wizzair.com

RECORD Q1 PROFITABILITY ON 18% PASSENGER GROWTH

LSE: WIZZ.LN

Geneva, 20 July 2016: Wizz Air Holdings Plc ("Wizz Air" or "the Company"), the largest low-cost airline in Central and Eastern Europe[1], today issues an unaudited interim management statement for the three months to 30 June 2016 ("first quarter", "Q1" or "Q1 F17").

Three months to 30 June	**2016 (million)**	2015 (million)	Change
Passengers carried	**5.8**	4.9	+17.9%
Revenue (€)	**364.9**	332.5	+9.8%
Profit before income tax (€)	**52.3**	34.4	+52.2%
Reported Net Profit (IFRS) (€)	**50.7**	32.9	+54.2%
Underlying Net Profit[2] (€)	**38.6**	33.9	+13.9%

RECORD Q1 PROFITABILITY AND STRONG BALANCE SHEET

- Total revenue increased 9.8% in Q1 to €364.9 million:
  - Ticket revenues increased 3.0% in Q1 to €212.0 million.
  - Ancillary income grew 20.8% in Q1 to €152.9 million.
- Reported net profit (IFRS) was a record €50.7 million in Q1, a year on year increase of 54.2%.
- Underlying net profit was a record €38.6 million in Q1, a year on year increase of 13.9%.
- Total cash at the end of June 2016 was €827.7 million of which €707.1 million was classified as free cash.

STRONG OPERATING PERFORMANCE ACROSS KEY METRICS

- Total unit costs fell by 10.0% to 3.19 euro cents per ASK[3] in Q1.
- Ex-fuel unit costs increased 2.3% year on year to 2.26 euro cents per ASK in Q1 entirely due to foreign currency gains in the prior year on prepayments returned on aircraft deliveries.
- Fleet expansion with three A321 aircraft added during the quarter, increasing fleet to 70 aircraft at the end of Q1.
- Average aircraft age of 4.1 years gives Wizz Air one of the youngest fleets of any major European airline.
- Wizz Discount Club membership exceeded 915,000 by the end of Q1, year-on-year growth of 47.6%.

MARKET LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 17.9% to 5.8 million underpinning Wizz Air's position as leading low cost carrier in CEE.
- Load factor increased 0.7 percentage points to 89.5 per cent in Q1, one of the highest in the industry.
- Route network expansion with 29 new routes announced in the first quarter.

DEVELOPMENTS IN SECOND QUARTER OF THE 2017 FINANCIAL YEAR

- Obtained Operational Safety Audit (IOSA) certification from IATA, the global benchmark in airline safety recognition.
- Signed $2.5 billion contract with Pratt & Whitney to supply next generation engines for our future A321 neo aircraft.
- Halving intended second half growth to the UK as a direct result of BREXIT and the weaker British pound and re-deploying this capacity to other non-UK routes.

József Váradi, Wizz Air Chief Executive said:

"Our record first quarter financial performance underpins the resilience of our ultra-low cost business model. While Wizz Air is not immune to the recent challenges in our industry we believe our ultra-low cost base, diversified point-to-point network and ability to adjust capacity quickly when needed enables us to better respond to these challenges than many other European airlines and also means we are well placed to exploit market opportunities as they arise. It is on this basis that today we are confirming our underlying net profit guidance for the full financial year ended 31 March 2017.

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".

---

[1] Central and Eastern Europe, or CEE, is a region comprised of Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.
[2] Underlying net profit is defined as reported net profit under IFRS less FX unrealised gains/losses and exceptional items
[3] ASK: available seat kilometres

FULL YEAR OUTLOOK

Wizz Air today confirms underlying net profit guidance for the full financial year ending 31 March 2017 ("F17" or "2017 financial year") as previously communicated on 25 May 2016. This guidance is heavily dependent on summer trading and also the second half revenue performance, a period for which the Company currently has limited visibility. The Company plans to deliver capacity growth in a range of between 16% and 17% in F17 but remains ready to adjust capacity, up or down, depending on the market dynamics.

The UK's decision to leave the European Union has led to a notable weakness in fares (in euro terms) on routes to/from the UK mainly due to the much weaker British pound which is currently 19% lower than the same period last year versus the euro. Wizz Air has already started re-adjusting its network due to this weakness and halving its intended second half growth to the UK and re-deploying this capacity to other non-UK routes. The main components of our anticipated F17 performance are as follows:

	2017 Financial Year	Comment	Previous
Capacity growth (ASKs)	Between 16% - 17 %	H1: 17%. H2: Between 14% - 16%	H1: 18%, H2 16%
Average stage length	Modest increase	-	No change
Load Factor	Modest improvement	-	No change
Fuel CASK	-15 %	Assumes spot price of $450/MT	No change
Ex-fuel CASK	Broadly flat	Assumes $/€1.12	No change
Total CASK	-5 %	-	No change
RASK	Down mid-single digit	Pass through of lower fuel prices	No change
Tax rate	6 %	-	No change
Net profit	€245 - 255 million	Excluding unusual or exceptional items	No change

SECOND (SEPTEMBER) QUARTER OF THE 2017 FINANCIAL YEAR

For the second quarter (July to September 2016) of the 2017 financial year, the Company expects to grow capacity, in terms of ASKs, by around 17% compared to the second quarter of the year ended 31 March 2016. Despite continued downward pressure on unit revenues as lower fuel prices feed through to lower fares and weakness in the British pound, both operating margins and underlying net profit margins for the quarter are expected to be broadly in line with last year. The Company is currently operating eight of the larger A321 ceo aircraft all of which are delivering cost savings in line with expectations. At the end of the second quarter the Company will be operating 10 A321 ceo aircraft increasing the fleet to 73 aircraft.

Q1 FINANCIAL REVIEW

In the first quarter, Wizz Air carried a total of 5.8 million passengers, a 17.9% increase compared to the first quarter in the year ended 31 March 2016 ("Q1 F16"), and generated revenues of €364.9 million, growth of 9.8% compared to Q1 F16. These growth rates compare to capacity growth measured in terms of ASKs of 19.7%. The load factor increased from 88.8% in Q1 F16 to 89.5% in the first quarter.

Passenger ticket revenue increased 3.0% to €212.0 million and ancillary income (or "non-ticket" revenue) increased 20.8% to €152.9 million in the first quarter compared to Q1 F16. Total revenue per ASK (RASK) declined 8.3% to 3.62 euro cents in the first quarter compared to 3.95 euro cents in Q1 F16.

Average revenue per passenger fell to €63.4 in Q1 (Q1 F16: €68.1), a decline of 6.9%. Average ticket revenue per passenger decreased 12.7% to €36.8 in Q1 (Q1 F16: €42.2), while average ancillary revenue per passenger increased 2.4% to €26.6 in Q1 (Q1 F16: €25.9). The decline in average revenue per passenger was due to lower fuel prices feeding through to a lower fare environment and also the effect of the timing of Easter. The Catholic Easter fell one week earlier in 2016 than in 2015 pushing a proportion of higher yielding traffic into F16.

Income tax expense for Q1 F17 was €1.6 million (Q1 F16: €1.5 million) giving an effective tax rate for the Group of 3.1% (Q1 F16: 4.4%). The main components of this charge are local business tax and innovation tax paid in Hungary and corporate income tax paid in Switzerland.

The reported profit increased 54.2% to €50.7 million in Q1 (Q1 F16: €32.9 million profit). The Q1 reported profit included a €12.1 million net gain from exceptional items relating to the change in time value of open hedges.

Underlying net profit after tax increased by 13.9% to €38.6 million in Q1 (Q1 F16: €33.9 million profit). This equates to a 0.4 percentage point rise in the underlying after tax profit margin from 10.2% to 10.6%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June

Continuing operations	2016 € million	2015 € million	Change
Passenger ticket revenue	212.0	205.9	3.0%
Ancillary revenue	152.9	126.6	20.8%
Total revenue	**364.9**	**332.5**	**9.8%**
Staff costs	27.6	22.9	20.6%
Fuel costs	93.8	112.4	(16.5)%
Distribution and marketing	7.1	6.2	14.9%
Maintenance materials and repairs	20.7	21.3	(2.8)%
Aircraft rentals	53.1	35.8	48.4%
Airport, handling and en-route charges	95.0	84.5	12.4%
Depreciation and amortisation	11.3	6.3	80.1%
Other expenses	12.3	8.5	43.9%
Total operating expenses	**321.0**	**297.8**	**7.8%**
Operating profit	**43.9**	**34.7**	**26.8%**
Financial income	0.6	0.5	8.1%
Financial expenses	(5.9)	(1.2)	391.6%
Net foreign exchange gain/(loss)	1.7	(13.5)	
Net exceptional financial income	12.1	13.9	(12.8)%
Net financing income/(expense)	**8.4**	**(0.3)**	
Profit before income tax	**52.3**	34.4	52.2%
Income tax expense	(1.6)	(1.5)	8.0%
Profit for the quarter	**50.7**	**32.9**	**54.2%**

Q1 OPERATING EXPENSES

Operating expenses for the first quarter increased 7.8% to €321.0 million from €297.8 million in Q1 F16. Cost per ASK (CASK) declined 10.0% to 3.19 euro cents in Q1 (Q1 F16: 3.54 euro cents). This CASK reduction was principally driven by a reduction in the average fuel price. CASK excluding fuel expenses increased 2.3% to 2.26 euro cents in Q1 from 2.20 euro cents in Q1 F16 entirely due to foreign currency gains in the prior year on prepayments returned on aircraft deliveries.

Staff costs increased 20.6% to €27.6 million in Q1, up from €22.9 million in Q1 F16 broadly in line with capacity growth.

Fuel expenses declined by 16.5% to €93.8 million in Q1, down from €112.4 million in the same period of F16. The average fuel price (including hedging impact and into-plane premium) paid by Wizz Air in the first quarter was US$573 per tonne, a decline of 32.9% over the same period in F16. The benefit of the lower cost of fuel was offset by a 19.7% increase in ASKs, and a 2.0% appreciation of the US dollar against the euro (10.2% after hedging).

Distribution and marketing costs rose 14.9% to €7.1 million in the first quarter from €6.2 million in Q1 F16 was moderately behind passenger growth.

Maintenance, materials and repair costs decreased 2.8% to €20.7 million in Q1 from €21.3 million in Q1 F16. The first quarter of F16 included a €3m one-off charge relating to the implementation of a new engine maintenance contract.

Aircraft rental costs rose 48.4% to €53.1million in Q1 from €35.8 million in Q1 F16. This increase was largely due to fleet growth (equivalent aircraft expanded 16.6%), an increase in the average lease rate driven by the deployment of the A321 aircraft, and the effect of a stronger US dollar compared to the same period last year.

Airport, handling and en-route charges increased 12.4% to €95.0 million in Q1 compared to €84.5 million in Q1 F16. This category comprised €53.6 million of airport and handling fees and €41.5 million of en-route and navigation charges in Q1 compared with €47.7 million of airport and handling fees and €36.8 million of en-route and navigation charges in Q1 F16. The cost increase was primarily due to 14.7% increase in the number of flights, a 17.9% rise in passenger numbers.

Depreciation and amortisation charges increased 80.1% to €11.3 million in Q1, up from €6.3 million in Q1 F16 was due to a planned increase in maintenance activity.

Other expenses increased 43.9% to €12.3 million in Q1 from €8.5 million in Q1 F16. The first quarter included €2.7m relating to the Company's growing tour operator business, Wizz Tours, which was brought in-house in October 2015.

Financial expenses include a €4.5m cost relating to fuel cap hedges that expired in Q1. The cost of these types of hedges currently do not qualify for hedge accounting under IFRS and are recorded in financial expenses.

UNDERLYING PROFIT

For the three months ended 30 June

	2016 € million	2015 € million
Profit for the quarter	**50.7**	**32.9**
Exceptional items:		
Unrealised foreign exchange (gain)/loss	-	14.9
Realised FX gain from replacing US dollar collateral with Euro collateral	-	(8.8)
Time value gain on open hedge positions	(12.1)	(5.1)
Total Adjustments	**(12.1)**	**1.0**
Underlying profit after tax	**38.6**	**33.9**

OTHER INFORMATION

1. CASH, EQUITY AND LEVERAGE

Total cash at the end of Q1 increased 27.2% to €827.7 million compared to the end of Q1 F16 of which over €707.1 million is classified as free cash. Group leverage (adjusted net debt divided by EBITDAR) increased from 1.3 times in June 2015 to 1.4 times in June 2016 as capitalised US dollar aircraft lease commitments are translated using a higher US dollar exchange rate when compared to the same period last year. Shareholders' equity reached €751.1 million at the end of June 2016, an increase of 45.8% compared to June 2015, and 9.0% ahead of March 2016.

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 twelve months (40% for the full 18-month hedge horizon). Details of the current hedging positions at the date of this report are set out below:

FX Hedge Coverage (Euro/US Dollar)

	F17	**F18**
Period covered	9 months	12 months
Exposure (million)	$539	$952
Hedge Coverage (million)	$303	$141
Hedge Coverage for the period %	**56%**	**15%**
Weighted average floor	$1.08	$1.11
Weighted average ceiling	$1.12	$1.13

Fuel Hedge Coverage

	F17	**F18**
Period covered	9 months	12 months
Exposure in metric tons ('000)	569	1014
Coverage in metric tons ('000)	335	196
Coverage with zero cost collars	*-*	*196*
Coverage with fuel caps	*335*	*-*
Hedge Coverage for the period %	**59%**	**19%**
Blended capped rate	$671	$515
Blended floor rate*	n/a	$466

* Fuel caps provide the Company with protection against the risk of higher fuel prices and also enable the Company to benefit from lower fuel costs should fuel prices fall. From July 2016 onwards there are no more open zero cost collars in fuel for F17, therefore for the remaining 9 months there is no floor rate.

3. FULLY DILUTED SHARE CAPITAL

The figure of 126,764,779 should be used for the Company's theoretical fully diluted number of shares as at 17 July 2016. This figure comprises 57,332,121 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 17 July 2016 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 355,440 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

4. EEA OWNERSHIP

As at 5 July 2016 the Company understands that approximately 52% of its ordinary shares were owned by Qualifying Nationals. 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.

KEY STATISTICS

For the three months ended 30 June

	2016	2015	Change
CAPACITY			
Number of aircraft at end of period	**70**	62	12.9%
Equivalent aircraft	**68**	58	16.6%
Utilisation (block hours per aircraft per day)	**13.1**	13.1	0.2%
Total block hours	**80,607**	68,998	16.8%
Total flight hours	**70,008**	59,794	17.1%
Revenue departures	**35,022**	30,528	14.7%
Average departures per day per aircraft	**5.68**	5.78	(1.7%)
Seat capacity	**6,428,460**	5,495,040	17.0%
Average aircraft stage length (km)	**1,567**	1,531	2.3%
Total ASKs ('000 km)	**10,071,260**	8,413,329	19.7%
OPERATING DATA			
RPKs ('000 km)	**9,025,031**	7,473,531	20.8%
Load factor	**89.5%**	88.8%	0.7ppt
Number of passenger segments	**5,754,320**	4,880,168	17.9%
Fuel price (average) (US$ per ton) (including hedging impact and into-plane premium)	**573**	854	(32.9%)
Foreign exchange rate (average) (US$/€) (including hedging impact)	**1.13**	1.26	(10.2%)
FINANCIAL MEASURES			
Yield (€ cents)	**4.04**	4.45	(9.1)%
Average revenue per seat (€)	**56.77**	60.51	(6.2)%
Average revenue per passenger (€)	**63.42**	68.13	(6.9)%
RASK (€ cents)	**3.62**	3.95	(8.3)%
CASK (€ cents)	**3.19**	3.54	(10.0)%
Ex-fuel CASK (€ cents)	**2.26**	2.20	2.3%
Operating profit margin (%)	**12.0**	10.4	1.6ppt
Profit margin for the period (reported net profit after tax divided by revenue) (%)	**13.9**	9.9	4.0ppt
Underlying profit margin for the period (underlying net profit after tax divided by revenue) (%)	**10.6**	10.2	0.4ppt

- END -

ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 71 Airbus A320 and Airbus A321 aircraft, and offers more than 420 routes from 25 bases, connecting 124 destinations across 38 countries. At Wizz Air, a team of approximately 2,600 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. 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.

For more information:

Investors:	Iain Wetherall, Wizz Air:	+41 22 555 9873
	Balint Veres, Wizz Air:	+36 1 777 9349
Media:	Tamara Vallois, Wizz Air:	+36 70 777 9324
	Edward Bridges / Jonathan Neilan, FTI Consulting LLP:	+44 20 3727 1000

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.