying the capitalised income method as of the balance sheet date.

Inventories

Inventories are stated at the lower of cost and net selling value, whereby the determination of cost is based on the moving average price method. Net selling value represents the estimated proceeds on sale in a normal business transaction less the estimated costs of completion and estimated selling expenses. Net selling value also includes any impairment that could result from reduced usability.

Provisions for severance compensation, pensions and service anniversary bonuses

The provisions for severance compensation, pensions and service anniversary bonuses are accounted for as obligations resulting from defined benefit plans, whereby the calculations are based on actuarial principles and the projected unit credit method. The recognised liabilities represent the defined benefit obligation. For the severance compensation and pension provisions, actuarial gains and losses arising from adjustments to reflect past history or changes in actuarial assumptions are recognised to equity in the period incurred without recognition to profit and loss; for the service anniversary bonus provisions, these items are expensed as incurred. All other changes in the provisions for severance compensation, pensions and service anniversary bonuses – such as service cost or interest expense – are reported under personnel expenses.

The determination of the present value of future claims incorporates future wage and salary increases as well as a discount for employee turnover that is based on the length of service with the company. The discount rate is based on the yields in effect as of the respective balance sheet date.

The retirement age represents the first possible date for early retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. The retirement age for female employees reflects a gradual increase in the retirement age for women in keeping with Austrian law.

The F.W. Pagler AVÖ 2008-P life expectancy tables for salaried employees form the biometric basis for the calculation of the pension provision.

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

	2010	**2009**
Discount rate	4.50%	5.30%
Wage and salary increases	3.77%	3.70%
Pension increases (only for pensions)	1.50%–2.14%	2.12%
Expected return on insurance (only for pensions)[1)]	3.60%	3.26%
Discount for employee turnover (graduated)	0.00%–12.00%	0.00%–12.00%

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

Payments required by defined contribution plans (contributions to pension plans and legally required employee severance compensation funds) are recognised to profit or loss in the appropriate period, and shown under personnel expenses.

Other provisions

Other provisions include legal or constructive obligations to third parties, which are based on past transactions or events and are expected to lead to an outflow or resources that can be reliably estimated. These provisions reflect all recognisable risks related to the assumed settlement amount and are based on the best possible estimate. A provision is not created if it is not possible to reliably estimate the amount of the obligation. Provisions are discounted if the resulting effect is material. Expenses resulting from the discounting of provisions are recorded under financial results, with the exception of the provisions for severance compensation, pensions and service anniversary bonuses.

Government grants

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

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

Government grants for the purchase of property, plant and equipment ("investment subsidies") are recorded under current or non-current liabilities and recognised as income on a straight-line basis over the useful life of the related asset. The special investment allowances granted by the Republic of Austria are treated as investment subsidies.

Financial instruments

A financial instrument is a contract that simultaneously creates a financial asset in one entity and a financial liability or equity instrument in another entity. In particular, financial assets include financial investments such as non-consolidated and other holdings, securities, trade receivables, credits granted and other receivables, non-derivative and derivative financial assets held for trading, and cash and cash equivalents. Financial liabilities generally represent an obligation to deliver cash or other financial assets to a creditor, and are comprised above all of amounts due to credit institutions, trade payables and derivative financial liabilities. The initial recognition and derecognition of financial instruments generally takes place as of the settlement date, which is the day on which the asset is delivered to or by the group. Financial assets and financial liabilities are normally not offset for presentation, except in cases where there is a legally enforceable right to offset the amounts and settlement will take place on a net basis.

Financial assets are initially recognised at fair value. The fair values shown on the balance sheet generally represent the market prices of the financial assets. In cases where market prices are not readily available, fair value is determined using accepted valuation models and current market parameters. For this calculation, the cash flows previously fixed or determined by way of forward rates based on the current yield curve are discounted as of the measurement date using the discount factors calculated from the yield curve applicable to the reporting date.

The Flughafen Wien Group has not elected to use the option that permits, under certain conditions, the designation of financial assets and financial liabilities upon initial recognition as financial assets or financial liabilities at fair value through profit or loss (fair value option).

Non-derivative financial assets (securities)

Securitised receivables for which there is no active market are assigned to the category of "loans and receivables" and carried at amortised cost. Non-interest bearing financial assets and low-interest financial assets are carried at fair value. Any material difference between cost and the repayment amount is accrued over the term of the loan in accordance with the effective interest rate method and reported under financial results. In the event of impairment, the carrying amount of the financial asset is reduced to the present value of the expected repayments with recognition through profit and loss. If the reasons for previously recognised impairment losses cease to exist, the impairment loss is appropriately reversed.

Investments in securities that are classified as "financial assets held for trading" are measured at fair value, if this figure can be reliably determined. Any gains and losses resulting from subsequent measurement are recognised to profit or loss in the period incurred.

Shares in non-consolidated subsidiaries and other securities as well as associated companies and other investments that are not recorded at equity are classified as "available-for-sale financial assets" and generally measured at fair value, if this figure can be reliably determined.

If the fair value of non-listed equity instruments cannot be reliably determined, the shares are carried at cost after the deduction of any necessary impairment losses.

Gains and losses resulting from changes in fair value are basically recognised directly in equity (fair value reserve) after the deduction of deferred taxes. Impairment losses that reflect a lasting and significant decline in fair value are recognised to profit or loss and removed from the fair value reserve. If circumstances at a later measurement date indicate that fair value has increased as a result of events which occurred after the recognition of the impairment loss, a corresponding reversal of the impairment loss is generally recognised to profit or loss. Impairment losses recognised to profit or loss for available-for-sale equity instruments may only be reversed without recognition to profit or loss. Impairment losses to equity instruments that are measured at cost may neither be reversed to profit or loss nor recognised directly in equity.

Any accumulated gains and losses recognised to equity on the measurement of financial assets at fair value are transferred to the income statement when the relevant asset expires or is sold.

Purchases and sales are recognised as of the settlement date.

Receivables

Trade receivables and other current receivables are measured at the initially recognised value less impairment losses. Individual valuation allowances are recorded to reflect the expected credit risk. The conclusion of bankruptcy proceedings leads to derecognition of the involved receivables, whereby previously recognised valuation adjustments are used when a receivable is derecognised. The creation of individual valuation allowances also involves the aggregation of potentially impaired receivables based on similar credit risk characteristics and the subsequent recognition of valuation allowances in accordance with past experience. Impairment losses on trade receivables are recorded to separate allowance accounts. Other non-current receivables are measured at amortised cost and, if material, payment at a later date is reflected through discounting.

Cash and cash equivalents

Cash and cash equivalents, which include bank accounts and short-term deposits with credit institutions, have a remaining term of up to three months at the date of acquisition. These items are measured at fair value, which generally reflects the nominal value.

Liabilities

Financial liabilities are recognised at an amount equal to the actual funds received, which generally reflects fair value. Any material difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method, and reported under financial results. Trade payables and other liabilities are carried at amortised cost.

Derivative financial assets and liabilities

The Flughafen Wien Group uses selected derivative financial instruments (interest rate swaps) to hedge the potential effect of interest rate fluctuations on investments and financing transactions. Derivative financial instruments – which are not embedded in an effective hedge as defined in IAS 39 and must therefore be classified as "held for trading" – are recognised at fair value (which generally represents cost) as of the contract date. Subsequent measurement is also based on fair value, which represents the market price for traded derivatives. Instruments that are not quoted on an exchange are valued on the basis of comparable transactions or settlement offers by the relevant business partners. For interest rate swaps, fair value reflects the amount the group would receive or be required to pay on the settlement date. This amount is calculated using the interest rates and interest rate structure curves that are relevant for the settlement date. Changes in fair value are generally recognised through profit and loss, unless the derivative financial instrument is qualified as an effective hedge in accordance with IAS 39.

Positive fair values are recorded under receivables and other assets, while negative fair values are recorded under other liabilities.

The group applies the requirements for hedge accounting as defined in IAS 39 ("Hedge Accounting") to instruments that are concluded to hedge future cash flows. This reduces the volatility of the income statement. Cash flow hedges are used as protection against fluctuations in the cash flows generated by recognised assets and liabilities or highly probable planned transactions. If an instrument is classified as a cash flow hedge, the effective portion of the change in the value of the hedge is recorded under equity (hedging reserve) without recognition through profit and loss until the results of the underlying transaction are recognised; the ineffective portion of the change in the value of the hedge is recognised to profit and loss.

Income taxes

Income taxes include the taxes due and payable on taxable income as well as deferred taxes. The provisions for taxation are generally comprised of obligations for domestic and foreign income taxes, and cover the reporting year as well as any obligations from previous years. The liabilities are calculated in accordance with the tax regulations of the countries where the group conducts its business activities. Flughafen Wien AG is the group parent under the definition provided by § 9 (8) of the Austrian Corporate Income Tax Act of 1988. In this function, the group parent apportions and charges the applicable share of taxes to the member companies of the group; if a group company generates a loss, the relevant credit is only made when this company again records taxable profit. This settlement of tax charges leads to a reduction in the tax expense shown on the income statement of the group parent. If there are any subsequent variances, the tax settlements with group companies are adjusted accordingly. In accordance with the liability approach, deferred tax assets and deferred tax liabilities are recognised for temporary differences between the carrying amounts on the consolidated balance sheet and the balance sheet prepared for tax purposes as well as for tax loss carryforwards. Deferred tax assets are recognised when it is probable that sufficient taxable profit will be available to utilise a deductible temporary difference. Deferred taxes are only created for temporary differences arising from shares in subsidiaries and companies recorded at equity in cases where there is an intention to sell the investment and the gain on sale will be taxable. Deferred taxes are valued in accordance with the tax regulations that are valid or were enacted as of the balance sheet date for the financial statements. Therefore, the tax rates expected in the future are applied to the reversal of temporary differences.

Realisation of income

Revenue and other operating income is realised when services are provided or the risks and opportunities associated with these services have been transferred to the buyer, under the assumption that a probable economic benefit will flow and this benefit can be reliably estimated.

Income from investments

This position includes the share of profit or loss from companies valued at equity as well as impairment charges, write-ups, sale proceeds and dividends. Dividends are recognised when the relevant resolution for distribution has been passed.

Discretionary judgment and estimation uncertainty

The presentation of the group's asset, financial and earnings position in the consolidated financial statements requires discretionary judgment concerning the measurement and valuation methods applied as well as the assumptions and estimates made by management. Actual results may differ from these estimates. The following key estimates and related assumptions as well as the uncertainties connected with the accounting and valuation methods applied by the group are decisive for an understanding of the underlying risks of financial reporting and the possible effects on the consolidated financial statements in future financial years.

The valuation of intangible assets, property, plant and equipment as well as investments accounted for at equity is connected with estimates related to the determination of fair value on the acquisition date. The stakes in companies recorded at equity have a total carrying amount of T€ 108,485.8 (2009: T€ 107,368.9).

Accounting for business combinations involves estimates to determine the fair value of acquired assets, liabilities and contingent liabilities. Properties are measured on the basis of appraisals by experts. Identifiable intangible assets are measured in accordance with appropriate valuation methods that reflect the type of asset and the availability of information. The use of a market approach for the valuation of intangible assets is generally not possible due to a lack of comparable market prices, and an income approach is therefore used. Customer relationships are measured in accordance with the multi-period excess earnings method, which determines the present value of income from the existing customer base. Under the assumption that an intangible asset will only generate cash flows in connection with other tangible and intangible assets, the determination of the relevant cash surpluses also includes operating expenses and calculatory usage fees (contributory asset charges) for these "supporting" assets. This valuation incorporates a decline in the planned income stream over time based on an appropriate churn rate for customers.

The impairment testing of intangible assets (carrying amount: T€ 8,128.9, 2009: T€ 8,583.3), goodwill (carrying amount: T€ 4,394.4, 2009: T€ 4,394.4), property, plant and equipment (carrying amount: T€ 1,538,593.1, 2009: T€ 1,471,339.5), investment property (carrying amount: T€ 139,366.2, 2009: T€ 126,896.0) and financial assets (carrying amount: T€ 113,637.6, 2009: T€ 111,292.3) involves estimates for the cause, timing and amount of impairment. Impairment can be caused by a number of factors, such as changes in the current competitive situation, expectations for the development of passenger volume, increases in the cost of capital, changes in the future availability of financing, technological obsolescence, the termination of services, current replacement costs, the purchase prices paid for comparable transactions or other changes in the operating environment. The recoverable amount of a specific asset or cash-generating unit is normally determined in accordance with the discounted cash flow method, which also makes use of assumptions by management for future cash flows, risk-adjusted discount rates and appropriate useful lives. For this reason, the calculation of the present value of expected future cash flows and the classification of an asset as impaired depend on management's judgment and evaluation of future development opportunities.

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

The Flughafen Wien Group created valuation allowances of T€ 4,284.6 (2009: T€ 10,409.3) for doubtful receivables to reflect expected losses arising from the unwillingness or inability of customers to meet their payment obligations. Management evaluates the appropriateness of these valuation allowances based on the term structure of receivable balances and past experience with the derecognition of receivables, also considering the credit standing of customers and changes in payment conditions. If the financial position of customers deteriorates, actual write-offs could exceed the scope of the expected derecognition.

The valuation of provisions for severance compensation, pensions and service anniversary bonuses with a combined carrying amount of T€ 91,502.0 (2009: T€ 81,770.1) is based on assumptions for the discount rate, retirement age and life expectancy as well as future increases in wages, salaries and pensions.

The provisions for pending legal proceedings and other outstanding claims arising from settlement, arbitration or government proceedings total T€ 2,303.1 (2009: T€ 2,906.4). The recognition and measurement of these provisions are connected to a significant degree with estimates made by management. The evaluation of the probability that pending legal proceedings will be successful and lead to a liability as well as the quantification of the possible amount of a related payment obligation are dependent to a significant degree on an assessment of the respective situation. As a result of the uncertainties connected with this assessment, actual losses may differ from the original estimates and the amount of the provision.

Income taxes are computed for every tax jurisdiction in which the group operates. This involves the calculation of actual expected taxes for each tax subject as well as an evaluation of the temporary differences between the carrying amounts of certain balance sheet items in the consolidated financial statements and the financial statements prepared for tax purposes. Deferred tax assets of T€ 12,106.1 (2009: T€ 11,086.3) were recognised since it is probable that the group will be able to utilise them in the future. The use of deferred tax assets is dependent on the ability to generate sufficient income in the individual tax jurisdictions. Various factors are used to evaluate the probability of the future use of deferred tax assets, which may include past earnings, operating forecasts and/or tax planning strategies. If actual earnings differ from these estimates or the estimates must be adjusted in future periods, this may have a negative effect on the asset, financial and earnings position of the group. The impairment of a deferred tax asset leads to derecognition of the relevant item through profit or loss.

Notes to the Consolidated Income Statement

(1) Revenue and segment reporting

Revenue includes all income generated by the ordinary business activities of the Flughafen Wien Group. Revenue is presented excluding value added tax as well as other taxes that are collected from customers and passed on to taxation authorities.

The Flughafen Wien Group has applied IFRS 8 since 1 January 2009. IFRS 8 calls for segment reporting that is based solely on the internal organisation and reporting structure as well as the internal measurement indicators used by the company.

IFRS 8 identifies operating segments as components of a company: that engage in business activities from which they can earn revenues and incur expenses (also together with and from other segments); and whose operating results are regularly reviewed by the company's chief operating decision-makers to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The starting point is formed by the operating segments that meet the quantitative thresholds defined in IFRS 8.13 and are therefore reportable. Operating segments that exhibit similar characteristics as defined in IFRS 8.12 and are also similar to the other factors described in IFRS 8.12 are aggregated together with these reportable segments into a single operating segment. Activities that are not reportable in their own right and cannot be aggregated with other reportable segments are combined into the category "Other Segments" in agreement with IFRS 8.16:

Airport

The business segments aviation and airport services are combined into the reportable operating segment "Airport". The activities of the Aviation Segment consist primarily of the traditional services performed by an airport operator. These services include the operation and maintenance of all aircraft movement areas and the terminals as well as all equipment and facilities involved in passenger and baggage handling, including the VIP Center and VIP lounges. The fees for these services are generally subject to tariff regulations. The airport services unit provides a wide range of services to support airport operations, to deal with emergencies and disruptions and to ensure security. Vöslau Airport is also allocated to the Airport Segment.

Handling

The Handling Segment supplies a variety of services for the handling of aircraft and passengers on scheduled and charter flights. It is also responsible for the handling of general aviation aircraft and passengers as well as the operation of the General Aviation Center. In addition, security controls for persons and hand luggage are performed by the Handling Segment.

Retail & Properties

The Retail & Properties Segment provides various services to support airport operations, including shopping, gastronomy and parking. Activities for the development and marketing of real estate are also included here.

Other Segments

This segment comprises various services that are provided to other operating segments as well as external customers, e.g. technical services and repairs, infrastructure maintenance, energy supply and waste disposal, telecommunications and information technology, electromechanical and building services, the construction and maintenance of infrastructure facilities, construction management and consulting.

Also allocated to this segment are the subsidiaries of Flughafen Wien AG that hold shares in associates or joint ventures and have no other operating activities.

Explanation of the amounts shown

The accounting principles used to develop the segment data are the same as the accounting principles applied in preparing the IFRS consolidated financial statements. The criteria used by the Flughafen Wien Group to evaluate segment performance include, among others, earnings before interest and taxes (EBIT). Depreciation is split into scheduled depreciation and impairment losses, and is derived from the assets allocated to the individual segments. The underlying prices for inter-segment revenues and services reflect market-based standard costs or rates, which are generally based on internal costs.

In accordance with internal reporting, separate information is provided on internal and external revenues as well as scheduled depreciation and amortisation. Other items such as the financial results or tax expense attributable to the individual operating segments are not included under segment information because internal reporting only covers these positions down to and including EBIT and this information is not monitored on a regular basis by the main decision-makers.

Segment assets and liabilities comprise all assets and liabilities that can be allocated to the operating business. In particular, segment assets include intangible assets, property, plant and equipment, trade receivables and other receivables as well as inventories. The Flughafen Wien Group does not show segment liabilities for each reportable operating segment because these liabilities are not monitored on a regular basis by the key decision-maker. Segment assets do not include the assets shown under "Other (not allocated)" in the reconciliation of segment assets to group assets. The group assets designated as not allocated consist primarily of intangible assets and property, plant and equipment used by administrative functions as well as financial assets, non-current receivables, current securities, inventories, trade receivables, receivables due from subsidiaries, receivables due from investments recorded at equity, receivables due from taxation authorities, other receivables and assets, prepaid expenses and deferred charges, and cash and cash equivalents.

Segment investments include additions to intangible assets and property, plant and equipment.

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

The number of employees at the segment level is based on the average number of employees for the financial year, weighted by the scope of employment.

Companies included in the consolidated financial statements using the equity method are included under "Other segments" if the respective parent company is not assigned to one of the operating segments.

Segment results for 2010

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

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

Segment results for 2009

in T€ (except employees)	Airport	Handling	Retail & Properties	Other Segments	Group
External segment revenue	226,468.5	169,787.7	88,826.6	16,225.4	501,308.2
Internal segment revenue	28,741.8	28,377.7	15,501.7	70,593.9	
Segment revenue	255,210.3	198,165.4	104,328.3	86,819.3	
Other external revenue[1]					379.3
Group revenue					501,687.5
Segment results	78,723.0	13,673.4	42,785.6	-6,471.3	128,710.8
Other (not allocated)					-29,145.6
Group EBIT					99,565.2
Segment depreciation and amortisation	34,591.8	7,149.5	14,216.7	10,538.9	66,496.9
Other (not allocated)					412.1
Group depreciation					66,908.9
Segment investments	201,026.6	3,526.9	11,020.6	7,769.7	223,343.8
Other (not allocated)					241.6
Group investments					223,585.3
Segment assets	1,182,614.6	40,832.8	356,738.1	184,953.6	1,765,139.0
Thereof investments recorded at equity and joint ventures				107,368.9	
Other (not allocated)					95,792.6
Group assets					1,860,931.6
Segment employees (average)	423	2,955	77	539	3,995
Other (not allocated)					153
Group employees (average)					4,148

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

Reconciliation of reportable segment results to group EBIT

in T€	2010	2009
Total reported segment results (EBIT)	128,594.4	128,710.8
Administration		
Revenue	6,286.4	6,220.7
Other operating income	1,793.3	1,881.5
Consumables	-893.1	-575.8
Personnel expenses	-14,363.5	-13,179.0
Other operating expenses	-18,805.6	-23,080.9
Depreciation and amortisation	-286.8	-412.1
Total not allocated	-26,269.3	-29,145.6
Group EBIT	102,325.1	99,565.2

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

Reconciliation of segment assets to group assets

in T€	31.12.2010	31.12.2009
Assets by segment		
Airport	1,279,343.4	1,182,614.6
Handling	37,878.5	40,832.8
Retail & Properties	346,884.9	356,738.1
Other Segments	184,122.5	184,953.6
Total assets in reportable segments	1,848,229.3	1,765,139.0
Assets not allocated to a specific segment		
Intangible assets and property, plant and equipment used in administration	1,010.0	1,084.5
Other financial assets	4,564.5	3,310.4
Non-current receivables	106.8	111.3
Current securities	64,351.0	62,884.7
Inventories	175.2	113.3
Trade receivables	44.3	33.3
Receivables due from subsidiaries	348.8	456.1
Receivables due from investments recorded at equity	128.9	140.3
Receivables due from taxation authorities	8,609.5	14,040.0
Other receivables and assets	3,931.8	5,315.6
Prepaid expenses and deferred charges	3,362.8	2,874.6
Cash and cash equivalents	63,632.7	5,428.6
Total not allocated	150,266.4	95,792.6
Group assets	1,998,495.7	1,860,931.6

Disclosures for 2010 by region

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

Disclosures for 2009 by region

in T€	Austria	Malta	Slovakia	Group
External revenue	501,040.4	647.1	0.0	501,687.5
Non-current assets	1,629,031.9	46,326.9	47,146.6	1,722,505.4

The assets allocated to Malta and Slovakia also include the value of investments in other companies owned by these fully consolidated subsidiaries. The investments in Malta Airport generated net profit of € 3.4 million in 2010 (2009: € 2.7 million) and the investment in Košice Airport net profit of € 0.8 million (2009: € 1.3 million). The values of the investments in the airport corporations in Malta and Slovakia are not shown here.

Information on key customers

The Flughafen Wien Group recorded revenue of € 183.4 million with its major customer in 2010 (2009: € 184.5 million). This revenue was generated in all segments.

(2) Other operating income

in T€	2010	2009
Own work capitalised	9,437.8	8,470.0
Income from the disposal of property, plant and equipment	64.1	65.3
Income from the reversal of provisions	3,433.4	3,899.1
Income from the reversal of investment subsidies from public funds	1,024.0	1,354.8
Income from rights granted	694.7	818.0
Income from insurance	247.6	122.8
Miscellaneous	1,475.0	656,8
	16,376.8	15,386.8

The increase in own work capitalised during the reporting year resulted, above all, from the capitalisation of services provided by group companies on construction projects.

(3) Consumables and services used

in T€	2010	2009
Consumables	22,455.3	17,615.2
Energy	16,833.2	16,548.4
Services	3,052.8	3,310.8
	42,341.2	37,474.3

The cost of consumables and services rose by € 4.9 million or 13.0% to € 42.3 million. This increase resulted, above all, from the higher use of de-icing materials (€ +2.3 million), but also included higher costs of € 0.5 million and € 2.0 million, respectively, for fuel and other materials. Energy costs remained at the prior year level in total, and reflected lower expenses for electricity and higher expenses for long-distance heating. The cost of services was lower, primarily due to a decline in brokerage.

(4) Personnel expenses

in T€	2010	2009
Wages	105,229.6	95,133.9
Salaries	66,557.8	62,468.3
Expenses for severance compensation	9,350.2	7,434.8
Thereof contributions to severance fund	3,044.8	1,073.6
Expenses for pensions	7,096.3	3,542.9
Thereof contributions to pension funds	5,929.8	1,540.0
Expenses for legally required duties and contributions	47,667.4	44,543.8
Other employee benefits	2,206.9	2,270.4
	238,108.2	215,394.2

The average number of employees increased 2.8% to 4,266 in 2010. The largest increase was recorded in the Handling Segment (plus 108 employees), followed by the Other Segments (plus 33 employees). The average workforce in the Airport Segment declined 2.7%. As of 31 December 2010 the Flughafen Wien Group had 4,337 employees, which represents a year-on-year increase of 10.5%. Personnel expenses rose by 10.5% to € 238.1 million for the reporting year. This development reflected the higher average number of employees as well as an increase in overtime work (e.g. winter services), wage and salary increases mandated by collective bargaining agreements, higher costs for severance compensation as well as higher additions to the provision for pensions and contributions to pension funds in comparison with 2009.

(5) Other operating expenses

in T€	2010	2009
Other taxes (excluding income taxes)	409.8	410.0
Maintenance	19,035.0	16,622.4
Third party services	16,590.8	14,852.1
Consulting expenses	12,244.2	8,971.5
Marketing and market communication	26,208.0	19,280.9
Postage and telecommunications	1,520.9	1,633.1
Rental and lease payments	9,390.8	8,307.6
Insurance	3,503.4	3,571.5
Travel and training	1,922.7	1,774.8
Damages	284.4	78.6
Valuation allowances to and derecognition of receivables	-160.8	4,156.1
Losses on the disposal of property, plant and equipment	424.8	800.1
Exchange rate differences	512.8	426.3
Miscellaneous operating expenses	9,739.0	16,846.7
	101,625.9	97,731.6

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

Third party services consist primarily of costs for the baggage reconciliation system and handling of baggage carts, fees for waste water and garbage disposal, cleaning services and temporary personnel for the subsidiary Vienna Airport Infrastruktur Maintenance GmbH.

Consulting expenses include fees paid to attorneys, notaries public, tax advisors and the auditors of the annual financial statements as well as miscellaneous consulting fees.

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

in T€	2010	2009
Audit of the annual financial statements	258.6	251.2
Other assurance services	53.5	3.5
Other services	102.1	0.0
	414.3	254.7

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

In 2009 miscellaneous operating expenses included € 8.4 million that were directly related to the terminal extension VIE-Skylink.

(6) Amortisation and depreciation

in T€	2010	2009
Amortisation of intangible assets		
Scheduled amortisation	1,790.4	1,930.6
	1,790.4	1,930.6
Depreciation of property, plant and equipment		
Scheduled depreciation	64,020.7	64,978.3
	64,020.7	64,978.3
	65,811.1	66,908.9

(7) Income from investments recorded at equity

in T€	2010	2009
Income	4,699.9	4,073.3
Expenses	-1,088.3	-655.9
	3,611.6	3,417.4

A pro rata share of gains totalling T€ 101.8 was not recognised during the reporting year (2009: T€ 21.2). The cumulative total of unrecognised losses equals T€ 40.1 (2009: T€ 141.9).

(8) Income from investments, excluding investments recorded at equity

in T€	2010	2009
Income from subsidiaries not included in the consolidation	255.1	225.0
Income from investments in other companies	70.0	0.0
	325.1	225.0

(9) Interest income/expense

in T€	2010	2009
Interest and similar income	3,368.5	3,570.3
Interest and similar expenses	-11,031.7	-10,470.9
	-7,663.2	-6,900.6

(10) Other financial income/expense

in T€	2010	2009
Income from the write-up of financial assets	83.1	0.0
Income from the disposal of securities	0.0	4.3
Losses on the disposal of securities	0.0	-38.0
Impairment losses on securities and other financial instruments	0.0	-269.1
	83.1	-302.8

(11) Income taxes

in T€	2010	2009
Current tax expense	16,675.8	15,520.7
Current tax expense relating to prior periods	2.0	-1.9
Change in deferred income taxes	6,317.1	7,138.5
	22,994.9	22,657.3

The increase of T€ 4,531.5 in deferred taxes (2009: T€ 7,349.4) is the result of temporary differences. The change of T€ -61.8 (2009: T€ -248.8) resulted from the use of tax loss carryforwards.

The total tax expense of T€ 22,994.9 (2009: T€ 22,657.3) is T€ 1,675.5 (2009: T€ 1,343.7) lower than the calculated tax expense of T€ 24,670.4 (2009: T€ 24,001.1) that would result from the application of the Austrian corporate tax rate (25.0%) to profit before tax of T€ 98,681.6 (2009: T€ 96,004.3).

The difference between the calculated tax rate and the effective tax rate shown in the financial statements is explained by the following table:

Tax reconciliation

in T€	**2010**	**2009**
Profit before taxes	98,681.6	96,004.3
Calculated income tax	24,670.4	24,001.1
Decreases in taxes based on		
Adjustments for foreign tax rates	-15.5	-72.3
Tax effects of reductions for local taxes	-1,247.0	-620.6
Permanent differences	-8.7	0.0
At equity valuations	-1,092.8	-1,018.3
	-2,364.1	-1,711.2
Increase in taxes based on		
Adjustments for foreign tax rates	58.1	48.7
Tax effects of additions for local taxes	438.5	68.4
Permanent differences	0.0	21.0
At equity valuations	189.9	231.2
	686.5	369.4
Income tax expense for the period	22,992.9	22,659.2
Income tax expense from prior periods	2.0	-1.9
Income tax expense as reported on the income statement	22,994.9	22,657.3
Effective tax rate	23.3%	23.6%

The differences between the carrying amounts in the IFRS financial statements and the financial statements prepared for tax purposes as well as the loss carryforwards recognised as of the balance sheet date have the following effect on deferred tax liabilities as shown on the balance sheet:

Deferred taxes

in T€	2010	2009
Deferred tax assets		
Intangible assets and property, plant and equipment	118.1	153.7
Financial assets	315.6	358.9
Provisions for severance compensation	5,022.7	4,017.9
Provisions for pensions	1,357.5	1,610.6
Provisions for service anniversary bonuses	1,186.6	798.9
Transfer of shares to employee foundation	0.0	98.1
Other provisions	2,393.8	2,274.6
Tax loss carryforwards	1,711.8	1,773.7
	12,106.1	11,086.3
Deferred tax liabilities		
Intangible assets and property, plant and equipment	26,833.6	21,492.9
Securities	746.7	379.9
Other assets and liabilities	822.1	886.7
Tax provisions from consolidation entries	741.0	894.6
	29,143.5	23,654.1
Total provisions for taxation (net)	-17,037.4	-12,567.8

The following tables show the development and allocation of the total change in the provision for deferred taxes into the components recognised to profit or loss and the components recognised directly in equity:

Development of deferred tax assets

in T€	2010	2009
Balance on 1.1.	11,086.3	12,095.2
Changes recognised to profit or loss	-1,215.3	-1,171.9
Changes recognised directly in equity		
Actuarial differences	2,235.1	484.9
Employee foundation	0.0	-322.0
Total changes recognised directly in equity	2,235.1	162.9
Balance on 31.12.	12,106.1	11,086.3

Development of deferred tax liabilities

in T€	2010	2009
Balance on 1.1.	23,654.1	17,562.4
Changes recognised to profit or loss	5,101.8	5,966.7
Changes recognised directly in equity		
Non-current securities	0.3	2.9
Current securities	366.6	163.2
Cash flow hedge	20.7	-41.1
Total changes recognised directly in equity	387.6	124.9
Balance on 31.12.	29,143.5	23,654.1

The calculation of deferred tax assets for the Austrian companies is based on the applicable corporate income rate (25.0%). The deferred tax assets and deferred tax liabilities held by the Austrian companies were netted out. The calculation of taxes in foreign countries is based on the applicable tax rates (32.5%/35.0% for Malta and 19.0% for Slovakia).

The changes recognised directly in equity are related to gains and losses on available-for-sale financial instruments, cash flow hedges and the employee fund as well as actuarial gains and losses not affecting net income.

Deferred tax assets of T€ 699.2 had not been recognised as of 31 December 2010 (2009: T€ 699.2). These amounts are related primarily to deferred tax assets on loss carryforwards, which were not recognised due to the uncertainty connected with their acceptance by the taxation authorities. If the loss carryforwards are accepted, there would be no time limit on their utilisation.

Notes to the Consolidated Balance Sheet

Non-current assets

(12) Intangible assets

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

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

in T€	Concessions and rights	Goodwill	Total
Development from 1.1. to 31.12.2009			
Net carrying amount as of 1.1.2009	8,321.3	4,394.4	12,715.7
Additions	2,192.6	0.0	2,192.6
Amortisation	-1,930.6	0.0	-1,930.6
Net carrying amount as of 31.12.2009	8,583.3	4,394.4	12,977.6
Balance on 31.12.2009			
Acquisition cost	30,328.6	4,394.4	34,723.0
Accumulated amortisation	-21,745.3	0.0	-21,745.3
Net carrying amount	8,583.3	4,394.4	12,977.6

The major additions for the reporting year represent purchased software. Expenditures of T€ 2,585.8 for the development of individual modules for an internally generated airport operations software programme were recognised as expenses in 2010 (2009: T€ 1,491.8).

(13) Property, plant and equipment

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

1) The additions include invoice corrections of T € 13.666,9, which are accounted for as negative additions.

in T€	Land and buildings	Technical equipment and machinery	Other equipment, furniture, fixtures and office equipment	Pre-payments and con-struction in progress	Total
Development from 1.1. to 31.12.2009					
Net carrying amount as of 1.1.2009	488,352.2	254,868.4	49,444.8	528,322.6	1,320,988.0
Additions	14,672.8	12,163.4	8,215.2	185,246.0	220,297.3
Transfers	32,267.3	14,744.0	1,455.0	-55,383.1	-6,916.8
Disposals	-1,055.5	-9.0	-96.4	-696.1	-1,857.0
Depreciation	-21,890.1	-25,586.4	-13,695.5	0.0	-61,172.0
Net carrying amount as of 31.12.2009	512,346.7	256,180.4	45,323.2	657,489.3	1,471,339.5
Balance on 31.12.2009					
Acquisition cost	794,465.2	655,681.8	178,528.1	658,004.2	2,286,679.3
Accumulated depreciation	-282,118.4	-399,501.4	-133,205.0	-514.9	-815,339.7
Net carrying amount	512,346.7	256,180.4	45,323.2	657,489.3	1,471,339.5

Borrowing costs of T€ 17,160.3 were capitalised in 2010 (2009: T€ 15,939.3). The average interest rate on financing for the reporting year was 3.6% (2009: 4.1%).

The following table shows the major additions to property, plant and equipment in 2010 and 2009, including capitalised interest expense on debt:

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

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

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

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

Airport Segment in T€	2009
VIE-Skylink	115,371.6
Third runway	13,295.0
Ramp in front of the airport building	13,011.2
Security systems	9,089.2
Fire department building and checkpoints	8,373.3
Austrian Federal Railway station	6,722.3
Land	5,966.8
Taxiways and aprons	4,868.8
Guidance system	4,378.6
Baggage sorting equipment	3,988.1

Handling Segment in T€	2009
Special vehicles	2,180.4
Operating equipment	1,107.8

Retail & Properties Segment in T€	2009
Gate equipment for car parks and parking areas	2,208.4
Forwarding agent building	2,087.3
Office Park I	1,257.9

Other Segments in T€	2009
Software	1,681.4
IT hardware	1,086.3
Infrastructure west expansion	1,091.1
Fixtures and operating equipment	895.9
Transformer station	663.2

(14) Investment property

in T€	2010	2009
Development from 1.1. to 31.12.		
Net carrying amount as of 1.1.	126,896.0	122,690.1
Additions	683.1	1,095.4
Transfers	16,156.5	6,916.8
Depreciation	-4,369.4	-3,806.3
Net carrying amount as of 31.12.	139,366.2	126,896.0
Balance on 31.12.		
Acquisition cost	177,279.8	158,573.8
Accumulated depreciation	-37,913.6	-31,677.8
Net carrying amount	139,366.2	126,896.0

in T€	2010	2009
Rental income	13,604.6	14,161.3
Operating expenses for rented properties	7,102.3	4,651.3
Operating expenses for vacant properties	638.2	677.3

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

Transfers consist primarily of a forwarding agent building, which was reclassified to investment property as of 31 December 2010.

According to internal calculations that are based on an earnings valuation, the group's investment property had a fair value of T€ 164,609.4 as of 31 December 2010.

(15) Investments accounted for using the equity method

At Equity in T€	2010	2009
Development from 1.1. to 31.12.		
Net carrying amount as of 1.1.	107,368.9	104,790.1
Acquisition of shares	85.9	0.0
Transfer of profits	4,371.2	4,043.3
Transfer of losses	-744.4	-640.6
Depreciation of identifiable assets	-15.3	-15.3
Dividends	-2,580.6	-808.6
Net carrying amount as of 31.12.	108,485.8	107,368.9
Balance on 31.12.		
Acquisition cost	108,490.6	107,373.6
Accumulated results	-4.7	-4.7
Net carrying amount	108,485.8	107,368.9

(16) Other financial assets

in T€	31.12.2010	31.12.2009
Loans and receivables (LaR)	1,608.2	1,614.0
Thereof loans granted to employees	106.8	111.3
Thereof other originated loans and receivables	1,501.3	1,502.7
Available-for-sale assets (AfS)	3,543.7	2,309.3
Thereof investments in non-consolidated subsidiaries	1,323.3	1,323.3
Thereof long-term investment funds and securities	2,220.4	986.0
	5,151.8	3,923.3

Definition of valuation categories:
LaR – Loans and receivables,
AfS – Financial instruments available for sale

The originated loans and receivables include a loan of T€ 70.0 (2009: T€ 59.0) to Société Internationale Télécommunications Aéronautiques SC, a loan of T€ 450.0 (2009: T€ 500.0) to Austro Port Boden- und Flugzeugabfertigungsges.m.b.H and loans of T€ 106.8 (2009: T€ 111.3) to employees as well as a receivable of T€ 129.5 (2009: T€ 135.0) related to the granting of an investment subsidy by the Austrian Environmental Fund.

Available-for-sale financial assets consist chiefly of T€ 2,220.4 (2009: T€ 986.0) in investment fund shares that have been held for a longer period of time as well as shares in non-consolidated subsidiaries totalling T€ 1,323.3 (2009: T€ 1,323.3), which were not included in the consolidated financial statements because the related amounts are immaterial at the present time:

Shares in non-consolidated subsidiaries (2010):
- Flughafen Wien / Berlin-Brandenburg International Entwicklungsbeteiligungsgesellschaft mbH, in liquidation
- GetService Dienstleistungsgesellschaft m.b.H.
- "GetService"-Flughafen-Sicherheits- und Servicedienst GmbH
- Salzburger Flughafen Sicherheitsgesellschaft m.b.H.
- VIAS Hellas Security Air Transport Services Limited Liability Company, in liquidation
- VIE Shops Entwicklungs- und Betriebsges.m.b.H.
- Indian Airports Holding GmbH

Shares in non-consolidated associated companies (2010):
- OAO "Petroport-konzessii" Open Stock Company

Current assets

(17) Inventories

in T€	31.12.2010	31.12.2009
Consumables and supplies	4,504.4	3,310.8
	4,504.4	3,310.8

Consumables and supplies are comprised above all of de-icing materials, fuel, spare parts and other materials used in airport operations. As of 31 December 2010 and 31 December 2009, no inventories were valued at the net selling price.

(18) Securities

in T€	31.12.2010	31.12.2009
Investment funds[1]	34,401.0	33,984.7
Fixed-interest securities	29,950.0	28,900.0
Thereof AfS	9,950.0	8,900.0
Thereof LaR	20,000.0	20,000.0
	64,351.0	62,884.7

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

As of 31 December 2010, securities totalling T€ 34,401.0 (2009: T€ 33,984.7) were pledged to Austrian financial institutions to obtain better conditions on short-term lines of credit.

(19) Receivables and other assets

in T€	31.12.2010	31.12.2009
Gross trade receivables	49,790.2	54,384.8
Less valuation allowances	-4,284.6	-10,409.3
Net trade receivables	45,505.7	43,975.5
Receivables due from non-consolidated subsidiaries	348.8	456.1
Subtotal	45,854.5	44,431.6
Receivables due from investments recorded at equity	128.9	140.3
Receivables due from taxation authorities	8,609.5	14,040.0
Other receivables and assets	3,931.8	5,315.6
Prepaid expenses and deferred charges	3,362.8	2,874.6
	61,887.5	66,802.0

The payment terms for trade receivable generally range from 8 to 30 days. Individual valuation allowances were recognised to reflect possible bad debt losses. The carrying amount of trade receivables approximates the fair value of these items. The receivables due from taxation authorities represent advance payments on corporate income taxes as well as VAT tax credits.

(20) Cash and cash equivalents

in T€	31.12.2010	31.12.2009
Cash	140.8	130.4
Deposits with financial institutions	12,491.9	5,298.1
Short-term investments (time deposits)	51,000.0	0.0
	63,632.7	5,428.6

The commitment period for all short-term investments was less than three months at the time the investment was made. The average interest rate on deposits with financial institutions equalled 1.35% as of 31 December 2010 (2009: 0.35%). The carrying amount of cash and cash equivalents approximates fair value.

Equity

(21) Share capital

The share capital of Flughafen Wien AG is fully paid in and totals T€ 152,670.0. It is divided into 21,000,000 shares of bearer stock, which carry voting and dividend rights. All shares carry the same rights and obligations ("one share – one vote"). There were 21,000,000 shares outstanding as of 31 December 2010, which reflects the same number as in the prior year.

Earnings per share as shown on the income statement are calculated by dividing the share of net profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding for the financial year. There are no option rights for the issue of new shares. Therefore, basis earnings per share equal diluted earnings per share.

The recommended dividend is dependent on the approval of the annual general meeting, and was therefore not recognised as a liability in the consolidated financial statements. The recommended dividend for the 2010 financial year equals € 2.00 (2009: € 2.10) per share.

(22) Capital reserves

Capital reserves comprise a T€ 92,221.8 premium generated by the stock issue in 1992 and a T€ 25,435.5 premium realised on the capital increase in 1995. These items were recognised in the individual accounts of Flughafen Wien AG.

(23) Other reserves

The component items of other reserves are described below. The development of these reserves is shown on the statement of changes in equity.

a) Available-for-sale reserve: The revaluation reserve for financial investments comprises the accumulated gains or losses on the revaluation of available-for-sale financial assets. These amounts are recognised in other comprehensive income after the addition or deduction of any transfers to profit or loss in connection with a sale or an impairment charge.
b) Hedging reserve: This reserve includes gains and losses on the effective portion of cash flow hedges. The gains and/or losses accumulated in the reserve are only transferred to profit or loss if the hedged transaction also influences earnings or, in the case of non-financial underlying transactions, if the hedged transaction leads to an adjustment of the carrying amount in accordance with the applied accounting policy.
c) Actuarial gains and losses: Actuarial gains and losses on the provisions for severance compensation and pensions, which result from experience-based adjustments or changes in actuarial assumptions, are recognised directly in equity (other comprehensive income) during the period incurred.
d) Currency translation reserve: This reserve covers all differences resulting from the translation of foreign subsidiary financial statements from the functional currency to the group's reporting currency.

(24) Retained earnings

Retained earnings comprise the profits generated by the group after the deduction of dividends. The maximum amount available for distribution to the shareholders of the parent company equals the amount shown as "total profit" on the individual financial statements of Flughafen Wien AG as of 31 December 2010, which were prepared in accordance with Austrian generally accepted accounting principles.

Income and expenses related to the employee foundation

The tenth (extraordinary) annual general meeting on 15 November 2000 authorised the repurchase of Flughafen Wien shares at an amount equal to 10% of share capital for subsequent transfer to an employee foundation. A total of 2,100,000 shares (10% of share capital) were repurchased on 30 November 2000. These shares were transferred to Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung (the employee foundation) on 20 December 2000 (2,000,000 shares) and on 2 February 2001 (100,000 shares). The shares owned by the foundation carry voting and dividend rights, whereby the foundation distributes the dividends received from Flughafen Wien AG directly to employees with no deductions.

This share-based payment to employees of the Flughafen Wien Group was granted prior to the enactment of IFRS 2 "Share-based Payment". The relevant effects are recognised directly in equity under retained earnings. Apart from the transfer of treasury stock in 2000 and 2001, the effects of the group's acceptance of corporate tax obligations on behalf of the employee fund are as follows:

in T€	2010	2009
Balance on 1.1.	14,012.4	13,046.4
Partial release of provision for foundation expenses	0.0	1,288.0
Deferred taxes	0.0	-322.0
Balance on 31.12.	14,012.4	14,012.4

(25) Non-controlling interests

Non-controlling interests represent shares held by third parties in the equity of consolidated subsidiaries. As of the balance sheet date, non-controlling interests reflected the stake held by RZB Holding GmbH in the Slovakian subsidiary BTS Holding a.s.

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

Non-current liabilities

(26) Non-current provisions

in T€	31.12.2010	31.12.2009
Severance compensation	61,040.7	52,806.6
Pensions	16,748.4	17,646.1
Service anniversary bonuses	13,713.0	11,317.5
Part-time work for older employees	12,840.5	11,172.8
	104,342.5	92,943.0

Provisions for severance compensation

Legal regulations and collective bargaining agreements grant employees who joined the company before 1 January 2003 a lump-sum payment on termination or retirement. The amount of this severance compensation is based on the length of service with the company and compensation at the end of employment. Employees who joined the company after 31 December 2002 no longer have a direct claim to legal severance compensation from their employer. For these employment contracts, severance compensation obligations are met through regular payments to an employee benefit fund. This severance compensation model only requires the employer to make regular contributions. In cases where collective bargaining agreements call for higher severance compensation payments to certain employees, provisions were created to cover the relevant amounts.

Development of the provision for severance compensation obligations

in T€	2010	2009
Provision recognised as of 1.1. = present value (DBO) of obligations	52,806.6	49,910.1
Net expense recognised to profit or loss	6,305.4	6,361.3
Actuarial gains(-)/losses(+) not recognised to profit or loss	8,027.3	1,879.5
Severance compensation payments	-6,098.6	-5,344.3
Provision recognised as of 31.12. = present value (DBO) of obligations	61,040.7	52,806.6

The cumulative actuarial losses on the provisions for severance compensation that were recognised directly in equity amounted to T€ 9,670.8 as of 31 December 2010 (2009: T€ 3,650.3).

Personnel expenses include the following

in T€	2010	2009
Service cost	3,606.9	3,673.9
Interest cost	2,698.5	2,687.4
Severance compensation expense recorded under personnel expenses	6,305.4	6,361.3

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

Experienced-based adjustments represent the actuarial gains and losses caused by differences between the assumptions for individual employee-related parameters and parameters applicable to the entire workforce. Among others, these parameters include the development of wages and salaries, the number of deaths, early retirement and resignations.

Severance compensation payments are expected to equal T€ 2,670.2 in 2011 (prior year T€ 3,140.9).

Provisions for pensions

Flughafen Wien AG has concluded individual agreements for the payment of supplementary defined benefit payments to certain active and retired key employees. These commitments are covered in part by reinsurance policies, which represent plan assets as defined in IAS 19. The amount of the provision was reduced by the amount of the insurance. No contributions to plan assets are expected in 2011.

Employees who joined the company before 1 September 1986 had a claim to defined benefit pension subsidies based on special company agreements. These payments were dependent on the length of employment and final compensation. In autumn 2001 active employees were given the option of receiving a one-time settlement payment equal to 100% of the 2000 provision for pensions, as calculated in accordance with Austrian commercial law, and transferring to a contribution-based pension fund model with no requirement for subsequent contributions on the part of the employer. A total of 588 employees accepted this offer at the beginning of 2002. Retired employees who did not accept the settlement offered in 2001 still have a claim to pension payments

For employees who joined the company after 1 September 1986, Flughafen Wien AG has concluded a company agreement for retirement, invalidity and survivors’ pensions through a contract with a pension fund (defined contribution plan).

The company makes payments equal to 2.5% of monthly wages and salaries for all employees covered by the company pension agreement, as long as their employment relationship remains in effect. In addition, employees can make additional contributions to the fund. Employees’ claims to retirement and survivors’ pensions arising from contributions made by the employer are transferred to the pension fund five years after the start of contribution payments. These amounts become vested after a further five years.

Reconciliation to the provision for pensions on the balance sheet

in T€	2010	2009
Present value (DBO) of the obligation as of 31.12.	19,254.8	22,735.6
Pension plan assets at fair value as of 31.12.	-2,506.4	-5,089.5
Provision recognised as of 31.12.	16,748.4	17,646.1

Development of the present value of the obligation (DBO)

in T€	2010	2009
Present value (DBO) of the obligation as of 1.1.	22,735.6	22,068.6
Service cost	256.6	966.5
Interest cost	909.9	1,036.3
Actuarial gains(-) / losses(+) not recognised to profit or loss	912.9	-81.1
Pension payments[1)]	-5,560.2	-1,254.7
Present value (DBO) of the obligation as of 31.12.	19,254.8	22,735.6

1) Thereof transfer to pension fund T€ -4,326.7

The cumulative actuarial gains on the provisions for pensions that were recognised directly in equity amounted to T€ 80.9 as of 31 December 2010 (2009: T€ 765.6).

Development of plan assets

in T€	2010	2009
Plan assets at fair value as of 1.1.	5,089.5	4,940.0
Actual return on plan assets	209.9	149.5
Plan settlements[1)]	-2,792.9	0.0
Plan assets at fair value as of 31.12.	2,506.4	5,089.5

1) Thereof transfer to plan assets T€ -2,744.9

The pension plan assets represent qualified reinsurance policies.

Personnel expenses include the following

in T€	2010	2009
Service cost	256.6	966.5
Interest cost	909.9	1,036.3
Actual return on plan assets	-209.9	-149.5
Pension expenses recorded under personnel expenses	956.6	1,853.4

Historical information on pension obligations

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

Pension payments are expected to total T€ 1,321.6 in 2011 (prior year: T€ 1,411.8).

Provision for service anniversary bonuses

The employees of the Austrian companies are entitled to receive special long-service bonuses. The specific entitlement criteria and amount of the bonus are regulated by the collective bargaining agreements for the employees of public airports in Austria.

Development of the provision for service anniversary bonuses

in T€	2010	2009
Provision recognised as of 1.1. = present value (DBO) of obligations	11,317.5	10,637.1
Net expense recognised to profit or loss	2,812.1	1,140.2
Service anniversary bonus payments	-416.6	-459.8
Provision recognised as of 31.12. = present value (DBO) of obligations	13,713,0	11.317,5

Personnel expenses include the following:

in T€	2010	2009
Service cost	841.7	589.6
Interest cost	586.4	573.1
Actuarial gains(-) / losses (+) recognised to profit or loss	1,384.0	-22.5
Service anniversary bonuses recorded under personnel expenses	2,812.1	1,140.2

Provisions for part-time work for older employees

This item reflects mandatory payments to personnel who work part-time under special regulations governing employment for older members of the workforce as well as the costs for time worked above and beyond the agreed number of hours.

in T€	1.1.2010	Use	New creation	31.12.2010
Part-time work for older employees	11,172.8	-2,423.1	4,090.8	12,840.5

Provision for foundation expenses

This item includes the current and non-current portions of the obligation to cover tax expense for "Flughafen Wien Mitarbeiterbeteiligung Privatstiftung" (the employee foundation). Increases or decreases in the provision are credited or charged to equity, without recognition to profit or loss.

in T€	1.1.2010 = 31.12.2010
Employee foundation expenses	906.3
Thereof current	906.3

(27) Non-current and current financial liabilities

in T€	31.12.2010	31.12.2009
Current financial liabilities	204.0	90,671.6
Long-term bank loans	794,112.9	591,551.6
Financial liabilities	794,316.9	682,223.2

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

In 2010 VIE Malta Finance Ltd., a subsidiary of Flughafen Wien AG, arranged for a € 300.0 million loan within the framework of an Austrian law to strengthen liquidity ("Unternehmens-liquiditätsstärkungsgesetz"). Of the total principal, € 200.0 million were received during the reporting year. This financing has a five-year term, with an average nominal interest rate of 2.2% at year-end 2010.

In 2009 the subsidiary VIE Malta Finance Ltd. issued a € 103.5 million promissory note, which has a term of four to six years and an average interest rate of 3.6%. The credit volume with the European Investment Bank remained at the prior year level of € 400.0 million; both segments of this loan have fixed interest rates averaging 4.5%. The terms of these loans extend to June 2031, with no principal repayments scheduled during the first nine years.

The conclusion of the loan pursuant to the Austrian law to strengthen liquidity reduced current financial liabilities from € 90.7 million to € 0.2 million.

The remaining terms of the bank loans are as follows:

	31.12.2010	31.12.2009
Up to one year	204.0	90,671.6
More than one year and up to five years	334,361.9	59,561.6
More than five years	459,751.0	531,990.0
	794,316.9	682,223.2

All financial liabilities were concluded in euros.

(28) Other non-current liabilities

in T€	31.12.2010	31.12.2009
Amounts arising from non-controlling interests	0.0	1,585.7
Environmental fund (non-current portion)	10,489.3	17,017.3
Subtotal financial liabilities	10,489.3	18,603.0
Accruals	28,524.8	29,083.6
Government grants	1,427.0	2,451.0
	40,441.1	50,137.6

The liabilities to the environmental fund represent obligations arising from the mediation process. Based on the assumption that the payout requirements for one-half of the liability will be met in 2011, T€ 10,489.3 each was reported under other non-current liabilities and other current liabilities.

The accruals consist primarily of rental prepayments by Austro Control GmbH for the air traffic control tower, which was completed in 2005. The lease has a term of 33 years ending in April 2038.

Flughafen Wien AG received non-repayable investment subsidies from public authorities during the period from 1977 to 1985. In 1997, 1998 and 1999 Flughafen Wien AG also received investment subsidies from the European Union. The investment allowances received from the Republic of Austria from 2002 to 2004 are accounted for as government grants and reversed to profit or loss over the useful life of the relevant assets.

Current liabilities

(29) Current provisions

in T€	31.12.2010	31.12.2009
Unused vacation	9,948.9	10,295.7
Other claims by employees	5,649.6	5,446.1
Income taxes	951.6	835.0
Foundation expenses	906.3	906.3
Goods and services not yet invoiced	66,919.0	58,070.5
Outstanding discounts	17,812.3	7,531.1
Miscellaneous provisions	8,139.2	8,613.4
	110,326.9	91,698.3

Development from 1.1. to 31.12.2010

in T€	Carrying amount as of 1.1.2010	Use	Reversal	New creation	Carrying amount as of 31.12.2010
Unused vacation	10,295.7	-1,027.7	0.0	680.9	9,948.9
Other claims by employees	5,446.1	-3,255.7	-387.0	3,846.0	5,649.6
Income taxes	835.0	-833.7	0.0	950.2	951.6
Foundation expenses	906.3	0.0	0.0	0.0	906.3
Goods and services not yet invoiced	58,070.5	-29,143.1	-3,113.8	41,105.5	66,919.0
Outstanding discounts	7,531.1	-6,710.5	-820.6	17,812.3	17,812.3
Miscellaneous provisions	8,613.4	-1,850.5	-2,538.9	3,915.2	8,139.2
	91,698.3	-42,821.2	-6,860.2	68,310.1	110,326.9

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

Miscellaneous current provisions consist chiefly of accruals to cover claims for damages, a provision for security services and liability insurance for 2010.

(30) Trade payables

in T€	31.12.2010	31.12.2009
To third parties	59,650.9	97,512.1
To non-consolidated subsidiaries	6,600.7	6,232.0
To companies recorded at equity	15.8	60.0
	66,267.4	103,804.1

(31) Other current liabilities

in T€	31.12.2010	31.12.2009[1)]
Amounts due to companies recorded at equity	4,409.0	5,775.1
Customers with credit balances	4,801.0	1,225.8
Environmental fund (current portion)	10,489.3	0.0
Miscellaneous liabilities	1,758.7	1,555.9
Subtotal financial liabilities (FLAC)	21,458.0	8,556.8
Derivative financial instruments	457.4	540.3
Other tax liabilities	1,826.6	1,412.0
Other accruals (deferred income)	1,914.5	2,210.7
Other social security liabilities	7,093.8	4,522.4
Government grants	1,024.0	1,024.0
Amounts due to non-controlling interests	0.0	8,170.0
Miscellaneous liabilities (excl. financial liabilities)	185.4	50.2
Payroll accruals	8,844.8	6,278.8
	42,804.5	32,765.3

1) Adjusted

The amount due to non-controlling interests in 2009 represented a put option held by the non-controlling shareholders of the Slovakian subsidiary KSC Holding a.s. for the sale of their investment. In June 2010 19.05% of the remaining shares in KSC Holding a.s. were acquired. Therefore, there were no obligations arising from non-controlling interests based on this put option as of 31 December 2010.

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

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

Other Disclosures

(32) Cash flow statement

The indirect method was used to prepare the consolidated cash flow statement. Information on the components of cash and cash equivalents is provided under note (20).

Interest payments and dividends received are included under cash flow from operating activities. Of this amount, T€ 2,179.9 (2009: T€ 4,739.1) represent interest income and T€ 25,732.6 (2009: T€ 22,089.8) interest expense. Dividends received totalled T€ 1,476.3 (2009: T€ 1,063.6). The dividend paid by Flughafen Wien AG is included under cash flow from financing activities.

Purchases of property, plant and equipment for which payment had not been made by the end of the reporting year were eliminated from the cash flow statement as a non-cash transaction. Including payments made and eliminated in prior years, the elimination totalled T€ +26,809.5 (2009: T€ -15,422.6).

(33) Additional disclosures on financial instruments

Receivables, originated loans and other financial assets

The following tables show the term structure of receivables, originated loans and other financial assets as well as the development of valuation allowances:

			Thereof not adjusted but overdue during the following periods				
2010 in T€	**Carrying amount after valuation allowance 31.12.2010**	**Thereof neither adjusted nor overdue**	**Up to 30 days**	**From 31 to 90 days**	**From 91 to 180 days**	**From 181 to 360 days**	**Over 360 days**
Remaining term up to 1 year	49,915.2	40,089.0	5,434.3	1,482.7	344.4	876.2	540.1
Remaining term over 1 year	21,501.3	21,501.3	0.0	0.0	0.0	0.0	0.0
	71,416.5	61,590.3	5,434.3	1,482.7	344.4	876.2	540.1

2009 in T€	Carrying amount after valuation allowance 31.12.2009	Thereof neither adjusted nor overdue	Thereof not adjusted but overdue during the following periods				
			Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Over 360 days
Remaining term up to 1 year	49,683.4	35,971.8	3,217.9	7,333.0	619.2	925.0	97.4
Remaining term over 1 year	21,614.0	21,614.0	0.0	0.0	0.0	0.0	0.0
	71,297.4	57,585.8	3,217.9	7,333.0	619.2	925.0	97.4

There were no indications as of the balance sheet date that the debtors would be unable to meet their obligations for the payment of receivables or originated loans that were neither adjusted nor overdue.

The valuation allowances relate primarily to trade and other receivables, and developed as follows in 2010 and 2009:

2010 in T€	Valuation allowances 1.1.2010	Change[1)]	Valuation allowances 31.12.2010
Individual valuation allowances	12,200.3	-6,095.0	6,105.4
Collective valuation allowances	108.5	-29.8	78.7
	12,308.8	-6,124.8	6,184.1

1) Net sum of addition, reversal and use

2009 in T€	Valuation allowances 1.1.2009	Change[1)]	Valuation allowances 31.12.2009
Individual valuation allowances	8,210.8	3,989.6	12,200.3
Collective valuation allowances	49.6	58.9	108.5
	8,260.4	4,048.5	12,308.8

1) Net sum of addition, reversal and use

Expenses for the derecognition of receivables (primarily trade receivables) totalled T€ 138.4 in 2010 (2009: T€ 43.0).

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

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

2009 in T€	Carrying amount before valuation allowance 31.12.2009	Individual valuation allowance 31.12.2009	Collective valuation allowance 31.12.2009	Carrying amount after valuation allowance 31.12.2009
Overdue < 1 year	5,706.3	5,357.4	108.4	240.6
Overdue > 1 year	7,276.0	6,808.0	0.1	467.9
	12,982.4	12,165.4	108.5	708.5

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

2010 in T€	Carrying amount 31.12.2010	Gross cash flows as of 31.12.2010	< 1 year	Cash flows 1–5 years	> 5 years
Fixed-interest bank loans	473,411.6	737,747.1	21,285.7	129,774.1	586,687.3
Variable interest bank loans	320,905.3	271,332.9	28,308.5	243,024.3	0.0
Trade payables	66,267.4	66,267.4	66,267.4	0.0	0.0
Other liabilities	31,947.3	31,947.3	31,947.3	0.0	0.0
Derivative liabilities	457.4	474.9	304.5	170.4	0.0
			148,113.5	372,968.9	586,687.3

2009[1] in T€	Carrying amount 31.12.2009	Gross cash flows as of 31.12.2009	< 1 year	Cash flows 1–5 years	> 5 years
Fixed-interest bank loans	558,059.2	845,907.5	111,535.6	124,455.8	609,916.2
Variable interest bank loans	124,164.0	119,963.5	19,963.5	44,800.0	55,200.0
Trade payables	103,804.1	103,804.1	103,804.1	0.0	0.0
Other liabilities[1]	27,159.8	27,165.5	25,583.3	0.0	1,582.2
Derivative liabilities	540.3	572.3	158.6	413.7	0.0
			261,045.0	169,669.5	666,698.4

1) Adjusted

This listing includes all instruments held by the Group as of 31 December 2010 for which payments have been contractually agreed. The variable interest payments on financial instruments were based on the interest rates established as of 31 December 2010. Financial liabilities that can be repaid at any time are always allocated to the earliest repayment period.

Carrying amounts, amounts recognised and fair values by valuation category
Management assumes that – with the exception of the items listed below – the carrying amounts of financial assets and financial liabilities stated at cost generally reflect fair value.

Carrying amounts, amounts recognised and fair values by valuation category

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

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

1) Fair value could not be reliably determined due to the lack of market values for all assets; for reasons of simplicity, these items are therefore shown at amortised cost.

2) The high share of long-term, fixed-interest borrowings and a substantial increase in the risk premium for financing (credit spreads) since 2009 led to a significant difference between fair value and amortised cost.

Carrying amount as per IAS 39					
Amortised cost	Cost	Fair value not recognised in profit or loss	Fair value recognised in profit or loss	Fair value as of 31.12.2010	Notes
				63,632.7	(20)
45,854.5				45,854.5	(19)
25,562.0				25,562.0	
20,000.0				20,000.0	(18)
128.9				128.9	(19)
3,931.8				3,931.8	(19)
1,501.3				1,501.3	(16)
71,416.5				71,416.5	
1,129.9	193.4			1,323.3	(16)
	632.6	45,938.8		46,571.4	
	632.6	1,587.7		2,220.4	(16)
		34,401.0		34,401.0	(18)
		9,950.0		9,950.0	(18)
1,129.9	826.0	45,938.8		47,894.7	
66,267.4				66,267.4	(30)
794,316.9				623,249.2	(27)
31,947.3				31,947.3	
10,489.3				10,489.3	(28)
21,458.0				21,458.0	(31)
892,531.7				721,464.0	
		457.4		457.4	(31)

Carrying amounts, amounts recognised and fair values by valuation category

2009 in T€	Valuation category	Carrying amount as of 31.12.2009	Nominal value = fair value
ASSETS			
Cash and cash equivalents	Liquid funds	5,428.6	5,428.6
Trade receivables	LaR	44,431.6	
Originated loans and other receivables[1)]	LaR	26,958.5	
Thereof bonds	LaR	20,000.0	
Thereof receivables due from associated companies	LaR	140.3	
Thereof other receivables	LaR	5,315.6	
Thereof originated loans	LaR	1,502.7	
Total	LaR	71,390.1	
Other non-derivative financial assets			
Investments in other companies (not consolidated)	AfS	1,323.3	
Available-for-sale securities	AfS	43,870.8	
Thereof long-term investment funds and securities	AfS	986.0	
Thereof short-term investment funds	AfS	33,984.7	
Thereof bonds	AfS	8,900.0	
Total	AfS	45,194.1	
LIABILITIES			
Trade payables	FLAC	103,804.1	
Financial liabilities[2)]	FLAC	682,223.2	
Other liabilities	FLAC	27,159.8	
Thereof miscellaneous long-term liabilities	FLAC	18,603.0	
Thereof miscellaneous short-term liabilities	FLAC	8,556.8	
Total	FLAC	813,187.1	
Derivative financial liabilities			
Derivatives with hedges	Hedging	540.3	

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

1) Fair value could not be reliably determined due to the lack of market values for all assets; for reasons of simplicity, these items are therefore shown at amortised cost.
2) The high share of long-term, fixed-interest borrowings and a substantial increase in the risk premium for financing (credit spreads) in 2009 led to a significant difference between fair value and amortised cost.

	Carrying amount as per IAS 39					
	Amortised cost	Cost	Fair value not recognised in profit or loss	Fair value recognised in profit or loss	Fair value as of 31.12.2009	Notes
					5,428.6	(20)
	44,431.6				44,431.6	(19)
	26,958.5				26,958.5	
	20,000.0				20,000.0	(18)
	140.3				140.3	(19)
	5,315.6				5,315.6	(19)
	1,502.7				1,502.7	(16)
	71,390.1				71,390.1	
	1,129.9	193.4			1,323.3	(16)
		632.6	43,238.1		43,870.8	
		632.6	353.4		986.0	(16)
					33,984.7	(18)
					8,900.0	(18)
	1,129.9	826.0	43,238.1		45,194.1	
	103,804.1				103,804.1	(30)
	682,223.2				433,661.6	(27)
	27,159.8				27,159.8	
	18,603.0				18,603.0	(28)
	8,556.8				8,556.8	(31)
	813,187.1				564,625.5	
			540.3		540.3	(31)

Trade receivables, originated loans and other receivables generally have short remaining terms. Therefore, the carrying amounts of these items approximate fair value as of the balance sheet date.

Non-consolidated investments in other companies that are classified as available-for-sale financial assets (AfS) represent unlisted equity instruments, whose fair value cannot be reliably determined. These instruments are consequently measured at cost or amortised cost.

Trade payables and other liabilities normally have short remaining terms, and the carrying amounts of these items approximate fair value as of the balance sheet date.

The fair values of financial liabilities due to financial institutions (bank loans) and other financial liabilities are generally determined using the present value of the payments related to these obligations and in accordance with the applicable yield curve and credit spread appropriate for Flughafen Wien AG.

Valuation methods and assumptions for the determination of fair value
The fair value of financial assets and financial liabilities is determined as follows: the market price represents the fair value for financial assets and financial liabilities that are traded on active liquid markets at standardised terms and conditions. This method is also applied to listed redeemable obligations, bills of exchange, promissory notes and perpetual bonds (Level 1).

The securities classified under level two are not listed directly, but include stocks and bonds that are traded on public exchanges. The fair value of these securities is derived from the market value of the listed stocks and bonds.

The fair value of the other financial assets and financial liabilities (with the exception of derivatives) is determined by applying recognised valuation models that rely on current market parameters (Level 3). This procedure involves discounting the relevant cash flows – that were defined at an earlier point in time or determined by applying the current interest rate curve through forward rates – back to the balance sheet date using the discount rates derived from the applicable interest rate curve.

The fair value of derivatives is based on market prices. The fair value of non-listed transactions is based on the price of comparable transactions or a settlement offer by the relevant business partner. For interest rate swaps, fair value represents the amount the group would receive or be required to pay if the financial instrument were settled as of the balance sheet date. This amount is calculated by applying the interest rates and interest rate curves applicable to the balance sheet date.

Financial instruments carried at fair value

The following section provides an overview of financial instruments that are measured at fair value after initial recognition. These financial instruments are classified in three levels of disclosure that reflect the significance of the factors used for measurement:

- The prices listed for identical assets or liabilities on active markets (applied without change) (Level 1),

- Input factors that do not include listed prices as defined for Level 1, but which can be monitored directly (e.g. prices) or indirectly (e.g. derived from prices) for the relevant asset or liability (Level 2), and

- Factors not based on monitored market data that are used to measure the relevant asset or liability (non-observable input factors) (Level 3).

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

				31.12.2009
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS				
Financial assets carried at fair value				
Available-for-sale securities	9,253.4	33,984.7	0.0	43,238.1
Available-for-sale financial assets – total	9,253.4	33,984.7	0.0	43,238.1
LIABILITIES				
Financial liabilities at fair value				
Derivatives with hedges	0.0	540.3	0.0	540.3
Total derivatives	0.0	540.3	0.0	540.3

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

Major assumptions for the determination of fair value

Available-for-sale securities

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

Derivatives with hedges

For interest rate swaps, fair value represents the amount the group would receive or be required to pay if the financial instrument were settled as of the balance sheet date. This amount is calculated by applying the interest rates and interest rate curves applicable to the balance sheet date.

Net results by valuation category

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

Net results by valuation category

			From subsequent measurement					
2009 in T€	**From interest income**	**From interest expense**	**At fair value through profit or loss**	**At fair value not through profit or loss**	**Foreign currency translation**	**Impairment**	**From derecog-nition**	**Net results**
Cash reserves	39.6				-1.0			-1.0
Loans and receivables (LaR)	2,073.1				-0.8	-4,425.0		-4,425.8
Available-for-sale financial assets (AfS)	2,261.3			500.3			-33.7	466.6
Financial liabilities at amortised cost (FLAC)		-9,454.3						0.0
Hedging		-212.7		-164.2				-164.2
Total	4,374.0	-9,667.1	0.0	336.0	-1.8	-4,425.0	-33.7	-4,124.5

The interest received on financial instruments is included under net financing costs. The other components of net results are recorded under other financial results, with the exception of the valuation allowances to trade and other receivables that are classified under loans and receivables. These valuation allowances are shown under other operating expenses.

Results from the subsequent measurement of financial instruments that are classified as held-for-trading also include interest rate and fair value measurement effects.

Net financing costs of T€ 10,668.0 (2009: T€ 9,454.3) for financial liabilities measured at amortised cost consist primarily of interest expense on bank loans. This item also includes the interest added to and discounted from other financial liabilities. A further component of this position is the interest income on an interest rate derivative, which was used by Flughafen Wien AG during the reporting year as part of a cash flow hedge to hedge the risk of cash flows related to financial liabilities.

In connection with the recording of changes in the fair value of available-for-sale financial assets without recognition to profit or loss, net valuation gains of T€ 1,100.6 were recognised directly in equity during the reporting year (2009: net valuation gains of T€ 500.3).

(34) Derivative financial instruments

Interest rate swaps

In 2007 Flughafen Wien AG concluded an interest rate swap (pay fixed – receive variable) to hedge the risk of cash flows related to a variable interest financial liability. The variable interest financial liability was designated as the hedged item at an amount reflecting the nominal value of the interest rate swap. Changes in the cash flows of the hedged item, which result from changes in the variable interest rate, are offset by the changes in the cash flows of the interest rate swap. This hedging is designed to transform a variable interest bank loan into a fixed-interest financial liability, and thereby hedge the cash flow related to the financial liability. The Flughafen Wien Group does not use hedges to offset credit risks.

Structured interest rate swaps

	31.12.2010	**31.12.2009**
Nominal value in T€	10,000.0	10,000.0
Fair value	-457.4	-540.3
Average interest rate received	0.77%	0.72%
Average interest rate paid	3.76%	3.76%
Remaining term in years	1.9	2.9

This calculation reflects market data as of the valuation date and is based on generally accepted valuation models (Black-Scholes, Heath-Jarrow-Morton). The average variable interest rates, which could be subject to significant changes during the term of the swap, reflect the interest rates in effect as of the balance sheet date.

The recognition directly in equity of the change in the fair value of the hedging instrument resulted in the recording of a T€ 62.2 gain to the hedging reserve during 2010 (2009: loss of T€ 123.2).

(35) Risk management

Financial risks

The financial assets, liabilities and planned transactions of the Flughafen Wien Group are exposed to a variety of market risks that include the risks resulting from changes in interest rates, exchange rates and stock market prices. The goal of financial risk management is to limit these market risks through the steady optimisation of operating and financial activities. Measures to achieve these objectives depend on the expected risk, and include the selected use of derivative and non-derivative hedging instruments. Hedging generally involves only those risks that could have an impact on the group's cash flows. Derivative financial instruments are used exclusively for hedging purposes, and never for trading or other speculative reasons. In order to minimise credit risk, hedges are basically concluded with leading financial institutions that have a first-class credit rating.

The basic principles of the group's financial policy are defined each year by the Management Board, and monitored by the Supervisory Board. The group treasury department is responsible for the implementation of financial policy and ongoing risk management. Certain transactions require the prior approval of the business unit manager and, if specific limits are exceeded, the approval of the Management Board, which is also provided with regular information on the scope and volume of the group's current risk exposure. The treasury department views the effective management of liquidity risk and market risk as one of their primary duties.

Liquidity risk

The objective of liquidity management is to ensure that the group is able to meet its payment obligations at all times. Liquidity management is based on short-term and long-term liquidity forecasts, which are subject to variance analyses and adjusted if necessary. The group's operating segments provide the treasury department with information that is used to develop a liquidity profile, and the active management of payment flows is used to optimise net financing costs. Certain components of financial investments are held in the form of securities (investment funds, bonds) that serve as a liquidity reserve and can generally be sold at any time.

Additional quantitative information is provided under note (33).

Credit risk

The Flughafen Wien Group is exposed to risks arising from its business operations as well as the risk of default that is connected with certain investment and financing activities. In the investment and financing area, transactions are concluded almost exclusively with partners that have at least an A credit rating (S&P, Moody`s). Contract partners that are not rated by these agencies must also have an excellent credit standing. The group only acquires shares in investment funds that are directed by recognised international asset management companies. In the operating business, outstanding receivables are monitored continuously on a centralised basis. The risk resulting from default is minimised by short payment periods, agreements for the provision of collateral such as deposits or bank guarantees, and the increased use of direct debit and automatic collection procedures. The risk of default is countered by individual and collective valuation allowances. The credit risk associated with receivables can generally be considered low, since the majority of receivables are due and payable within a short period of time and are based on long-term relationships with customers.

The carrying amount of financial assets (including derivative financial instruments with a positive market value) represents the maximum default and credit risk, since there were no major agreements (e.g. settlement agreements) as of 31 December 2010 that could reduce the maximum risk of default.

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

Interest rate risk
Interest rate risk represents the risk that the fair value or the future payment flows generated by a financial instrument could fluctuate because of changes in interest rate levels. Interest rate risk includes the present value risk of fixed interest financial instruments as well as the risk associated with cash flows from variable interest financial instruments, and is related above all to long-term financial instruments. These longer terms are less important in the operating area, but can be material for financial assets, securities and financial liabilities.

The Flughafen Wien Group is exposed to interest rate risk above all in the euro zone. In accordance with the current and forecasted debt structure, the treasury department selectively uses interest rate derivatives to adjust the interest rates on financial liabilities to meet the composition defined by management and thereby reduce the potential impact of interest rate fluctuations.

In order to depict market risks, IFRS 7 requires the disclosure of sensitivity analyses that demonstrate the effects of hypothetical changes in relevant risk variables on earnings and equity. The Flughafen Wien Group is not only exposed to interest rate risks, but also to foreign exchange risks and price risks arising from investments in other companies. The periodic effects are determined by evaluating the hypothetical changes in risk variables on financial instruments as of the balance sheet date for the financial statements. This procedure assumes that the amount determined as of this date is representative of the entire year.

Interest rate risks are presented in the form of sensitivity analyses as required by IFRS 7. These analyses show the effects of changes in interest rate levels on financing costs, interest income and expenses as well as other components of earnings and equity. The interest rate sensitivity analyses are based on the following assumptions:

- Changes in the interest rates of non-derivative financial instruments with fixed interest rates only affect earnings that are measured at fair value. Therefore, fixed-interest financial instruments carried at amortised cost are not exposed to interest rate risk as defined in IFRS 7.

- Changes in the interest rates of financial instruments that serve as cash flow hedges to provide protection against interest-related fluctuations in payments have an effect on the hedging reserve in equity, and are therefore included in the relevant sensitivity calculations.

- Changes in interest rates have an impact on the financing cost of non-derivative variable interest financial instruments if the related interest payments are not designated as the underlying financial instrument for a cash flow hedge. In such cases, they are included in the sensitivity calculations for earnings.

- Changes in the interest rates of interest rate derivatives (interest rate swaps) that are not included in a hedge as defined in IAS 39 have an effect on other financial results (valuation adjustments concerning financial assets to reflect fair value) and are therefore included in the sensitivity calculations for earnings.

If market interest rates had been 100 basis points higher/lower as of 31 December 2010, earnings would have been T€ 2,076.9 lower/higher (2009: T€ 657.0 higher/lower). The theoretical impact of T€ 2,076.9 (2009: T€ 657.0) on earnings results from the potential effect of variable interest securities and financial liabilities. If market interest rates had been 100 basis points higher/lower on 31 December 2010, equity – including tax effects – would have been T€ 1,557.7 lower/higher (2009: T€ 492.7 higher/lower). This analysis assumes that other factors, e.g. foreign exchange rates, will remain constant.

Foreign exchange risk

Foreign exchange risks arise in connection with financial instruments that are denominated in a currency other than the functional currency of the group company for which they are measured. For the purposes of IFRS, there is no foreign exchange risk on financial instruments that are denominated in the functional currency. Differences resulting from the translation of financial statements from a foreign currency into the group currency are not affected by the provisions of IFRS 7.

The Flughafen Wien Group is exposed to foreign exchange risks in connection with investments, financing measures and operating activities. Foreign exchange risks in the investment area arise primarily in connection with the purchase and sale of stakes in foreign companies. As of the balance sheet date for the 2010 financial statements, the group was not exposed to any material risks from transactions denominated in a foreign currency.

Foreign exchange risks in the financing area are related to financial liabilities that are denominated in foreign currencies as well as foreign currency loans that were concluded as financing for group companies. The Flughafen Wien Group was not exposed to any material foreign exchange risks in the financing area as of 31 December 2010.

The individual group companies carry out their business activities almost entirely in their relevant functional currency (euro), which is generally the same as the reporting currency of the Flughafen Wien Group. For this reason, the group's foreign exchange risk in the operating area is considered to be low.

In accordance with IFRS 7, foreign exchange risks are generally presented in the form of a sensitivity analysis. The relevant risk variables are generally non-functional currencies in which the group holds financial instruments. The foreign exchange sensitivity analysis is based on the following assumptions:

The major non-derivative monetary financial instruments – which include receivables, interest-bearing securities and debt instruments, cash and cash equivalents, and interest-bearing liabilities – are denominated primarily in the functional currency. Therefore, changes in foreign exchange rates have no material effect on earnings or equity.

Interest income from and expenses for financial instruments are recognised primarily in the functional currency. As a result, changes in the foreign exchange rates relating to these items have no effect on earnings or equity.

The non-interest bearing securities and equity instruments held by the group are non-monetary and, consequently, do not carry any foreign exchange risk as defined in IFRS 7.

In summary, the risks to the Flughafen Wien Group arising from changes in foreign exchange rates were considered to be low as of the closing date for the 2010 financial statements. A quantitative foreign exchange sensitivity analysis was therefore not prepared.

Other price risks

In connection with the analysis of market risks, IFRS 7 also requires the disclosure of information on the effects of hypothetical changes in risk variables on the price of financial instruments. The relevant risk variables include, above all, stock market prices or indexes. As of 31 December 2010 and 2009, the Flughafen Wien Group held no investments that would be categorised as available for sale – with the exception of shares in subsidiaries not included in the consolidation.

Capital management

Financial management in the Flughafen Wien Group is designed to support a sustainable increase in the value of the company and also maintain a capital structure that will ensure an excellent credit rating.

Gearing represents the most important indicator for financial management. It is defined as the ratio of net financial liabilities (non-current and current financial liabilities less liquid funds and current securities) to equity as shown on the consolidated balance sheet. The main instruments used to manage gearing are an increase or decrease in financial liabilities as well as the strengthening of the equity base through the retention of earnings or the adjustment of dividend payments. Management has not defined a specific target for gearing, but has set a limit of two-thirds for the debt ratio as a secondary indicator. This goal remains unchanged from the previous year. The following table shows the development of gearing:

in T€		**2010**	**2009**
	Financial liabilities	794,316.9	682,223.2
-	Liquid funds	-63,632.7	-5,428.6
-	Current securities	-64,351.0	-62,884.7
=	Net financial liabilities	666,333.2	613,909.9
./.	Carrying amount of equity	822,958.9	794,792.4
=	Gearing	81.0%	77.2%

Gearing rose during the reporting year, above all due to a € 112.1 million increase in borrowings (2009: € 73.9 million). The higher level of borrowings is contrasted by an increase of € 58.2 million in cash and cash equivalents.

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

(36) Operating leases

Flughafen Wien as the lessor

The following table shows the lease payments arising from non-cancellable rental and lease contracts in which the Flughafen Wien Group serves as the lessor. In particular, the related objects represent operating and commercial buildings at Vienna International Airport (including investment property).

in T€	2010	2009
Lease payments recognised as income of the reporting period	116,150.2	109,092.9
Thereof conditional payments from revenue-based rents	7,149.3	5,996.1
Future minimum lease payments		
Up to one year	57,139.0	53,724.5
More than one and up to five years	93,348.7	90,386.9
More than five years	193,994.9	230,429.7

Flughafen Wien as the lessee

Major non-cancellable leases in which the Flughafen Wien Group serves as the lessee have been concluded with HERMIONE Raiffeisen-Immobilien-Leasing GmbH for the rental of operating buildings at Vienna International Airport and with SITA Information Networking Computing Inc., USA, for the rental of operating equipment and furnishings, including operating software, for the check-in counters in the terminals. The following table shows the lease payments arising from these contracts:

in T€	2010	2009
Lease payments recognised as expense of the reporting period	7,879.9	8,101.9
Thereof conditional payments from expense-based rents	1,659.4	3,217.4
Future minimum lease payments		
Up to one year	8,579.6	6,861.7
More than one and up to five years	27,677.7	22,965.4
More than five years	54,644.2	57,206.5

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

(37) Other obligations and risks

Flughafen Wien AG is required to assume the costs of the "Flughafen Wien Mitarbeiter-Beteiligung-Privatstiftung" (the employee foundation), which consist primarily of corporate income tax, in the form of subsequent contributions.

In accordance with § 7 (4) of the charter of the Schwechat Waste Water Association dated 10 December 2003, Flughafen Wien AG is liable as a member of this organisation for T€ 4,316.2 (2009: T€ 4,672.9) of loans related to the construction and expansion of sewage treatment facilities.

The Malta Mediterranean Link Consortium Group (MMLC) entered into a loan with a term ending in mid-2018 and an outstanding balance of € 15.3 million as of 31 December 2010. Flughafen Wien AG has agreed not to sell its investment in MMLC during the term of this loan. Furthermore, Flughafen Wien AG has confirmed the following to the lending institution: all necessary steps will be undertaken to ensure that the group's investments maintain a healthy financial position at all times; the corporate policies of Flughafen Wien AG include the fulfilment of financial obligations by MMLC at all times; and MMLC will be equipped with a financial basis that enables the company to meet its obligations at any time.

A tax audit of the Austrian companies was started in 2009. This audit covers the years from 2004 to 2007 (corporate income tax and value added tax) and also includes a review of 2008 and 2009 in accordance with § 144 of the Austrian Fiscal Code. The audit had not been concluded by the time these consolidated financial statements were prepared. The potential obligations resulting from these events could not be reliably estimated as of the balance sheet date on 31 December 2010.

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

Information on the pledging of current securities is provided under note (18).

As of 31 December 2010, obligations for the purchase of intangible assets amounted to € 4.1 million (2009: € 1.1 million) and obligations for the purchase of property, plant and equipment to € 184.0 million (2009 € 103.3 million).

(38) Information on business associations with related companies and persons

The province of Lower Austria and the city of Vienna each hold 20% of the shares in Flughafen Wien AG. Both shareholders have a significant influence on Flughafen Wien AG because of the size of these stakes, and are therefore classified as related parties of Flughafen Wien AG. There were no material business relationships with either the province of Lower Austria or the city of Vienna during the reporting year.

Moreover, all subsidiaries, joint ventures and associated companies as well as key managers and the members of the Supervisory Board of Flughafen Wien AG are considered to be related parties or persons. The business relationships between Flughafen Wien AG and non-consolidated subsidiaries are immaterial. Information on the receivables and liabilities due from/to related companies and persons is provided under the relevant position in the notes.

The services provided by non-consolidated subsidiaries led to expenses of T€ 5,636.4 in 2010 (2009: T€ 5,637.1).

The Flughafen Wien Group recorded revenue of T€ 1,153.5 in 2010 (2009: T€ 1,017.9) with the joint venture City Air Terminal Betriebsgesellschaft m.b.H. and revenue of T€ 492.9 (2009: T€ 490.5) with the associated company Schedule Coordination Austria GmbH. The revenue recorded from transactions with City Air Terminal Betriebsgesellschaft.m.b.H consists chiefly of services provided by Flughafen Wien AG and its subsidiaries for railway operations (baggage handling, station operations, IT services etc.). The revenue generated by Schedule Coordination Austria GmbH represents charges by Flughafen Wien AG for the provision of personnel as well as IT and other services. As of 31 December 2010 T€ 534.9 (2009: T€ 525.7) of receivables and originated loans were due from joint ventures recorded at equity and T€ 43.9 (2009: T€ 85.9) were due from associated companies recorded at equity.

The valuation adjustments to these items amounted to T€ 332.0 (2009: T€ 372.0).

As of 31 December 2010 liabilities to joint ventures recorded at equity totalled T€ 4,409.0 (2009: T€ 5,775.1) and liabilities to associated companies recorded at equity equalled T€ 15.8 (2009: T€ 60.0).

Natural related parties

No material transactions were conducted in 2010 between the Flughafen Wien Group and persons in key management positions or their close family members. Relations with bodies of the company are described under note (39).

(39) Information on bodies of the corporation and employees

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

Employees (excluding Management Board and managing directors)	2010	2009
Workers	3,101	2,993
Staff	1,165	1,156
	4,266	4,148

The members of the Management Board of Flughafen Wien AG received the following remuneration for the 2010 and 2009 financial years:

in T€	Fixed compen-sation	2010 Performance based compen-sation 2009	2010 Non-cash remuner-ation	2010 Total remuner-ation
Christian Domany	0.0	0.0	0.0	0.0
Herbert Kaufmann	254.1	84.6	7.5	346.2
Gerhard Schmid	254.1	84.6	7.5	346.2
Ernest Gabmann	254.1	70.5	7.2	331.9
	762.4	239.8	22.1	1,024.3

in T€	2009 Fixed compen-sation	2009 Performance based compen-sation 2008	2009 Non-cash remuner-ation	2009 Total remuner-ation
Christian Domany	190.3	145.1	5.4	340.8
Herbert Kaufmann	253.8	145.1	7.5	406.4
Gerhard Schmid	253.8	145.1	7.5	406.4
Ernest Gabmann	211.7	0.0	5.6	217.2
	909.5	435.3	25.9	1,370.7

The remuneration system for the members of the Management Board and first level of management is comprised of fixed and performance-based components. The performance-based remuneration represents bonuses for the 2009 financial year that were paid out during 2010. There are no stock option plans for management. The company carries reinsurance to cover pension claims by the members of the Management Board. In 2010 pension obligations amounting to € 4.0 million were transferred to a pension fund.

For other employees, exceptional performance and the realisation of targeted goals are rewarded in the form of bonuses.

Remuneration paid to former members of the Management Board amounted to T€ 630.8 in 2010 (2009: T€ 675.6).

Expenses for persons in key management positions

Key management includes the members of the Management Board, the authorised officers of Flughafen Wien AG and the members of the Supervisory Board of Flughafen Wien AG. The following table shows the remuneration paid to these persons in 2010 and 2009, including the changes in provisions:

2010 Financial Year

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

2009 Financial Year

in T€	Supervisory Board	Management Board	Key employees
Current payments	160.4	1,370.7	1,923.5
Post-employment benefits	0.0	1,012.4	66.9
Other long-term benefits	0.0	3.5	12.8
Benefits due at the end of employment	0.0	83.9	82.6
	160.4	2,470.5	2,085.8

(40) Significant events occurring after the balance sheet date

The positive development of traffic continued during January 2011. The number of passengers rose by 6.7% year-on-year to 1,282,574. Increases were also recorded in flight movements with plus 0.7%, maximum take-off weight (MTOW) with plus 12.8% and cargo with plus 0.6%. The number of transfer passengers was 4.6% higher.

In January 2011 € 100 million were transferred to Flughafen Wien from the financing concluded in 2010 pursuant to the Austrian law to strengthen liquidity ("Unternehmens-liquiditätsstärkungsgesetz").

All events occurring after the balance sheet date that are important for valuation and measurement as of 31 December 2010 – such as outstanding legal proceedings or claims for damages and other obligations or impending losses that must be recognised or disclosed in accordance with IAS 10 – are included in these consolidated financial statements or are not known.

Schwechat, 28 February 2011

The Management Board

Ernest Gabmann
Member of the Board

Christoph Herbst
Chairman of the Board and Speaker

GerhardSchmid
Member of the Board

Subsidiaries of Flughafen Wien AG

Company	Abbreviation	Parent company	Country	Share owned by the group	Type of consolidation
Flughafen Wien AG	VIE		Austria		VK
Flughafen Wien Immobilienverwertungsgesellschaft m.b.H.	IVW	VIE	Austria	100.0%	VK
Flugplatz Vöslau BetriebsGmbH	LOAV	VAH	Austria	100.0%	VK
Mazur Parkplatz GmbH	MAZU	VIEL	Austria	100.0%	VK
VIE International Beteiligungsmanagement Gesellschaft m.b.H.	VINT	VIAB	Austria	100.0%	VK
VIE Liegenschaftsbeteiligungsgesellschaft m.b.H.	VIEL	VIE	Austria	100.0%	VK
VIE Office Park Errichtungs- und Betriebsgesellschaft m.b.H.	VOPE	VIEL	Austria	100.0%	VK
Vienna Aircraft Handling Gesellschaft m.b.H.	VAH	VIE	Austria	100.0%	VK
Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H.	BPIB	VIEL	Austria	100.0%	VK
Vienna Airport Infrastruktur Maintenance GmbH	VAI	VIE	Austria	100.0%	VK
Vienna International Airport Beteiligungsholding GmbH	VIAB	VIE	Austria	100.0%	VK
Vienna International Airport Security Services Ges.m.b.H.	VIAS	VIE	Austria	100.0%	VK
VIE Office Park 3 BetriebsGmbH	VWTC	VIEL	Austria	100.0%	VK
BTS Holding, a.s.	BTSH	VIE	Slovakia	80.95%	VK
KSC Holding, a.s.	KSCH	VIE	Slovakia	100.0%	VK
VIE (Malta) Limited	VIE Malta	VINT	Malta	100.0%	VK
VIE Malta Finance Holding Ltd.	VIE MFH	VIE	Malta	100.0%	VK
VIE Malta Finance Ltd.	VIE MF	VIE MFH	Malta	100.0%	VK
VIE Operations Holding Limited	VIE OPH	VINT	Malta	100.0%	VK
VIE Operations Limited	VIE OP	VIE OPH	Malta	100.0%	VK
VIE ÖBA GmbH	OEBA	VIE	Austria	100.0%	VK
Vienna Auslands Projektentwicklung und Beteiligung GmbH	VAPB	VIE	Austria	100.0%	VK
Austro Port Boden- und Flugzeugabfertigungsges.m.b.H.	APBF	VIE	Austria	25.0%	EQ
City Air Terminal Betriebsgesellschaft m.b.H.	CAT	VIE	Austria	50.1%	EQ
SCA Schedule Coordination Austria GmbH	SCA	VIE	Austria	49.0%	EQ
Flughafen Friedrichshafen GmbH	FDH	VINT	Germany	25.15%	EQ
Letisko Košice – Airport Košice, a.s.	KSC	KSCH	Slovakia	66.0%	EQ
Malta International Airport p.l.c.	MIA	VIE Malta	Malta	10.1%	EQ
Malta Mediterranean Link Consortium Limited (subgroup with Malta International Airport p.l.c.)	MMLC	VIE Malta	Malta	57.1%	EQ
Columinis Holding GmbH	CMIS	VAPB	Austria	50.0%	EQ
GetService Dienstleistungsgesellschaft m.b.H.	GETS	VIAS	Austria	100.0%	NK
"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH	GET2	VIAS	Austria	51.0%	NK

Continued: Subsidiaries of Flughafen Wien AG

Company	Abbreviation	Parent company	Country	Share owned by the group	Type of consolidation
Salzburger Flughafen Sicherheitsgesellschaft m.b.H.	SFS	VIAS	Austria	100.0%	NK
VIE Shops Entwicklungs- und Betriebsges.m.b.H.	SHOP	VIE	Austria	100.0%	NK
Indian Airports Holding GmbH	VIND	VINT	Austria	100.0%	NK
Flughafen Wien / Berlin-Brandenburg International Entwicklungs-beteiligungsgesellschaft mbH. in liquidation	VIE BBI	VIE	Germany	100.0%	NK
OAO "Petroport-konzessii" Offene Aktiengesellschaft	PETR	VINT	Russia	25.0%	NK
VIAS Hellas Security Air Transport Services Limited Liability Company, in Liquidation	VIAS Hellas	VIAS	Greece	100.0%	NK

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

Investments of Flughafen Wien AG

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

1. Subsidiaries fully consolidated in the group financial statements

Flughafen Wien Immobilienverwertungsgesellschaft m.b.H. (IVW)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

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

IFRS value in T€	2010	2009
Assets	107,990.4	110,940.3
Liabilities	20,982.0	23,932.7
Equity	87,008.4	87,007.5
Revenue	15,774.3	15,748.5
Net profit for the period	7,496.8	7,495.8

Flugplatz Vöslau BetriebsGmbH (LOAV)

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

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

IFRS value in T€	2010	2009
Assets	5,942.6	5,965.5
Liabilities	415.3	320.5
Equity	5,527.3	5,645.0
Revenue	819.6	761.5
Loss for the period	-117.0	-364.2

Mazur Parkplatz GmbH (MAZU)

Headquarters:	2320 Schwechat
Share owned:	100% VIEL

Operation of the Mazur car park and parking facilities.

IFRS value in T€	2010	2009
Assets	6,128.9	5,358.2
Liabilities	1,038.0	525.4
Equity	5,091.0	4,832.8
Revenue	1,731.7	1,329.6
Net profit for the period	739.7	468.7

VIE International Beteiligungsmanagement Gesellschaft m.b.H. (VINT)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIAB

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

IFRS value in T€	2010	2009
Assets	65,091.9	61,240.8
Liabilities	8,542.7	2,430.6
Equity	56,549.2	58,810.3
Revenue	1,837.7	2,172.3
Net profit/loss for the period	-206.2	1,990.4

VIE Liegenschaftsbeteiligungsgesellschaft m.b.H. (VIEL)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Holding company for the BPIB, VOPE, MAZUR and VWTC subsidiaries, which are active in the purchase, development and marketing of property under their ownership.

IFRS value in T€	2010	2009
Assets	57,928.8	57,179.9
Liabilities	7,146.5	7,777.7
Equity	50,782.3	49,402.2
Revenue	0.0	0.0
Net profit for the period	1,380.1	1,042.4

VIE Office Park Errichtungs- und Betriebsgesellschaft m.b.H. (VOPE)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIEL

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

IFRS value in T€	2010	2009
Assets	44,897.1	45,986.6
Liabilities	25,870.7	27,000.1
Equity	19,026.3	18,986.5
Revenue	3,148.5	3,148.3
Net profit for the period	1,010.8	952.2

Vienna Aircraft Handling Gesellschaft m.b.H. (VAH)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Provision of a full range of services for general aviation and, in particular, for business aviation; major revenue generators are private aircraft handling and aircraft handling services provided on behalf of Flughafen Wien AG in the general aviation sector (incl. fuelling and the provision of hangar space).

IFRS value in T€	2010	2009
Assets	7,305.4	7,441.8
Liabilities	1,196.4	1,357.0
Equity	6,109.0	6,084.7
Revenue	11,354.9	11,260.0
Net profit for the period	1,686.4	1,434.8

Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H. (BPIB)

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

Purchase and marketing of property.

IFRS value in T€	2010	2009
Assets	8,524.5	6,111.4
Liabilities	2,487.6	321.6
Equity	6,036.9	5,789.8
Revenue	6,100.6	7,225.9
Net profit for the period	247.1	995.3

Vienna Airport Infrastruktur Maintenance GmbH (VAI)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Provision of services for electrical facilities and equipment as well as the construction of electrical and supply facilities, in particular technical equipment for airports, and the installation of electrical infrastructure.

IFRS value in T€	2010	2009
Assets	4,276.5	5,100.7
Liabilities	1,874.9	3,279.6
Equity	2,401.6	1,821.1
Revenue	10,993.8	9,913.3
Net profit for the period	1,089.2	493.7

Vienna International Airport Beteiligungsholding GmbH (VIAB)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Acquisition and investment in international subsidiaries and other companies; participation in international airport privatisation programmes; this company serves as the holding company for the VINT subsidiary.

IFRS value in T€	2010	2009
Assets	59,569.7	57,468.0
Liabilities	2,022.2	0.0
Equity	57,547.5	57,468.0
Revenue	0.0	0.0
Net profit for the period	2,092.5	2,006.7

Vienna International Airport Security Services Ges.m.b.H. (VIAS)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Provision of security services (persons and hand luggage) on behalf of Flughafen Wien AG, and various other services for aviation customers (wheelchair transport, control of oversize baggage, document control etc.); the company also participates in tenders for the provision of security services at other airports through its Austrian and foreign subsidiaries.

IFRS value in T€	2010	2009
Assets	19,115.1	16,567.4
Liabilities	9,792.1	7,213.4
Equity	9,323.0	9,354.0
Revenue	34,533.8	32,748.0
Net profit for the period	1,610.7	1,518.6

VIE Office Park 3 BetriebsGmbH (VWTC)

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

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

IFRS value in T€	2010	2009
Assets	22,932.8	23,758.7
Liabilities	2,408.4	2,611.9
Equity	20,524.4	21,146.8
Revenue	2,104.3	1,874.8
Loss for the period	-622.3	-1,435.4

BTS Holding a.s. (BTSH)

Headquarters:	811 03 Bratislava, Slovakia
Share owned:	47.7% VIE 33.25% VINT

Provision of services and consulting for airports; plans also call for the company to hold the intended investment in Bratislava Airport.

IFRS value in T€	2010	2009
Assets	1,245.7	1,403.8
Liabilities	23.6	20.2
Equity	1,222.0	1,383.6
Revenue	0.0	0.0
Loss for the period	-161.6	-73.1

KSC Holding a.s. (KSCH)

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

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

IFRS value in T€	2010	2009
Assets	47,866.1	47,190.1
Liabilities	5,572.2	5,668.5
Equity	42,293.9	41,521.5
Revenue	0.0	0.0
Net profit for the period	772.4	1,228.2

VIE (Malta) Limited (VIE Malta)

Headquarters:	Malta
Share owned:	99.8% VINT, 0.2% VIAB

Provision of services and consulting for airports; the financial statements of VIE (Malta) Limited include the at equity valuation of the subgroup financial statements of Malta Mediterranean Link Consortium Ltd. and Malta International Airport plc.

IFRS value in T€	2010	2009
Assets	48,742.6	48,600.4
Liabilities	16,003.7	18,737.9
Equity	32,738.9	29,862.5
Revenue	730.3	647.1
Net profit for the period	3,476.5	2,338.4

VIE Malta Finance Holding Ltd. (VIE MFH)

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

Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS value in T€	2010	2009[1)]
Assets	978.9	10.9
Liabilities	0.0	32.5
Equity	978.9	-21.6
Revenue	0.0	0.0
Net profit/loss for the period	1,575.4	-23.6

1) Abbreviated financial year, founded in 2009

VIE Malta Finance Ltd. (VIE MF)

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

Purchase and sale, investment and trading in financial instruments.

IFRS value in T€	2010	2009[1)]
Assets	306,811.9	106,486.6
Liabilities	306,809.9	105,914.6
Equity	2.0	572.0
Revenue	0.0	0.0
Net profit for the period	959.0	570.0

1) Abbreviated financial year, founded in 2009

VIE ÖBA GmbH (OEBA)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

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

IFRS value in T€	2010
Assets	2,086.4
Liabilities	2,081.8
Equity	4.5
Revenue	1,870.0
Loss for the period	-30.5

Vienna Auslands Projektentwicklung und Beteiligung GmbH (VAPB)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Acquisition of international subsidiaries and investments in other companies.

IFRS value in T€	2010
Assets	318.2
Liabilities	284.8
Equity	33.4
Revenue	353.3
Loss for the period	-1.6

VIE Operations Holding Limited (VIE OPH)

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

Holding company for VIE Operations Limited.

IFRS value in T€	2010
Assets	4.0
Liabilities	2.0
Equity	2.0
Revenue	0.0
Net profit for the period	0.0

VIE Operations Limited (VIE OP)

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

Provision of support, services and consultancy for international airports.

IFRS value in T€	2010
Assets	2.0
Liabilities	0.0
Equity	2.0
Revenue	0.0
Net profit for the period	0.0

2. Subsidiaries and investments included in the consolidated financial statements at equity

Austro Port Boden- und Flugzeugabfertigungsges.m.b.H. (APBF)

Type of holding:	Associated company
Headquarters:	1300 Flughafen Wien
Share owned:	25% + 1 share VIE

Provision of ground handling services at Vienna International Airport.

Values in acc. with Austrian Commercial Code in T€	2010[1)]	2009[2)]
Assets	1,392.1	1,183.8
Liabilities	1,549.3	1,694.3
Equity	-157.1	-510.5
Revenue	6,184.5	5,298.8
Net profit for the period	353.9	132.7

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

City Air Terminal Betriebsgesellschaft m.b.H. (CAT)

Type of holding:	Joint venture
Headquarters:	1300 Flughafen Wien
Share owned:	50.1% VIE

Operation of the City Airport Express as a railway operator from the "Wien-Mitte" transit centre to and from Vienna International Airport; operation of check-in facilities at the "Wien-Mitte" transit centre combined with baggage logistics for airport passengers; consulting for third parties on the organisation and development of traffic connections between airports and cities.

IFRS values in T€	2010	2009
Non-current assets	11,668.9	12,496.3
Current assets	4,833.2	6,325.2
Non-current liabilities	431.4	462.2
Current liabilities	2,571.4	5,088.6
Equity	13,499.3	13,270.8
Revenue	9,309.6	9,052.6
Net profit for the period	228.6	79.5

SCA Schedule Coordination Austria GmbH (SCA)

Type of holding:	Associated company
Headquarters:	1300 Flughafen Wien
Share owned:	49% VIE

Schedule coordinator for airports in Austria, e.g. the company allocates time slots to aircraft in accordance with EU law, principles defined by the IATA and applicable legal regulations, and also carries out other activities that are directly or indirectly related to the business of the company.

Values in acc. with Austrian Commercial Code in T€	2010[1)]	2009[2)]
Assets	826.8	802.9
Liabilities	133.2	137.7
Equity	693.6	665.2
Revenue	874.5	966.5
Net profit for the period	52.0	164.7

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

Flughafen Friedrichshafen GmbH (FDH)

Type of holding:	Associated company
Headquarters:	Friedrichshafen, Germany
Share owned:	25.15% VINT

Operation of Friedrichshafen Airport.

IFRS values in T€	2010	2009
Assets	49,893.5	44,230.0
Liabilities	34,526.3	25,924.6
Equity	15,367.1	18,305.4
Revenue	10,659.7	9,330.2
Loss for the period	-2,938.3	-2,547.2

Letisko Košice – Airport Košice, a.s. (KSC)

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

Operation of Košice Airport.

	2010	2009
Non-current assets	56,728.9	53,972.3
Current assets	15,458.9	16,219.7
Non-current liabilities	3,353.2	674.8
Current liabilities	691.4	767.9
Equity	68,143.2	68,749.3
Revenue	8,943.2	10,802.5
Net profit for the period	1,188.7	1,986.4

Malta International Airport plc. (MIA)

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

Operation of Malta International Airport.

IFRS value in T€	2010[1)]	2009[2)]
Non-current assets	109,591.3	108,531.4
Current assets	24,398.5	18,345.4
Non-current liabilities	65,064.5	63,822.5
Current liabilities	12,735.6	9,677.2
Equity	56,189.6	53,377.0
Revenue	51,342.1	46,446.1
Net profit for the period	10,691.2	8,842.5

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

The company is listed on the Malta Stock Exchange. The market price per share equalled € 1.66 as of the balance sheet date (translated value for 2009: € 2.45) and the market value of the shares owned T€ 11,342.19 (2009: T€ 16,740.0).

Malta Mediterranean Link Consortium Ltd. (MMLC) Group

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

Holding company for the investment in Malta International Airport.

IFRS value in T€	2010[1)]	2009[2)]
Non-current assets	136,032.2	135,346.2
Current assets	26,517.8	19,671.8
Non-current liabilities	77,371.6	79,132.5
Current liabilities	16,465.8	11,852.2
Equity	68,712.7	64,033.3
Revenue	51,343.6	46,446.1
Net profit for the period[3)]	4,077.2	3,116.0

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

Columinis Holding GmbH (CMIS)

Type of holding:	Joint venture
Headquarters:	Austria
Share owned:	50% VAPB

Joint venture to acquire investments in other companies.

IFRS value in T€	2010
Non-current assets	0.0
Current assets	33.3
Non-current liabilities	0.0
Current liabilities	9.0
Equity	24.2
Revenue	0.0
Net profit for the period	-10.8

3. Investments not included in the consolidated financial statements

GetService Dienstleistungsgesellschaft m.b.H. (GETS)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIAS

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

Values in acc. with Austrian Commercial Code in T€	2010	2009
Assets	967.9	1,111.0
Liabilities	345.0	431.6
Equity	622.9	679.4
Revenue	2,483.9	2,504.6
Net profit for the period	161.7	218.7

"GetService"-Flughafen-Sicherheits- und Servicedienst GmbH (GET2)

Headquarters:	1300 Flughafen Wien
Share owned:	51% VIAS

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

Values in acc. with Austrian Commercial Code in T€	2010	2009
Assets	4,730.9	4,109.9
Liabilities	1,202.9	1,220.1
Equity	3,528.0	2,889.9
Revenue	5,202.5	5,001.4
Net profit for the period	639.8	716.3

Salzburger Flughafen Sicherheitsgesellschaft m.b.H. (SFS)

Headquarters:	5020 Salzburg
Share owned:	100% VIAS

Provision of security services; the company is not active at the present time.

Values in acc. with Austrian Commercial Code in T€	2010	2009
Assets	55.1	56.8
Liabilities	0.0	0.0
Equity	55.1	56.8
Revenue	0.0	0.0
Loss for the period	-1.6	-0.6

VIE Shops Entwicklungs- und Betriebsges.m.b.H (SHOP)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

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

Values in acc. with Austrian Commercial Code in T€	2010	2009
Assets	12.3	17.9
Liabilities	0.0	0.1
Equity	12.3	17.8
Revenue	0.0	0.0
Loss for the period	-5.6	-3.1

Indian Airports Holding GmbH (VIND)

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

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

Values in acc. with Austrian Commercial Code in T€	2010	2009
Assets	54.3	88.4
Liabilities	12.6	19.9
Equity	41.6	68.5
Revenue	0.0	68.2
Net profit for the period	-3.3	31.4

Flughafen Wien / Berlin-Brandenburg International Entwicklungsbeteiligungsgesellschaft m.b.H. (VIE BBI), in liquidation

Headquarters:	12529 Schönefeld, Germany
Share owned:	100% VIE

Holding company for an investment in BBIP Berlin-Brandenburg International Partner GmbH & CoKG, which was to develop the Berlin Airport project; the company has been in liquidation since September 2008.

in T€	2009
Assets	2,207.8
Liabilities	867.8
Equity	1,340.0
Revenue	0.0
Loss for the period	-0.5

VIAS Hellas Security Air Transport Services Limited Liability Company (VIAS Hellas), in liquidation

Headquarters:	Athens, Greece
Share owned:	100% VIAS

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

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

OAO "Petroport-konzessii" Offene Aktiengesellschaft

Headquarters:	Russia
Share owned:	25% VINT

Airport consulting (special purpose vehicle to pursue the bid for Pulkovo Airport)

in T€	**2010[1)]**	**2009**
Assets	279.2	508.9
Liabilities	1,330.4	1.507.5
Equity	-1,051.2	-998.7
Revenue	0.0	0.0
Loss for the period	5.1	-994.0

1) Preliminary results
Translated at the exchange rate in effect on 31.12.2009: € 1 = 43.154 RUB, the official rate issued by the Austrian National Bank
Translated at the exchange rate in effect on 31.12.2010: € 1 = 40,820 RUB, the official rate issued by the Austrian National Bank

Statement by the Members of the Management Board

In accordance with § 82 Austrian Stock Corporation Act

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

Schwechat, 28 February 2011

The Management Board

Ernest Gabmann Member of the Board	**Christoph Herbst** Chairman of the Board and speaker	**Gerhard Schmid** Member of the Board

Auditor’s Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

Flughafen Wien Aktiengesellschaft,
Schwechat,

for the **year from 1 January 2010 to 31 December 2010.** These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2010 and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Consolidated Financial Statements and for the Accounting System
The Company’s management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility and Description of Type and Scope of the Statutory Audit
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and as well as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2010 and of its financial performance and its cash flows for the year from 1 January to 31 December 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

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

Vienna, 28 February 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Walter Reiffenstuhl Martin Wagner
(Austrian Chartered Accountants)

Management Report of Flughafen Wien AG

Information on the Company

Flughafen Wien Aktiengesellschaft (AG) and its subsidiaries are service companies that are active in the construction and operation of civil airports and related facilities. As a civil airport operator, the Company manages Vienna International Airport and Vöslau-Kottingbrunn Airport. The headquarters of the Company are located in Schwechat, Austria. The address of the Company is: Flughafen Wien AG, P.O. Box 1, A-1300 Wien-Flughafen. Flughafen Wien AG is listed in the company register of the provincial and commercial court of Korneuburg under number FN 42984 m.

The Economic Environment

The success of an airport is significantly influenced by external factors that include the development of the economy and the purchasing power of private households which, in turn, have an effect on travel behaviour. After the severe global recession caused by the international financial crisis, the first signs of a turnaround appeared in mid-2009. Economic growth has since been driven by strong exports and, not least, by expansive monetary and fiscal policies. According to statistics published by the International Monetary Fund, the global economy grew by approx. 5.0% in 2010. A Eurostat report shows GDP growth of 1.7% for the euro zone, while the Austrian economy generated a plus of 2.0%.

Forecasts for 2011

Economic forecasters expect a continuation of this upward trend in 2011, but global growth will most likely be paralleled by weakness in the Austrian economy through mid-year. In the euro zone, the slowing momentum in worldwide trade and the consolidation of government budgets have had a subduing effect on recovery. Market developments reflect two speeds: Germany and countries closely related to the German economy – like Austria – will continue to expand as a result of worldwide growth, while the outlook for Southern Europe and Ireland is less optimistic due to drastic government austerity programmes and lower competitive ability. Consequently, the upturn in the euro zone should be less dynamic than the rest of the world over the coming years. Only the EU member states in Central-East Europe are expected to generate significant growth.

According to the economic research institute WIFO, growth in Austria should reach 2.2% in 2011 and 2.0% in 2012. The economic stimulus measures implemented during 2009 and 2010 (tax reform, increase in transfer incomes, short-time work) provided support for real disposable personal income and stabilised the overall development of the economy through an increase in private consumption. Consumer spending is expected to rise by an average of 1.2% annually from 2011 to 2015. The global economy – above all the economies in the largest emerging markets of Asia and South America – mastered the consequences of the crisis faster than expected and should generate average growth of 4.5% per year during the period from 2011 to 2015.

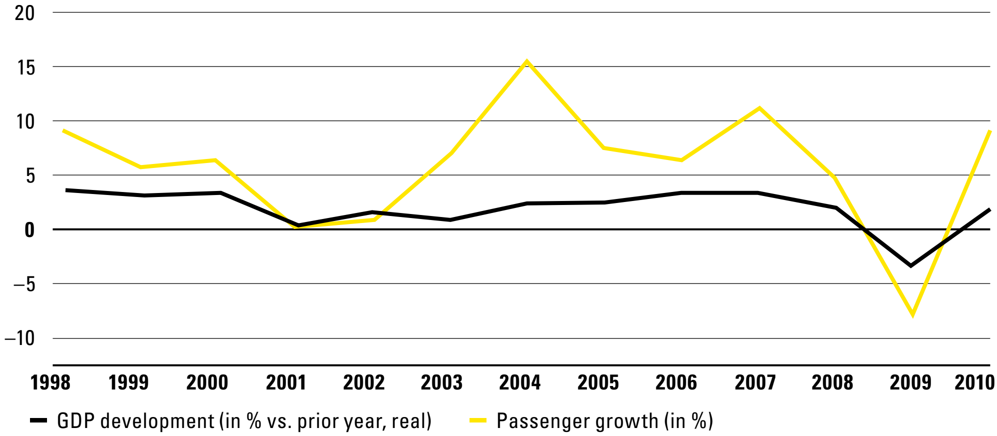
Tourism in Austria

The decline in overnight stays during 2009 was followed by a slight increase in the reporting year. According to Statistik Austria, the number of overnight stays rose by 0.4% year-on-year to 124.8 million in 2010 (2009: 124.3 million). Vienna set a new record with a plus of 10.3% to 10.86 million overnight stays. An analysis of the key countries of origin for visitors to Vienna shows the strongest increase in the number of overnight stays from Russia at 35%, followed by Austria (+14%), Italy and France (each +12%), Germany and the USA (each +11%). Sound growth was also recorded in overnight stays by guests from Turkey (+34%), the Arabian countries in Asia and Brazil (each +21%) as well as China (+28%).

Economic growth and air travel

Numerous studies confirm the close correlation between the economic success of a country and the demand for air travel, whereby passenger volumes tend to fluctuate significantly more than economic growth. Experts are forecasting an average increase in air traffic above the mean increase in global GDP by 2030. However, this development differs substantially by region, with China and India representing the largest growth markets. The following graph shows the development of passenger volumes at Vienna International Airport compared with GDP growth in Austria and illustrates this correlation. With the exception of 2001 and 2002, when the pulmonary disease SARS led to a sharp drop in the number of passengers and the "crisis year" 2009, the increase in the number of passengers has always outpaced the Austrian economy.

Correlation between the economy and passenger volume



Traffic at Vienna International Airport

Vienna International Airport in European Comparison

2010 was a period of significant recovery for the European aviation industry. However, the year was influenced by the effects of the volcanic ash cloud and severe winter weather that, in both cases, led to numerous flight cancellations. The European airports recorded an average increase of 4.2%[1)] in passengers for the year, but the growth in Vienna was more than double this level with a plus of 8.7%. With a total of 19,691,206 passengers, Vienna International Airport nearly reached the pre-crisis level and missed the 9.0% traffic forecast by only a slight margin. In spite of the strong growth in passenger volume, Vienna remains one of the most punctual airports in Europe, ahead of the other Star Alliance hubs in Munich, Zurich and Frankfurt. Many European airports reported a decline in flight movements for 2010 due to the numerous cancellations. The European average, with a decline of 1.1% in flight movements for the year, is contrasted by a 1.1% increase in flight movements to 246,146 at Vienna International Airport. Maximum take-off weight (MTOW) rose by 9.9% to 7,975,333 tonnes, in comparison with a forecast of 10.0%. The average seat occupancy equalled 68.9% versus 68.7% in the previous year. For 2011, Flughafen Wien is forecasting growth of 5.0% in the number of passengers and 2.0% in flight movements.

1) Source: ACI Airport Traffic Report, December 2010 – full year

Traffic at Comparable European Airports

	Passengers in thous.	Change vs. 2009 in %	Flight movements	Change vs. 2009 in %
London[1)]	115,837.0	-2.2	826,207	-4.1
Paris[2)]	83,369.3	0.4	707,578	-4.2
Frankfurt	53,009.2	4.1	453,228	0.2
Madrid	49,768.2	2.8	432,430	-0.3
Amsterdam	45,211.7	3.8	386,316	-1.3
Rome	36,228.5	7.4	323,326	1.4
Munich	34,721.6	6.2	367,760	-2.4
Zurich	22,826.9	4.3	227,819	2.0
Vienna	**19,691.2**	**8.7**	**246,146**	**1.1**
Milan	18,947.8	8.0	189,580	3.5
Prague	11,556.9	-0.7	152,805	-4.8
Budapest	8,179.4	1.2	100,408	-3.6

1) London Heathrow, Gatwick and Stansted
2) Paris Charles de Gaulle, Paris Orly
Source: ACI Europe Traffic Report December 2010

The Development of Traffic in Detail

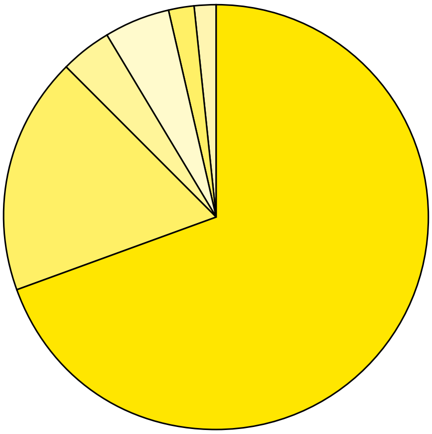
Cargo turnover at Vienna International Airport rose by 16.5% to 295,989 tonnes. This strong development resulted, above all, from increased air cargo traffic to and from the Far East and Middle East as well as the rapid economic recovery. Air cargo was 18.1% higher at 219,334 tonnes, while trucking grew 12.3% to 76,655 tonnes.

Vienna International Airport offered flights to a total of 172 destinations in 2010, including 40 cities in Eastern Europe. This extensive flight plan allowed Vienna to maintain its standing as the leading east-west hub in European comparison. Traffic to Eastern Europe increased by an above-average 13.6% in 2010, after a sharp 14.6% drop in the previous year. Travel to the Middle East also grew by a sound 10.0%, while the Far East increased 3.6%.

There were no major year-on-year shifts in the regional distribution of scheduled passenger traffic during 2010. Western Europe remained the most popular destination with 69.6%, with Frankfurt, London, Zurich and Paris as the strongest destinations.

Passenger traffic – scheduled flights

Departing passengers (change vs. prior year in percentage points)

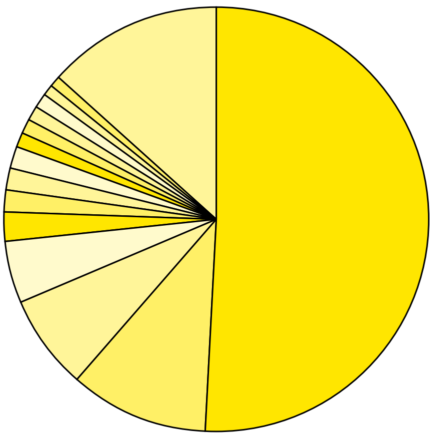


69.6% Western Europe (-0.2)
17.9% Eastern Europe (+0.7)
5.0% Middle East (+0.0)
4.0% Far East (-0.2)
2.1% North America (-0.2)
1.4% Africa (+0.0)

The Major Airlines at Vienna International Airport

The Austrian Airlines Group, as the home carrier at Vienna International Airport, recorded 12.0% growth in the number of passengers handled during 2010, which raised its share of the total passenger volume from 49.5% in the previous year to 50.9%. With an increase of 27.7% in passengers and a share of 10.8% (2009: 9.2%), the low-cost carrier NIKI was able to expand its position as Vienna's second largest carrier. Seven other low-cost carriers also served Vienna on a regular basis during 2010 (2009: 11). The termination of flights by SkyEurope, Tuifly.com and Myair.com reduced the market share of the low-cost carriers by one percentage point to 22.1%. The low-cost carriers handled 4,356,707 passengers during the reporting year, for a plus of 4.0% (2009: -9.0%). Four new airlines (Alitalia, British Midland, China Southern Airlines and Wataniya Airlines) added Vienna International Airport to their flight schedules in 2010, while four airlines terminated services to and from Vienna.

Passengers in 2010 by Airline



50.9% Austrian Airlines Group
10.8% NIKI
7.1% Air Berlin
4.8% Lufthansa
2.3% Germanwings
1.6% Swiss Intl.
1.6% British Airways
1.6% Air France
1.2% Turkish Airlines
1.2% KLM Royal Dutch Airlines
1.1% Emirates
0.9% Iberia
0.9% Brussels Airlines
0.8% easy Jet
13.2% Other

Tariff and Incentive Policy
The tariff adjustments implemented by Flughafen Wien as of 1 January 2010 (landing, passenger, parking and infrastructure tariffs) were determined using the index formula that has been in effect for many years. Accordingly, these tariffs were increased by the consumer price index of 0.5%. Revenue-neutral changes involved a 13.0% reduction in the landing tariff and a 7.3% increase in the passenger tariff. These adjustments still give Flughafen Wien a highly competitive tariff structure. Applications for tariff changes are subject to the approval of the Austrian civil aviation authority, which has authorised the use of the index-based formula for adjustments up to the end of 2011.

Revenue

Revenue growth outpaces traffic development
Flughafen Wien AG generated revenue of € 522.5 million in 2010. This 12.3% increase was higher than the 8.7% growth in traffic, above all due to the strong growth in non-aviation revenue. The lower growth in aviation revenue resulted above all from higher revenue deductions, among others from the extension of the increase in the transfer incentive and the agreements concluded with NIKI and the Austrian Airlines Group.

Airport revenue rose by 1.9% to € 197.6 million. This growth was supported by the positive development of traffic, but limited by the higher revenue deductions.

Vienna International Airport handled 19.7 million passengers in 2010. This represents a year-on-year increase of 8.7% or 1.6 million passengers. Maximum take-off weight rose by 9.9% and flight movements by 1.1%. Cargo turnover (incl. trucking) was 16.5% higher than 2009. As in the previous year, the low-cost carriers handled a major share of the passenger volume. The share of the Austrian Airlines Group – based on the number of passengers – increased slightly from 49.5% in 2009 to 50.9% for the reporting year. The average seat occupancy (scheduled and charter flights) equalled 68.9% versus 68.7% in the previous year.

Airport activities generated revenue of € 197.6 million (2009: € 193.9). The development of the landing tariff (-5.1%), which is dependent on MTOW, and the passenger tariff (+16.8%) is explained as follows: a reduction of 13.0% in the landing tariff and increase of 7.3% in the passenger tariff led to a neutral shift in revenue. With a share of 37.8% (2009: 41.7%) airport activities generated the largest share of total revenue.

Handling activities produced revenue of € 155.3 million in 2010. The strong 14.2% increase resulted, above all, from the positive development of cargo turnover (+29.6%) and higher revenue from individual services (+19.9%). Ramp handling increased 9.4% to € 97.5 million and traffic handling 6.1% to € 11.5 million.

Cargo turnover amounted to 295,989 tonnes in 2010, for an increase of 16.5% over the prior year. Pure air cargo grew by 18.1%. The total volume of trucking cargo was also higher than 2009.

Non-aviation revenue totalled € 169.6 million (2009: € 135.3 million). Revenue from rentals and concessions amounted to € 104.9 million, compared with € 96.6 million in the previous year. The strongest growth was recorded by parking revenue with a plus of 14.3% to € 28.3 million. Revenue from security services, which result from the collection of a fixed fee in accordance with § 4a (3) of the Austrian Aviation Safety Act, rose from € 2.0 million to € 29.4 million. This amount represents compensation for the provision of security services. Primary revenue from the retail and gastronomy operations totalled € 153.6 million, compared with € 144.8 million in 2009.

Seasonality of the Airport Business

Flughafen Wien AG generally records the highest revenues during the second and third quarters of the year because of the vacation season in Europe. The largest share of revenue in 2010 was recorded during the third quarter with 27.1%. In contrast to the usual pattern, this was followed by the fourth quarter with 25.5% of annual revenue due to strong growth in passenger traffic. The second and first quarters were responsible for 24.4% and 23.0% of annual revenue, respectively.

Earnings

The development of earnings in Flughafen Wien AG during 2010 can be summarised as follows:

- Revenue: plus 12.3% to € 522.5 million
- Operating income: plus 12.5 % to € 536.7 million
- Cost of consumable and services: increase of 91.4% to € 66.4 million
- Personnel expenses: increase of € 26.0 million to € 210.6 million
- Operating expenses, excluding depreciation and amortisation: plus € 62.7 million to € 402.4 million
- Earnings before interest, taxes, depreciation and amortisation (EBITDA): minus 2.3% to € 134.3 million
- Depreciation and amortisation: minus 2.4% to € 60.7 million
- Earnings before interest and taxes (EBIT): plus 2.2% to € 73.6 million
- Financial results: minus € 3.8 million to minus € 15.4 million
- Earnings before taxes (EBT): minus 8.5% to € 58.2 million
- Net profit for the year: minus 12.0% to € 45.2 million
- Retained earnings: minus 4.8% to € 42.0 million

Other operating income rose by € 2.1 million to € 9.5 million in 2010, chiefly due to the reversal of provisions. Operating income increased to € 536.7 million (2009: € 477.2 million).

Operating expenses

Amounts in € million	2010	2009
Consumables and services	66.4	34.7
Personnel	210.6	184.6
Other operating expenses	125.4	120.4
Depreciation and amortisation	60.7	62.2
Total	**463.1**	**401.9**

The cost of consumables and services rose by € 31.7 million or 91.4% to € 66.4 million. This development resulted, above all, from the first-time inclusion of the costs for security controls provided by VIAS (€ 27.3 million).

The average number of employees increased 1.5% to a total of 3,283. Personnel expenses rose by € 26.0 million or 14.1% to € 210.6 million. This increase resulted chiefly from higher expenses for severance compensation and pensions (plus € 12.2 million).

Other operating expenses rose by € 5.0 million to € 125.4 million, whereby the primary causes were higher expenses for marketing (€ 6.9 million), legal, audit and consulting fees (€ 3,2 million), maintenance (€ 3.0 million), temporary personnel (€ 1.3 million) and rentals and leasing. Declines were recorded in miscellaneous operating expenses (€ 8.5 million) and additions to the valuation adjustments to receivables (€ 4.0 million)

Earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded by Flughafen Wien AG fell by 2.3% to € 134.3 million in 2010 (2009: € 137.5 million).

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

Amounts in € million	2010	2009
Depreciation and amortisation	60.7	62.2
Investments	140.1	206.6

The decline in EBITDA led to a 2.2% decrease in EBIT to € 73.6 million for the reporting year (2009: € 75.3 million).

Financial results deteriorated by € 3.8 million or 32.6% to minus € 15.4 million. This negative development resulted chiefly from a € 5.3 million rise in expenses from subsidiaries as well as an increase of € 2.8 million in interest and similar expenses. These items were in part offset by a € 3.5 million increase in income from investments in other companies.

The tax rate equalled 22.3% for 2010, compared with 19.2% in the previous year. Net profit of € 45.2 million represents a year-on-year decline of € 6.2 million.

Information on Management Policies

The financial management of Flughafen Wien AG The financial management of the Flughafen Wien Group is supported by a system of indicators, which utilises selected and closely synchronised ratios. These indicators define the scope of development, profitability and financial security within which Flughafen Wien AG moves in the pursuit of its primary goal to realise profitable growth.

Depreciation, which will rise over the coming years due to the high level of capital expenditure at the airport, has a significant influence on the earnings indicators used by Flughafen Wien AG. In order to permit an independent evaluation of the operating strength and performance of the individual business segments, EBITDA – which equals operating profit plus depreciation and amortisation – is defined as the key indicator. The company also uses the EBITDA margin, which shows the relationship of EBITDA to revenue. The EBITDA margin equalled 25.7% in 2010, compared with 29.5% in the prior year. The defence of high profitability is a stated goal of management.

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

Income Statement, summary

Amounts in € million	2010	Change in %	2009
Revenue	522.5	12.3	465.3
Other operating income (incl. own work capitalised)	14.2	20.3	11.8
Operating income	536.7	12.5	477.1
Operating income excl. depreciation and amortisation	-402.4	18.5	-339.6
EBITDA	134.3	-2.3	137.5
Depreciation and amortisation	-60.7	2.4	-62.2
EBIT	73.6	-2.2	75.3
Financial results	-15.4	32.6	-11.7
EBT	58.2	-8.5	63.6
Income taxes	-13.0	5.9	-12.2
Net profit	45.2	-12.0	51.4

Financial, Asset and Capital Structure

Assets

Total assets rose by 7.5% to € 1,872.2 million as of 31 December 2010 (2009: € 1,742.2 million). The ongoing extensive capital expenditure programme led to an increase of 3.7% in non-current assets to € 1,680.2 million (2009: € 1,620.0 million). Current securities remained unchanged in comparison with the previous year, while deposits with financial institutions and cash on hand increased € 57.8 million to € 59.9 million. Trade receivables were € 12.6 million higher at € 44.4 million, and represented the main reason for the increase in current assets from € 120.4 million to € 189.6 million.

Equity and liabilities

Equity fell by 0.1% to € 678.3 million due to the decline in earnings. An addition of € 1.6 million was made to voluntary reserves, which consequently grew to € 363.4 million. Provisions rose by 19.0% from € 171.6 million to € 204.1 million, chiefly due to an increase of € 11.7 million in the provisions for outstanding invoices and € 13.9 million in other provisions. Increases were also recorded in the provision for severance compensation (plus € 7.5 million) and the provision for service anniversary bonuses (plus € 2.2 million). As in the prior year, no provisions for taxes were created in 2010 because of the high prepayments made during the year. Liabilities rose by € 97.8 million to € 950.0 million, primarily due to a € 216.5 million rise in amounts due to subsidiaries as of 31 December 2010. Amounts due to financial institutions declined € 87.6 million to € 491.1 million because of a decrease in short-term financing, and trade payables were € 39.3 million lower at € 57.2 million.

Cash Flow

in T€		2010	2009
Net cash flow from operating activities			
+/–	Profit/loss for the year	45,243.6	51,394.0
+	Depreciation and amortisation	60,704.6	62,212.4
+	Write-downs to financial assets and current securities	0.0	1,109.1
–	Write-ups to financial assets	-1,027.3	-786.4
+	Untaxed reserves	-1,024.0	-1,354.8
+/–	Change in employee-related provisions	6,225.5	3,887.6
+/–	Change in other non-current provisions	1,667.7	885.3
–/+	Gains(-)/losses(+) on the disposal of non-current assets	13,863.8	399.4
–/+	Gains(-)/losses(+) on the disposal of financial assets	-30.2	0.0
+	Results from the disposal of current securities	0.0	-158.2
	Gross cash flow	**125,623.7**	**117,588.5**
–/+	Increase/decrease in inventories	-1,173.6	411.3
–/+	Increase/decrease in receivables due from customers	-12,647.4	7,127.3
–/+	Increase/decrease in receivables due from group companies (excl. financing)	-4,401.8	-1,435.7
–/+	Increase/decrease in other receivables and assets(excl. financing) as well as prepaid expenses and deferred charges	6,113.1	-4,370.9
+/–	Increase/decrease in trade payables	-22,974.2	27,671.1
+/–	Increase/decrease in amounts due to group companies (excl. financing)	15,089.3	11,155.2
+/–	Increase/decrease in other provisions	24,681.4	-19,433.5
+/–	Increase/decrease in other liabilities (excl. financing) and deferred income	9,045.7	-550.3
		13,732.6	**20,574.4**
	Operating cash flow	**139,356.3**	**138,162.9**
Net cash flow from investing activities			
–	Payments made for investments in intangible assets and property, plant and equipment	-156,263.1	-192,223.5
+	Disposal of intangible assets and property, plant and equipment	52.3	5,845.9
–	Investments in financial assets	-244.7	-6,840.4
+	Disposal of financial assets and current securities	6,623.4	34,760.1
		-149,832.1	**-158,457.9**
Net cash flow from financing activities			
–	Dividend/repayment of shareholder contributions	-44,100.0	-54,600.0
+/–	Change in medium-term and short-term financial liabilities	112,401.8	73,892.8
		68,301.8	**19,292.8**
Change in cash and cash equivalents		**57,826.0**	**-1,002.2**

Profitability indicators

	2010	2009
EBIT in T€	73,638.8	75,279.0
EBITDA in T€	134,343.4	137,491.4
EBIT margin in %	13.7	15.8
EBITDA margin in %	25.0	28.8
ROE in %	6.6	7.4

Balance sheet structure

Assets

Non-current assets in %	89.7	93.0
Current assets in %	10.3	7.0
Total assets in T€	**1,872,211.2**	**1,742,154.4**

Equity and liabilities

Equity in %	36.9	39.6
Liabilities in %	63.1	60.4
Total equity and liabilities in T€	**1,872,211.2**	**1,742,154.4**

Definition of indicators:

EBIT margin

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

EBITDA margin

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

ROE

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

Corporate Spending

Investments in intangible assets, property, plant and equipment and financial assets fell by 34.2% to € 140.3 million in 2010. These expenditures include € 139.0 million for property, plant and equipment, € 1.1 million for intangible assets and € 0.2 million for financial assets.

Terminal extension VIE-Skylink

Investments for the reporting year focused primarily on the terminal extension VIE-Skylink at € 81.7 million. The VIE-Skylink will include the construction of a pier with 17 aircraft positions (so-called "fingers") close to the building and a new terminal with additional check-in counters and modern baggage sorting equipment as well as generous and attractive shopping and gastronomy areas. The passenger flow concept over three levels with vertical connections will reduce transfer routes to manageable distances and safeguard Vienna's competitive 25-minute minimum connecting time in the future. It will also separate departing and arriving passengers. In accordance with the one-roof concept, the terminal extension VIE-Skylink is connected directly to the existing facilities and will be accompanied by a new large centre with access to railway connections and car parks.

After the refocusing of the VIE-Skylink project and the interruption of construction, work was resumed during February 2010. Since the summer all firms have directed their full attention to completing construction on schedule, and the pace and scope of work have increased steadily. The progress of work at the construction site is satisfactory.

Parallel to construction, preparations are underway for the opening of the new terminal extension. Start-up concepts were developed and the required organisation is in place. Regular workshops to prepare for the opening have been held since last summer. Flughafen Wien is supported in these activities by international experts, who have had experience with the construction and start-up of terminals at other international airports. A number of functional responsibilities were defined and working groups established to prepare for the start of operations, whereby the continuous exchange of information with the construction team is designed to ensure compliance with the agreed schedule. Test operations are planned for the fourth quarter of 2011.

Following the reorganisation of the project, all prerequisites are now in place to complete the terminal extension on schedule and within budget. The process timeline prepared by project management confirms the overall schedule with the completion of construction as planned in 2011 and also guarantees the start of operations during the first half of 2012. Projections by the new project management also indicate that the project can be finalised within the forecasted budget of € 830 million. This amount includes provisions for risk, reserves and the possible commissioning of a general contractor for the entire project. However, the goal is to hold the total costs below the upper limit.

The tender to select a general contractor for the entire project proceeded at full speed during the reporting year. The final decision to award the contract will be based on the economic benefits for Flughafen Wien.

With respect to the shop and gastronomy areas, discussions with the top-ranked candidates from the 2007/2008 tender were resumed in the second half of 2010. The contracts for the commercial space were signed by the major operators, and reflect the centre mix and quality criteria defined by Flughafen Wien.

Other investments

Other major investments during the reporting year included technical noise protection and the environmental fund (€ 10.5 million), security systems (€ 6.2 million), infrastructure extensions for the west expansion (€ 2.6 million), security control lines (€ 2.1 million) and the revitalisation of the bus gates (€ 2.1 million). A total of € 1.8 million was invested in advertising space and € 3.3 million in special, towing and loading vehicles.

Major additions

in € million	2010
Property, plant and equipment	
Terminal extension VIE-Skylink	81.7
Third runway	10.5
Security systems	6.2
Special, towing and loading vehicles	3.3
Infrastructure extensions for west expansion	2.6
Security control lines	2.1
Revitalisation of B-bus gates	2.1
Advertising space	1.8
Land	1.0
Plaza in front of the terminal building	0.5

Branch offices

As in the prior year, the company had no branch offices during 2010.

Financial instruments

A financial instrument is a contract that simultaneously creates a financial asset in one entity and a financial liability or equity instrument in another entity. In particular, financial assets include financial investments such as non-consolidated and other holdings, securities, trade receivables, originated loans and other receivables, non-derivative and derivative financial assets held for trading, and cash and cash equivalents. Financial liabilities generally represent an obligation to deliver cash or other financial assets to a creditor, and are comprised above all of amounts due to financial institutions, trade payables and derivative financial liabilities. Financial assets and financial liabilities are normally not offset for presentation, except in cases where there is a legally enforceable right to offset the amounts and settlement will take place on a net basis.

In 2008 Flughafen Wien concluded an interest rate swap (receive variable – pay fixed) to hedge the cash flows on a variable interest financial liability. This variable interest financial liability was designated as the hedged item at an amount reflecting the nominal value of the interest rate swap. Further details are provided in the notes to the financial statements.

Risks of Future Development

Risk management
A specific guideline defines and regulates risk management in the Flughafen Wien Group. The risk management process is designed to systematically identify and assess the risks to which the company is exposed and to take appropriate measures to minimise these risks. The related procedures cover all operating and strategic business processes. Responsibility lies with the individual business unit managers or subsidiary directors. The risk management group in the general secretariat of Flughafen Wien supports this process as a consulting and coordination partner. The investment management and controlling departments are also involved in risk management.

The identified risks are documented in a separate database as a risk environment. This application is regularly optimised to ensure effective and efficient utilisation. Appropriate steps to strengthen the integration of the risk environment in the database are currently under evaluation.

The company has concluded insurance policies to cover specific damages and liability risks, which allow for the minimisation of possible financial losses. In addition to various control systems and instruments, Flughafen Wien has established an internal audit department that regularly evaluates business practices and organisational processes for compliance with group guidelines, security and efficiency. The Management Board has therefore created the necessary instruments and structures to identify risks at an early point in time and to subsequently implement appropriate countermeasures or otherwise minimise these risks. The existing systems will be further developed and evaluated as part of projects that are currently in progress.

Economic risks
The development of business at Flughafen Wien is significantly influenced by global trends in air travel which, in turn, are heavily dependent on general economic conditions. External factors such as terror, war or other external shocks (e.g. the pulmonary disease SARS or the volcanic ash cloud) trigger a decline in traffic, but are extremely difficult for an individual company to control. In addition to emergency plans, Vienna International Airport works to counter the effects of such shocks, above all with high demands on the quality of security and proactive public relations. This involves close cooperation with the Austrian Federal Ministry of the Interior and the Federal Police Department in Schwechat as well as specially designed security measures for customers. Flughafen Wien AG can also react to the intensity and impact of such events with flexible cost and price structures as well as the modification of its capital expenditure programme.

Branch risks
A key success factor for the Flughafen Wien Group is the positioning of Vienna International Airport as an east-west hub, whereby this function is used above all by the Austrian Airlines Group as Vienna's largest airline customer. In 2010 this carrier recorded a 12.0% increase in the number of passengers handled and a 15.8% increase in passenger traffic to Eastern Europe. The future role of the Austrian Airlines Group within the Lufthansa organisation is therefore a significant factor for the future development of Flughafen Wien. The route

adjustments resulting from the corporate integration were largely completed in 2010. Since the East European destinations flown by Lufthansa, Swiss and the Austrian Airlines Group overlap to only a limited extent, Flughafen Wien assumes the Austrian Airlines Group will continue its growth strategy with a focus on Eastern Europe. Vienna International Airport also intends to increase its positioning as a leading east-west hub for travel to the emerging economic regions of Central and Eastern Europe over the coming years.

Under the name "Austrian Next Generation", the Austrian Airlines Group is implementing a concept that will refocus and restructure the company. This concept comprises three elements: 1) A new active market strategy with a concentration on top quality service and a larger offering of flights at lower costs; 2) Cost reduction through leaner corporate structures; and 3) Synergies with the Lufthansa Group in sales and marketing.

Flughafen Wien works to strengthen the financial position of Vienna International Airport by creating sustainable incentives for airlines that generate long-term growth in Vienna and thereby improve the hub system. One of the measures implemented by Flughafen Wien to achieve this goal is the conclusion of agreements with Austrian Airlines and NIKI to further improve the existing system partnerships.

The costs to Flughafen Wien AG arising from these agreements will amount to approx. € 17.0 million per year during the period from 2010 to 2012. However, payment is contingent on the achievement of the agreed growth targets.

The new agreements are designed to support the development of joint growth perspectives. They extend the increase in the transfer incentive, which was raised to € 10.21 per passenger in 2009 and would have expired at the end of June 2010. The agreement with the Austrian Airlines Group also includes measures to optimise the space in the AUA base at Vienna International Airport. Cooperation within the framework of the system partnership will be strengthened to improve joint core processes, with the goal of sharing the resulting cost and performance benefits.

In connection with the enactment of the 2011 Austrian budget law ("Budgetbegleitgesetz 2011"), a new charge for airline passengers will take effect on 31 March 2011 ("Flugabgabegesetz"). The airlines will be required to collect this additional duty for passengers departing from Austrian airports on behalf of the Austrian Finance Ministry. The amount of the duty is dependent on the destination, and equals € 8 for domestic and short-haul flights, € 20 for mid-haul flights and € 35 for long-haul flights. The possible effects of this duty on the development of passenger volumes are to be monitored.

Market and customer structure risks

Mergers and takeovers as well as the growing concentration in aviation alliances are strengthening the power of the airlines.

The Austrian Airlines Group is the largest customer of Flughafen Wien with a 50.9% share of passenger volume. The long-term development of this airline as a strong and independent home carrier and the network strategy of the Star Alliance, in which the Austrian Airlines Group is a partner, represent key factors for the success of the Flughafen Wien Group. Therefore, developments in this area are monitored on a continuous basis. The strategic positioning of Austrian Airlines within the Lufthansa Group and the implementation of the "Austrian Next Generation" strategy will create interesting growth opportunities for AUA, but are also connected with incalculable factors and uncertainty that could have an effect on Vienna's hub function.

The low-cost carriers are a further growth driver for Flughafen Wien. However, past events have shown that these airlines are not always solid financial partners. The share of the low-cost carriers in the total passenger volume at Vienna rose by 4.0% in 2010, with NIKI recording the strongest growth at 27.7%. These above-average growth rates increase the cost pressure on traditional carriers.

Flughafen Wien AG counters market risk with marketing programmes as well as attractive tariff and incentive models that benefit all airlines. A key goal of these measures is to share the airlines' occupancy risk and also support key intercontinental flights as well as destinations throughout Eastern and Central Europe. Including the incentives offered by Flughafen Wien AG, the duties charged by Vienna International Airport are below the European average.

The handling services provided by Flughafen Wien are the subject of growing pressure on prices as well as demands for higher quality services from the airlines. Service level agreements that include penalties for the failure to reach specific targets are becoming standard practice. Flughafen Wien counters competition from other service providers with individualised service offers and high quality standards. That minimises the risk of losing market shares to competing firms like Fraport (ramp handling) or Swissport (cargo). The ability to meet these quality demands is dependent on sufficient capacity and, consequently, on the continuous expansion of the airport's infrastructure. The loss of key customers in the handling segment would have a negative effect on earnings. The limited number of airlines and forward agents operating in the cargo area, above all the Asian carriers Korean and Asiana as well as ALC (Austrian Lufthansa Cargo), also represent a risk through their collective market power. This risk is reduced as far as possible through the continuous monitoring of the airlines and the acquisition of new customers.

Development risks for international business

The foreign airport investments of Flughafen Wien (Malta, Košice and Friedrichshafen) are basically exposed to the above-mentioned risks. A bankruptcy or other far-reaching developments involving the respective home carrier as well as a change in external factors could have a negative influence on traffic growth at the respective airport. Political and regulatory risks are monitored continuously, e.g. the taxation of air travel, air traffic restrictions by public authorities, changes in applicable laws and requirements by public authorities that result in additional costs. These types of factors can influence medium-term planning and create a risk that a specific investment may become impaired.

Financial risks

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

Investment risk

The expansion projects carried out by the Flughafen Wien Group are defined in a master plan, which is modified regularly to meet actual developments. These projects are exposed to a variety of risks – including the loss of suppliers, higher construction costs or changes in planning – that could increase the planned expenditures. A special analysis procedure is therefore used to evaluate the potential risk associated with investment projects in the planning stage, while regular risk monitoring is based on an analysis and evaluation process that is part of project controlling. Any special risks identified by the project managers (e.g. contaminated soil) are incorporated in the respective calculations.

Expansion projects are developed in close coordination with the airlines based on the expected development of traffic. Expert forecasts for the growth in passenger volumes over the medium- and long-term reduce the financial risk of these investments, which will ensure that sufficient capacity is available to meet the forecasted demand.

The expansion of airport capacity is connected with risks, above all in connection with the terminal extension VIE-Skylink. Work on the terminal extension VIE-Skylink was resumed in mid-February 2010, and operations in this facility are scheduled to start during the first half of 2012. If this start-up is delayed, capacity in the existing terminal buildings may not be sufficient to handle traffic and growth in Vienna may stagnate. A delay in the start-up of the VIE-Skylink may also cause delays in other investment projects.

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

The valuation of all assets reflects the assumption that Vienna International Airport will continue to operate as an east-west hub that is focused on the east.

Legal risks

The requirements of public authorities, above all in the area of environmental protection (e.g. noise and emissions) can create legal risks. Flughafen Wien AG works to counter these risks, above all, with information and the involvement of local citizens in the mediation process (e.g. third runway) or through neighbourhood advisory boards.

The tariffs charged by Vienna International Airport are subject to approval by the Austrian civil aviation authority. Flughafen Wien AG and this agency have agreed to an index model that covers tariffs up to the end of 2011. If this agreement is not extended, the provisions of the Austrian Civil Aviation Act will take effect.

The implementation of EU Directive 2009/12/EC dated 11 March 2009 on airport charges into national law should be completed during the first months of 2011.

This directive permits, among others, the inclusion of non-aviation revenues in the calculation of tariffs, the recognition of users as parties to tariff approval procedures and the implementation of a new price-cap rule.

The implementation of this directive could have a lasting effect on the tariff system currently used by Flughafen Wien.

Flughafen Wien AG has refused to recognise certain invoices for work on the terminal extension VIE-Skylink. Due to the cancellation of contracts for the VIE-Skylink project and based on current information, the initiation of court proceedings by individual suppliers against Flughafen Wien cannot be excluded. However, these claims cannot be quantified at the present time.

Flughafen Wien AG has commissioned a legal evaluation of the possibility to file claims against the respective contracting firms for damages in connection with the terminal extension and an assessment of the possible consequences.

Personnel risks

Motivated and committed employees play an important role in the success of the Flughafen Wien Group. In order to counteract the loss of know-how through turnover, numerous measures have been implemented to strengthen employee ties. Steps have also been taken to increase occupational safety and to minimise illness-related absences.

The short-term expansion of security controls to keep place with the strong development of traffic could lead to bottlenecks, since the required employees must first be recruited and trained.

Operating risks

The major operating risks in the area of information and communications technology are considered to lie in the possible breakdown of a core system or service (e.g. network infrastructure) that would directly interfere with flight operations or lead to flight delays or cancellations if a restart does not take place within the tolerance period. Flughafen Wien uses redundant in systems, infrastructure and staff as the primary measures to prevent breakdowns wherever possible. The company has also implemented an effective second-level data backup concept that will permit the fast recovery of data and systems in an emergency. Both scenarios are rehearsed regularly in training programmes and the related activities are continuously improved. For example, the redundancy and system stability of the network and data storage units was strengthened in 2010.

A widespread system breakdown could also be caused by physical impairment or the destruction of the central IT infrastructure, for example due to vandalism, environmental damage or terrorism. Special security measures for the building infrastructure, access controls and monitoring support the prevention or early identification of intentional or unplanned failure in critical system rooms as well as damage by external environmental factors and allow for the timely implementation of emergency measures. Activities in 2010 included the installation of access control equipment in the IT centres and other system and engineering areas and the implementation of stricter access procedures for external persons (maintenance) through a dual-control process as well as emergency training.

The failure to comply with legal regulations for the operation of information and communications infrastructure could lead to the suspension of operations or costly requirements by the responsible authorities that could also result in the short-term interruption or cancellation of services. Flughafen Wien addresses this risk through the use of a specially audited internal control system in the IT area, which ensures compliance with all relevant legal requirements. The internal control system was expanded horizontally in 2010 to include new information and communications services and vertically through the implementation of additional controls.

Damage risks

The risk of damages includes fire and other events that could result from natural disasters, accidents or terror as well as the theft of property. In addition to appropriate safety and fire protection measures and emergency plans that are rehearsed on a regular basis, these risks are covered by insurance.

General risk assessment

A general evaluation of the risk situation concluded that the continued existence of the Flughafen Wien Group is protected for the foreseeable future and did not identify any risks that could endanger this continued existence. The Flughafen Wien Group has sufficient liquidity reserves to pursue the airport expansion without delay.

Report on the Key Features of the Internal Control and Risk Management Systems for Accounting Processes

In accordance with § 82 of the Austrian Stock Corporation Act, the Management Board is responsible for the development and implementation of an internal control and risk management system for accounting processes that meets the company's requirements. The following section explains the organisation of the internal controls related to accounting processes at Flughafen Wien AG.

Introduction

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

The description of the major features of these internal controls is based on the structure defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The internal control system comprises the control environment, risk assessment, control activities, information and communication and monitoring. The relevant processes involve the identification and assessment of the financial and accounting risks to which the company is exposed as well as the implementation of appropriate controls. These controls are recorded in an ICS database, which – in addition to other analyses – supports group-wide inquiries on the effectiveness of all ICS controls in the company. The internal audit department carries out independent and regular reviews of compliance with corporate policies for the accounting area. This department reports directly to the Management Board.

Control environment

The corporate culture within which management and employees operate has a significant influence on the control environment. Flughafen Wien works actively to improve communications and to convey its principal values as a means of anchoring moral standards, ethics and integrity in the company and in interaction with other parties.

The implementation of the internal control system for accounting processes is regulated in internal guidelines and directives. The related responsibilities were adjusted to meet the needs of the company and thereby create a satisfactory control environment.

Risk assessment

The risks associated with accounting processes are identified by management and monitored by the Supervisory Board. Attention is focused on risks that are normally considered to be material. The annual financial statements form the main criterion for the identification of the major ICS risks. A change in the volume of business processes or the underlying accounts can lead to changes in the identifiable ICS risks and controls. A risk-oriented model is used to evaluate the internal control activities carried out by the relevant Flughafen Wien functions. The risk arising from erroneous financial reporting is assessed according to different criteria. For example, complex accounting policies can lead to an increased risk of error. Different principles for the valuation of assets and a complex or changing business environment can also lead to material errors in financial reporting. The continuous evaluation of risks and reporting to the Supervisory Board are based on a risk management database that was created especially for this purpose.

The preparation of the annual financial statements involves the use of estimates, which carry an inherent risk of deviation from actual future developments. In particular, the following circumstances or positions in the annual financial statements are involved: employee-related provisions, the results of legal disputes, the collectability of receivables and the valuation of investments in other companies and property, plant and equipment. The company draws on external experts or publicly available sources whenever necessary, in order to minimise the risk of inaccurate estimates.

Control activities

In addition to the Supervisory Board and Management Board, mid-level management (e.g. department heads and senior managers) carry out control activities for ongoing business processes to ensure that potential errors or variances in financial reporting are prevented, discovered and corrected. These controls range from the review of results for the various accounting periods by management and the controlling department to the specific transition of accounts and the analysis of routine accounting processes.

The Management Board is responsible for defining hierarchy levels to ensure that activities are not carried out and controlled by the same person.

Control activities to guarantee IT security represent an integral part of the internal control system. Access to sensitive functions and data is restricted. SAP and PC Konsol enterprise reporting software are used for accounting and financial reporting purposes. The functionality of the accounting system is guaranteed, among others, by automated IT controls.

The further development of the internal control system involves the systematic recording of the required controls, which are subsequently entered in the ICS database where they are classified under various categories and characteristics. Each risk is recorded, among others, in accordance with a definition of the controls, the type of controls, the frequency of controls, the control criterion and the control effectiveness.

Information and communications

The guidelines and directives for financial reporting are updated regularly by management, and communicated to all involved employees via the Intranet or internal announcements. Moreover, financial reporting and the related guidelines and directives are regularly discussed by various corporate bodies, e.g. at meetings of the department heads, senior managers and management. These corporate bodies include management as well as department heads and key accounting managers. The work of these corporate bodies is intended to ensure compliance with all accounting guidelines and directives, and to also identify and communicate weak points and opportunities for the improvement of accounting processes. The accounting staff also attends regular training courses that cover changes in international accounting policies and practices, in order to minimise the risk of unintended errors.

Monitoring

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

The results of monitoring activities are reported to management and the Supervisory Board. Top management receives regular financial reports, e.g. monthly reports on the development of revenue and earnings in the individual segments of business as well as reports on the development of net debt and receivables. The Supervisory Board is also provided with regular information on the financing of the Flughafen Wien Group. Financial statements intended for publication are reviewed by key accounting employees and the Management Board, and then by the Audit Committee of the Supervisory Board, before they are passed on to the responsible corporate bodies.

Research and Development

Flughafen Wien is a service provider and, as such, does not carry out traditional research activities. However, the aviation services unit was involved in a research project during 2010. The AsaP (Airport Security and Productivity) project was initiated to further optimize productivity without endangering security levels. It was carried out jointly by Institut für empirische Sozialforschung GmbH (IFES), Alcatel-Lucent Austria AG and the Austrian Institute of Technology GmbH (AIT).

In addition, the Flughafen Wien IT department started work on the CDM-ISP (Collaboration Decision Making-Information Sharing Platform) project in 2010. CDM-ISP involves the development of an information sharing platform that will create the basis for introducing the CDM process in the Flughafen Wien Group. This tool will allow for more exact planning, better analysis and the optimisation of resources in a large number of cases. In summary, CDM will improve the coordination and joint data collection between Austro Control AG, the various airlines (e.g. Austrian Airlines AG) and Flughafen Wien as well as the handling agents. Costs of € 0.3 million were associated with this project in 2010. Other investments focused on the improvement of individual programme modules for the airport operating software that was developed by Flughafen Wien.

Environmental and Labour Issues

The Environment

Flughafen Wien AG is committed to careful and conscious interaction with the environment as well as sustainable management. A total of T€ 913.3 was invested in environmental protection during the reporting year (2009: T€ 799.3). Activities focused on the reduction of pollutant and noise emissions in order to minimise the impact of the airport on its surrounding environment – and above all on neighbouring residents. The noise protection programme defined in the mediation contract also continued during 2010. Nearly 11,000 households are entitled to participate in this programme, and the preparation of expert opinions and renovations are currently in process. The noise protection programme is intended to improve the quality of life for neighbouring residents under both the current two-runway system and a possible three-runway system.

Environmental indicators for Flughafen Wien AG

	2010	2009
Number of passengers	19,691,206	18,114,103
Electricity consumption per year in kWh	128,187,468	129,536,376
Electricity consumption in kWh per year and passenger	6.51	7.15
Heat consumption per year in MWh	131,218,40	117,943,00
Heat consumption in MWh per year and passenger	0.0067	0.0065
Water consumption per year in m³	745,771	604,650
Water consumption in m³ per year and passenger	0.038	0.033
Waste water disposal per year in m³	683,876	581,434
Waste water disposal in m³ per year and passenger	0.035	0.032
Residual waste aircraft in kg	999,990	1,012,540
Residual waste aircraft in kg per passenger	0.051	0.056
Waste paper VIE in kg	1,782,280	1,881,560
Waste paper VIE in kg per passenger	0.09	0.10
Aluminium/cans/metal VIE in kg	5,630	9,646
Aluminium/cans/metal VIE in kg per passenger	0.0003	0.0005
Biogenic waste VIE in kg	195,160	202,440
Biogenic waste VIE in kg per passenger	0.010	0.011
Glass VIE in kg	85,364	78,794
Glass VIE in kg per passenger	0.004	0.004
Plastic packaging VIE in kg	160,540	168,895
Plastic packaging VIE in kg per passenger	0.008	0.009
Hazardous waste VIE in kg	118,733	186,079
Hazardous waste VIE in kg per passenger	0.006	0.010
Share recycled in %	88.6	90.0

Workforce issues

Traffic growth during the reporting year led to additional hiring by the Flughafen Wien Group. The average number of employees rose by 169 to 3,247, which generally reflects the 2008 level. The Handling Segment reported the largest increase, where added personnel were required to deal with higher volumes, peak hour shifts and the increased work connected with larger aircraft. Personnel were also added in the technical area, information systems and the VIE-Skylink.

As a result of the strong development of traffic, the number of traffic units per employee increased 7.9% to 6,686 units.

Employees

	2010	Change in %	2009	2008
Apprentices	52	20.1	43	36
Traffic units per employee	6,686	7.9	6,194	6,624
Average age in years	39.2	0.0	39.2	38.6
Length of service in years	10.3	-1.0	10.4	9.8
Share of women in %	12.3	-5.4	13.0	12.7
Training expenditures in €	1,055,000	8.4	973,000	1,072,000
Reportable accidents	165	34.1	123	149
Accidents per 1,000 employees	49.6	32.3	37.5	44.9

Motivation and Corporate Identification

Flughafen Wien provides a variety of voluntary benefits for its workforce to strengthen identification with the company and to increase motivation. As a supplement to legal pension schemes and private pension planning, the company transfers 2.5% of monthly salaries and wages for its employees to a company pension fund and gives employees the option of making a matching contribution. Flughafen Wien also provides financial assistance for supplementary accident, health and pension insurance.

Employees may also utilise free-of-charge transportation to their workplaces at the airport with the City Airport Train (CAT) or bus connections to the neighbouring communities. A total of € 785,000 was invested in these benefits during 2010. The company also provides meal subsidies of € 1 per employee and working day, for a total of € 544,000 in the past year. Recreational and sporting activities with selected partners are also supported by the company's cultural and sport association.

The creativity of employees is an important factor for Flughafen Wien, and a continuous improvement programme was therefore started as a platform for the evaluation of ideas and suggestions for change. A special commission grants an award for every implemented suggestion. Information for employees on developments and news from the company is provided in the quarterly magazine "Blockzeit". Information on job openings, airport-related topics and special offers for employees are also published in the Intranet.

Performance-based Compensation

The compensation system for the members of the Management Board and the first two levels of management includes a performance-based component. This variable compensation is based on the fulfilment of financial and qualitative goals – for example, variable payments to the department heads are also dependent on the results of the customer survey. Flughafen Wien does not have a stock option programme.

Labour Trust

Flughafen Wien has been a member of the Steyr labour trust since 2009. This organisation was founded in 1993 and comprises well-known Austrian companies. This public trust provides goal-oriented support for the professional reintegration of employees who lose their jobs in economically difficult times. Flughafen Wien views this participation not only as a strategic personnel measure, but also as an expression of its responsibility toward former employees. Five employees entered the Steyr labour trust in 2010.

Employee Foundation

An independent private foundation was established in 2000 to give Flughafen Wien employees an opportunity to participate in the success of the company. This foundation holds 10% of the shares in Flughafen Wien AG and distributes the dividends received on these shares to company employees. A total of € 4.41 million was dispersed during the reporting year – which represents the dividend payment for 2009 – and corresponds to 60.72% of the average monthly salary or wage per employee. Distributions to employees are based on the individual annual gross salary or wage. The administration of the employee foundation is completely independent of Flughafen Wien AG and includes a managing board, supervisory board and auditor.

Workplace Safety and Health

The preventive services unit, which is part of the airport services department, deals with industrial medicine and workplace safety. Its responsibilities include providing advice and support for the prevention of work accidents, job-related illnesses and work-related disorders. Specific measures include regular workplace inspections as well as discussions with individual employees and/or groups. Activities in 2010 focused on the successful safety campaign "Sicherheit an 1. Stelle – Safety Karl", mobile beverage supplies, a "healthy back" seminar and programmes to help employees stop smoking. Preventive health examinations, basic and refresher courses for first aid and vaccination campaigns were also well received.

Despite the many initiatives launched by Flughafen Wien, 2010 was not a good year from the viewpoint of workplace safety. The number of reportable accidents rose for the first time since 2000. This increase was triggered by various factors that included working conditions during the extremely high temperatures in July as well as the early start of winter at the end of November/beginning of December. Flughafen Wien takes this development very seriously and is undertaking all possible measures to prevent or reduce accidents. The causes of all accidents are analysed in detail by area to permit the implementation of the necessary technical, organisational and personnel improvement measures.

Work accidents

	2010	Change in %	2009	2008	2007
Reportable accidents	165	+34.1	123	149	161
Per 1,000 employees	49.6	+32.3	37.5	44.9	50.6

Disclosures required by § 243a of the Austrian Commercial Code

1. Share capital and shares

The share capital of Flughafen Wien AG totals € 152,670,000 and is fully paid in. It is divided into 21,000,000 shares of bearer stock. All shares carry the same rights and obligations ("one share – one vote").

2. Syndication agreement

Two core shareholders – the province of Lower Austria (4.2 million shares) and the city of Vienna (4.2 million shares) – hold 40% of the company's shares in a syndicate. The syndication agreement was concluded in 1999 and has remained unchanged since that time. It calls for the joint exercise of voting rights on the syndicated shares at the annual general meeting. Any amendments to the syndication agreement, the dissolution of the syndicate and resolutions to admit a new partner to the syndicate require unanimous approval. The syndication agreement provides for reciprocal rights of purchase if one party intends to sell its syndicated shares to a buyer outside the syndicate (third party) through a legal transaction in exchange for return compensation. This reciprocal right of purchase does not apply if the syndicated shares are transferred to a holding company in which the transferring syndicate partner owns at least a majority stake. The company is not aware of any other limitations on voting rights or the transfer of shares.

3. Investments of over 10% in the company

The city of Vienna and the province of Lower Austria each hold an investment of 20% in Flughafen Wien AG. In addition, Flughafen Wien Mitarbeiterbeteiligung Privatstiftung (the employee foundation) holds 10% of the share capital of Flughafen Wien AG. The company is not aware of any other shareholders with a stake of 10% or more in share capital.

4. Shares with special control rights

The company is not aware of any special control rights on the part of shareholders.

5. Control of voting rights for the shares held by the employee foundation

The voting rights for the shares held by the Flughafen Wien employee foundation are exercised by the managing board of this entity. The appointment to or dismissal of members from the fund's managing board requires the approval of the advisory board of the Flughafen Wien employee fund, whereby a simple majority is required for such decisions. The advisory board is comprised of five members, with two members each delegated by employees and the employer. These four members unanimously elect a fifth person to serve as the chairman of the advisory board.

6. Appointment and dismissal of members of the Management and Supervisory Boards

In accordance with the Austrian Corporate Governance Code, the company's articles of association permit the appointment of a person to the Management Board for the last time in the calendar year in which the candidate reaches his/her 65th birthday. Election to the Supervisory Board is possible for the last time in the calendar year in which the candidate reaches his/her 70th birthday. There are no other provisions governing the appointment and dismissal of members of the Managing Board or Supervisory Board or the amendment of the company's articles of association that are not derived directly from Austrian law.

7. Share buyback and authorised capital

The Management Board has been granted no explicit rights that are not derived directly from Austrian law, in particular with respect to the issue or repurchase of shares in the company. The company has no authorised capital at the present time.

8. Change of control

Change of control clauses are included in the agreements for the € 400 million EIB (European Investment Bank) loan, the € 103.5 million promissory note and the € 300 million loan concluded pursuant to an Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz"). These financing agreements with a total volume of € 803.5 million were concluded with Austrian and international financial institutions. In the event of an actual, impending or justifiably assumed change of control (in accordance with the following definition), these financial liabilities could be called prematurely and related collateral may be cancelled if there are reasons to assume the change will or could have a negative impact on the future fulfilment of the financial liability and Flughafen Wien AG does not take actions within a certain period of time to provide this contract partner with collateral that is deemed acceptable. A change of control is defined as an event that leads to (i) a direct or indirect reduction in the investment held jointly by the province of Lower Austria and the city of Vienna in Flughafen Wien AG to less than 40% of the total number of voting shares or (ii) a natural person or legal entity that currently does not exercise control over Flughafen Wien AG gains control over Flughafen Wien AG (e.g. either directly or indirectly, through the ownership of shares, economic circumstances or in another manner, and either alone or together with third parties (i) acquires more than 50% of the voting shares in Flughafen Wien AG or (ii) the right to nominate the majority of members to the decision-making bodies of Flughafen Wien AG or exercises a controlling influence over these persons). For financing of € 653.5 million, a change of control does not include the direct or indirect reduction in the joint investment held by the province of Lower Austria and the city of Vienna to less than 40% but more than 30% of the voting shares in Flughafen AG in conjunction with a capital increase by the company without the full or partial exercise of subscription rights by these two shareholders, unless a natural person or legal entity that does not currently exercise control over Flughafen Wien AG gains control over the company at the same time.

9. Compensation agreements in the event of a public takeover bid

There are no agreements for compensation between the company and the members of its Management Board, Supervisory Board or employees that would take effect if a public takeover bid is made.

Outlook

Economic researchers are forecasting a continuation of the upward trend in 2011. However, the various markets are expected to develop at different speeds and recovery in the euro zone is likely to lag behind the rest of the world. Average GDP growth per year is predicted to reach 2.2% in Austria, 3.7% in the "new" EU states and 4.5% for the global economy by 2015. This economic development should also support further growth in air travel, but at a slower pace than 2010. Experts are expecting an annual increase of 4.2% in the number of passengers up to 2020.

For 2011 Flughafen Wien is forecasting an increase of 5.0% in the number of passengers, 3.0% in maximum take-off weight (MTOW) and 2.0% in flight movements.

The project plan of the Flughafen Wien Group calls for a total investment volume of € 344.6 million in 2011. This amount also includes € 14.9 million of expenses that cannot be capitalised and, accordingly, the pure investment volume totals € 329.7 million (excluding borrowing costs during construction).

Subsequent Events

The positive development of traffic continued during January 2011. The number of passengers rose by 6.7% year-on-year to 1,282,574. Increases were also recorded in flight movements with plus 0.7%, maximum take-off weight (MTOW) with plus 12.8% and cargo with plus 0.6%. The number of transfer passengers was 4.6% higher.

As of 1 January 2011, the tariffs were adjusted as follows based on the tariff formula:

• Landing tariff, infrastructure tariff airside, parking tariff: +1.29%
• Passenger tariff, infrastructure tariff landside: +1.68%
• Infrastructure tariff fuelling: +1.80%
The tariff structure of Flughafen Wien remains competitive, even with these adjustments.

In January 2011 € 100 million were transferred to Flughafen Wien from the financing concluded in 2010 pursuant to the Austrian law to strengthen liquidity ("Unternehmensliquiditätsstärkungsgesetz").

Schwechat, 28 February 2011

The Management Board

Ernest Gabmann
Member of the Board

Christoph Herbst
Chairman and Speaker of the Board

Gerhard Schmid
Member of the Board

Individual Financial Statements of Flughafen Wien AG

Balance Sheet

as of 31 December 2010

Assets	31.12.2010 in €	31.12.2009 in T€
A) Non-current assets		
I. Intangible assets		
1. Concessions and rights	6,752,037.78	7,107.0
II. Property, plant and equipment		
1. Land and buildings	452,403,963.23	467,030.5
2. Machinery and equipment	187,416,482.80	210,243.2
3. Other equipment, furniture, fixtures and office equipment	40,816,584.35	43,431.1
4. Prepayments made and construction in progress	734,092,498.14	628,227.3
Total II	1,414,729,528.52	1,348,932.1
III. Financial assets		
1. Shares in subsidiaries	191,895,660.40	191,825.7
2. Loans granted to subsidiaries	51,778,523.73	55,886.9
3. Investments in other companies	9,121,723.50	9,053.3
4. Loans granted to companies in which an investment is held	450,000.00	500.0
5. Non-current securities (rights)	4,372,237.97	5,722.1
6. Other loans granted	1,051,319.97	1,002.7
Total III	258,669,465.57	263,990.7
Total A)	1,680,151,031.87	1,620,029.8
B) Current assets		
I. Inventories		
1. Supplies	4,298,220.95	3,124.6
II. Receivables and other assets		
1. Trade receivables	44,376,688.06	31,729.3
2. Receivables due from subsidiaries	8,065,902.74	3,652.0
3. Receivables due from companies in which an investment is held	127,343.62	139.4
4. Other receivables and assets	11,383,505.85	18,226.9
Total II	63,953,440.27	53,747.6
III. Securities and shares		
1. Miscellaneous securities and shares	61,392,133.76	61,392.1
Total III	61,392,133.76	61,392.1
IV. Cash on hand and deposits with financial institutions	59,939,394.01	2,113.4
Total B)	189,583,188.99	120,377.8
C) Prepaid expenses and deferred charges	2,476,980.74	1,746.7
Total Assets	1,872,211,201.60	1,742,154.4

Equity and Liabilities	31.12.2010 in €	31.12.2009 in T€
A) Equity		
I. Share capital	152,670,000.00	152,670.0
II. Share premium (appropriated)	117,657,318.52	117,657.3
III. Reserves		
1. Statutory reserve	2,579,158.88	2,579.2
2. Other reserves (voluntary reserves)	363,400,888.90	361,800.9
Total III	365,980,047.78	364,380.0
IV. Retained earnings, Thereof profit carried forward: € 4,992.94; 2009: T€ 9.9	42,004,250.90	44,105.0
Total A)	678,311,617.20	678,812.4
B) Untaxed reserves		
1. Valuation reserve based on special depreciation	9,671,383.52	8,027.0
2. Other untaxed reserves	170,602.10	170.6
Total B)	9,841,985.62	8,197.6
C) Government grants	2,450,985.15	3,475.0
D) Provisions		
1. Provisions for severance compensation	58,102,501.00	50,563.1
2. Provisions for pensions	19,254,835.34	22,735.6
3. Other provisions	126,768,235.55	98,252.2
Total D)	204,125,571.89	171,551.0
E) Liabilities		
1. Amounts due to financial institutions	491,124,989.16	578,723.2
2. Prepayments received on orders	526,345.35	364.7
3. Trade payables	57,194,157.77	96,530.0
4. Amounts due to subsidiaries	356,334,370.28	139,834.7
5. Amounts due to companies in which an investment is held	4,424,837.47	5,835.2
6. Other liabilities, Thereof from taxes: € 0.0; 2009: T€ 0.0 Thereof from social security: € 6,084,617.73; 2009: T€ 3,811.2	40,443,162.04	30,969.8
Total E)	950,047,862.07	852,257.6
F) Deferred income	27,433,179.67	27,860.8
Total Equity and Liabilities	1,872,211,201.60	1,742,154.4
Contingent liabilities	92,147,945.68	87,620.5

Income Statement

for the period from 1 January to 31 December 2010

	1.1.–31.12.2010 in €	1.1.–31.12.2009 in T€
1. Revenue	522,545,634.17	465,312.4
2. Own work capitalised	4,634,157.82	4,471.6
3. Other operating income		
a) Income from the disposal of non-current assets, with the exception of financial assets	46,686.67	62.0
b) Income from the reversal of provisions	5,163,925.14	3,736.8
c) Income from the reversal of government grants	1,024,001.44	1,354.8
d) Miscellaneous	3,303,431.91	2,214.9
Total 3.	9,538,045.16	7,368.5
Operating income (subtotal of No. 1 to 3)	536,717,837.15	477,152.4
4. Cost of consumables and services		
a) Cost of materials	37,313,621.71	32,925.6
b) Cost of services	29.059.585,03	1,747.3
Total 4.	66.373.206,74	34,673.0
5. Personnel expenses		
a) Wages	82,618,874.23	74,207.8
b) Salaries	61,851,945.58	58,987.5
c) Expenses for severance compensation and contributions to employee severance compensation fund	16,207,672.56	8,546.7
d) Expenses for pensions	8,039,384.94	3,461.7
e) Expenses for legally required social security and payroll-related duties and mandatory contributions	39,780,715.15	37,384.4
f) Other employee benefits	2,112,399.41	2,049.3
Total 5.	210,610,991.87	184,637.4
6. Depreciation and amortisation	60,704,554.61	62,212.4

(continued)	1.1.–31.12.2010 in €	1.1.–31.12.2009 in T€
7. Other operating expenses		
a) Non-income based taxes	303,437.21	355.3
b) Miscellaneous	125,086,819.09	119,995.3
Total 7.	125,390,256.30	120,350.6
Total 4.–7.	463,079,009.52	401,873.4
8. Operating profit (subtotal of No. 1 to 7)	73,638,827.63	75,279.0
9. Income from investments in other companies Thereof from subsidiaries: € 13,632,913.77 2009: T€ 10,130.1	13,712,353.77	10,169.3
10. Income from other securities and loans granted Thereof from subsidiaries: € 1,702,593.64 2009: T€ 2,265.4	1,707,587.94	2,302.3
11. Interest and similar income Thereof from subsidiaries: € 732,366.80 2009: T€ 384.2	3,973,102.62	3,856.3
12. Income from the disposal and write-up of financial assets	1,057,461.42	982.6
13. Expenses arising from financial assets and current securities Thereof write-downs: € 0.0; 2009: T€ 1,109.1	5,562,420.29	1,457.6
14. Interest and similar expenses Thereof to subsidiaries: € 6,512,454.52 2009: T€ 3,259.0	30,320,786.69	27,495.3
15. Financial results (subtotal of No. 9 to 14)	-15,432,701.23	-11,642.5
16. Profit on ordinary activities	58,206,126.40	63,636.5
17. Income taxes	-12,962,500.00	-12,242.5
18. Net profit for the year	45,243,626.40	51,394.0
19. Reversal of untaxed reserves	1,453.19	2.6
20. Addition to untaxed reserves	1,645,821.63	1,790.4
21. Addition to reserves	1,600,000.00	5,511.2
22. Profit carried forward from the prior year	4,992.94	9.9
23. Retained earnings	42,004,250.90	44,105.0

Notes to the 2010 Annual Financial Statements of Flughafen Wien AG

General Information on the 2010 Annual Financial Statements of Flughafen Wien AG

General Information

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

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

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

Legal Relationships

As of 31 December 2010 Flughafen Wien AG had a contract for the transfer of profit and loss with the subsidiary Vienna Aircraft Handling Gesellschaft m.b.H.

Classification

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

Structure and Accounting Methods

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

Valuation Methods

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

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

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

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

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

Identifiable risks related to receivables are reflected in valuation adjustments.

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

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

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

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

Liabilities were recorded at their repayment amount.

Derivative Financial Instruments

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

Interest Rate Swap

A fixed interest rate swap with a nominal value of T€ 10,000.0 and a term of five years was concluded in 2008 as a hedge against future increases in interest rates. The market value was negative as of 31 December 2010, and a provision was therefore created for impending losses.

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

in T€	Book value 2010	Market value 2010	Book value 2009	Market value 2009
EUR	-457.4	-457.4	-573.8	-573.8

Notes to the Balance Sheet

Assets

Non-current assets

The development of the individual positions of non-current assets is shown on the attached schedule of non-current assets.

The value of land included under land and buildings is T€ 91,508.8 (2009: T€ 90,469.4).

The following write-ups were recorded to loans granted to subsidiaries: T€ 730.6 (2009: T€ 786.4) to reflect the reversal of the discount from a shareholder loan (IVW) and T€ 253.6 (2009: T€ 0.0) to a shareholder loan (KSC-Holding). Of the total loans granted, T€ 2,607.0 (2009: T€ 2,610.9) are due and payable within one year.

Non-Current Securities and Similar Rights

Non-current securities are comprised of the following:

in T€	Book value 2010	Book value 2009
Shares	494.9	494.9
Other	3,877.3	5,227.2
	4,372.2	5,722.1

The position "Other" is comprised primarily of the repurchase value of reinsurance for pensions (T€ 3,739.6). Of this amount, T€ 2,506.4 are pledged.

Current assets

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

Valuation adjustments of T€ 4,108.9 (2009: T€ 10,248.7) had been recorded to trade receivables as of the balance sheet date.

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

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

Remaining term up to one year Flughafen Wien AG

Amounts in T€	2010	2009
Trade receivables	44,376.7	31,729.3
Receivables due from subsidiaries	8,065.9	3,652.0
Receivables due from associates	127.3	139.4
Other receivables and assets	11,276.7	18,115.6
Total	63,846.6	53,636.3

Remaining term over one year Flughafen Wien AG

Amounts in T€	2010	2009
Other receivables and assets	106.8	111.3
Total	106.8	111.3

Other receivables and assets include T€ 1,437.2 of credit card settlements and T€ 920.7 of accrued interest, which will only become due and payable after the balance sheet date.

The major components of other receivables are as follows:

Flughafen Wien AG

Amounts in T€	2010	2009
Receivables from taxes	7,790.4	13,351.6
Receivables from credit card companies	1,437.2	1,552.4
Accrued interest	920.7	916.4
Receivables from salary/wage advances	453.9	454.6
Miscellaneous receivables	781.3	1,951.8
Total	11,383.5	18,226.9

Treasury shares
The company held no treasury shares as of 31 December 2010.

Current securities
Current securities are comprised of the following:

Current securities

in T€	Book value 2010	Market value 2010	Book value 2009	Market value 2009
GF 7 Fund	32,492.1	34,401.0	32,492.1	33,984.7
RZB bond (subordinated)	8,900.0	9,950.0	8,900.0	8,900.0
RLB NÖ supplementary capital	20,000.0	21,066.0	20,000.0	21,050.0
	61,392.1	65,417.0	61,392.1	63,934.7

Write-ups of T€ 2,958.9 to current securities would have been possible in 2010 (2009: write-ups not recorded T€ 1,492.6).

GF 7 Fund shares totalling T€ 34,401.0 (2009: T€ 33,984.7) were pledged to Bank Austria to receive more favourable conditions on short-term lines of credit.

Prepaid expenses and deferred charges
The Company did not elect to use the option provided by § 198 (10) of the Austrian Commercial Code for the capitalisation of deferred taxes. Deferred tax assets totalled T€ 7,858.2 (2009: T€ 6,858.5).

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

Equity and Liabilities

Equity

Share capital totalled € 152,670,000.00 as of 31 December 2010. It is divided into 21,000,000 shares of bearer common stock.

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

Voluntary reserves rose from T€ 361,800.9 to T€ 363,400.9, or by T€ 1,600.0.

Retained earnings total T€ 42,004.3 (2009: T€ 44,105.0).

The following table shows the development of retained earnings:

in T€

	Retained earnings as of 31.12.2009	44,105.0
–	Distribution of profit	-44,100.0
+	Net profit for the year	45,243.6
+	Release of untaxed reserves	1.5
–	Addition to untaxed reserves	-1,645.8
–	Addition to reserves	-1,600.0
	Retained earnings as of 31.12.2010	42,004.3

Untaxed reserves

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

Government grants

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

Provisions

The calculation of the provision for severance compensation at Flughafen Wien AG as of 31 December 2010 was based on an actuarial expert opinion, which was prepared in accordance with IFRS (IAS 19). An interest rate of 4.5% (2009: 5.3%) and the projected unit credit method were used for the calculation. The retirement age represents the first possible date for (early) retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for male and female employees. An assumed increase of 3.77% (2009: 3.7%) was applied to salaries. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.25%). Any actuarial gains and losses are recognised immediately.

The provisions for pensions were determined in accordance with actuarial principles based on IFRS (IAS 19). An interest rate of 4.5% (2009: 5.3%) %) and the projected unit credit method were used for the calculation. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for salaried employees. The retirement age represents the first possible date for (early) retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. An assumed increase of 3.77% (2009: 3.7%) was applied to salaries and a retirement trend of 2.14% (2009: 2.12%) was assumed. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.25%). Any actuarial gains and losses are recognised immediately.

Other provisions consist mainly of the following: provisions for service anniversary bonuses: T€ 12,869.1 (2009: T€ 10,702.2), provisions for part-time work for older employees: T€ 12,840.5 (2009: T€ 11,172.8), unused vacation: T€ 8,337.5 (2009: T€ 9,362.7), bonuses for the reporting year: T€ 2,203.0 (2009: T€ 1,949.7), deliveries and services not yet invoiced: T€ 56,523.8 (2009: T€ 44,774.7), provisions for discounts: T€ 17,812.3 (2009: T€ 7,588.1) and a provision for an impending loss from a put option of T€ 5,562.4 granted by Vienna Aircraft Handling Ges.m.b.H. for the acquisition of Flugplatz Vöslau BetriebsGmbH.

The provisions for service anniversary bonuses were computed in accordance with actuarial principles based on IFRS (IAS 19). An interest rate of 4.5% (2009: 5.3%) and the projected unit credit method were used for the calculation. The biometric basis for calculation is formed by the F.W. Pagler – AVÖ 2008-P life expectancy tables for male and female employees. The retirement age represents the first possible date for (early) retirement permitted by the 2004 pension reform in Austria (federal budget act of 2003) and reflects all transition regulations. An assumed increase of 3.77% (2009: 3.7%) was applied to salaries. Employee turnover was included on the basis of a graduated scale ranging from one year of service (12.0%) to 19 years of service (0.50%). Any actuarial gains and losses are recognised immediately.

Liabilities

The following table shows the terms of liabilities:

Remaining term up to one year

Amounts in T€	2010	2009
Amounts due to financial institutions	204.0	95,151.6
Prepayments received	526.3	364.7
Trade payables	57,194.2	96,530.0
Amounts due to subsidiaries	52,834.4	36,334.7
Amounts due to companies in which an investment is held	4,424.8	5,835.2
Other liabilities	28,901.6	11,507.5
Total	144,085.3	245,723.7

Remaining term from one to five years

Amounts in T€	2010	2009
Amounts due to financial institutions	31,170.0	5,400.6
Amounts due to subsidiaries	303,500.0	103,500.0
Other liabilities	11,541.5	19,462.3
Total	346,211.5	128,362.9

Remaining term over five years

Amounts in T€	2010	2009
Amounts due to financial institutions	459,751.0	478,171.0
Total	459,751.0	478,171.0

Of the total amounts due to subsidiaries, T€ 303,500.00 are related to financing and the investment of liquid funds by the subsidiaries with the parent company.

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

Other liabilities include wages and salaries totalling T€ 7,280.5 (2009: T€ 5,149.5) from December 2010 (and 2009), customer credits of T€ 2,379.0 (2009: T€ 1,181.4), amounts of T€ 6,084.6 (2009: T€ 3,811.2) due to social security carriers and accrued interest of T€ 232.6 (2009: T€ 237.2) that will only become due and payable after the balance sheet date.

Deferred income

Deferred income is comprised chiefly of T€ 26,090.6 (2009: T€ 27,045.1) in rental payments for the air traffic control tower.

Contingent Liabilities

In accordance with § 7 Par. 4 of the charter of the Schwechat Waste Water Association dated 10 December 2003, Flughafen Wien AG is liable as a member of this organisation for T€ 4,316.2 of loans related to the construction and expansion of sewage treatment facilities.

Vienna Airport Business Park Immobilienbesitzgesellschaft m.b.H., a wholly owned subsidiary of the Flughafen Wien Group, concluded a lease with HERMIONE Raiffeisen-Immobilien-Leasing GmbH in December 2005 for hangar buildings at Vienna International Airport. Flughafen Wien AG has provided a guarantee for payment of the variable leasing fees, which currently equal approximately T€ 411.0 and T€ 35.5 per month over a remaining term of 15, respectively 18 years and for annual payments of T€ 427.3 on borrowing costs for construction financing over a period of 15 years. A total liability of T€ 87,831.7 was recorded below the balance sheet up to the end of these terms.

Other Financial Obligations

The company entered into purchase obligations for intangible assets and property, plant and equipment totalling € 188.0 million during the reporting year. (2009: € 104.4 million).

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

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

Remaining term from one to five years

Amounts in T€	2011	2011–2015
Liabilities arising from operating leases	2,790.8	9,036.9
Total	2,790.8	9,036.9

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

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

Notes to the Income Statement

Revenue Flughafen Wien AG

Amounts in T€	2010	2009
Airport revenue	197,637.6	193,947.3
Handling revenue	155,349.3	136,063.5
Aviation revenue	352,986.9	330,010.8
Lease, rental and usage revenue, parking revenue	100,156.1	92,329.4
Other revenue	69,402.6	42,972.1
Non-aviation revenue	169,558.7	135,301.6
Total revenue	522,545.6	465,312.4
Thereof with subsidiaries	13,410.3	13,098.9

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

All revenues are generated in Austria.

Aviation revenue rose by 7.0% (T€ 22,976.1) year-on-year following an increase in both airport and handling revenue.

Non-aviation revenue recorded by Flughafen Wien AG rose by 25.3% (T€ 34,257.2) over the prior year. This development was supported by higher revenue from security services, which increased T€ 27,385.1 to T€ 29,412.9, as well as higher revenue from lease, rental and usage agreements as well as parking.

Income from the release of government grants reflected the write-down or disposal of the relevant assets, which were carried at full acquisition cost less depreciation. This position also includes a release of T€ 766.1 (2009: T€ 766.1) from the investment allowance created during earlier years in accordance with § 108e of the Austrian Income Tax Act.

Flughafen Wien AG recorded a year-on-year increase of 14.1% in personnel expenses to T€ 210,611.0 (2009: T€ 184,637.4). This development resulted primarily from an increase of T€ 8,411.0 in wages to T€ 82,618.9 and an increase of T€ 5,714.5 in severance compensation and pensions to T€ 10,389.8. The higher expenses reflected additional hiring during the reporting year, wage and salary raises mandated by collective bargaining agreements and lower reversals to the provision for unused vacation. Salaries increased 4.9%, or T€ 2,864.5, to T€ 61,851.9. Expenses for severance compensation and pensions were T€ 6,524.1 higher at T€ 13,857.3.

Severance compensation expenses are classified as follows:

Severance compensation expenses Flughafen Wien AG

Amounts in T€	2010	2009
Addition to provision for severance compensation	7,539.4	2,539.6
Severance payments	7,723.9	5,236.5
Contributions to employee severance compensation funds	944.4	770.7
Total	16,207.7	8,546.7

Depreciation and amortisation were 2.4% lower than in the prior year.

Other operating expenses are comprised of the following:

Other operating expenses Flughafen Wien AG

Amounts in T€	2010	2009
Services provided by subsidiaries	40,302.5	39,715.6
Marketing and market communication	26,138.8	19,195.9
Maintenance	18,565.2	15,473.2
Third party services	12,207.3	10,841.3
Legal, audit and consulting fees	11,617.8	8,460.5
Rentals and leasing	3,642.4	2,449.0
Insurance	3,372.7	2,931.3
Miscellaneous operating costs	2,071.5	10,594.1
Travel and training costs	1,726.5	1,588.1
Postage and telecommunications expenses	1,474.8	1,576.3
Addition to valuation adjustments to receivables	703.7	4,679.6
Transportation	701.8	206.3
Miscellaneous expenses	2,865.2	2,639.2
Total	125,390.3	120,350.6

Expenses for the auditor of the annual financial statements, KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, amounted to T€ 374.3 (2009: T€ 215.3), whereby T€ 90.0 are related to the audit of the annual financial statements (2009: T€ 88.3) and T€ 284.3 (2009: T€ 127.0) to other assurance services.

Financial results totalled T€ -15,432.7 (2009: T€ -11,642.5) and consist of the following:

Financial results Flughafen Wien AG

Amounts in T€	2010	2009
Income from investments in other companies	13,712.4	10,169.3
Thereof from subsidiaries	13,632.9	10,130.1
Income from securities and loans granted	1,707.6	2,302.3
Thereof from subsidiaries	1,702.6	2,265.4
Interest and similar income	3,973.1	3,856.3
Thereof from subsidiaries	732.4	384.2
Income from the disposal and write-up of financial assets	1,057.5	982.6
Thereof from the write-up of loans granted to subsidiaries	1,027.3	786.4
Expenses arising from financial assets and current securities	-5,562.4	-1,457.6
Thereof from subsidiaries	-5,562.4	-310.5
Interest and similar expenses	-30,320.8	-27,495.3
Thereof due to subsidiaries	-6,512.5	-3,259.0
Total	-15,432.7	-11,642.5

Income from investments in other companies includes income T€ 1,632.8 (2009: T€ 1,430.1) from contracts for the transfer of profit and loss.

Expenses arising from financial assets and current securities amounted to T€ 5,562.4 (2009: T€ 1,457.6). The reporting year expenses resulted from a provision for an impending loss for an impending loss on a put option granted by Vienna Aircraft Handling Ges.m.b.H. for the acquisition of Flugplatz Vöslau BetriebsGmbH.

Income tax expenses rose by T€ 720.0 to T€ 12,962.5.

The theoretical income tax expenses attributable to profit on ordinary activities amounted to T€ 14,551.5. The actual tax rate was 22.3% in 2010, compared with 19.2% in the previous year.

Tax expense declined T€ 2,190.0 during the reporting year because of the tax settlement in the corporate group.

As in the prior year, tax accruals that could have been capitalised in accordance with § 198 (10) of the Austrian Commercial Code were not recorded in 2010.

Other Information

Corporate Bodies and Employees

The members of the Supervisory Board in 2010 are listed below:
Johannes CORETH, Member of the Board (ret.) of Niederösterreichische Versicherung
Christoph HERBST, Attorney-at-law (function suspended as of 1 January 2011)
Franz LAUER, General Director (ret.) of Wiener Städtische Versicherung
Hans-Jörgen MANSTEIN, Manstein Zeitschriftenverlag GesmbH
Alfons METZGER, Metzger Realitäten Group
Alfred REITER, Chairman of the Board (ret.) of Investkredit Bank AG
Karl SAMSTAG, (former) General Director of Bank Austria Creditanstalt AG
Karl SKYBA, (former) General Director of Wiener Stadtwerke Holding AG
Burkhard HOFER, General Director of EVN AG

Delegated by the Works' Committee:
Manfred BIEGLER, Chairman of the Salaried Employees' Works Committee
Thomas SCHÄFFER, Vice-Chairman of the Salaried Employees' Works Committee
Dieter ROZBORIL, Chairman of the Waged Employees' Works Committee
Karl HROMADKA, Vice-Chairman of the Waged Employees' Works Committee
Heinz WESSELY, Waged Employees' Works Committee

Chairman of the Supervisory Board:
Christoph HERBST (function suspended as of 1 January 2011)

His Deputies:
Karl SAMSTAG (Deputy as of 1 January 2011)
Alfred REITER

Representatives of the Supervisory Authorities:
Rolf A. NEIDHART (up to 31 December 2010)
Christine ROSE (as of 1 January 2011)

The members of the Management Board in 2010 were:
Herbert KAUFMANN, Member of the Board and Speaker (up to 31 December 2010)
Gerhard SCHMID, Member of the Board
Ernest GABMANN, Member of the Board
Christoph HERBST, Chairman of the Board (as of 1 January 2011)

The following persons were joint signatories in 2010:
Ernest EISNER
Franz IMLINGER
Johannes FREILER (up to 31 December 2010)
Werner HACKENBERG
Michael HÖFERER
Friedrich LEHR
Karl SCHLEINZER
Michael TMEJ
Michael KOCHWALTER (up to 18 February 2010)
Norbert STEINER
Christoph LEHR
Andreas SCHADENHOFER (as of 29 June 2010)

The average number of employees was as follows:

Flughafen Wien AG[1)]	**2010**	**2009**
Wage employees	2,222	2,165
Salaried employees	1,061	1,071
Total	3,283	3,236

1) Excluding the members of the Management Board

The members of the Management Board of Flughafen Wien AG received the following remuneration for their work in 2010 and 2009:

in T€	2010 Fixed compensation	2010 Performance based compensa-tion	2010 Non-cash remu-neration	2010 Total remu-neration	2009 Total remu-neration
Herbert Kaufmann	254.1	84.6	7.5	346.2	406.4
Gerhard Schmid	254.1	84.6	7.5	346.2	406.4
Ernest Gabmann	254.1	70.5	7.2	331.9	217.2
Christian Domany	0.0	0.0	0.0	0.0	340.8
	762.4	239.8	22.1	1,024.3	1,370.7

The performance-based compensation represents bonuses for the 2009 financial year, which were paid out during 2010.

Pension obligations of € 4.0 million were transferred to a pension fund during the reporting year.

Compensation paid to former members of the Management Board totalled T€ 630.8 (2009: T€ 675.6).

The total expenses for severance compensation and pensions, excluding former members of the Management Board, amounted to T€ 2,932.4 (2009: T€ 791.4) for the members of the Management Board and key employees. The comparable amount for other employees was T€ 21,314.6 (2009: T€ 10,541.5).

The members of the Supervisory Board received attendance fees and remuneration of T€ 121.6 in 2010 (2009: T€ 160.4).

As of 31 December 2010, there were no outstanding receivables from advances or loans granted to the members of the Supervisory Board or Management Board.

Schwechat, 28 February 2011

The Management Board

Ernest Gabmann
Member of the Board

Christoph Herbst
Chairman of the Board and Speaker

Gerhard Schmid
Member of the Board

Auditor's Report

Report on the Financial Statements

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

Flughafen Wien Aktiengesellschaft,
Schwechat, Austria,

for the **fiscal year from 1 January 2010 to 31 December 2010.** These financial statements comprise the balance sheet as of 31 December 2010, the income statement for the fiscal year ended 31 December 2010, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System
The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance for the year from 1 January 2010 to 31 December 2010 in accordance with Austrian Generally Accepted Accounting Principles.

Report on Other Legal Requirements (Management Report)
Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

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

Vienna, 28 February 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Walter Reiffenstuhl
Wirtschaftsprüfer

Martin Wagner
Wirtschaftsprüfer

(Austrian Chartered Accountants)

Appendix to the Notes

Development of Non-Current Assets from 1 January 2010 to 31 December 2010

Appendix 1 to the Notes

	Development of acquisition and production cost		
Non-current assets in €	**Balance on 1.1.2010**	**Direct additions**	**Reclassification**
I. Intangible assets			
1. Concessions and rights	26,632,005.13	1,109,635.91	191,034.78
2. Goodwill	0.00	0.00	0.00
3. Prepayments made	0.00	0.00	0.00
Subtotal	26,632,005.13	1,109,635.91	191,034.78
II. Property, plant and equipment			
1. Land and buildings, including buildings on land owned by third parties	656,821,232.36	3,039,230.32	727,543.32
2. Machinery and equipment	650,771,671.94	5,377,998.08	1,763,568.07
3. Other equipment, furniture, fittings and office equipment	173,435,867.08	10,603,128.72	66,394.80
4. Prepayments made and construction in progress	628,227,328.67	119,933,082.49	-2,748,540.97
Subtotal	2,109,256,100.05	138,953,439.61	-191,034.78
III. Financial assets			
1. Shares in subsidiaries	194,495,660.40	70,000.00	0.00
2. Loans granted to subsidiaries	60,862,545.41	0.00	0.00
3. Investments in other companies	9,052,943.50	68,400.00	0.00
4. Other investments	380.00	0.00	0.00
5. Loans granted to companies in which an investment is held	500,000.00	0.00	0.00
6. Non-current securities (rights)	5,722,139.47	86,568.77	0.00
7. Other loans granted	1,271,796.34	19,728.28	0.00
Subtotal	271,905,465.12	244,697.05	0.00
Total	2,407,793,570.30	140,307,772.57	0.00

			Book values			
Disposals	Balance on 31.12.2010	Accumulated depr./amort. 31.12.2010	Balance on 31.12.2010	Balance on 1.1.2010	Depr./amort. for current financial year	Write-ups for current financial year
1,359,314.85	26,573,360.97	19,821,323.19	6,752,037.78	7,106,971.49	1,653,989.75	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,359,314.85	26,573,360.97	19,821,323.19	6,752,037.78	7,106,971.49	1,653,989.75	0.00
3,614,150.84	656,973,855.16	204,569,891.93	452,403,963.23	467,030,528.02	18,087,970.27	0.00
6,004,002.14	651,909,235.95	464,492,753.15	187,416,482.80	210,243,161.23	27,777,275.48	0.00
9,592,690.61	174,512,699.99	133,696,115.64	40,816,584.35	43,431,109.95	13,185,319.11	0.00
11,319,372.05	734,092,498.14	0.00	734,092,498.14	628,227,328.67	0.00	0.00
30,530,215.64	2,217,488,289.24	802,758,760.72	1,414,729,528.52	1,348,932,127.87	59,050,564.86	0.00
0.00	194,565,660.40	2,670,000.00	191,895,660.40	191,825,660.40	0.00	0.00
5,092,556.35	55,769,989.06	3,991,465.33	51,778,523.73	55,886,895.96	0.00	-984,184.12
0.00	9,121,343.50	0.00	9,121,343.50	9,052,943.50	0.00	0.00
0.00	380.00	0.00	380.00	380.00	0.00	0.00
50,000.00	450,000.00	0.00	450,000.00	500,000.00	0.00	0.00
1,436,470.27	4,372,237.97	0.00	4,372,237.97	5,722,139.47	0.00	0.00
14,208.69	1,277,315.93	225,995.96	1,051,319.97	1,002,688.96	0.00	-43,111.42
6,593,235.31	265,556,926.86	6,887,461.29	258,669,465.57	263,990,708.29	0.00	-1,027,295.54
38,482,765.80	2,509,618,577.07	829,467,545.20	1,680,151,031.87	1,620,029,807.65	60,704,554.61	-1,027,295.54

Development of Valuation Reserve based on Special Depreciation

Appendix 2 to the Notes

in €	Balance on 1.1.2010	Use to cover direct depreciation	Reversal to disposed assets	Addition	Balance on 31.12.2010
I. Property, plant and equipment					
1. Land and buildings	1,216,157.01	0.00	0.00	11,675.99	1,227,833.00
2. Machinery and equipment	823,191.14	0.00	0.00	271,783.52	1,094,974.66
3. Other equipment, furniture, fixtures and office equipment	962,460.56	0.00	0.00	1,362,362.11	2,324,822.67
Subtotal	3,001,808.71	0.00	0.00	1,645,821.62	4,647,630.33
Total	3,001,808.71	0.00	0.00	1,645,821.62	4,647,630.33

Development of Valuation Reserve based on Transfer of Undisclosed Reserves in acc. with § 12 Austrian Income Tax Act

Appendix 3 to the Notes

in €	Balance on 1.1.2010	Use to cover direct depreciation	Addition	Balance on 31.12.2010
I. Property, plant and equipment				
1. Land and buildings	5,025,206.37	1,453.18	0.00	5,023,753.19
Total	5,025,206.37	1,453.18	0.00	5,023,753.19

Development of Other Untaxed Reserves

Appendix 4 to the Notes

in €	Balance on 1.1.2010	Reversal	Addition	Balance on 31.12.2010
Investment allowance in acc. with § 10 of the Austrian Income Tax Act				
1994	5,412.31	0.00	0.00	5,412.31
1996	4,647.35	0.00	0.00	4,647.35
1997	452.57	0.00	0.00	452.57
1998	886.72	0.00	0.00	886.72
2000	159,203.15	0.00	0.00	159,203.15
Total	170,602.10	0.00	0.00	170,602.10

Development of Government Grants

Appendix 5 to the Notes

in €	Balance on 1.1.2010	Disposal	Reversal	Addition	Balance on 31.12.2010
I. Property, plant and equipment					
1. Land and buildings	2,113,401.40	0.00	232,645.97	0.00	1,880,755.43
2. Machinery and equipment	480,098.43	0.00	242,160.56	0.00	237,937.87
Total	2,593,499.83	0.00	474,806.53	0.00	2,118,693.30

Development of Investment Allowance

Appendix 6 to the Notes

in €	Balance on 1.1.2010	Disposal	Reversal	Balance on 31.12.2010
Investment allowance in acc. with § 108e of the Austrian Income Tax Act				
2003	216,902.67	0.00	216,902.67	0.00
2004	664,584.09	0.00	332,292.24	332,291.85
Total	881,486.76	0.00	549,194.91	332,291.85

Subsidiaries and Investments of Flughafen Wien AG

Appendix 7 to the Notes

Flughafen Wien Immobilienverwertungsgesellschaft m.b.H. (IVW)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

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

in T€	2010	2009	Change	Change in %
Equity	84,967.5	84,808.8	158.6	0.2
Revenue	15,774.3	15,748.5	25.8	0.2
Net profit for the period	7,654.6	7,495.8	158.9	2.1

Vienna Aircraft Handling Gesellschaft m.b.H. (VAH)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Provision of a full range of services for general aviation and, in particular, for business aviation; major revenue generators are private aircraft handling and aircraft handling services provided on behalf of Flughafen Wien AG in the general aviation sector (incl. fuelling and the provision of hangar space).

in T€	2010	2009	Change	Change in %
Equity	5,583.4	5,583.4	0.0	0.0
Revenue	11,354.9	11,260.0	94.9	0.8
Net profit for the period	1,645.7	1,432.1	213.7	14.9

Vienna Airport Infrastruktur Maintenance GmbH (VAI)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Provision of services for electrical facilities and equipment as well as the construction of electrical and supply facilities, in particular technical equipment for airports, and the installation of electrical infrastructure.

in T€	2010	2009	Change	Change in %
Equity	2,346.8	1,798.6	548.2	30.5
Revenue	10,993.8	9,913.3	1,080.5	10.9
Net profit for the period	1,048.4	495.4	553.0	111.6

Vienna International Airport Security Services Ges.m.b.H. (VIAS)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Provision of security services (persons and hand luggage) on behalf of the Austrian Ministry of the Interior, and various other services for aviation customers (wheelchair transport, control of oversize baggage, document control etc.); the company also participates in tenders for the provision of security services at other airports through its Austrian and foreign subsidiaries.

in T€	2010	2009	Change	Change in %
Equity	8,673.6	8,963.2	-289.6	-3.2
Revenue	34,533.8	32,748.0	1,785.8	5.5
Net profit for the period	1,207.1	1,453.3	-246.2	-16.9

VIE Liegenschaftsbeteiligungsgesellschaft m.b.H. (VIEL)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Holding company for the BPIB, VOPE, MAZUR and VWTC subsidiaries, which are active in the purchase, development and marketing of property under their ownership.

in T€	2010	2009	Change	Change in %
Equity	49,941.3	48,819.2	1,122.1	2.3
Revenue	0.0	0.0	0.0	n.a.
Net profit for the period	1,122.1	775.4	346.7	44.7

Vienna International Airport Beteiligungsholding GmbH (VIAB)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Acquisition and investment in international subsidiaries and other companies; participation in international airport privatisation programmes; this company serves as the holding company for the VINT subsidiary.

in T€	2010	2009	Change	Change in %
Equity	57,547.4	57,467.8	79.5	0.1
Revenue	0.0	0.0	0.0	n.a.
Net profit for the period	2,092.5	2,006.7	85.9	4.3

Flughafen Wien / Berlin-Brandenburg International Entwicklungsbeteiligungsgesellschaft m.b.H. (VIE-BBI), in liquidation

Headquarters:	12529 Schönefeld, Germany
Share owned:	100% VIE

Holding company for an investment in BBIP Berlin-Brandenburg International Partner GmbH & CoKG, which was to develop the Berlin Airport project; the company has been in liquidation since September 2008.

in T€	2009
Equity	1,340.0
Revenue	0.0
Loss for the period	-0.5

VIE Shops Entwicklungs- und Betriebsgesellschaft m.b.H (VIE-Shops)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

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

in T€	2010	2009	Change	Change in %
Equity	12.3	17.8	-5.6	-31.3
Revenue	0.0	0.0	0.0	n.a.
Loss for the period	-5.6	-3.1	-2.5	-82.0

City Air Terminal Betriebsgesellschaft m.b.H. (CAT)

Headquarters:	1300 Flughafen Wien
Share owned:	50.1% VIE

Operation of the City Airport Express as a railway operator from the "Wien-Mitte" transit centre to and from Vienna International Airport; operation of check-in facilities at the "Wien-Mitte" transit centre combined with baggage logistics for airport passengers; consulting for third parties on the organisation and development of traffic connections between airports and cities.

in T€	2010	2009	Change	Change in %
Equity	11,904.3	11,617.4	286.8	2.5
Revenue	9,309.6	9,052.6	257.0	2.8
Net profit for the period	289.3	89.1	200.1	224.5

Austro Port Boden- und Flugzeugabfertigungsges.m.b.H. (APBF)

Headquarters:	1300 Flughafen Wien
Share owned:	25% + 1 share VIE

Provision of ground handling services at Vienna International Airport.

in T€	2010[1]	2009[2]	Change	Change in %
Equity	-157.1	-510.5	353.4	69.2
Revenue	6,184.5	5,298.8	885.7	16.7
Net profit for the period	353.9	132.7	221.2	166.7

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

SCA Schedule Coordination Austria GmbH (SCA)

Headquarters:	1300 Flughafen Wien
Share owned:	49% VIE

Schedule coordinator for airports in Austria, e.g. the company allocates time slots to aircraft in accordance with EU law, principles defined by the IATA and applicable legal regulations, and also carries out other activities that are directly or indirectly related to the business of the company.

in T€	2010	2009[1]	Change	Change in %
Equity	693.6	665.2	28.4	4.3
Revenue	874.5	966.5	-92.0	-9.5
Net profit for the period	52.0	164.7	-112.6	-68.4

1) Adjusted to reflect final values

BTS Holding a.s. (BTSH)

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

Provision of services and consulting for airports; plans also call for the company to hold the intended investment in Bratislava Airport.

IFRS values in T€	2010	2009	Change	Change in %
Equity	1,222.0	1,383.6	-161.6	-11.7
Revenue	0.0	0.0	0.0	n.a.
Loss for the period	-161.6	-73.1	-88.6	-121.2

KSC Holding a.s. (KSCH)

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

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

IFRS values in T€	2010	2009	Change	Change in %
Equity	42,293.9	41,521.5	772.4	1.9
Revenue	0.0	0.0	0.0	n.a.
Net profit for the period	772.4	1,228.2	-455.8	-37.1

Indien Airports Holding GmbH (VIND)

Headquarters:	1300 Flughafen Wien
Share owned:	26% VIE

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

in T€	2010	2009	Change	Change in %
Equity	41.6	68.5	-26.9	-39.2
Revenue	0.0	68.2	-68.2	-100.0
Loss/profit for the period	-3.3	31.4	-34.7	-110.6

VIE ÖBA GmbH (OEBA)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

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

in T€	2010[1)]
Equity	-22.5
Revenue	1.870.0
Loss for the period	-45.1

1) Abbreviated financial year – founded in 2010

Vienna Auslands Projektentwicklung und Beteiligung GmbH (VAPB)

Headquarters:	1300 Flughafen Wien
Share owned:	100% VIE

Acquisition of international subsidiaries and investments in other companies.

in T€	2010[1)]
Equity	33.4
Revenue	353.3
Loss for the period	-1.6

1) Abbreviated financial year – founded in 2010

VIE Malta Finance Holding Ltd. (VIE MFH)

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

Holding company for the subsidiary VIE Malta Finance Ltd.

IFRS values in T€	2010	2009[1)]	Change	Change in %
Assets	978.9	10.9	957.3	8,754.0
Liabilities	0.0	32.5	-43.2	-132.9
Equity	978.9	-21.6	1,000.4	-4,642.0
Revenue	0.0	0.0	0.0	n.a.
Net profit/loss for the period	1,575.4	-23.6	1,599.0	-6,789.2

1) Abbreviated financial year – founded in 2009

Statement of all Members of the Management Board

In accordance with § 82 of the Austrian Stock Corporation Act

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

Schwechat, 28 February 2011

The Management Board

Ernest Gabmann
Member of the Board

Christoph Herbst
Chairman of the Board
and speaker

Gerhard Schmid
Member of the Board

Imprint

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

This is a Mensalia report.


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