

A black and white photograph of a young woman with long, dark hair, wearing a light-colored puffy jacket over a dark turtleneck and jeans. She is standing in what appears to be an airport terminal, with blurred luggage carts and people in the background. She is holding a large, rectangular sign in front of her with both hands. The sign has the following text printed on it:

Interim Report
First Six Months 2004
Flughafen Wien AG

EUROPE'S BEST ADDRESS

 **VIE** Vienna
International
Airport

Key Figures for the First Six Months 2004

Industry Indicators	1-6/2004	Change in %	1-6/2003
MTOW ¹⁾ (in tonnes)	2,921.610	17.3	2,490.225
Passengers	6,775.621	18.9	5,697.380
Transfer passengers	2,390.576	23.9	1,929.580
Flight movements	107.219	14.3	93.812
Cargo (air cargo and trucking; in tonnes)	98.236	19.1	82.480
Seat occupancy (in %) ²⁾	63.9	1.4	63.0

Financial Indicators

(Amounts in T , except employees)	1-6/2004	Change in %	1-6/2003
Total turnover	194,855.7	16.6	167,129.6
EBIT	54,394.8	5.6	51,530.8
EBIT-Margin ³⁾ in %	26.7	-9.1	29.4
EBITDA-Margin ⁴⁾ in %	38.5	-7.6	41.7
Net profit for the period	37,047.4	0.7	36,796.5
Cash flow from operating activities	74,292.5	19.6	62,137.6
Equity	594,015.7	7.2	554,374.9
Capital expenditures ⁵⁾	58,941.0	65.8	35,554.5
Employees ⁶⁾	3,170	14.7	2,763

Notes:

- 1) MTOW: Maximum take-off weight for aircraft
- 2) Seat occupancy: passengers / total number of seats
- 3) EBIT margin (earnings before interest and taxes) = EBIT / Operating income
- 4) EBITDA margin (earnings before interest, taxes, depreciation and amortisation) = EBIT + Depreciation / Operating income
- 5) Tangible and intangible assets
- 6) Number of employees at the end of the period weighted by working time, inc. apprentices and employees on leave (maternity, military, etc.), excl. members of the Management Board and managing directors

Financial Calender

Announcement of

Third Quarter Results 2004: 18 November, 2004

Information on Flughafen Wien Shares

Share price in EUR on 30.6.2004:	47.40
Market cap (in EUR mill.) on 30.6.2004:	995.40
Index weighting (ATX) in %:	3.23

Ticker Symbols

Reuters:	VIEV.VI
Bloomberg:	FLUG AV
Datastream:	O:FLU
ÖKB-WKN:	091180
ÖTOB:	FLU
ADR:	VIAAY

The VIE Share is traded on following stock exchanges

Vienna, Frankfurt (Xetra), London (SEAO International), New York (ADR)

Letter to our Shareholders

Dear Ladies and Gentlemen,

Vienna International Airport is pleased to announce outstanding results for the first half of 2004, with double-digit growth rates in all traffic segments. An increase of 18.9% in the number of passengers placed our airport clearly above the 8.6% European average reported by Airport Council International.



Turnover recorded by the Flughafen Wien Group rose 16.6% to EUR 194.9 million for the first six months of this year, due to the positive increase in traffic volumes. This growth was offset by higher operating expenses, meaning income before interest and taxes rose EUR 2.9 million to EUR 54.4 million. Financial results totalled EUR -0.7 million, and profit for the period increased by EUR 0.3 million to EUR 37.0 million.

Strong growth in the medium- and long-haul segments reinforced Vienna International Airport's position as a major East-West hub. Increases of 26.5% in traffic to North America, 27.9% to the Far East, and a remarkable 57.8% to the Near and Middle East clearly demonstrate the success of this strategy. Low-cost carriers contributed significantly to his growth through the handling of 680,000 passengers during the first six months, an increase of 140.4% compared to the same period last year.

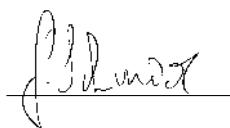
We were also able to finalise the basis for a mediation contract with our partners in this process. The preparation of an environmental compatibility statement for a third runway will now continue following discussions with the Austrian Airlines Group, Austro Control, local communities, citizen initiatives, neighbouring town councils, provinces, and environmental advocates. All remaining issues concerning the third runway, as well as regulations for night flights, noise protection, the environmental fund and relevant limits should be clarified by mid-2005.

An infrastructure project in our investment program was completed during the first half of this year. Seven new bus gates for international flights in the non-Schengen area were opened in April. The air traffic control tower and new office park are in the final stages of development. At a press conference in June we presented the Skylink project for expansion of the east terminal. This state-of-the-art pier will provide 17 new docking positions as well as 96 additional check-in counters and, together with existing facilities, will allow Vienna International Airport to handle up to 28 million passengers per year. Construction of the new terminal will start in 2005, in keeping with the expected growth in traffic, and completion is scheduled for 2008.

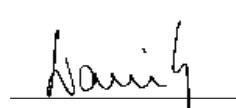
We would like to thank our shareholders and customers for their confidence, and our employees for their commitment to the service of the company, its customers and its shareholders.



Herbert Kaufmann
Member of the Board
and Speaker



Gerhard Schmid
Member of the Board



Kurt Waniek
Member of the Board

Status Report

Air Traffic Development in Europe

Air travel in Europe recovered visibly from the subduing effects in the first half of 2003, and the upward trend continued throughout the first six months of this year. The accession of ten countries to the European Union on 1 May increased the population of this common market to 450 million. These factors, combined with the development of new target groups by low-cost carriers, were key influencers for European air traffic. According to information published by Airport Council International, the European airports registered an 8.6% increase in passengers for the reporting period.

Air Traffic Development in Vienna

Vienna International Airport recorded sensational traffic results for the first six months of this year, with double-digit growth in all segments. A total of 6,775,621 passengers were handled, an increase of 18.9% or 1 million compared to the same period last year. This growth was based on the excellent development of low-cost carriers, the well-established position of Vienna as market leader in flights to Eastern Europe, and the increase in long-haul traffic. The number of transfer passengers increased 23.9% during the reporting period. Maximum take-off weight (MTOW) rose 17.3%, flight movements 14.3%, and cargo volume 19.1%.

Low-cost carriers were able to further expand their position in the European scheduled traffic segment at Vienna International Airport. They handled 684,766 passengers during the first six months, an increase of 140.4% compared to 2003.

The long-haul segment also reported strong growth. The number of passengers travelling to North America increased 26.5%, while the Far East and Africa registered growth of 27.9% and 34.2% respectively. Traffic to the Near and Middle East rose by an exceptionally high 57.8%. Growth of 26.0% in traffic to Eastern Europe highlights the importance of Vienna as a hub for this region.

In the charter segment, Antalya remained the most popular destination, followed by Hurghada, which reported growth of 115.8%, and Mallorca.

Turnover

The Flughafen Wien Group reported an increase of 16.6% in turnover to EUR 194.9 million for the first six months of 2004. This growth was supported primarily by the strong rise in traffic.

Turnover registered by the Airport Segment rose 16.7% to EUR 89.0 million, chiefly due to the increase in traffic. Low-cost carriers played a key role in this development. The tariff incentive program introduced to support traffic growth was continued.

An increase in handling and individual services led to an 18.9% improvement in turnover reported by the Handling Segment, which rose to EUR 62.3 million. Flight movements increased 13.2% and cargo volume grew 19.1%.

The Non-Aviation Segment reported an increase of 13.2% in external turnover to EUR 43.3 million. The largest increases in this business unit were recorded in parking, security services and rentals. The shopping and gastronomy area generated 13.6% higher rental income. Above-average growth was also recorded in the airside sector, above all in the gastronomy area.

Expenses

The cost of materials and services rose by a total of 30.1% to EUR 14.0 million, mainly due to the increased use of de-icing materials during the winter months. Higher expenses were also recorded for lighting and fuels. The start of operations by Vienna Airport Infrastruktur Maintenance GmbH, a wholly owned subsidiary of Flughafen Wien AG that was founded in late 2003, led to first-time material costs of EUR 0.6 million.

Personnel expenses rose 13.5% to EUR 81.3 million due to additional hiring as well as higher salaries and wages mandated by collective bargaining agreements and added winter service costs. The number of employees increased 14.7% to a total of 3,170 as a result of the growth in traffic, installation of the baggage reconciliation system (BRS), and the introduction of hold baggage screening (HBS). The founding of Vienna Airport Infrastruktur Maintenance GmbH and higher turnover at Vienna Airport Baumanagement Gesellschaft m.b.H. also contributed to the increase in the workforce.

Depreciation and amortisation rose 11.4% to EUR 24.0 million due to the high level of investment activity. Other operating expenses grew 50.7% to EUR 29.8 million. This increase was triggered primarily by a EUR 5.0 million rise in maintenance costs to EUR 9.9 million.

Earnings

Second Quarter 2004

Income before interest and taxes (EBIT) rose EUR 4.7 million to EUR 32.8 million. Reversals to the revaluation reserve led to financial results of EUR -2.0 million. Profit for the second quarter of 2004 increased EUR 0.2 million to EUR 20.6 million compared to the same period last year.

First Six Months of 2004

Income before interest and taxes (EBIT) for the first half of 2004 increased EUR 2.9 million to EUR 54.4 million. Financial results totalled EUR -0.7 million. Profit for the first six months of 2004 increased EUR 0.3 million to EUR 37.0 million.

In spite of the increase in income before interest and taxes, the EBIT margin declined 2.7 percentage points to 26.7% because of the rise in operating income. The EBITDA margin declined 3.2 percentage points to 38.5%.

Financial results of EUR -0.7 million were primarily a result of reversals of EUR 5.3 million to the revaluation reserve. A partial reversal of funds reported under cash equivalents was made necessary by higher capital expenditure.

Profit before tax (EBT) decreased 3.7% to EUR 53.7 million.

The Austrian parliament recently approved a reduction in the corporate tax rate from 34% to 25% as of 2005. The calculation of deferred taxes reflects this change, which led to a decrease in the tax rate and tax expense.

After the deduction of EUR 16.6 million in taxes and the share of income due to minority interests, profit for the first six months of 2004 totalled EUR 37.0 million. This figure represents an increase of EUR 0.3 million over the comparable prior year period.

Financial, Asset and Capital Structure

Gross cash flow increased EUR 12.2 million to EUR 74.3 million for the first six months of 2004. Lower profit before tax, an increase in receivables, and a decline in provisions were offset by a rise in liabilities.

Higher capital expenditure during the first half-year triggered an increase of EUR 22.7 million in cash outflows from investment activities to EUR -56.8 million.

Negative cash flow of EUR 42.1 million from financing activities resulted almost entirely from the payment of EUR 42.0 million in dividends for the 2003 Business Year.

Capital expenditure triggered a 4.7% increase in non-current assets to a level of EUR 695.0 million. Investments in intangible assets as well as property, plant and equipment amounted to EUR 58.9 million for the first six months of 2004 (1-6/2003: EUR 35.6 mill.). Deferred tax assets were recalculated and adjusted based on the announced reduction in the corporate tax rate as of 2005.

Current assets declined 1.3% from 31 December 2003 to EUR 169.5 million. Cash and cash equivalents decreased by EUR 20.7 million to EUR 110.4 million because of higher expenditures for investments and maintenance.

Equity rose 0.7% to EUR 594.0 million. This net increase comprised EUR 37.0 million of profit for the first half of 2004, the distribution of EUR 42.0 million in dividends for the 2003 Business Year, a change of EUR 2.1 million in the revaluation reserve after tax, and the impact of the change in the corporate tax rate as of 2005.

Non-current liabilities declined 4.9% to EUR 100.2 million following an adjustment to the provision for expenses related to the employee fund. Current liabilities increased 21.0%, or EUR 30.6 million, to EUR 170.1 million.

Corporate Spending

Major investment projects during the first six months of 2004 included a drainage system for Runway 16/34 as well as construction of the northeast apron, air traffic control tower and Office Park. Work also proceeded on the Austrian Federal Railway Station and airport roadway system, and planning continued for the Skalink Terminal.

Outlook

The double-digit growth rates in traffic continued during July. The number of passengers rose 17.7%, flight movements increased 17.7% and maximum take-off weight showed a plus of 21.9%.

Twenty-four new destinations were added to the Vienna flight schedule during the first six months of 2004. Our offer now includes a total of 152 destinations, 40 of which are located in Eastern Europe. Ten new airlines started operations during the reporting period. Our connections to the Middle East were also expanded to include Emirates. The resumption of flights by Malaysia Airlines and the addition of Shanghai and Singapore to the Austrian flight plan further increased our range of destinations in the Far East.

Construction on the air traffic control tower, the new landmark at Vienna International Airport that will be rented primarily to Austro Control, is proceeding at a rapid pace. The new Office Park, a property with 26,000 m² of usable space, is also nearing completion. Work on the new air Cargo Centre and Handling Centre West is scheduled to start this autumn. In addition, the expansion of the north-east apron and reconstruction of the railway station are progressing as planned.

Segments

Airport

Turnover reported by the Airport Segment rose 16.7% to EUR 89.0 million as a result of the growth in traffic. Low-cost carriers made a strong contribution to this growth with an increase of 140.4% in the number of passengers. During the first half of 2004, these airlines handled 10.1% of the total number of passengers at Vienna International Airport. No tariff increases were carried out during the first six months of this year, although the provisional 60% reduction for long-haul flights to the Far East and North America expired at the end of January. The existing transfer, growth and frequency incentives were extended to further support traffic growth. Despite a 16.7% increase in external turnover to EUR 89.0 million, extensive maintenance work on movement areas and high costs for winter service led to a 4.6% decrease in segment EBIT to EUR 35.0 million. This decline was also a result of the full-year impact of expenses for hold baggage screening (HBS).

Handling

Turnover recorded by the Handling Segment increased 18.9% to EUR 62.3 million, supported primarily by growth in handling and individual services.

Flight movements and cargo rose 13.2% and 19.1% respectively, while the average market share declined from 91.8% to 91.0% for the first six months of 2004. This business unit was able to win a number of new customers including Korean Airlines, Malev, Emirates and Memphis Air. Above-average growth in turnover was recorded with low-cost carriers and in the other airlines segment. Individual services, including aircraft de-icing, showed an increase of EUR 3.0 million. Although operating expenses rose 17.2% because of higher costs for personnel and de-icing materials, segment EBIT increased 23.2% to EUR 10.8 million.

Non-Aviation

External turnover in the Non-Aviation Segment rose 13.2% to EUR 43.3 million. Major increases were recorded in the areas of parking as well as infrastructure and security services. Shopping and gastronomy facilities generated 13.6% higher turnover. Above-average growth was recorded in the duty-free and Travel-Value Shops as well as in the airside shops. Segment EBIT increased EUR 18.0 million for the period.

Interim Financial Report - First Six Months 2004 according to IRFS

Flughafen Wien AG

Consolidated Income Statement in T	1-6/2004	1-6/2003	Change
Turnover	194,855.7	167,129.6	16.6%
Other operating income	8,659.9	8,140.3	6.4%
Operating income	203,515.5	175,269.9	16.1%
Cost of materials and services	-13,993.0	-10,754.9	30.1%
Personnel expenses	-81,334.0	-71,669.5	13.5%
Amortisation of intangible assets and depreciation of fixed assets	-23,964.3	-21,519.7	11.4%
Other operating expenses	-29,829.4	-19,795.1	50.7%
Income before interest and taxes (EBIT)	54,394.8	51,530.8	5.6%
Income from investments, excl. associates at equity	500.5	-26.6	n.a.
Net financing costs	4,395.2	3,980.8	10.4%
Other income from financing activities	-4,915.2	708.0	n.a.
Financial results, excl. associates at equity	-19.4	4,662.2	-100.4%
Income from associates at equity	-643.0	-421.9	52.4%
Financial results	-662.4	4,240.3	-115.6%
Profit before tax (EBT)	53,732.4	55,771.1	-3.7%
Taxes on income	-16,635.1	-18,885.7	-11.9%
Minority interest	-49.9	-88.9	-43.9%
Profit for the period	37,047.4	36,796.5	0.7%
Earnings per share (in EUR)	1.76	1.75	0.6%

Consolidated Income Statement in T	4-6/2004	4-6/2003	Change
Turnover	103,413.8	85,765.4	20.6%
Other operating income	6,402.0	6,366.2	0.6%
Operating income	109,815.8	92,131.6	19.2%
Cost of materials and services	-5,552.3	-4,302.3	29.1%
Personnel expenses	-42,272.8	-37,389.5	13.1%
Amortisation of intangible assets and depreciation of fixed assets	-12,066.2	-10,879.0	10.9%
Other operating expenses	-17,170.6	-11,477.3	49.6%
Income before interest and taxes (EBIT)	32,753.9	28,083.5	16.6%
Income from investment, excl. associates at equity	500.5	9.2	n.a.
Net financing cost	2,596.6	2,032.8	27.7%
Other operating expenses	-4,906.7	708.0	n.a.
Financial results, excl. associates at equity	-1,809.6	2,750.0	-165.8%
Income from associates at equity	-183.8	15.1	n.a.
Financial results	-1,993.3	2,765.1	-172.1%
Profit before tax (EBT)	30,760.6	30,848.6	-0.3%
Taxes on income	-10,210.5	-10,512.0	-2.9%
Minority interest	38.0	5.2	n.a.
Profit for the period	20,588.1	20,341.8	1.2%
Earnings per share (in EUR)	0.98	0.97	1.0%

Interim Financial Report - First Six Months 2004 according to IRFS

Flughafen Wien AG

Consolidated Balance Sheet in T	30.6.2004	31.12.2003	Change
ASSETS			
Intangible assets	5,963.0	6,157.0	-3.2%
Property, plant and equipment	612,787.4	578,063.8	6.0%
Associates - at equity	30,939.3	31,557.6	-2.0%
Other financial assets	33,812.2	36,004.9	-6.1%
Non-current receivables	307.1	307.1	0.0%
Deferred tax assets	11,198.0	11,543.1	-3.0%
Non-current assets	695,006.9	663,633.5	4.7%
Inventories	2,095.2	2,066.6	1.4%
Current receivables and other current assets	56,978.7	38,423.0	48.3%
Cash and cash equivalents	110,394.6	131,128.8	-15.8%
Current assets	169,468.5	171,618.4	-1.3%
Assets	864,475.4	835,251.9	3.5%
EQUITY AND LIABILITIES			
Share capital	152,670.0	152,670.0	0.0%
Share premium	117,657.3	117,657.3	0.0%
Retained earnings and reserves	323,688.4	319,821.2	1.2%
Equity	594,015.7	590,148.5	0.7%
Minority interest	201.4	287.4	-29.9%
Non-current provisions	90,898.4	95,330.4	-4.6%
Other non-current liabilities	9,285.0	9,976.7	-6.9%
Non-current liabilities	100,183.4	105,307.1	-4.9%
Current provisions	74,911.6	79,886.7	-6.2%
Current financial liabilities	3.9	3.9	0.0%
Trade payables	53,882.6	37,778.1	42.6%
Other current liabilities	41,276.9	21,840.2	89.0%
Current liabilities	170,074.9	139,508.9	21.9%
Equity and Liabilities	864,475.4	835,251.9	3.5%
Consolidated Cash Flow Statement in T	1-6/2004	1-6/2003	Change
Net cash flows			
from operating activities	74,292.5	62,137.6	19.6%
from investing activities	-56,785.4	-34,091.6	66.6%
from financing activities	-42,135.9	-45,045.9	-6.5%
Change in cash and cash equivalents	-24,628.7	-16,999.9	44.9%
Change in revaluation reserve for securities	3,883.5	49.0	n.a.
Currency translation adjustments	11.1	59.7	-81.5%
Cash and cash equivalents at beginning of period	131,128.8	139,156.7	-5.8%
Cash and cash equivalents at end of period	110,394.6	122,265.5	-9.7%
Consolidated Statement of Capital and Reserves in T	1-6/2004	1-6/2003	Change
Balance on 1.1.	590,148.5	559,909.1	5.4%
Dividend payment for prior year	-42,000.0	-42,000.0	0.0%
Profit for first six months	37,047.4	36,796.5	0.7%
Other changes	8,819.8	-330.8	n.a.
Balance on 30.6.	594,015.7	554,374.9	7.2%
Segment Results in T	1-6/2004	1-6/2003	Change
Airport			
Segment turnover*	89,044.0	76,308.7	16.7%
Segment profit	35,009.3	36,693.3	-4.6%
Handling			
Segment turnover*	62,321.7	52,408.3	18.9%
Segment profit	10,835.0	8,793.3	23.2%
Non-Aviation			
Segment turnover*	43,327.9	38,282.1	13.2%
Segment profit	18,005.4	13,362.7	34.7%

* external turnover

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