WIZZ AIR FULL YEAR PAX GROWTH TARGET INCREASED TO 25% AFTER A RECORD FIRST 9 MONTHS AND HIGHER LOAD FACTORS

LSE: WIZZ

Geneva, 31 January 2018: 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 three months to 31 December 2017 ("third quarter" or "Q3") for the Company as a whole, and separately for its airline ("Airline") and tour operator ("Wizz Tours") business units[1].

Three months to 31 December	2017 (million)	2016 (million)	Change
Passengers carried	**7.1**	5.7	24.3%
Revenue (€)	**422.9**	341.1	24.0%
EBITDAR (€)	**104.2**	89.2	16.9%
EBITDAR margin (%)	**24.7**	26.1	(1.5)ppts
Profit for the period[2] (€)	**14.0**	13.5	3.6%
Profit margin for the period[2] (%)	**3.3**	3.9	(0.6)ppts

PROFITABLE Q3 AND STRONG BALANCE SHEET

- Total revenue increased 24.0% to €422.9 million:
  - Ticket revenues increased 26.1% to €241.7 million.
  - Ancillary revenues grew 21.3% to €181.1 million.
- Profit for the period was a record €14.0 million in Q3, a year on year increase of 3.6%.
- Total cash at the end of December 2017 was €1,143.8 million of which €975.1 million was free cash.

AIRLINE AND WIZZ TOURS

The segmented reporting illustrates the financial performance of the Airline and Wizz Tours business units separately:

- ***Airline:*** Q3 performance:
  - Total unit revenue increased 1.3% to 3.35 euro cents per available seat kilometre (ASK).
  - Total unit costs increased 2.4% to 3.23 euro cents per ASK.
  - Ex-fuel unit costs were unchanged at 2.29 euro cents per ASK.
  - Fuel unit costs increased 8.8% to 0.94 euro cents per ASK.
  - Load factors increased 1.4ppts to 89.4%
- ***Wizz Tours:*** Q3 package holiday revenues were €3.3 million.

LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 24.3% to 7.1 million expanding Wizz Air's position as CEE's leading low cost carrier.
- Network has continued to grow with the announcement of 39 new routes during Q3, Wizz Air now offers more than 550 routes to/from 44 countries from 28 bases.
- Fleet increased to 88 aircraft with the addition of two A321 aircraft, the fleet mix is now 64 A320 and 24 A321 Airbus aircraft.
- Average aircraft age of 4.6 years, one of the youngest fleets of any major European airline.
- Addition of the Wizz Air's 145th destination to Athens, Greece.

BUSINESS DEVELOPMENTS AND INNOVATION

- Purchase of additional slots in London-Luton, the Company will have seven aircraft based in London-Luton in 2018.
- Signed our largest ever aircraft order with Airbus for an additional 146 Airbus A320 family NEO aircraft.
- Wizz pilot academy officially opened which will train over 100 cadets in the next 12 months.
- Application submitted for a UK Air Operator's Certificate (AOC) and Operating Licence further demonstrating Wizz Air's commitment to Europe's single largest aviation market.
- Implemented new baggage policy, eliminating paid-for cabin bag.
- Winning the title of European Airline of the Year by Aviation 100 and also recognized at Sky Awards as Best Low-Cost Airline, and Passengers' Most Preferred Choice for its great performance in the Bulgarian market in 2017.

1 The Company has 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.

2 In 2016 the Company presented two profit measures: the IFRS profit for the period and the 'underlying' profit for the period. The latter included adjustments for exceptional items. The adoption of IFRS 9 by the Company has removed the principal cause of such exceptional items and the Company is therefore not disclosing a separate underlying profit measure. The comparison in this table is made to the underlying profit for the comparable period in 2016.

József Váradi, Wizz Air Chief Executive said:

"I'm pleased to report that Wizz Air has once again delivered a successful third quarter, with passenger numbers increasing by 24% year-on-year to a record of 7.1 million for the quarter and load factors reaching 89.4%. Our strong performance over the first nine months of the financial year and an encouraging upcoming Easter has enabled us to increase fourth quarter growth and deliver 25% more passenger to nearly 30 million passengers for the full financial year.

The third quarter also saw some exciting new developments and investments for Wizz Air's business, as our top priorities remain profitable growth and driving our ultra-low cost base even lower. We increased our market share in London-Luton to over 37% through the acquisition of a number of overnight stands and slots; the new WIZZ Pilot Academy welcomed its first intake of 20 cadets, with over 100 cadets being recruited over the next 12 months; and we also signed our largest ever aircraft order with Airbus for an additional 146 Airbus A320 family NEO aircraft, the terms of which were approved yesterday by our shareholders. We now have 256 Airbus A320 family NEO aircraft on order and these ultra-efficient, next-step technology aircraft will underpin our growth plans for the next decade as we continue with our mission to be the undisputed cost leader among European airlines."

FULL YEAR OUTLOOK

The table below sets out the components of the Company's full year outlook.

	2018 Financial Year	Comment
Capacity growth (ASKs)	24%	Previously 23%
Average stage length	Modest increase	-
Load factor	+ 1ppt	-
Fuel CASK	+ 5%	Assumes Q4 spot price of $650/MT
Ex-fuel CASK	Broadly flat	Assumes Q4 €/$ rate of $1.22
Total CASK	+ 1%	-
RASK	Slight increase	Stable fuel and stable fares
Tax rate	6%	-
Net profit	Range of between €265m - €280m	-

ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 88 Airbus A320 and Airbus A321 aircraft, and offers more than 550 routes from 28 bases, connecting 145 destinations across 44 countries. At Wizz Air, a team of more than 3,500 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of 23.8 million passengers in the financial year ended 31 March 2017. 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 2017 - European Airline of the Year by Aviation 100, a renown annual publication that recognizes the year's most outstanding performers in the aerospace industry.

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Q3 GROUP FINANCIAL REVIEW

In the third quarter, Wizz Air carried 7.1 million passengers, a 24.3% increase compared to the same period in the previous year, and generated revenues of €422.9 million, growth of 24.0%. These growth rates compare to capacity growth measured in terms of ASKs of 22.6% and additional seats of 22.4%. The load factor increased from 88.1% to 89.4%.

The profit for the third quarter was €14.0 million, 3.6% higher than the underlying profit of €13.5 million in the same period of 2016.

Consolidated statement of comprehensive income (unaudited)

For the three months ended 31 December – rounded to one decimal place

Continuing operations	Airline 2017 € million	Wizz Tours 2017 € million	Consolidation Adjustment € million	Group 2017 € million	Group 2016 € million	Change in Group Results
Passenger ticket revenue	240.6	1.1		241.7	191.8	26.1%
Ancillary revenue	180.6	2.1	(1.6)	181.1	149.4	21.3%
Total revenue	421.2	3.3	(1.6)	422.9	341.1	24.0%
Staff costs	36.0	0.1		36.0	28.0	28.4%
Fuel costs	118.8			118.8	89.1	33.4%
Distribution and marketing	8.3	0.2		8.5	6.7	27.0%
Maintenance materials and repairs	24.3			24.3	21.0	15.9%
Aircraft rentals	68.5			68.5	58.9	16.2%
Airport, handling and en-route charges	111.6			111.6	94.9	17.5%
Depreciation and amortisation	21.1			21.1	14.7	43.5%
Other expenses	18.0	3.2	(1.6)	19.5	12.3	58.2%
Total operating expenses	406.4	3.5	(1.6)	408.2	325.6	25.4%
Operating profit	14.8	(0.2)		14.6	15.5	(5.6)%
Financial income	0.2			0.2	0.2	
Financial expenses	(1.0)			(1.0)	0.1	
Net foreign exchange gain/(loss)	0.6			0.6	(0.2)	
Net exceptional financial income/(expense)	-			-	17.6	
Net financing income/(expense)	(0.1)			(0.1)	17.6	
Profit before income tax	14.7	(0.2)		14.6	33.1	(56.0)%
Income tax expense	(0.6)			(0.6)	(0.6)	
Profit for the period	14.1	(0.2)		14.0	32.5	(57.0)%

Airline revenues

Passenger ticket revenue increased 26.3% to €240.6 million and ancillary income (or "non-ticket" revenue) increased by 21.4% to €180.6 million. Total revenue per ASK (RASK) increased by 1.3% to 3.35 euro cents from 3.31 euro cents in the same period of 2016 due to the continued strong economic performance of CEE countries and some moderation of market capacity.

Average revenue per passenger remained at €59.6 in Q3 2017 which was similar to Q3 2016 levels of €59.7, a decline of (0.1)%. Average ticket revenue per passenger increased from €33.7 in Q3 2016 to €34.2 in Q3 2017, an increase of 1.4%, while average ancillary revenue per passenger declined from €25.9 in Q3 2016 to €25.4 in Q3 2017, a decrease of 2.1%. This decrease in ancillary revenue was due to the removal of the Company's 'paid for' cabin bag policy at the start of the quarter. For the purposes of this analysis, out of the total €1.6m intra-group revenue earned by the Airline, €1.1m was reclassified from ancillary revenue to ticket revenue.

Airline operating expenses

Operating expenses for the three months increased by 25.6% to €406.4 million from €323.7 million in Q3 2016. Cost per ASK (CASK) reflect higher fuel prices and increased by 2.4% to 3.23 euro cents in Q3 2017 from 3.16 euro cents in Q3 2016. CASK excluding fuel expenses was unchanged at 2.29 euro cents in Q3 2017 (Q3 2016: 2.29 euro cents).

Staff costs increased by 28.6% to €36.0 million in Q3 2017, up from €28.0 million in Q3 2016 reflecting the growth in capacity and also a ramp up in crew recruitment and training needed to operate 17 incremental new aircraft which will be delivered before June.

Fuel expenses increase by 33.4% to €118.8 million in Q3 2017, up from €89.1 million in the same period of 2016. The increase was driven by the growth of the Company and higher average fuel prices. The average fuel price (including hedging impact but excluding into-plane premium) paid by Wizz Air during the third quarter was US$525 per tonne, an increase of 13.3% from US$463 the same period in 2016.

Distribution and marketing costs rose 26.4% to €8.3 million from €6.6 million in the third quarter of 2016, primarily driven by the growth of the Airline.

Maintenance, materials and repair costs increased by 15.9% to €24.3 million in Q3 2017 from €21.0 million in Q3 2016 which is mainly a function of a fleet growth.

Aircraft rental costs rose 16.2% to €68.5 million in the third quarter, from €58.9 million in 2016 due to fleet growth (equivalent aircraft expanded 18.4%), and a more favourable, weaker US dollar.

Airport, handling and en-route charges increased 17.5% to €111.6 million in the third quarter of 2017 versus €94.9 million in the same period of 2016. This category comprised €64.7 million of airport and handling fees and €46.9 million of en-route and navigation charges in Q3 2017 compared with €53.5 million of airport and handling fees and €41.4 million of en-route and navigation charges in Q3 2016. The cost increase was primarily due to 18.1% growth in the number of flights, a 24.3% rise in passenger numbers and a stage length increase of 0.2%.

Depreciation and amortisation charges rose by 43.6% to €21.1 million in the third quarter, up from €14.7 million in the same period in 2016 due to higher engine-related maintenance and component depreciation as in the last twelve months new maintenance fixed assets were capitalized and their depreciation started in relation to a significant number of future engine heavy maintenance events.

Other expenses increased 68.7% to €18.0 million in the third quarter from €10.6 million in the same period in 2016. Customer compensation and related costs are included in other expenses and increased by €4.4 million compared to the same period last year. Approximately half is this increase is due to carrying 24% more passengers and half is attributable to an increasing trend of passenger claims across the industry.

Income tax expense was €0.6 million (2016: €0.6 million) giving an effective tax rate of 4.0% (2016: 1.9%). 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 third quarter were €3.3 million and operating costs were €3.5 million.

OTHER INFORMATION

1. Cash, equity and leverage

Total cash at the end of the third quarter increased by 28.2% to €1,143.8 million versus 31 December 2016, of which over €975.1 million is free cash. Adjusted net debt to EBITDAR was at a ratio of 1.4 at the end of December 2017 after a ratio of 1.5 a year earlier. Shareholders' equity reached €1,270.1 million, an increase of €273.8 million versus 31 December 2016 and €27.9 million since 30 September 2017.

2. Hedging positions

Wizz Air operates under a clear set of treasury policies approved by the Board and supervised by the Audit Committee. The aim of our hedging policy is to reduce short-term volatility in earnings and liquidity. Wizz Air hedges a minimum of 50 per cent. of the projected US Dollar and jet fuel requirements for the next twelve months (40 per cent. on an 18-month hedge horizon).

During the 2017 fiscal year the Company started to hedge the GBP, its largest non-EUR revenue currency, against EUR in order to smooth out potential future volatility due to Brexit. Unlike for the US Dollar, there is no minimum coverage set, while the maximum is 60% of projected net GBP exposure on a rolling twelve-month basis. Details of the current hedging positions (as of 29 December 2017) are set out below:

FX hedge coverage

Euro/US Dollar

Period covered	FY18 3 months	FY19 12 months
Exposure (million)	$232	$1,089
Hedge coverage (million)	$121	$563
Hedge coverage for the period	52%	52%
Weighted average ceiling	$1.13	$1.18
Weighted average floor	$1.10	$1.14

Euro/British pound

Period covered	FY18 3 months	FY19 12 months
Exposure (million)	£45	-
Hedge coverage (million)	£15	-
Hedge coverage for the period	33%	-
Weighted average floor	0.860	-
Weighted average ceiling	0.826	-

Fuel hedge coverage

Period covered	FY18 3 months	FY19 12 months
Exposure in metric tons ('000)	218	1022
Coverage in metric tons ('000)	141	326
Hedge coverage for the period	65%	32%
Blended capped rate	$528	$556
Blended floor rate	$475	$502

Sensitivities

- Pre-hedging, a one cent movement in the Euro/US Dollar exchange rate impacts the 2018 financial year operating expenses by €1.6 million.
- Pre-hedging, a one penny movement in the Euro/British Pound exchange rate impacts the 2018 financial year operating expenses by €0.6 million.
- Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts the 2018 financial year fuel costs by $2.1 million.

3. Fully diluted share capital

The figure of 126,960,889 should be used for the Company's theoretical fully diluted number of shares as at 31 January 2018. This figure comprises 72,706,171 issued ordinary shares, 29,830,503 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 31 December 2017 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 177,500 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

4. EEA ownership

The Company remains within the 49% maximum permitted level of Ordinary Share ownership by Non-Qualifying Nationals set by the Company's Board of Directors ("the Permitted Maximum"). The Company's Board of Directors will continue to monitor the situation closely and will take such action as it considers necessary and as contemplated by the Company's articles of association.

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 a third country (whether or not such an undertaking is itself granted an operating licence). 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 three months ended 31 December

	2017	2016	Change
Capacity			
Number of aircraft at end of period	**88**	74	18.9%
Equivalent aircraft	**86.7**	**73.3**	18.4%
Utilisation (block hours per aircraft per day)	**12.08**	12.06	0.1%
Total block hours	**96,350**	**81,308**	18.5%
Total flight hours	**83,773**	**70,581**	18.7%
Revenue departures	**40,802**	**34,535**	18.1%
Average departures per day per aircraft	**5.11**	**5.12**	(0.2)%
Seat capacity	**7,906,178**	**6,459,300**	22.4%
Average aircraft stage length (km)	**1,590**	**1,588**	0.2%
Total ASKs ('000 km)	**12,572,579**	**10,255,337**	22.6%
Operating data			
RPKs ('000 km)	**11,275,362**	**9,039,466**	24.7%
Load factor	**89.4%**	**88.1%**	1.4ppt
Number of passenger segments	**7,069,570**	**5,687,789**	24.3%
Fuel price (average US$ per ton, including hedging impact but excluding into-plane premium)	**525**	463	13.3%
Foreign exchange rate (average US$/€, including hedging impact)	**1.16**	**1.09**	5.9%

CASK (for the Airline only)

*For the three months ended 31 December**

	2017 *euro cents*	2016 *euro cents*	Change *euro cents*
Fuel costs	**0.94**	0.87	0.08
Staff costs	**0.29**	0.27	0.01
Distribution and marketing	**0.07**	0.06	-
Maintenance, materials and repairs	**0.19**	0.20	(0.01)
Aircraft rentals	**0.54**	0.57	(0.03)
Airport, handling and en-route charges	**0.89**	0.93	(0.04)
Depreciation and amortisation	**0.17**	0.14	0.02
Other expenses	**0.14**	0.10	0.04
Total CASK	**3.23**	**3.16**	**0.08**
Total ex-fuel CASK	**2.29**	**2.29**	**-**

*Figures are rounded to 2 decimal places

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 2017, have the potential to adversely affect 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 26 to 30 of our Annual Report for the financial year ended 31 March 2017, available at corporate.wizzair.com, with the comments added below.

As with all airlines in Europe, the outcome of the Brexit vote has created significant uncertainty for our business. While overall demand on our routes to and from the United Kingdom has not weakened, demand has seen some weakening on routes to and from the regional airports of the United Kingdom. The weakness of the Pound Sterling following the Brexit vote has adversely affected the Euro value of the revenue. However, the most critical issue facing the Company and all European airlines is the lack of clarity on how the Brexit negotiations will affect access to the liberalised market between the United Kingdom and the rest of the European Union. Wizz Air firmly believes that the liberalised air market has significant benefits for both the United Kingdom and the European Union and urges all parties to settle as a matter of priority on the continuation of access to the liberalised market. If no agreement is reached relating to access to the aviation market between the United Kingdom and the European Union, then there is a significant risk that flights between the European Union and the United Kingdom could suffer serious disruption. However, whatever the outcome and while we continue to have a strong United Kingdom business, we have always believed that diversification of our network and our customers is a key part of a sustainable business. That remains the case and we are confident that there remains a large addressable market in CEE which will continue to provide opportunities for profitable growth should our UK business be adversely affected. We have also recently incorporated a subsidiary company in the United Kingdom, Wizz Air UK Limited, and have applied to the United Kingdom Civil Aviation Authority for a United Kingdom air operator's certificate, operating licence and route licence which, if granted, is intended to ensure that we continue to be able to operate flights between the United Kingdom and a number of non-European Union countries.

Wizz Air is a people business. We know that our people are the backbone of our business and it is their dedication, day in, day out, that allows us to deliver our low-cost, quality service. But we know that we cannot take our people for granted and that competition for the high quality people we seek is keen and may become even more so. If we were unable to recruit sufficient numbers of crew then our operation could be disrupted resulting in lower utilisation of aircraft and, potentially, compensation payments to customers in relation to cancelled flights. From time to time, pilots and others can be in short supply. We invest a huge amount of time in recruiting pilots and also training them to maintain our high standards. In order to ensure the future availability of pilots of the right calibre and in addition to our existing cadet pilot training schemes, we have recently launched a part-sponsored cadet training programme in Poland and intend to roll it out across a number of our base countries, which will provide cadet pilots to Wizz Air.

This announcement includes inside information.