**WIZZ AIR HOLDINGS PLC – RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2016**

# RECORD FIRST HALF PROFITS AND MARGIN EXPANSION ON 17% PASSENGER GROWTH, FULL YEAR GUIDANCE RE-CONFIRMED.

**LSE: WIZZ**

**Geneva, 9 November 2016**: Wizz Air Holdings Plc ("Wizz Air" or "the Company"), the largest low-cost airline in Central and Eastern Europe ("CEE"), today issues unaudited results for the six months to 30 September 2016 ("first half" or "H1") for the Company as a whole, and separately for its airline ("Airline") and tour operator ("Wizz Tours") business units[1].

| Six months to 30 September | 2016 (million) | 2015 (million) | Change |
|---|---|---|---|
| Passengers carried | 12.50 | 10.65 | +17.4% |
| Revenue (€) | 921.2 | 836.4 | +10.1% |
| EBITDAR (€) | 385.9 | 306.1 | +26.1% |
| EBITDAR margin (%) | 41.9 | 36.6 | +5.3ppt |
| Profit before income tax (€) | 262.5 | 190.9 | +37.5% |
| Profit for the period (IFRS)[2] (€) | 253.3 | 182.1 | +39.1% |
| Profit margin for the period (IFRS) (%) | 27.5 | 21.8 | +5.7ppt |
| Underlying profit after tax[3] (€) | 231.6 | 205.9 | +12.5% |
| Underlying profit after tax margin (%) | 25.1 | 24.6 | +0.5ppt |

## RECORD H1 PROFITABILITY AND STRONG BALANCE SHEET

- Total revenue increased 10.1% to €921.2 million:
  - Ticket revenues increased 4.1% to €567.2 million.
  - Ancillary revenues grew 21.3% to €354.0 million.
- Profit for the period (IFRS) was a record €253.3 million in H1, a year on year increase of 39.1%.
- Underlying profit after tax was a record €231.6 million in H1, a year on year increase of 12.5%.
- Total cash at the end of September 2016 was €935.3 million of which €805.5 million was free cash.

## AIRLINE AND WIZZ TOURS

New segmental reporting introduced to illustrate the financial performance of the Airline and Wizz Tours business units.

- ***Airline:*** First half KPI performance:
  - Total unit revenue declined 8.5% to 4.24 euro cents per available seat kilometre (ASK).
  - Total unit costs fell by 11.0% to 3.08 euro cents per ASK.
  - Ex-fuel unit costs lower by 0.1% to 2.18 euro cents per ASK.
  - Fuel unit costs fell by 29.8% to 0.89 euro cents per ASK.
  - Underlying net profit margin expansion of 0.7ppt to 25.4%
- ***Wizz Tours:*** First six months package holiday revenues of €11.9 million.

## LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 17.4% to 12.5 million securing Wizz Air's position as CEE's leading low cost carrier.
- Network has continued to grow with the opening of three new bases in Iasi (Romania), Sibiu (Romania) and Kutaisi (Georgia) and the announcement of its 26th base in Chișinău (Moldova) opening in March 2017.
- Wizz Air started 54 new routes in H1 and now offers more than 450 routes to 38 countries from 26 bases.
- Fleet expansion with six Airbus A321 aircraft added during H1 taking the fleet to 73 aircraft, a mix of 63 A320s and 10 A321s.
- Average aircraft age of 4.3 years, one of the youngest fleets of any major European airline.
- Wizz Discount Club membership exceeded 1,000,000 by the end of H1, year-on-year growth of 54%.

## DEVELOPMENTS DURING THE FIRST HALF

- Introduced a new cadet program in order to secure a pipeline of future Wizz Air pilots.
- Launched the new wizzair.com website across all platforms and introduced a unique three-step express booking option.
- Obtained Operational Safety Audit (IOSA) certification from IATA, the global benchmark in airline safety recognition.

[1] Starting from this financial year the Company introduces separate reporting for its airline and tour operator business units. Where a measure is reported for a business unit then this is explicitly stated. All other measures and statements relate to the Group as a whole. See also Note 5 to the financial statements.

[2] International Financial Reporting Standards ("IFRS")

[3] A reconciliation between underlying (non-GAAP) and IFRS profit for the year is set out on page 5 and also in Note 9 to the financial statements

- No signs of demand weakness on routes to/from the UK on the back of the UK's decision to leave the European Union ("Brexit"). The negative translation effect on British pound revenues due to Brexit in the first half is estimated at €6.6m, this was absorbed by the strength of the rest of our network.

**József Váradi, Wizz Air Chief Executive said:**

*"I'm pleased to report another strong all-round performance by Wizz Air during the first six months of our financial year ended 31 March 2017, which has seen passenger numbers increase 17% to 12.5 million passengers and profit margins grow. In the same period, we announced 70 new routes to/from 28 different countries, highlighting not only the significant opportunities available to us in Central and Eastern Europe but also the diversity of our network growth.*

*We remain highly committed to the UK market and continue to deliver double-digit growth on our UK network. Nevertheless our highly diversified network enabled us to quickly absorb capacity we reallocated in reaction to the weak sterling following the Brexit vote.*

*Looking forward, while we expect fares to continue falling across the sector over the full year on the back of low fuel prices, our ability to continue to reduce ex-fuel costs means we can re-confirm our previously stated full year guidance for underlying net profit of between €245 to €255 million.*

*Our ultra-low cost model, reinforced with a delivery stream of brand new A321 aircraft, gives us a clear cost advantage versus most of our rivals. We have a strong balance sheet, proven management team, best-in-class fleet and the leading market position in CEE. This winning formula leaves Wizz Air well placed to continue to deliver significant growth and returns for our shareholders".*

## FULL YEAR OUTLOOK

Wizz Air today reiterates the guidance provided to the market in its trading update on 20 July 2016. With the continued expansion of its network, Wizz Air estimates that it will now grow capacity in terms of ASKs by around 18% - 20% in the 2017 financial year, split approximately 20% in H1 and between 18% - 20% in the second half of the financial year. As previously indicated, lower fuel prices are feeding through to lower airfares and management anticipates this downward trend to persist well into 2017.

Nonetheless the strong H1 financial performance against challenging market conditions, combined with solid bookings for the third quarter, are encouraging and the Company expects to report an underlying net profit for the full year (excluding exceptional items) in the range of between €245 million to €255 million. Wizz Air's current expectations for full year performance are summarised below.

| | 2017 Financial Year | Comment | Change / Previous |
|---|---|---|---|
| Capacity growth (ASKs) | Between 18% - 20 % | H1: 20%. H2: Between 18% - 20% | Between 16% – 17% |
| Average stage length | + 2 % | - | Modest increase |
| Load Factor | Modest improvement | - | No change |
| Fuel CASK | - 20 % | Assumes H2 spot price of $485/MT | - 15% |
| Ex-fuel CASK | - 1 % | Assumes H2 rate of €/$1.11 | Broadly flat |
| Total CASK | - 7 % | - | - 5% |
| RASK | Down high single digit | Pass through of lower fuel prices | Down mid-single digit |
| Tax rate | 6 % | - | No change |
| Net profit | €245 - 255 million | Excluding exceptional items | No change |

The Company currently has limited visibility on demand for the fourth quarter.

## ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 73 Airbus A320 and Airbus A321 aircraft, and offers more than 450 routes from 26 bases, connecting 130 destinations across 38 countries. At Wizz Air, a team of approximately 2,800 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of 20 million passengers in the financial year ended 31 March 2016. Wizz Air is listed on the London Stock Exchange under the ticker WIZZ and is included in the FTSE 250 and FTSE All-Share Indices. Wizz Air is registered under the International Air Transport Association (IATA), Operational Safety Audit (IOSA), the global benchmark in airline safety recognition. The company was recently named 2016 Value Airline of the Year by the editors of Air Transport World, one of the leading airline trade magazines, as well as 2016 Low Cost Airline of the Year by the Center for Aviation (CAPA), a leading provider of independent aviation market intelligence.

**For more information:**

| | | |
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## H1 GROUP FINANCIAL REVIEW

In the first half, Wizz Air carried 12.5 million passengers, a 17.4% increase compared to the same period in the previous year, and generated revenues of €921.2 million, growth of 10.1%. These growth rates compare to capacity growth measured in terms of ASKs of 19.5% and additional seats of 16.8%. The load factor increased from 90.7% to 91.1%.

The profit for the first half was €253.3 million, 39.1% higher than the profit of €182.1 million in the same period of 2015. The increase represents a 5.7 percentage point rise in the profit margin (IFRS) from 21.8% to 27.5%.

Underlying profit after tax for the first half was €231.6 million, 12.5% higher than the same period last year of €205.9 million. The increase represents a 0.5 percentage point rise in the underlying after tax profit margin from 24.6% to 25.1%.

### Consolidated statement of comprehensive income (unaudited)

*For the six months ended 30 September – rounded to one decimal place*

| Continuing operations | Airline 2016 € million | Wizz Tours 2016 € million | Consolidation Adjustment € million | Group 2016 € million | Group 2015 € million | Change in Group Results |
|---|---|---|---|---|---|---|
| Passenger ticket revenue | 563.0 | 4.2 | | 567.2 | 544.6 | 4.1% |
| Ancillary revenue | 352.0 | 7.8 | (5.7) | 354.0 | 291.8 | 21.3% |
| **Total revenue** | 915.0 | 11.9 | (5.7) | 921.2 | 836.4 | 10.1% |
| Staff costs | 57.2 | 0.1 | | 57.3 | 49.0 | 16.8% |
| Fuel costs | 192.6 | | | 192.6 | 229.6 | -16.1% |
| Distribution and marketing | 14.0 | 0.6 | | 14.5 | 12.0 | 21.5% |
| Maintenance materials and repairs | 38.1 | | | 38.1 | 41.1 | -7.1% |
| Aircraft rentals | 110.5 | | | 110.5 | 80.8 | 36.7% |
| Airport, handling and en-route charges | 205.3 | | | 205.3 | 180.8 | 13.5% |
| Depreciation and amortisation | 24.3 | | | 24.3 | 12.5 | 94.1% |
| Other expenses | 21.5 | 11.6 | (5.7) | 27.4 | 17.9 | 53.3% |
| **Total operating expenses** | 663.4 | 12.4 | (5.7) | 670.0 | 623.7 | 7.4% |
| **Operating profit** | 251.6 | (0.5) | | 251.2 | 212.7 | 18.1% |
| Financial income | 0.5 | | | 0.5 | 1.5 | |
| Financial expenses | (11.9) | | | (11.9) | (2.5) | |
| Net foreign exchange gain/(loss) | 1.4 | | | 1.4 | (13.1) | |
| Net exceptional financial income/(expense) | 21.4 | | | 21.4 | (7.8) | |
| **Net financing income/(expense)** | 11.3 | | | 11.3 | (21.8) | |
| **Profit before income tax** | 263.0 | (0.5) | | 262.5 | 190.9 | 37.5% |
| Income tax expense | (9.2) | | | (9.2) | (8.8) | |
| **Profit for the period** | 253.8 | (0.5) | | 253.3 | 182.1 | 39.1% |

Note: The Group started its own tour operator activity in October 2015 - previously a third party tour operator partner sold the travel packages. In the six months to 30 September 2015 the Group incurred €0.2m of cost associated with Wizz Tours

### Airline revenues

Passenger ticket revenue increased 3.4% to €563.0 million and ancillary income (or “non-ticket” revenue) increased by 20.6% to €352.0 million. Total revenue per ASK (RASK) declined 8.5% to 4.24 euro cents from 4.64 euro cents in the same period of 2015 as lower fuel prices fed through to lower air fares.

Average revenue per passenger fell from €78.5 in H1 2015 to €73.2 in H1 2016, a decline of 6.8%. Average ticket revenue per passenger decreased from €51.1 in H1 2015 to €45.4 in H1 2016, a decline of 11.2%, while average ancillary revenue per passenger increased from €27.4 in H1 2015 to €27.8 in H1 2016, an increase of €0.4. For the purposes of this analysis, out of the total €5.7m intra-group revenue earned by the Airline, €4.2m was reclassified from ancillary revenue to ticket revenue.

### Airline operating expenses

Operating expenses for the first half increased by 6.4% to €663.4 million from €623.5 million in H1 2015. Cost per ASK (CASK) declined by 11.0% to 3.08 euro cents in H1 2016 from 3.46 euro cents in H1 2015. This CASK reduction was principally driven by a reduction in the average fuel price. Despite USD/EUR strengthening by 9.7% from $1.24 in H1 2015 to $1.12 in H1 2016, CASK excluding fuel expenses declined 0.1% to 2.18 euro cents in H1 compared 2.19 euro cents in H1 2015.

**Staff costs** increased by 15.8% to €57.2 million in H1 2016, up from €49.4 million in H1 2015 reflecting the growth in capacity.

**Fuel expenses** declined by 16.1% to €192.6 million in H1 2016, down from €229.6 million in the same period of 2015. The major drivers of the decrease were the sharp 24% decrease in the price of fuel, offset by the growth in ASKs and the appreciation of the

US dollar against the euro. The average fuel price (including hedging impact) paid by Wizz Air in the first half was US$460 per tonne, a decline of 37% from US$730 the same period in 2015.

**Distribution and marketing** costs rose 16.4% to €13.9 million from €12.0 million in the first half of 2015 mostly due to increase in volume, following the growth of the Airline.

**Maintenance, materials and repair** costs decreased by 7.1% to €38.1 million in H1 2016 from €41.1 million in H1 2015. This cost decrease was primarily a function of a fleet growth offset by the absence of a one-time €3 million cost affecting last year's result when the engine maintenance contract was renegotiated with the provider.

**Aircraft rental** costs rose 36.7% to €110.5 million in the first half, from €80.8 million in 2015. This increase was largely due to fleet growth (equivalent aircraft expanded 15.0%), a higher average lease rate for A321 aircraft and the stronger US dollar.

**Airport, handling and en-route** charges increased 13.5% to €205.3 million in the first half of 2016 versus €180.8 million in the same period of 2015. This category comprised €117.4 million of airport and handling fees and €87.9 million of en-route and navigation charges in 2016 compared with €102.5 million of airport and handling fees and €78.4 million of en-route and navigation charges in 2015. The cost increase was primarily due to 13.9% growth in the number of flights, a 17.4% rise in passenger numbers and a stage length increase of 2.3%.

**Depreciation and amortisation** charges rose by 94.1% to €24.3 million in the first half, up from €12.5 million in the same period in 2015 due to higher engine related maintenance and component depreciation.

**Other expenses** increased 24.2% to €21.5 million in the first half from €17.3 million in the same period in 2015. This increase was attributable to €3.3m higher customer compensation claims, a trend that is expected to continue across the industry.

**Income tax expense** was €9.2 million (2015: €8.8 million) giving an effective tax rate for the Group of 3.5% (2015: 4.6%). The main components of this charge are local business tax and innovation tax paid in Hungary and corporate income tax paid in Switzerland.

### Wizz Tours

Wizz Tours generates revenues by selling package holidays made up of flight tickets purchased from the Airline and hotel accommodation purchased from wholesalers (bedbanks). Revenues in the first half of F17 were €11.9 million and operating costs were €12.4 million.

### Underlying profit (unaudited)

*For the six months ended 30 September*

| | **2016 € million** | 2015 € million |
|---|---|---|
| Profit for the period (IFRS) | **253.3** | 182.1 |
| Adjustments (exclusions): | | |
| Unrealised foreign exchange (gain)/loss | **(0.4)** | 16.0 |
| Net exceptional financial (income)/expense | **(21.4)** | 7.8 |
| *Change in the time value of hedge positions, (gain)/loss* | ***(16.8)*** | *16.5* |
| *Realised FX gain from replacing US dollar collateral with Euro collateral* | ***-*** | *(8.8)* |
| *Net gain on fuel caps sold before expiry* | ***(4.5)*** | *-* |
| Sum of adjustments | **(21.7)** | 23.8 |
| Underlying profit after tax | **231.6** | 205.9 |

See Note 7 to the financial statements where these exceptional items are further explained

## Q2 GROUP FINANCIAL REVIEW

In the three months to 30 September 2016 ("Q2" or "second quarter"), Wizz Air carried 6.7 million passengers, a 16.9% increase compared to the same period in the previous year, and generated revenues of €556.3 million, growth of 10.4%. These growth rates compare to capacity growth measured in terms of ASKs of 19.4% and additional seats of 16.7%. The load factor increased from 92.3% to 92.4%.

The profit for the second quarter was €202.6 million. Underlying profit after tax increased 12.2% from €172.0 million in the quarter ended 30 September 2015 to €193.0 million in the same period this year. This equates to a 0.6 percentage point rise in the underlying after tax profit margin from 34.1% to 34.7%.

## OTHER INFORMATION

### 1. Cash, equity and leverage

Total cash at the end of the first half increased by 31.9% to €935.3 million versus September 2015, of which over €805.5 million is free cash. Adjusted net debt to EBITDAR was at a ratio of 1.3 at the end of September 2016 after a ratio of 1.2 a year earlier. Shareholders' equity reached €950.5 million, an increase of €294.2 million versus 30 September 2015 and €261.7 million since 31 March 2015.

### 2. Hedging positions

Wizz Air operates under a clear set of treasury policies supervised by the Board. The aim of the Company's hedging policy is to reduce short-term volatility in earnings and liquidity. Therefore, Wizz Air hedges a minimum of 50% of the projected US dollar and jet fuel requirements for the next 12 months and 40% for the next 18-months.

During the first half the Company took advantage of the relatively low fuel price environment and replaced its entire fuel cap hedge coverage for F17 with zero cost collars. This action enabled the Company to lower the hedged price of 59% of the Company's fuel cost exposure for the second half of F17 to an average of $483 per metric tons ("MT"), this is $188 below the previous hedged level. Details of the current hedging positions (as at 6 November 2016) are set out below:

#### FX Hedge Coverage (Euro/US Dollar)

| Period covered | F17<br>6 months | F18<br>12 months |
|---|---|---|
| Exposure (million) | $351 | $820 |
| Hedge Coverage (million) | $212 | $260 |
| **Hedge Coverage for the period %** | **60%** | **32%** |
| Weighted average floor | $1.08 | $1.11 |
| Weighted average ceiling | $1.12 | $1.14 |

#### Fuel Hedge Coverage

| Period covered | F17<br>6 months | F18<br>12 months |
|---|---|---|
| Exposure in metric tons ('000) | 359 | 877 |
| Coverage in metric tons ('000) – *Zero Cost Collars* | 213 | 289 |
| **Hedge Coverage for the period %** | **59%** | **33%** |
| Blended capped rate | $483 | $526 |
| Blended floor rate* | $388 | $477 |

### 3. Fully diluted share capital

The figure of 126,770,889 should be used for the Company's theoretical fully diluted number of shares as at 30 September 2016. This figure comprises 57,357,121 issued ordinary shares, 44,830,503 convertible shares, 24,246,715 new ordinary shares which would have been issued if the full principal of outstanding convertible notes had been fully converted on 30 September 2016 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 336,550 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

### 4. Wizz Tours

The Company launched Wizz Tours, its tour operator business in 2013 to capitalise on the significant opportunity available in CEE for reliable and affordable package holidays. Following on from its early success the Company decided in 2015 to fully insource this business and move away from the original outsourced ancillary revenue model. With the anticipated growth of this business, the Company has introduced segmental reporting to better reflect the financial performance of the airline and the tour operator business units.

### 5. EEA ownership

Further to the announcement made by the Company on 2 September 2016, the share register of the Company as at 25 October 2016 shows that the ownership of the Company's ordinary shares of £0.0001 each ("Ordinary Shares") by Non-Qualifying Nationals has now fallen below 49 per cent. which is the maximum permitted level of Ordinary Share ownership by Non-Qualifying Nationals set by the Company's Board of Directors ("the Permitted Maximum"). Accordingly, the Company's Board of Directors has resolved to remove the restrictions outlined in the announcement of 2 September 2016. As a result, Non-Qualifying Nationals are no longer effectively barred from purchasing Ordinary Shares.

Qualifying Nationals include (1) EEA nationals, (2) nationals of Switzerland and (3) in respect of any undertaking, an undertaking which satisfies the conditions as to nationality of ownership and control of undertakings granted an operating licence contained in Article 4(f) of the Regulation (EC) No. 1008/2008, as such conditions may be amended, varied, supplemented or replaced from time to time, or as provided for in any agreement between the EU and third country (whether or not such an undertaking is itself granted an operating license). A Non-Qualifying National is any person who is not a Qualifying National in accordance with the above definition. (http://corporate.wizzair.com/en-GB/investor_relations/news/press_releases)

## KEY STATISTICS

*For the six months ended 30 September*

| | 2016 | 2015 | Change |
|---|---|---|---|
| **Capacity** | **73** | 63 | 15.9% |
| Number of aircraft at end of period | | | |
| Equivalent aircraft | **69.48** | 60.44 | 15.0% |
| Utilisation (block hours per aircraft per day) | **13.42** | 13.28 | 1.0% |
| Total block hours | **170,641** | 146,894 | 16.2% |
| Total flight hours | **148,224** | 127,326 | 16.4% |
| Revenue departures | **74,343** | 65,297 | 13.9% |
| Average departures per day per aircraft | **5.85** | 5.90 | (1.0)% |
| Seat capacity | **13,724,440** | 11,746,980 | 16.8% |
| Average aircraft stage length (km) | **1,571** | 1,535 | 2.3% |
| Total ASKs ('000 km) | **21,556,895** | 18,035,003 | 19.5% |
| | | | |
| **Operating data** | | | |
| RPKs ('000 km) | **19,647,755** | 16,338,207 | 20.3% |
| Load factor | **91.1%** | 90.7% | 0.4ppt |
| Number of passenger segments | **12,498,480** | 10,650,062 | 17.4% |
| Fuel price (average US$ per ton, including hedging impact and into-plane premium) | **545** | 818 | (33.3)% |
| Fuel price (average US$ per ton, including hedging impact but excluding into-plane premium) | **460** | 730 | (37.0)% |
| Foreign exchange rate (average US$/€, including hedging impact) | **1.12** | 1.24 | (9.7)% |

## CASK (for the Airline only)

*For the six months ended 30 September*

| | **2016** *euro cents* | **2015** *euro cents* | **Change** *euro cents* |
|---|---|---|---|
| Fuel costs | **0.89** | 1.27 | (0.38) |
| Staff costs | **0.27** | 0.27 | - |
| Distribution and marketing | **0.06** | 0.07 | (0.01) |
| Maintenance, materials and repairs | **0.18** | 0.23 | (0.05) |
| Aircraft rentals | **0.51** | 0.45 | 0.06 |
| Airport, handling and en-route charges | **0.95** | 1.00 | (0.05) |
| Depreciation and amortisation | **0.11** | 0.07 | 0.04 |
| Other expenses | **0.10** | 0.10 | - |
| **Total CASK** | **3.08** | **3.46** | **(0.38)** |
| **Total ex-fuel CASK** | **2.18** | **2.19** | **(0.01)** |

## FORWARD LOOKING STATEMENTS

The information in this announcement includes forward-looking statements which are based on the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. These forward-looking statements may be identified by the use of forward-looking terminology including, but not limited to, the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussion of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments, including, among other things, the development of its business, trends in its operating industry and future capital expenditures. In light of these risks, uncertainties and assumptions, the events or circumstances referred to in the forward-looking statements may differ materially from those indicated in these statements. Forward-looking statements may, and often do, materially differ from actual results.

None of the future projections, expectations, estimates or prospects or any other statements contained in this announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the announcement. Forward-looking statements speak only as of the date of this announcement. Subject to obligations under the listing rules and disclosure and transparency rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time), neither the Company nor any of its affiliates, or individuals acting on its behalf, undertakes to publicly update or revise any such forward-looking statement, or any other statements contained in this announcement, whether as a result of new information, future events or otherwise.

As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. The information and opinions contained in this announcement are provided as at the date of this announcement and are subject to change without notice.

## PRINCIPAL RISKS AND UNCERTAINTIES

The aviation industry is subject to many risks and Wizz Air's business is no exception. A number of risks, as described in our Annual Report for the financial year ended 31 March 2016, have the potential to affect adversely Wizz Air's expected results for the remainder of the current financial year. These risks include competitive moves, political and economic events, safety events, foreign exchange rates and the price of fuel. The Directors consider that the principal risks to the Company's business during the second half of the financial year remain those set out on pages 25 to 28 of our Annual Report for the financial year ended 31 March 2016, available at corporate.wizzair.com.

Since the date of that Annual Report, the United Kingdom voted in favour of leaving the European Union. However, it is not clear what this means in practice, what terms will be agreed between the European Union and the United Kingdom or how they will affect airlines. Our United Kingdom business remains strong although susceptible to the strength of the British pound. We have always believed that diversification of our network and our customers is a key part of a sustainable business and that remains the case. We are confident that there remains a large addressable market in CEE which will continue to provide opportunities for profitable growth and this has enabled the Company to mitigate its exposure to British pound by reducing its planned capacity growth on United Kingdom routes for the current financial year from 30% to 15% and deploying the additional capacity elsewhere in the network.

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## Condensed consolidated interim statement of profit or loss and other comprehensive income

*For the half year ended September 30, 2016 (unaudited)*

| | Note | **Six months ended 30 Sep 2016 € million** | Six months ended 30 Sep 2015 € million |
|---|---|---|---|
| Passenger ticket revenue | 5 | **567.2** | 544.6 |
| Ancillary revenue | 5 | **354.0** | 291.8 |
| **Total revenue** | 5 | **921.2** | 836.4 |
| Staff costs | | **57.3** | 49.0 |
| Fuel costs | | **192.6** | 229.6 |
| Distribution and marketing | | **14.5** | 12.0 |
| Maintenance materials and repairs | | **38.1** | 41.1 |
| Aircraft rentals | | **110.5** | 80.8 |
| Airport, handling, en-route charges | | **205.3** | 180.8 |
| Depreciation and amortisation | | **24.3** | 12.5 |
| Other expenses | | **27.4** | 17.9 |
| **Total operating expenses** | | **670.0** | 623.7 |
| **Operating profit** | | **251.2** | 212.7 |
| Financial income | 7 | **0.5** | 1.5 |
| Financial expenses | 7 | **(11.9)** | (2.5) |
| Net foreign exchange gain/(loss) | 7 | **1.4** | (13.1) |
| Net exceptional financial income/(expense) | 7 | **21.4** | (7.8) |
| **Net financing income/(expense)** | 7 | **11.3** | (21.8) |
| **Profit before income tax** | | **262.5** | 190.9 |
| Income tax expense | 8 | **(9.2)** | (8.8) |
| **Profit for the period** | | **253.3** | 182.1 |
| | | | |
| **Other comprehensive income – items that may be subsequently reclassified to profit or loss:** | | | |
| Net movements in cash flow hedging reserve, net of tax | | **8.0** | 13.7 |
| **Other comprehensive income for the period, net of tax** | | **8.0** | 13.7 |
| **Total comprehensive income for the period** | | **261.3** | 195.8 |
| | | | |
| Earnings per share (euro/share) | 9 | **4.43** | 3.48 |
| Diluted earnings per share (euro/share) | 9 | **2.01** | 1.45 |

## Condensed consolidated interim statement of financial position

*For the half year ended September 30, 2016 (unaudited)*

| | Note | **30 Sep 2016 € million unaudited** | 31 March 2016 € million audited | 30 Sep 2015 € million unaudited* |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 10 | **378.0** | 353.6 | 275.6 |
| Intangible assets | | **8.4** | 5.7 | 4.8 |
| Restricted cash | | **128.6** | 100.0 | 91.3 |
| Deferred tax assets | | **0.1** | 0.2 | 0.5 |
| Deferred interest | | **4.9** | 6.0 | 7.2 |
| Derivative financial instruments | | **0.8** | - | 4.0 |
| Trade and other receivables | | **66.5** | 71.2 | 82.8 |
| Total non-current assets | | **587.3** | 536.8 | 466.2 |
| **Current assets** | | | | |
| Inventories | | **20.3** | 17.6 | 10.6 |
| Trade and other receivables | | **127.9** | 126.5 | 114.8 |
| Financial assets available for sale | | **1.0** | 1.0 | 1.0 |
| Derivative financial instruments | | **5.7** | 1.7 | 13.9 |
| Deferred interest | | **1.2** | 1.2 | 1.2 |
| Restricted cash | | **1.2** | 1.6 | 1.9 |
| Cash and cash equivalents | | **805.5** | 645.6 | 617.1 |
| Total current assets | | **962.7** | 795.1 | 760.4 |
| **Total assets** | | **1,550.0** | 1,331.8 | 1,226.6 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity attributable to owners of the parent** | | | | |
| Share capital | | **-** | - | - |
| Share premium | | **377.0** | 377.0 | 375.4 |
| Reorganisation reserve | | **(193.0)** | (193.0) | (193.0) |
| Equity part of convertible debt | | **8.3** | 8.3 | 8.3 |
| Cash flow hedging reserve | | **(5.0)** | (13.0) | (32.4) |
| Retained earnings | | **763.2** | 509.4 | 497.8 |
| **Total equity** | | **950.5** | 688.8 | 656.3 |
| **Non-current liabilities** | | | | |
| Borrowings | | **5.6** | 5.9 | 6.2 |
| Convertible debt | | **26.8** | 26.9 | 27.0 |
| Deferred income | | **99.3** | 96.6 | 83.3 |
| Deferred tax liabilities | | **5.7** | 4.9 | 4.5 |
| Derivative financial instruments | | **0.3** | 1.2 | 1.5 |
| Provisions for other liabilities and charges | 11 | **44.0** | 41.2 | 49.4 |
| Total non-current liabilities | | **181.8** | 176.7 | 171.8 |
| **Current liabilities** | | | | |
| Trade and other payables | | **189.3** | 177.3 | 186.3 |
| Current tax liabilities | | **6.4** | 3.2 | 5.7 |
| Borrowings | | **0.5** | 0.5 | 0.5 |
| Convertible debt | | **0.3** | 0.3 | 0.3 |
| Derivative financial instruments | | **1.9** | 16.4 | 41.1 |
| Deferred income | | **178.0** | 225.0 | 150.8 |
| Provisions for other liabilities and charges | 11 | **41.2** | 43.7 | 13.8 |
| Total current liabilities | | **417.7** | 466.4 | 398.6 |
| **Total liabilities** | | **599.4** | 643.1 | 570.3 |
| **Total equity and liabilities** | | **1,550.0** | 1,331.8 | 1,226.6 |

*voluntary disclosure

## Condensed consolidated interim statement of changes in equity

*For the half year ended September 30, 2015 (unaudited)*

| | Share capital € million | Share premium € million | Reorganisation reserve € million | Equity part of convertible debt € million | Cash flow hedging reserve € million | Retained earnings € million | Total equity € million |
|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2015** | - | 375.4 | (193.0) | 8.3 | (46.1) | 315.3 | 459.9 |
| **Comprehensive income** | | | | | | | |
| Profit for the period | - | - | - | - | - | 182.1 | 182.1 |
| **Other comprehensive income** | | | | | | | |
| Hedging reserve | - | - | - | - | 13.7 | - | 13.7 |
| Currency translation differences | - | - | - | - | - | - | - |
| **Total other comprehensive income** | - | - | - | - | 13.7 | 182.1 | 195.8 |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **(32.4)** | **497.4** | **655.7** |
| **Transactions with owners** | | | | | | | |
| Share based payment charge | - | - | - | - | - | 0.4 | 0.4 |
| **Total transactions with owners** | **-** | **-** | **-** | **-** | **-** | **0.4** | **0.4** |
| **Balance at 30 September 2015** | **-** | **375.4** | **(193.0)** | **8.3** | **(32.4)** | **497.8** | **656.3** |

*For the half year ended September 30, 2016 (unaudited)*

| | Share capital € million | Share premium € million | Reorganisation reserve € million | Equity part of convertible debt € million | Cash flow hedging reserve € million | Retained earnings € million | Total equity € million |
|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2016** | **-** | **377.0** | **(193.0)** | **8.3** | **(13.0)** | **509.4** | **688.8** |
| **Comprehensive income** | | | | | | | |
| Profit for the period | - | - | - | - | - | 253.3 | 253.3 |
| **Other comprehensive income** | | | | | | | |
| Hedging reserve | - | - | - | - | 8.0 | - | 8.0 |
| Currency translation differences | - | - | - | - | - | - | - |
| **Total other comprehensive income** | - | - | - | - | 8.0 | - | 8.0 |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **-** | **762.7** | **950.0** |
| **Transactions with owners** | | | | | | | |
| Share based payment charge | - | - | - | - | - | 0.5 | 0.5 |
| **Total transactions with owners** | **-** | **-** | **-** | **-** | **-** | **0.5** | **0.5** |
| **Balance at 30 September 2016** | **-** | **377.0** | **(193.0)** | **8.3** | **(5.0)** | **763.2** | **950.5** |

## Condensed consolidated interim statement of cash flows

*For the half year ended September 30, 2016 (unaudited)*

| | **Six months ended 30 Sep 2016 € million** | Six months ended 30 Sep 2015 € million |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Profit before tax | **262.5** | 190.9 |
| Adjustments for: | | |
| Depreciation | **23.1** | 11.6 |
| Amortisation | **1.2** | 0.9 |
| Financial income | **(34.9)** | (1.5) |
| Financial expense | **24.4** | 34.9 |
| Share-based payment charges | **0.5** | 0.4 |
| | **276.7** | 237.2 |
| **Changes in working capital (excluding the effects of exchange differences on consolidation)** | | |
| Decrease/(increase) in trade and other receivables | **4.3** | (36.1) |
| Increase in restricted cash | **(27.6)** | (23.0) |
| Decrease in deferred interest | **1.1** | 0.4 |
| Increase in inventory | **(2.7)** | (1.8) |
| Increase in provisions | **0.6** | 0.4 |
| Increase in trade and other payables | **12.5** | 55.6 |
| Decrease in deferred income | **(52.4)** | (29.5) |
| **Cash generated by operating activities before tax** | **212.5** | 203.2 |
| Income tax paid | **(5.0)** | (6.8) |
| **Net cash generated by operating activities** | **207.5** | 196.4 |
| | | |
| **Cash flows from investing activities:** | | |
| Purchase of aircraft maintenance assets | **(24.1)** | (19.4) |
| Purchases of tangible and intangible assets | **(23.9)** | (4.5) |
| Advances paid for aircraft | **(54.9)** | (50.3) |
| Refund of advances paid for aircraft | **58.5** | 46.7 |
| Interest received | **0.1** | 0.2 |
| **Net cash used in investing activities** | **(44.4)** | (27.3) |
| | | |
| **Cash flows from financing activities:** | | |
| Interest paid | **(2.0)** | (1.1) |
| Commercial loan repaid | **(0.3)** | (0.2) |
| **Net cash used in financing activities** | **(2.3)** | (1.3) |
| | | |
| Net increase in cash and cash equivalents | **160.9** | 167.8 |
| Cash and cash equivalents at the beginning of the year | **645.6** | 448.6 |
| Effect of exchange rate fluctuations on cash and cash equivalents | **(1.0)** | 0.7 |
| **Cash and cash equivalents at the end of the year** | **805.5** | 617.1 |

## Notes to the condensed consolidated interim financial information (unaudited)

### 1. General information

Wizz Air Holdings plc (the “Company”) is a limited liability company incorporated in Jersey under the address 44 Esplanade, St Helier, JE4 9WG Jersey. The Company is managed from Switzerland. The Company and its subsidiaries (together referred to as “the Group” or “Wizz Air”) provide low cost, low fare passenger air transportation services on scheduled short-haul and medium-haul point-to-point routes across Europe and the Middle East. The Company’s ordinary shares are listed in the premium segment of the Official List of the Financial Conduct Authority and admitted to the main market of the London Stock Exchange.

### 2. Basis of preparation

This condensed consolidated financial information presents the financial track record of the Group for the six month periods ended 30 September 2015 and 30 September 2016. This condensed consolidated financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, IAS 34 ‘Interim Financial reporting’ as adopted by the European Union and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with IFRSs and IFRICs as adopted by the European Union and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS.

The comparative figures included for the year ended 31 March 2016 do not constitute statutory financial statements of the Group based on Article 105 (11) of the Companies (Jersey) Law 1991. The consolidated financial statements of the Group for the year ended 31 March 2016, together with the independent auditor’s report have been filed with the Jersey Financial Services Commission and are also available on the company’s website (wizzair.com). The auditor’s report on those financial statements was unqualified.

***Going concern***

Having assessed the Group’s financial performance and position to date, together with a review of its forecasts, including a reassessment of the principal risks that the Group is facing, the directors considered appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial information.

### 3. Accounting policies

This condensed consolidated interim financial information has been prepared in accordance with the accounting policies, methods of computation and presentation applied in the Group’s most recent published consolidated financial statements for the year ended 31 March 2016.

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2016, with the exception of changes in estimates that are required in determining the provision for income taxes. Taxes on income in the interim periods are accrued using the rate that would be applicable to expected total annual profit or loss.

A number of amendments to IFRSs became effective for the financial year beginning on 1 April 2016 however the Group did not have to change its accounting policies or make material retrospective adjustments as a result of adopting these new standards.

### 4. Financial risk management

There was no change in the risk management policies of the Group since the year-end.

***Hedge transactions during the periods***

The Group uses non-derivatives and zero cost collar instruments to hedge its foreign exchange exposures and uses zero cost collar and outright cap instruments to hedge its jet fuel exposures. The time horizon of the hedging program with derivatives is a maximum of 18 months; however, this horizon can be exceeded at the Board’s discretion.

The volume of hedge transactions expired during the periods was as follows:

*a) Foreign exchange hedge (USD versus EUR)*

Six months ended 30 September 2016: USD 151.0 million (six months ended 30 Sep 2015: USD 261.0 million).

*b) Fuel hedge*

Six months ended 30 September 2016: 197,000 metric tons (six months ended 30 Sep 2015: 235,500 metric tons).
Additionally, fuel caps covering 213,000 metric tons for the second half of the financial year were sold during the period.

***Hedge period end open positions***
At the end of each period the Group had the following open hedge positions:

*a) Foreign exchange hedge with derivatives*
The fair value of the open positions was €1.6 million loss as at 30 September 2016 (31 March 2016: €4.8 million loss). The fair value hedges are recognised as assets or liabilities, depending on whether they are in-the-money or out-of-the-money, respectively.

The notional amount of the open positions was USD 342.5 million as at 30 September 2016 (31 March 2016: USD 313.5 million).

*b) Foreign exchange hedge with non-derivatives*
The notional amount of the open positions was USD 177.6 million as at 30 September 2016 (31 March 2016: USD 183.5 million).

Non-derivatives are existing financial assets that hedge highly probable foreign currency cash flows in the future, therefore act as a natural hedge. At the end of the period out of its non-derivative financial assets the Group had USD 34.5 million designated for hedge accounting (31 March 2016: USD 34.5 million). The rest of the open positions, in the amount of USD 129.7 million relate to PDP refunds expected within 18 months from the end of the period (31 March 2016: USD 149.0 million), for which no hedge accounting is applied.

*c) Fuel hedge*
The fair value of the open positions was €5.9 million gain as at 30 September 2016 (31 March 2016: €11.1 million loss). The fair value of hedges are recognised as assets or liabilities, depending on whether they are in-the-money or out-of-the-money, respectively.

The notional amount of the open positions was 459,000 metric tons as at 30 September 2016 (31 March 2016: 449,000 metric tons).

## 5. Segment information

***Reportable segment information***
The Group has two reportable segments: the airline and the tour operator business units, marketed under the Wizz Air and the Wizz Tours brand names, respectively. Wizz Air sells flight tickets and related services to external customers and, to a smaller extent, to Wizz Tours. Wizz Tours sells travel packages to external customers covering the network of Wizz Air.

The Group classified the tour operator business as a separate reportable segment starting from 1 April 2016. The Wizz Tours brand was launched already in 2013 but initially the travel packages were sold by a third party tour operator partner. During this period the financial impact of the tour operator activity was insignificant. The Group started its own tour operator activity in October 2015. Therefore no comparative information is reported for the prior period.

| | Six months ended 30 Sep 2016 € million Airline € million | Six months ended 30 Sep 2016 € million Tour Operator € million | Six months ended 30 Sep 2016 € million Group € million |
|---|---|---|---|
| Total revenue | 915.0 | 11.9 | 926.9 |
| Less: inter-segment revenue | (5.7) | - | (5.7) |
| Revenue from external customers | 909.3 | 11.9 | 921.2 |
| Operating expenses | 663.4 | 12.4 | 670.0 |
| Operating profit/(loss) | 251.6 | (0.5) | 251.2 |
| Profit/(loss) after tax | 253.8 | (0.5) | 253.3 |
| Underlying profit/(loss) after tax | 232.0 | (0.5) | 231.6 |

Financial income, financial expenses, depreciation and amortisation, and income tax expenses reported for the Group in the period are all related to the airline business. There were no material non-cash items in the period for the tour operator business.

***Entity-wide disclosures***
*Products and services*
Revenue from external customers can be analysed by groups of similar services as follows:

| | **Six months ended 30 Sep 2016 € million** | Six months ended 30 Sep 2015 € million |
|---|---|---|
| Airline passenger ticket revenue | **563.0** | 544.6 |
| Airline ancillary revenues | **346.3** | 291.8 |
| Tour operator revenues | **11.9** | - |
| **Total revenue from external customers** | **921.2** | 836.4 |

Airline ancillary revenues arise mainly from baggage charges, booking/payment handling fees, airport check-in fees, fees for various convenience services (priority boarding, extended legroom, reserved seat), loyalty program membership fees, and from commission on the sale of on-board catering, accommodation, car rental, travel insurance, bus transfers, premium calls and co-branded cards, all directly attributable to the low-fare business. For the purposes of the Group financial statements the tour operator revenues are analysed between passenger ticket revenues and ancillary revenues.

*Geographic areas*
Revenue from external customers can be analysed by geographic areas as follows:

| | **Six months ended 30 Sep 2016 € million** | Six months ended 30 Sep 2015 € million |
|---|---|---|
| Jersey (country of domicile) | **-** | - |
| EU | **852.4** | 776.5 |
| Other (non-EU) | **68.8** | 59.9 |
| **Total revenue from external customers** | **921.2** | 836.4 |

Revenue was allocated to geographic areas based on the location of the first departure airport on each ticket booking.

*Major customers*
The Group derives the vast majority of its revenues from its passengers, and sells most of its tickets directly to the passengers as final customers rather than through corporate intermediaries (tour operators, travel agents or similar). Therefore the Group does not have any major corporate customer.

## 6. Exceptional items and underlying profit

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

| | **Six months ended 30 Sep 2016 € million** | Six months ended 30 Sep 2015 € million |
|---|---|---|
| Profit for the period | **253.3** | 182.1 |
| Adjustments (exclusions): | | |
| Unrealised foreign exchange (gain)/loss | **(0.4)** | 16.0 |
| Net exceptional financial (income)/expense | **(21.4)** | 7.8 |
| **Sum of adjustments** | **(21.7)** | 23.8 |
| **Underlying profit after tax** | **231.6** | 205.9 |

All adjustments relate to elements of financial expense or income – see these explained in Note 7 below.

## 7. Net financing income and expense

| | **Six months ended 30 Sep 2016 € million** | Six months ended 30 Sep 2015 € million |
|---|---|---|
| Interest income | **0.4** | 1.1 |
| Ineffective hedge gain | **0.1** | 0.4 |
| **Financial income** | **0.5** | 1.5 |
| Interest expense | | |
| Convertible debt | **(1.0)** | (0.7) |
| Finance lease | **(0.3)** | (0.2) |
| Fuel caps premium | **(9.0)** | (1.3) |
| Other | **(1.6)** | (0.2) |
| **Financial expenses** | **(11.9)** | (2.5) |
| Foreign exchange (loss)/gain | | |
| Realised | **1.0** | 2.9 |
| Unrealised | **0.4** | (16.0) |
| **Net foreign exchange gain/(loss)** | **1.4** | (13.1) |
| **Net exceptional financial income/(expense)** | **21.4** | (7.8) |
| **Net financing income and expense** | **11.3** | (21.8) |

The fuel caps premium of €9.0 million in 2016 relates to the option fees for fuel caps expired in the period – these were paid in the second half of the financial year ended 31 March 2015.

The net exceptional financial income of €21.4 million in 2016 is related to the time value gain on open hedge instruments (€16.8 million) and to the net gain on fuel caps sold before expiry (€4.5 million). According to the contracts the caps had their expiry dates in the second half of the financial year (October 2016 to February 2017) however they were sold in order to enable the Group to enter into new deals (zero cost collars) at more favourable rates, without breaching the fuel hedge coverage limits set in the hedge policy of the Group. The net €4.5 million gain consisted of time value gain of €16.8 million (coming from the reversal of time value losses previously accumulated on these instruments), the writing off of option fee costs of €12.4 million, and sale proceeds of €0.2 million.

The net exceptional financial expense of €7.8 million in 2015 is related to a time value loss on open hedge instruments (€16.5 million) and to a realised foreign exchange gain from replacing US dollar bank deposits behind collaterals with Euro deposits (€8.7 million).

The unrealised foreign exchange loss of €16.0 million in 2015 was primarily driven by (i) the strengthening of the Euro against the US dollar and (ii) the replacing of US dollar bank deposits behind collaterals with Euro deposits (the unrealised foreign exchange gain recognised on these assets until March 2015 had to be reversed due to the de-recognition of the assets).

## 8. Income tax expense

The Group's consolidated effective tax rate in respect of operations for the six months ended 30 September 2016 was 3.5% (30 September 2015: 4.6%). The tax charge for the six months ended 30 September 2016 was €9.2 million (30 September 2015: €8.8 million). The tax charge for 2016 was calculated under IAS34, by applying the effective tax rate estimated for the financial year ending 31 March 2017.

## 9. Earnings per share

***Basic earnings per share***

| | **Six months ended 30 Sep 2016** | Six months ended 30 Sep 2015 |
|---|---|---|
| Profit for the half year (€ million) | **253.3** | 182.1 |
| Weighted average number of Ordinary Shares in issue (thousands) | **57,141** | 52,307 |
| **Basic earnings per share (€)** | **4.43** | 3.48 |

There were also 44,830,503 Convertible Shares in issue at 30 September 2016. These shares are non-participating, i.e. the profit attributable to them is €nil. Therefore these shares are not included in the basic earnings per share calculation above.

***Diluted earnings per share***

| | **Six months ended 30 Sep 2016** | Six months ended 30 Sep 2015 |
|---|---|---|
| Profit for the half year (€ million) | **253.3** | 182.1 |
| Interest expense on convertible debt (net of tax) (€ million) | **1.0** | 0.7 |
| **Profit used to determine diluted earnings per share (€ million)** | **254.3** | 182.8 |
| Weighted average number of Ordinary Shares in issue (thousands) | **57,141** | 52,307 |
| Adjustment for assumed conversion of convertible instruments (thousands) | **69,627** | 74,194 |
| **Weighted average number of shares for diluted earnings per share (thousands)** | **126,768** | 126,501 |
| **Diluted earnings per share (€)** | **2.01** | 1.45 |

Convertible instruments include Convertible Shares, convertible debt and vested employee share options – each are convertible into Ordinary Shares of the Company.

***Proforma earnings per share***

| | **Six months ended 30 Sep 2016** | Six months ended 30 Sep 2015 |
|---|---|---|
| Underlying profit for the half year (€ million) | **231.6** | 205.9 |
| Interest expense on convertible debt (net of tax) | **1.0** | 0.7 |
| **Profit used to determine proforma earnings per share (€ million)** | **232.6** | 206.6 |
| Number of shares (Ordinary and Convertible) in issue at period end (thousands) | **102,188** | 101,192 |
| Adjustment for assumed conversion of convertible debt instruments (thousands) | **24,247** | 24,247 |
| Adjustment for assumed conversion of employee share options (thousands) | **337** | 1,076 |
| **Fully diluted number of shares for proforma earnings per share (thousands)** | **126,771** | 126,515 |
| **Proforma earnings per share (€)** | **1.83** | 1.63 |

The proforma earnings per share is a fully diluted non-IFRS measure defined by the Company. The calculation of the proforma EPS is different from the calculation of the IFRS diluted EPS measure in the following:

- For earnings the underlying profit for the period was used (see Note 6), as opposed to the statutory (IFRS) profit for the period.
- For the fully diluted number of shares the position at the end of the period was taken rather than the weighted average number for the period, that is required by IFRS.

## 10. Property, plant and equipment

| | Land and buildings € million | Aircraft maintenance assets € million | Aircraft parts € million | Fixtures & fittings € million | Advances paid for aircraft € million | Advances paid for aircraft maintenance assets € million | Total € million |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 April 2015 | 5.0 | 122.4 | 16.1 | 5.0 | 106.5 | 45.9 | 300.9 |
| Additions | 2.7 | 41.1 | 16.2 | 1.0 | 116.7 | 37.5 | 215.2 |
| Disposals | - | (3.9) | - | (1.0) | (80.9) | - | (85.8) |
| Transfers | - | (10.5) | - | - | - | 10.5 | - |
| Foreign exchange differences | - | - | (0.1) | - | - | - | (0.1) |
| At 31 March 2016 | 7.7 | 149.1 | 32.2 | 5 | 142.3 | 93.9 | 430.2 |
| Additions | 0.5 | 15.1 | 26.7 | 1.0 | 54.9 | 7.8 | 106.0 |
| Disposals | - | (7.6) | - | (0.2) | (58.5) | - | (66.3) |
| Transfers | - | 27.6 | - | - | - | (27.6) | - |
| **At 30 Sep 2016** | **8.2** | **184.2** | **58.9** | **5.8** | **138.7** | **74.1** | **469.9** |
| **Accumulated depreciation** | | | | | | | |
| At 1 April 2015 | 0.8 | 44.7 | 5.3 | 3.0 | - | - | 53.8 |
| Depreciation charge for the period | 0.5 | 22.9 | 2.8 | 0.6 | - | - | 26.8 |
| Disposals | - | (3.9) | - | (0.1) | - | - | (4.0) |
| At 31 March 2016 | 1.3 | 63.7 | 8.1 | 3.5 | - | - | 76.6 |
| Depreciation charge for the period | 0.3 | 19.6 | 2.9 | 0.3 | - | - | 23.1 |
| Disposals | - | (7.6) | - | (0.2) | - | - | (7.8) |
| **At 30 Sep 2016** | **1.6** | **75.7** | **11.0** | **3.6** | **-** | **-** | **91.9** |
| **Net book amount** | | | | | | | |
| At 1 April 2015 | 4.2 | 77.7 | 10.8 | 2.0 | 106.5 | 45.9 | 247.1 |
| At 31 March 2016 | 6.4 | 85.4 | 24.1 | 1.5 | 142.3 | 93.9 | 353.6 |
| **At 30 Sep 2016** | **6.6** | **108.5** | **47.9** | **2.2** | **138.7** | **74.1** | **378.0** |

Land and buildings include the following amounts where the Group is a lessee under a finance lease:

| | **30 Sep 2016 € million** | 31 March 2015 € million |
|---|---|---|
| Cost from capitalised finance lease | **7.5** | 7.5 |
| Accumulated depreciation | **(1.5)** | (0.9) |
| **Net book amount** | **6.0** | 6.6 |

## 11. Provisions for other liabilities and charges

| | Aircraft maintenance € million | Other € million | Total € million |
|---|---|---|---|
| At 1 April 2015 | 50.6 | 1.8 | 52.4 |
| Capitalised within Property, plant and equipment | 41.0 | - | 41.0 |
| Charged to comprehensive income | - | 0.8 | 0.8 |
| Used during the year | (7.9) | (1.4) | (9.3) |
| At 31 March 2016 | **83.7** | **1.2** | **84.9** |
| Capitalised within Property, plant and equipment | 15.3 | - | 15.3 |
| Charged to comprehensive income | - | 0.9 | 0.9 |
| Used during the period | (15.6) | (0.3) | (15.9) |
| **At 30 Sep 2016** | **83.4** | **1.8** | **85.2** |

Aircraft maintenance provisions relate to future aircraft maintenance obligations of the Group on leased aircraft and spare engines. Other provisions relate to future liabilities under the Group's customer loyalty program.

## 12. Capital commitments

There has been no significant change during the period in capital commitments compared to what was disclosed in the Annual report for the year ended 31 March 2016, other than that in July 2016 the Group entered into an engine selection agreement with Pratt & Whitney that, among other matters, included a commitment for the Group to purchase 16 spare engines from Pratt & Whitney starting from 2019. The new commitment is valued at USD 125.0 million (€111.8 million) at list prices in 2016 USD terms. As at the date of approval of this document the 16 engines are not yet financed.

## 13. Contingent liabilities

***Legal disputes***

*European Commission state aid investigations*

Six of the European Commission's on-going state aid investigations which are in their formal phase concern arrangements between Wizz Air and certain airports to which it flies, namely, Timişoara, Cluj-Napoca, Targu Mures, Beauvais, Girona and Lübeck. Wizz Air has submitted its legal observations and supporting economic analyses of these arrangements to the European Commission. Ultimately, an adverse decision by the European Commission could result in a repayment order for the recovery from Wizz Air of any amount determined by the European Commission to be illegal state aid. None of these on-going investigations are expected to lead to exposure that is material to the Group.

The European Commission has given notice that the state aid investigations involving Wizz Air will be assessed on the basis of new "EU Guidelines on State aid to airports and airlines" which were adopted by the European Commission on 20 February 2014. Where relevant, Wizz Air has made further submissions to the European Commission in connection with this notification.

*Claims by Carpatair*

Carpatair, a regional airline based in Romania, started a number of cases in the Romanian courts during 2012 and 2013 which relate to Carpatair's allegations that Timişoara airport granted unlawful state aid to Wizz Air pursuant to an agreement between the parties or by virtue of the publicly available scheme of charges published by Timişoara airport. Wizz Air is intervening in the defence of these claims, either in its own right or in support of Timişoara airport. One of these cases determined that state aid existed in the 2010 scheme of charges, but failed to substantiate that decision or to quantify the amount involved. Following this decision, Carpatair began a case in which both Timişoara airport and Wizz Air are named as defendants and, pursuant to which, Carpatair aims to have the alleged state aid under the 2010 scheme of charges quantified and a repayment order issued. Wizz Air understands that the Romanian Chamber of Accounts has issued a decision requiring Timişoara airport to recover from Wizz Air an amount of approximately €3 million in respect of the state aid attributable to the 2010 and 2011 scheme of charges despite there having been no expert quantification of the amount and the airport has now started proceedings which Wizz Air is defending.

In January 2016 Carpatair filed a new legal action – registered with the Bucharest Tribunal – against Timisoara Airport, the Romanian Ministry of Transports and Wizz Air. The legal action was sent by the court to Wizz Air on 22 April 2016. By the said legal action Carpatair asks the court to order the three defendants to pay, jointly, to Carpatair damages preliminarily estimated to amount to €92 million and interest related to the said amount, resulting from an alleged state aid granted by Timisoara Airport to Wizz Air, from the existence of a marketing agreement between Timisoara Airport and Wizz Air and from an abuse of dominant position on the part of Timisoara Airport.

Wizz Air is currently defending this new legal action.

Management estimates that the maximum potential exposure for these cases could be in the region of €113 million (including the €3 million and the €92 million specifically mentioned above). No provision has been made by the Group in relation to these issues because there is currently no reason to believe that the Group will incur charges from these cases.

## 14. Subsequent events

There were no matters arising, between the statement of financial position date and the date on which this interim financial information was approved by the Board of Directors, requiring adjustment or disclosure in accordance with IAS 10 'Events After the Reporting Period'.

## 15. Related parties

We have related party relationships with Indigo, our directors and senior key management personnel.

There were no related party transactions in the period ended 30 September 2016 that materially affected the financial position or the performance of the Group during that period and there were no changes in the related party transactions described in the 2016 Annual Report that could have a material effect on the financial position or performance of the Group in the same period.

## 16. Seasonality of operation

The Group's results of operations, like those of most other airlines in Europe, vary significantly from quarter to quarter within the financial year. Historically, the Group has had higher passenger revenue during the summer season in comparison to the winter season (with the exception of the period around Christmas, the New Year and Easter) as this is the period during which many Europeans tend to take their annual holiday. Flight frequency, load factor and average ticket prices all tend to be higher during such peak periods compared to other periods of the year.

## Statement of Directors' responsibilities

The Directors are responsible for preparing the interim report in accordance with applicable law and regulations.

The Directors confirm that the condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 ('Interim Financial Reporting') as adopted by the European Union.

The interim management report includes a fair review of the information required by the Disclosure and Transparency Rules paragraphs 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 30 September 2016 and their impact on the condensed set of financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions during the six months ended 30 September 2016 and any material changes in the related-party transactions described in the last Annual report and accounts 2016.

The Directors of Wizz Air Holdings plc are listed in the Annual report and accounts 2016. There have been no changes since the date of publication other than Wioletta Rosolowska was appointed as director with effect from 1 June 2016. A list of current directors is maintained on the Wizz Air Holdings plc website: wizzair.com.

The interim report was approved by the Board of Directors and authorised for issue on 8 November 2016 and signed on its behalf by:

**József Váradi**
***Director***

# Independent review report to Wizz Air Holdings plc

*Report on the condensed consolidated interim financial statements*

### Our conclusion

We have reviewed Wizz Air Holdings plc's condensed consolidated interim financial statements (the 'interim financial statements') in the condensed consolidated interim financial report of Wizz Air Holdings plc for the 6 months period ended 30 September 2016. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

### What we have reviewed

The interim financial statements comprise:

- the condensed consolidated interim statement of profit and loss and other comprehensive income for the period ended 30 September 2016;
- the condensed consolidated interim statement of financial position as at 30 September 2016;
- the condensed consolidated interim statement of changes in equity for the period then ended;
- the condensed consolidated interim statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the condensed consolidated interim financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

## Responsibilities for the interim financial statements and the review

### Our responsibilities and those of the directors

The condensed consolidated interim financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the condensed consolidated interim financial report in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the condensed consolidated interim financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the condensed consolidated interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

**PricewaterhouseCoopers LLP**
***Chartered Accountants***
*8 November 2016*
*London*

(a) The maintenance and integrity of the Wizz Air Holdings plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.