WIZZ AIR HOLDINGS PLC – RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2019

18% PASSENGER GROWTH AND RECORD PROFIT OF €372M ON STRONG SUMMER TRADING IN H1

LSE: WIZZ

Geneva, 13 November 2019: Wizz Air Holdings Plc ("Wizz Air", "the Company" or "the Group"), the largest low-cost airline in Central and Eastern Europe ("CEE"), today issues unaudited results for the six months to 30 September 2019 ("first half" or "H1").

Six months to 30 September	2019	2018 *IFRS 16 Restated*	Change
Passengers carried (million)	**22.1**	18.8	+17.9%
Revenue (€ million)	**1,670.8**	1,373.0	+21.7%
EBITDA (€ million)	**609.1**	505.7	+20.4%
EBITDA margin (%)	**36.5**	36.8	(0.4ppt)
Profit for the period (€ million)	**371.5**	200.6	+85.2%
Profit margin for the period (%)	**22.2**	14.6	+7.6ppt
Net profit excluding foreign currency loss (€ million)	**374.3**	288.0	+30.0%
Net profit margin for the period excluding foreign currency loss (%)	**22.4**	21.0	+1.4ppt
Ex-fuel CASK (€ cent)	**2.22**	2.28	(2.8%)
CASK (€ cent)	**3.36**	3.37	(0.2%)
RASK (€ cent)	**4.39**	4.27	+2.7%
Cash and cash equivalents (€ million)	**1,633.3**	1,156.8	+24.1%
Load factor (%)	**94.6**	93.6	+1ppt

Six months to 30 September	2019	2018 *As originally presented*	Change
Net profit for the period (€ million)	**371.5**	294.3	+26.2%
Net profit margin for the period (%)	**22.2%**	21.4%	+0.8ppt

The IFRS 16 restatement for 2018 is explained in Note 7 to the financial statements.
The EBITDA, CASK and profit measures for 2018 in these tables are for continuing operations (see also Note 6).
'Net profit excluding foreign currency loss' is profit after tax (for continuing operation in case of 2018) excluding the amount of net foreign exchange result in the period.

RECORD FINANCIAL RESULTS IN H1

- Total revenue increased 21.7% to €1,670.8 million:
  - Ticket revenues increased 11.4% to €956.6 million
  - Ancillary revenues increased 38.8% to €714.2 million
  - Total unit revenue increased 2.7% to 4.39 Euro cents per available seat per kilometre (ASK)
  - Ancillary revenue per passenger increased 17.8% to €32.3
- Total cost increased 21.1% to €1,256.2m
  - Total unit costs decreased by 0.2% year-on-year to 3.36 Euro cents per ASK
  - Ex-fuel unit costs decreased by 2.8% year-on-year to 2.22 Euro cents per ASK
  - Fuel unit costs increased by 5.3% year-on-year to 1.15 Euro cents per ASK
- Profit for the period was a record €371.5 million
- Profit for the second quarter was a record €299.1 million, year-on-year increase of 30.7%
- Total cash at the end of September 2019 was €1,819.2 million of which €1,633.3 million was free cash

BUSINESS DEVELOPMENTS AND INNOVATION

- Launched the Wizz Care's Sustainability Platform to build awareness of the many initiatives already being taken by Wizz Air and those planned to ensure that Wizz Air remains one of the more sustainable airlines in the world
- Shareholders approved a purchase order for 20 Airbus A321neo XLR aircraft being delivered from 2023 onwards
- Named "The Best Low Cost Carrier of the Year" at the European Aviation Awards
- Named one of the safest low cost carrier of 2019 in the world by airline safety and product rating agency AirlineRatings.com
- Surpassed the 4 million monthly passenger mark in August 2019 for the first time

LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 17.9% to 22.1 million, securing Wizz Air's position as CEE's number one ultra-low cost carrier
- Wizz Air started 76 new routes in H1 and now offers more than 710 routes to 44 countries from 25 bases.
- The Company announced its first ever flights from London Luton to Moscow and St. Petersburg and new entry into Brussels Zaventem, Edinburgh, London Southend and Odessa.
- The fleet continued to grow with 3 new Airbus A321neo and 2 new Airbus A321ceo aircraft added during the period taking the fleet to 119 aircraft at the end of the first half: 72 A320ceo, 41 A321ceo and 6 A321neo aircraft
- Average aircraft age of 4.97 years, one of the youngest fleets of any major European airline.

József Váradi, Wizz Air Chief Executive commented on the results:

"Wizz Air again reports all-time high financial results for the first half of our current financial year as our low fare - low cost business model delivered an 18% increase in passenger numbers, higher load factors, strong cost and yield performance with ex-fuel unit cost down 3% and unit revenue up 3% year-on-year. These outcomes delivered a record net profit of €372 million. We are particularly pleased to report expanding net profit margin while delivering industry leading growth rates in an operating environment of higher fuel prices.

Wizz Air is the lowest cost producer in the industry in Europe and the largest airline in the growing CEE market, making us a long-term structural winner in the aviation sector. We will continue to enhance our market-leading position with the roll out of the game-changing, attractively priced and financed A321 neo aircraft which will enable Wizz Air to continue widening our cost advantage over our competitors."

Commenting on business developments and sustainability initiatives, Mr Váradi added:

"Wizz Air announced some exciting business developments in the first half including a purchase order for 20 Airbus A321XLR aircraft taking our committed fleet order to 268 aircraft. These industry-leading, cost efficient aircraft will allow us to connect even more airports within our wide and diverse network. We were also proud to be named "The Best Low Cost Carrier of the Year" at the European Aviation Awards; an accolade which is a credit to the entire Wizz team.

Not content with being Europe's lowest cost airline, Wizz Air is also proud to be Europe's greenest airline, as defined by CO2 emissions per passenger kilometre. This existing leadership position is reinforced by our commitment to further reducing our CO2 emissions per passenger kilometre by 30 percent by 2030 as we continue to introduce the ultra-efficient A321neo, which we operate with high seat count and high load factors.

In addition to our environmental efforts, Wizz Air has a well-developed Sustainability Framework covering the social and environmental pillars of this important part of being a responsible corporate citizen. The detail of this framework can be found on our website https://wizzair.com/en-gb/information-and-services/about-us/sustainability. An important part of this is our commitment to gender diversity and we are proud to confirm that there is zero pay gap between genders in similar roles within Wizz Air. We have also recently committed to driving the recruitment of women in our pilot ranks and will provide details of this initiative in the coming months."

On current trading and the outlook for the full year, Mr Váradi said:

"On the back of a strong first half we will be accelerating second half growth to 22%. Notwithstanding this faster pace of growth and the genuine macro-economic challenges which always exist, the more recent supporting market conditions mean we are seeing our business tracking towards the top end of our current net profit guidance range which gives us confidence to tighten the range to between €335 million and €350 million for the full year."

FULL YEAR FY20 GUIDANCE

The stronger yield environment, along with the Company's ever disciplined attitude to costs, will enable Wizz Air to accelerate growth profitably during the second half. As a result the Company's full year net profits guidance is tightened to €335 to €350 million. The table below sets out the components of the Company's full year outlook.

	2020 Financial Year	Previously
Capacity growth (ASKs)	+20%	
Average stage length	Moderate increase	
Load Factor	+ 1%	
Fuel CASK	+ 7%	
Ex-fuel CASK (including net interest expense)	Slightly negative	Broadly flat
Total CASK	+ 2%	
RASK	Slightly positive	
Tax rate	4%	
Net profit	€335 - €350 million	€320 - €350 million

ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 119 Airbus A320 and Airbus A321 aircraft, and offers more than 710 routes from 25 bases, connecting 151 destinations across 44 countries. At Wizz Air, a team of more than 4,500 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of over 37 million passengers in the past 12 months. 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 recently received the highest 7-star safety rating by airlineratings.com, the world's only safety and product rating agency, and was recently named 2017 - European Airline of the Year by Aviation 100, a renowned annual publication that recognizes the year's most outstanding performers in the aerospace industry.

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H1 FINANCIAL REVIEW

In the first half, Wizz Air carried 22.1 million passengers, a 17.9% increase compared to the same period in the previous year, and generated revenues of €1,670.8 million, 21.7% higher than last year. These growth rates compare to capacity growth measured in terms of ASKs of 18.5% and additional seats of 16.6%. The load factor increased from 93.6% to 94.6%.

The profit for the first half was €371.5 million, 87.1% higher than the profit of €198.5 million in the same period of 2018.

Summary statement of comprehensive income (unaudited)

For the six months ended 30 September

Continuing operations	2019 € million	2018 (IFRS 16 restated) € million	Change
Passenger ticket revenue	**956.6**	858.6	11.4%
Ancillary revenue	**714.2**	514.4	38.8%
Total revenue	**1,670.8**	1,373.0	21.7%
Staff costs	**(118.4)**	(98.6)	20.0%
Fuel costs	**(436.2)**	(349.5)	24.8%
Distribution and marketing costs	**(24.4)**	(21.0)	16.2%
Maintenance materials and repair costs	**(85.5)**	(63.7)	34.2%
Airport, handling and en-route charges	**(357.7)**	(300.5)	19.0%
Depreciation and amortisation	**(194.6)**	(169.9)	14.5%
Other expenses	**(39.4)**	(34.0)	15.9%
Total operating expenses	**(1,256.2)**	(1,037.2)	21.1%
Operating profit	**414.6**	335.8	23.5%
Financial income	**23.7**	1.0	
Financial expenses	**(47.5)**	(46.5)	
Net foreign exchange loss	**(2.8)**	(87.4)	
Net financing expense	**(26.7)**	(133.0)	
Profit before income tax	**387.9**	202.8	
Income tax expense	**(16.4)**	(2.2)	
Profit from continuing operation	**371.5**	200.6	85.2%
Loss from discontinued operation	**-**	(2.1)	
Profit for the period	**371.5**	198.5	87.1%

Revenue

Passenger ticket revenue increased 11.4% to €956.6 million and ancillary income (or "non-ticket" revenue) increased by 38.8% to €714.2 million. Total revenue per ASK (RASK) increased by 2.7% to 4.39 Euro cents.

Average revenue per passenger was €75.6 during the first half, an increase of 3.3% versus 2018. Average ticket revenue per passenger decreased from €45.8 in H1 2018 to €43.3 in H1 2019, €2.5 or 5.5% lower than last year, while average ancillary revenue per passenger increased from €27.4 in H1 2018 to €32.3 in H1 2019, an increase of €4.9 or 17.8%. The decrease in ticket revenue was driven by the high growth rate of the company which required ultra-low fares to stimulate traffic, while the increase in ancillary revenue per passenger was driven by last year's change of Wizz Air's cabin bag policy and better conversion of value-added services.

Operating expenses

Operating expenses for the first half increased by 21.1% to €1,256.2 million from €1,037.2 million in H1 2018 broadly in line with the growth of the business in the period. Total cost per ASK (CASK) decreased by 0.2% to 3.36 Euro cents in H1 2019 from 3.37 Euro cents in H1 2018. CASK excluding fuel expenses decreased by 2.8% to 2.22 Euro cents in H1 compared to 2.28 Euro cents in H1 2018.

Staff costs increased by 20% to €118.3 million in H1 2019, up from €98.6 million in H1 2018, reflecting the growth in capacity.

Fuel expenses increased by 24.8% to €436.2 million in H1 2019, up from €349.5 million in the same period of 2018. The increase was driven by the growth of the Company and higher average fuel prices. The average fuel price (including hedging impact and into-plane premium) paid by Wizz Air in the first half was US$730.3 per tonne, an increase of 1.8% from US$717.1 in the same period in 2018.

Distribution and marketing costs rose 16.2% to €24.4 million from €21.0 million in the first half of 2018, in line with capacity growth.

Maintenance, materials and repair costs increased by 34.2% to €85.5 million in H1 2019 from €63.7 million in H1 2018, driven by the timing of certain maintenance events.

Airport, handling and en-route charges increased 19.0% to €357.7 million in the first half of 2019 versus €300.5 million in the same period of 2018. The increase was primarily due to 14.6% growth in the number of flights with 17.9% more passengers and a 1ppt increase in load factor.

Depreciation and amortisation charges were higher by 14.5% at €194.6 million in the first half, up from €169.9 million in the same period in 2018.

Net other expenses increased 15.9% to €39.4 million in the first half from €34.0 million in the same period in 2018.

Financial income increased to €23.7 million in the first half from €1.0 million in the same period in 2018. The introduction of IFRS16 on 1 April 2019 and the requirement to recognise our US dollar lease liabilities on balance sheet has enabled the Company to convert the majority of its cash balances from euros to US dollars to act as a natural foreign currency hedge against exchange rate fluctuations. US dollar interest rates were notably higher than euro interest rates in the period and therefore the Company earned more interest income on its cash balances.

Financial expenses increased to €47.5 million in the first half from €46.5 million in the same period in 2018. Financial expenses predominately arise from interest charges related to lease liabilities under IFRS 16.

Net foreign exchange loss decreased to €2.8 million in the first half from €87.4 million in the same period in 2018. The large majority of the loss in 2018 was an unrealised loss as the Company applied the 'full retrospective' method of adopting IFRS 16, see notes 7 and 11 to the financial statements for further information.

Taxation
The Group recorded an income tax expense of €16.4 million in the period compared to €2.2 million in the same period in 2018. The Company benefited from one-time adjustments and credits in 2018 that were not repeated in 2019. The main components of the income tax charge are local business tax and innovation tax paid in Hungary, and corporate income tax paid in Switzerland.

Second Quarter Performance
In the three months to 30 September 2019 ("Q2" or "second quarter"), Wizz Air carried 11.7 million passengers, a 15.8% increase compared to the same period in the previous year, and generated revenues of €979.6 million, a growth of 19.2%. These growth rates compare to capacity growth measured in terms of ASKs of 17.2%.The load factor increased from 95.0% to 95.5%. The profit for the second quarter was €299.1 million, 30.7% higher than the profit of €228.8 million in the same period of 2018. This equates to a 2.5 percentage point increase in the net profit margin from 28.0% (for continuing operations) to 30.5%.

OTHER INFORMATION

1. Cash
Total cash at the end of the first half increased by 36.1% to €1,819.2 million versus September 2018. Of the total cash €1,633.3 million is free cash which increased by 41.2% versus September 2018. Cash and cash equivalents comprise bank balances on current accounts and on deposit accounts that are readily convertible into cash without there being significant risk of a change in value to the Company. Some of the deposits mature within 3-12 months of inception, the balance of which was €796 million (in original currency: $870 million) at 30 September 2019.

2. Restatement of F19 H1 Comparatives
The Group adopted IFRS 16, 'Leases' effective from 1 April 2019 and applied the 'full retrospective' method of transition; as a result, the comparative half-year period has been restated under IFRS 16. Key information in relation to the application of IFRS 16 by the Group is provided in Note 3 to the financial statements. The impact of the restatement on the comparative period is presented in Note 7 to the financial statements.

In October 2018 the Group decided to cease its online tour operator business effective from 31 December 2018. This business has historically been presented as a separate operating segment of the Group. Following the closure of the business it has been classified as a "discontinued operation" under IFRS 5. Accordingly, the income statement for F19 H1 is presented net of the revenues and expenses of the discontinued operation. The continuing operation revenues and expenses for F19 H1 correspond to what a year ago was presented as the Airline business segment for the same period. (See Note 6 to the financial statements for more detail on the discontinued operation.)

Net foreign exchange loss adjustment
The 'full retrospective' method of transition of IFRS 16 requires the Company to revalue its US dollar lease liabilities from 1 April 2018 to 30 September 2018; this revaluation resulted in a foreign exchange loss of €85.5 million as the US dollar strengthened versus the euro during this period. The Company implemented a new risk management strategy from 1 April 2019 to match the notional US dollar monetary lease liabilities with offsetting US dollar monetary assets, thereby mitigating this risk. As this new risk was technically only created from the date of adoption (i.e. 1 April 2019) hedging for a prior period was neither possible nor practical, as the US dollar liability did not exist.
Excluding the impact of net foreign exchange loss (most of which related to the retrospective FX revaluation under IFRS 16) the profit (from continuing operations) for the prior period was €288.0 million.

3. 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% of its projected US dollar and jet fuel requirements for the next twelve months and 40% for the next 18 months. Wizz Air also hedges the British pound, its largest non-euro revenue currency, against the euro 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 British pound exposure on a rolling twelve-month basis.

Details of the current hedging positions (as of 7 November 2019) are set out below:

FX hedge coverage

Euro/US dollar

Period covered	**FY20 5 months**	FY21 12 months
Exposure (million)	$297	$921
Hedge coverage (million)	$187	$248
Hedge coverage for the period	63%	35%
Weighted average ceiling	$1.19	$1.17
Weighted average floor	$1.15	$1.13

Euro/British pound

Period covered	**FY20 5 months**
Exposure (million)	£64
Hedge coverage (million)	£32
Hedge coverage for the period	50%
Weighted average floor	0.85
Weighted average ceiling	0.91

The US dollar related exposures, as presented above, exclude the planned future cash flows from leases. Following the adoption of IFRS 16, the FX exposure from leases arises through the revaluation of the lease liability recognised on the statement of financial position. The Group has FX hedges (forward contracts) in place to maintain the balance of US dollar denominated financial assets and liabilities. See more details in Note 4 to the financial statements.

Fuel hedge coverage

Period covered	**FY20 5 months**	FY21 12 months
Exposure in metric tons ('000)	478	1,449
Coverage in metric tons ('000)	381	760
Hedge coverage for the period	80%	52%
Blended capped rate (per metric ton)	$689	$655
Blended floor rate (per metric ton)	$629	$597

Sensitivities

- Pre-hedging, a one cent movement in the euro/US dollar exchange rate impacts operating expenses by €2.5 million for the remainder of the 2020 financial year.
- Pre-hedging, a one penny movement in the euro/British pound exchange rate impacts operating expenses by €0.9 million for the remainder of the 2020 financial year.
- Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts fuel costs by $4.8 million for the remainder of the 2020 financial year.

4. Fully diluted share capital

The figure of 127,284,452 should be used for the Company's theoretical fully diluted number of shares as at 30 September 2019. This figure comprises 72,810,545 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 30 September 2019 (excluding any Ordinary Shares that would be issued in respect of accrued but unpaid interest on that date) and 396,689 new Ordinary Shares which may be issued upon exercise of vested but unexercised employee share options.

5. 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 six months ended 30 September

	2019	2018	Change
Capacity			
Number of aircraft at end of period	**119**	104	14.4%
Equivalent aircraft	**114.7**	100.3	14.3%
Utilisation (block hours per aircraft per day)	**13.37**	13.10	2.1%
Total block hours	**280,663**	240,471	16.7%
Total flight hours	**245,132**	209,668	16.9%
Revenue departures	**117,460**	102,516	14.6%
Average departures per day per aircraft	**5.60**	5.58	0.2%
Seat capacity	**23,362,404**	20,028,800	16.6%
Average aircraft stage length (km)	**1,630**	1,605	1.6%
Total ASKs ('000 km)	**38,089,461**	32,154,783	18.5%
Operating data			
RPKs ('000 km)	**36,118,855**	30,110,896	20.0%
Load factor	**94.6%**	93.6%	1.0ppt
Number of passenger segments	**22,104,157**	18,754,948	17.9%
Fuel price (average US$ per ton, including hedging impact and into-plane premium)	**730**	717	1.8%
Foreign exchange rate (average US$/€, including hedging impact)	**1.17**	1.19	-1.7%

CASK

For the six months ended 30 September

	2019 *Euro cents*	2018 *Euro cents*	Change *Euro cents*
Fuel costs	**1.15**	1.09	0.06
Staff costs	**0.31**	0.31	0.00
Distribution and marketing	**0.06**	0.07	0.00
Maintenance, materials and repairs	**0.22**	0.20	0.03
Airport, handling and en-route charges	**0.94**	0.93	0.00
Depreciation and amortisation	**0.51**	0.53	(0.02)
Net other expenses	**0.10**	0.11	0.00
Net cost from financial expenses and financial income	**0.06**	0.14	(0.08)
Total CASK	**3.36**	3.37	(0.01)
Total ex-fuel CASK	**2.22**	2.28	(0.06)

CASK: cost per ASK, where cost is defined as operating expenses and financial expenses net of financial income.

Ex-fuel CASK: cost per ASK, where cost is defined as operating expenses and financial expenses net of fuel expenses and financial income.

The definition of 'cost' applied in the CASK measures until the 2019 financial year was based only on operating expenses. Financial income and expenses are now incorporated into the definition of cost because following the adoption of IFRS 16 this results in a more appropriate measure of cost development for the company. The CASK measures for the prior period shown in this report were restated to the current definition.

For the definition of certain other technical terms used in this document, including some non-GAAP financial measures, please refer to our annual report for the financial year ended 31 March 2019, particularly on page 26.

Definition and reconciliation of other non-statutory financial performance measures

‘Earnings before interest, tax, depreciation and amortisation’ (EBITDA) is profit (or loss) before net financing costs (or gain), income tax expense (or credit), depreciation and amortisation.

€ million	**2019**	2018 (restated)
Operating profit	**414.6**	335.8
Depreciation and amortisation	**194.6**	169.9
EBITDA	**609.1**	505.7

‘Net profit excluding foreign currency loss’ is profit after tax excluding the amount of net foreign exchange result in the period.

€ million	**2019**	2018 (restated)
Profit after tax	**371.5**	200.6
Net foreign exchange result (loss)	**2.8**	87.4
Net profit excluding foreign currency loss	**374.2**	288.0

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 2019, 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 28 to 32 of our annual report for the financial year ended 31 March 2019, available at corporate.wizzair.com.

This announcement includes inside information.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

For the half year ended 30 September 2019 (unaudited)

	Note	**Six months ended 30 Sep 2019 € million**	Six months ended 30 Sep 2018 (restated*) € million
Passenger ticket revenue	8,9	**956.6**	858.6
Ancillary revenue	8,9	**714.2**	514.4
Revenue from contracts with customers	8,9	**1,670.8**	1,373.0
Staff costs		**(118.4)**	(98.6)
Fuel costs		**(436.2)**	(349.5)
Distribution and marketing		**(24.4)**	(21.0)
Maintenance materials and repairs		**(85.5)**	(63.7)
Airport, handling and en-route charges		**(357.7)**	(300.5)
Depreciation and amortisation		**(194.6)**	(169.9)
Net other expenses		**(39.4)**	(34.0)
Total operating expenses		**(1,256.2)**	(1,037.2)
Operating profit	10	**414.6**	335.8
Financial income	11	**23.7**	1.0
Financial expenses	11	**(47.5)**	(46.5)
Net foreign exchange loss	11	**(2.8)**	(87.4)
Net financing expense	11	**(26.7)**	(133.0)
Profit before income tax		**387.9**	202.8
Income tax expense	12	**(16.4)**	(2.2)
Profit for the period from continuing operations		**371.5**	200.6
Loss for the period from discontinued operations	6	**-**	(2.1)
Profit after tax for the period		**371.5**	198.5
Other comprehensive (expense)/income – items that may be subsequently reclassified to profit or loss			
Net movements in cash flow hedging reserve, net of tax		**(28.3)**	47.9
Currency translation differences		**0.5**	-
Other comprehensive (expense)/income for the period, net of tax		**(27.8)**	47.9
Total comprehensive income for the period		**343.7**	340.1
from continuing operations		**343.7**	342.2
from discontinued operations		**-**	(2.1)
Earnings per share from continuing operations (Euro/share)	13	**5.10**	2.76
Diluted earnings per share from continuing operations (Euro/share)	13	**2.93**	1.59
Earnings per share (Euro/share)	13	**5.10**	2.73
Diluted earnings per share (Euro/share)	13	**2.93**	1.57

* The Group adopted IFRS 16 on 1 April 2019 using the “full retrospective method” of transition. The prior period was restated – refer to Note 7 for more detail.

Condensed consolidated interim statement of financial position

As at 30 September 2019 (unaudited)

	Note	**30 Sep 2019 € million**	31 March 2019 € million (restated*)	30 Sep 2018** € million (restated*)
ASSETS				
Non-current assets				
Property, plant and equipment	14	**2,214.4**	2,067.0	2,065.1
Intangible assets		**23.1**	20.5	19.2
Restricted cash		**162.1**	165.8	157.0
Deferred tax assets		**3.6**	0.6	-
Derivative financial instruments		**1.5**	3.0	2.1
Trade and other receivables		**21.1**	18.2	24.8
Total non-current assets		**2,425.8**	2,275.0	2,268.1
Current assets				
Inventories		**53.3**	31.7	30.5
Trade and other receivables		**252.3**	267.8	241.0
Current tax prepaid		**-**	2.4	-
Derivative financial instruments		**17.2**	28.5	65.4
Restricted cash		**23.8**	23.1	22.4
Cash and cash equivalents		**1,633.3**	1,316.0	1,156.8
Total current assets		**1,979.9**	1,669.4	1,516.2
Total assets		**4,405.7**	3,944.4	3,784.3
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		**-**	-	-
Share premium		**379.1**	379.1	379.1
Reorganisation reserve		**(193.0)**	(193.0)	(193.0)
Equity part of convertible debt		**8.3**	8.3	8.3
Cash flow hedging reserve		**(15.8)**	12.5	66.6
Cumulated translation adjustments		**1.0**	0.5	-
Retained earnings		**1,390.6**	1,016.9	1,085.6
Total equity		**1,570.3**	1,224.3	1,346.7
Non-current liabilities				
Borrowings	16	**1,667.2**	1,578.1	1,427.2
Convertible debt		**26.5**	26.6	26.5
Deferred income		**15.5**	13.6	8.6
Deferred tax liabilities		**-**	-	1.2
Derivative financial instruments		**5.1**	1.5	-
Provisions for other liabilities and charges	15	**50.5**	45.9	67.6
Total non-current liabilities		**1,764.9**	1,665.7	1,531.2
Current liabilities				
Trade and other payables		**338.1**	302.1	322.9
Current tax liabilities		**10.6**	-	5.1
Borrowings	16	**324.0**	236.4	249.8
Convertible debt		**0.3**	0.2	0.3
Derivative financial instruments		**29.4**	17.3	-
Deferred income		**288.0**	395.1	226.0
Provisions for other liabilities and charges	15	**80.2**	103.3	102.3
Total current liabilities		**1,070.5**	1,054.4	906.4
Total liabilities		**2,835.4**	2,720.1	2,437.6
Total equity and liabilities		**4,405.7**	3,944.4	3,784.3

* The Group adopted IFRS 16 on 1 April 2019 using the "full retrospective method" of transition. The prior period was restated – refer to Note 7 for more detail.
** Voluntary disclosure.

Condensed consolidated interim statement of changes in equity

For the half year ended 30 September 2018 (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 2018 (as stated before*)	**-**	**379.1**	**(193.0)**	**8.3**	**18.7**	**1,025.6**	**1,238.8**
IFRS 16 adjustment**	-	-	-	-	-	(140.0)	(140.0)
Balance at 1 April 2018 (restated)	-	**379.1**	**(193.0)**	**8.3**	**18.7**	**885.6**	**1,098.8**
Comprehensive income							
Profit for the period (restated)	-	-	-	-	-	198.5	198.5
Other comprehensive income							
Hedging reserve	-	-	-	-	47.9	-	47.9
Total other comprehensive income (restated)	-	-	-	-	47.9	-	47.9
Total comprehensive income (restated)	**-**	**-**	**-**	**-**	**47.9**	**198.5**	**246.4**
Transactions with owners							
Share based payment charge	-	-	-	-	-	1.4	1.4
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**1.4**	**1.4**
Balance at 30 September 2018 (restated)	**-**	**379.1**	**(193.0)**	**8.3**	**66.6**	**1,085.6**	**1,346.7**

For the half year ended 30 September 2019 (unaudited)

	Share capital € million	Share premium € million	Reorganisation reserve € million	Equity part of convertible debt € million	Cash flow hedging reserve € million	Cumulated translation adjustment € million	Retained earnings € million	Total equity € million
Balance at 1 April 2019 (as stated before)	**-**	**379.1**	**(193.0)**	**8.3**	**12.5**	**0.5**	**1,320.2**	**1,527.7**
IFRS 16 adjustment**	-	-	-	-	-	-	(303.3)	(303.3)
Balance at 1 April 2019 (restated)	**-**	**379.1**	**(193.0)**	**8.3**	**12.5**	**0.5**	**1,016.9**	**1,224.4**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	371.5	371.5
Other comprehensive income								
Hedging reserve	-	-	-	-	(28.3)	-	-	(28.3)
Currency translation differences	-	-	-	-	-	0.5	-	0.5
Total other comprehensive income	-	-	-	-	(28.3)	0.5	-	(27.8)
Total comprehensive income	**-**	**-**	**-**	**-**	**(28.3)**	**0.5**	**371.5**	**343.7**
Transactions with owners								
Share based payment charge	-	-	-	-	-	-	2.2	2.2
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**2.2**	**2.2**
Balance at 30 September 2019	**-**	**379.1**	**(193.0)**	**8.3**	**(15.8)**	**1.0**	**1,390.6**	**1,570.3**

* Following the restatement under IFRS 15 of the opening retained earnings balance of the year ended 31 March 2019

** The Group adopted IFRS 16 on 1 April 2019 (date of initial application). Due to using the "full retrospective method" of transition the financial year ending 31 March 2019 was restated, and the date of transition to IFRS 16 was 1 April 2018. The impact of the transition to IFRS 16 was a reduction in retained earnings (net of tax) of €140.0 million for the 1 April 2018 balances and €306.2 million for the 1 April 2019 balances. For more details, refer to Note 7.

Condensed consolidated interim statement of cash flows

For the half year ended 30 September 2019 (unaudited)

	Six months ended 30 Sep 2019 € million	Six months ended 30 Sep 2018 (restated*) € million
Cash flows from operating activities		
Profit before income tax	**387.9**	200.8
Adjustments for:		
Depreciation	**191.4**	167.5
Amortisation	**3.3**	3.3
Financial income	**(16.0)**	(9.3)
Financial expenses	**50.4**	138.7
Other non-cash expense	**-**	1.3
Share based payment charges	**2.2**	1.4
	619.2	503.6
Changes in working capital (excluding the effects of exchange differences on consolidation)		
(Increase)/decrease in trade and other receivables	**23.7**	(40.6)
(Increase)/decrease in restricted cash	**10.8**	(15.7)
Increase in deferred interest	**-**	(0.6)
Increase in inventory	**(21.6)**	(8.9)
Increase in provisions	**5.9**	6.7
Increase in trade and other payables	**50.6**	83.7
Decrease in deferred income	**(105.2)**	(80.9)
Cash generated by operating activities before tax	**583.3**	447.4
Income tax paid	**(6.3)**	(5.1)
Net cash generated by operating activities	**577.0**	442.3
Cash flows from investing activities		
Purchase of aircraft maintenance assets	**(72.5)**	(54.8)
Purchases of tangible and intangible assets	**(193.4)**	(41.2)
Advances paid for aircraft	**(89.3)**	-
Refund of advances paid for aircraft	**73.1**	-
Interest received	**23.3**	0.7
Net cash used in investing activities	**(258.8)**	(95.4)
Cash flows from financing activities		
Proceeds from new loan	**197.5**	-
Interest paid	**(46.8)**	(45.7)
Repayment of loans	**(150.1)**	(123.7)
Net cash received from/(used in) financing activities	**0.7**	(169.4)
Net increase in cash and cash equivalents	**318.9**	177.5
Cash and cash equivalents at the beginning of the year	**1,316.0**	979.6
Effect of exchange rate fluctuations on cash and cash equivalents	**(1.5)**	(0.2)
Cash and cash equivalents at the end of the year	**1,633.3**	1,156.8

* The Group adopted IFRS 16 on 1 April 2019 using the "full retrospective method" of transition. The prior period was restated – refer to Note 7 for more detail.

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 interim financial information presents the financial track record of the Group for the six-month periods ended 30 September 2018 and 30 September 2019. This condensed consolidated interim 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 2019, 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 2019 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 2019, together with the Independent Auditors' Report, have been filed with the Jersey Financial Services Commission and are also available on the Company's website (wizzair.com). The Independent Auditors' 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 it 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 2019, save for the changes explained below.

The preparation of condensed consolidated interim financial information requires management to make judgments, 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 judgments 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 2019, 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.

Cash and cash equivalents comprise bank balances on current accounts and on deposit accounts that are readily convertible into cash without there being significant risk of a change in value to the Company. Some of the deposits mature within 3-12 months of inception, the balance of which was €796 million (in original currency: $870 million) at 30 September 2019.

Adoption of IFRS 16 'Leases'
The Group adopted IFRS 16, 'Leases' ('the Standard') as of 1 April 2019 (date of initial application).

Introduction:
IFRS 16 addresses the classification, measurement and recognition of leases with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The Standard supersedes IAS 17, 'Leases'.
The Group leases most of its aircraft and spare engines under operating leases (and until the date of initial application it leased all of its aircraft); therefore, IFRS 16 materially impacts the Group's financial statements. Other than aircraft and spare engines the Group has only a few operating leases related to offices, flight training simulator building (and earlier also equipment), and maintenance hangar.

Transition:
The Group chose the full retrospective method of transition, as per the Standard. This means that leases existing at the date of transition were recalculated as if the Standard had been applied from their inception. The exception from this rule set by the Standard is that sale and leaseback transactions incurred before transition are not re-assessed. Instead, on the date of transition the balance of deferred credits existing at that date, coming from previous sale and leaseback transactions, was transferred into right-of-use assets.

The financial statements for the financial year starting 1 April 2018 (that is therefore the 'date of transition') are restated. The cumulative impact of the Standard until 1 April 2018 is recognised in the opening (1 April 2018) retained earnings balance.

Practical expedients and other accounting policy choices:

- The Group elected to use the following practical expedients permitted by the Standard:
- lease payments associated with short-term leases (contracts with a duration of 12 months or less) and with leases for which the underlying asset is of low value are recognised on a straight-line basis over the lease term;
- did not reassess whether a contract that the Group entered into before the date of initial application was a lease or contained a lease – that is, IFRS 16 has only been applied to contracts that were previously classified as leases;
- when applying the Standard retrospectively, excluded the initial direct costs from the measurement of the right-of-use asset.

The Group does not apply the Standard to leases of intangible assets.

The Group chose to treat compensations expected to be payable to lessors, either in the form of recurring maintenance reserve payments or compensation payable at lease end, as ‘non-lease components’ under the Standard. These payments are therefore not included in the measurement of the lease liability.

Sale and leaseback transactions after transition:

The existing aircraft and spare engine lease contracts were all entered into by the Group through sale and leaseback transactions. Most of these contracts do not include a repurchase option for Wizz Air. On such contracts, where sale proceeds received are judged to reflect the aircraft’s fair value, the gain or loss arising on the disposal is recognised in the income statement to the extent that it relates to the rights that have been transferred to the lessor, while the gain or loss that relates to the rights that have been retained by the Group are included in the carrying amount of the right of use asset recognised at commencement of the lease.

Among the sale and leaseback contracts some include a repurchase option for Wizz Air. These leases relate to some of the aircraft that arrived after 1 April 2019 and are commonly referred to as JOLCO (special Japanese tax lease) contracts. Such contracts do not meet the definition of a sale under IFRS 15 Revenue from Contracts with Customers, and therefore are not accounted for as a lease contract under IFRS 16. As a result, the treatment of such contracts for Wizz Air (as the lessee) is to (i) retain the asset as PP&E (as if there was no sale at all) and (ii) recognise a liability under IFRS 9 (as if the sale proceeds received from the lessor were receipts from debt financing).

Foreign exchange:

The lease liability (being a monetary liability) is regularly revalued to reflect the changes in currency exchange rates where the currency of the future lease payments differs from the functional currency of the legal entity having the lease liability. In this respect currently the relevant currency pairs for the Group are the US Dollar to Euro and the US Dollar to British Pound, as most future payments under the aircraft lease contracts of the Group are defined in US Dollar while the functional currency of Wizz Air Hungary Ltd. is the Euro and of Wizz Air UK Limited is the British Pound.

The EUR/USD FX rate was 1.23 on the date of transition and 1.12 on the date of initial application. As a result, a significant foreign exchange loss coming from the revaluation of the lease liability was recognised in the restatement of the 2019 financial year (see in Notes 7 and 11). Going forward, from 1 April 2019, the Group is managing this exposure with natural offset and by the use of derivative financial instruments (see in Note 3).

The initial value of right-of-use assets, where applicable, is determined using historic Fx rates. These are non-monetary assets and are not revalued during their life.

Discount rate:

The Group is not able to readily determine the interest rate implicit in its lease contracts, therefore the Group applied its incremental borrowing rate for discounting lease liabilities, as required by para 26 of the Standard. The incremental borrowing rate, in turn, was determined with reference to the market rate of interest observable on financial instruments with appropriate value, term, and currency, and adjusted, as required, to reflect risks specific to the leased asset as well as the risk specific to the entity in the Group leasing the asset. These rates have been calculated for each identified asset, reflecting the underlying lease terms and based on observable inputs. The discount rates are in a range of 2.07% to 2.81% for EUR and 3.63% to 23.37% for USD leasing contracts.

Right-of-use assets and depreciation:

With respect to depreciation, the requirements of IAS 16 Property, Plant and Equipment are applicable also to the right-of-use assets recognised under IFRS 16. Therefore, in case of aircraft and spare engines, component accounting is required for the right-of-use assets, similar to that applicable to owned aircraft or spare engine assets. The right-of-use assets associated with aircraft and spare engine lease contracts are split into asset components on the basis of value proportions that could be observed on an owned aircraft of the same type and age.

The useful economic life of the asset components that represent the maintenance condition of the aircraft and of its key components is estimated to last until the respective aircraft component does not any longer meet the return conditions defined in the lease contract (at which point the lease-related asset component is derecognised and a maintenance asset is recognised – see also below). The useful economic life of the residual asset component (that is not related to the maintenance condition of the underlying asset) is the lease term.

The asset components related to maintenance condition are depreciated either straight line or based on usage, depending on their nature.

Maintenance accounting:
The Group's policy for heavy maintenance accounting for aircraft and spare engines held under operating lease agreements is not impacted by IFRS 16. The maintenance assets that are recognised when the respective aircraft component does not any longer meet the return condition defined in the lease contract are also right-of-use assets. The Group continues to recognise asset restoration costs as part of its maintenance accounting policy, applying IAS 37 Provisions, and to present the respective assets as maintenance assets.

4. Financial risk management
There was no change in the risk management policies of the Group since the year end save for the change explained below.

A new type of foreign currency exposure was created for the Group by the adoption of IFRS 16 (see also Note 3). The lease liability recognised under IFRS 16 is a monetary liability and most of the future lease payments of the Group behind this liability are denominated in US Dollar. The periodic revaluation of this liability against the Euro and the British Pound (GBP) (being the functional currencies of the legal entities in which such balances are recognised), if not managed, could result in very significant foreign exchange gains and losses, and hence in significant volatility to earnings for the Group.

The Group, starting from 1 April 2019 is mitigating these exposures through the implementation of the following risk measures: (i) conversion of Euro bank deposits into US Dollar deposits, thus creating a US Dollar monetary asset offsetting part of the lease liability; and (ii) the entry into Euro/US Dollar FX forwards to cover the residual risk. The amount of such new deposits was US$1,235 million and the notional amount of the FX instruments was US$676 million at the beginning of April 2019, altogether creating the required coverage of US$1,911 million. From April 2019 the balance of the FX forward contracts is being actively managed on a roll-forward basis to cover the estimated future net US Dollar liability with respect to the Euro and the GBP, as applicable.

Hedge transactions during the periods
The Group uses non-derivatives, zero-cost collar and outright forward contract instruments to hedge its foreign exchange exposures and uses zero-cost collar instruments to hedge its jet fuel exposures. The time horizon of the hedging programme with derivatives is usually up to 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 2019: US$1,547.0 million (six months ended 30 September 2018: US$411.0 million).

b) Foreign exchange hedge (GBP versus EUR)
Six months ended 30 September 2019: GBP 16.1 million (six months ended 30 September 2018: nil).

c) Foreign exchange hedge (USD versus GBP)
Six months ended 30 September 2019: USD$1,056.0 million (six months ended 30 September 2018: nil).

d) Fuel hedge
Six months ended 30 September 2019: 504,000 metric tonnes (six months ended 30 September 2018: 423,000 metric tonnes).

The significant increase in USD FX hedges compared to the prior period is caused by the introduction of FX forward contracts from April 2019 to manage the IFRS 16 related FX exposure (as explained above).

The gains and losses arising from the expired hedge transactions during the period were as follows:

a) Foreign exchange hedge (USD versus EUR)
Zero-cost collar instruments:
Six months ended 30 September 2019: €17.4 million gain (six months ended 30 September 2018: €7.1 million gain). The €17.4 million gain in 2019 was on fuel cost. Out of the €7.1 million gain in 2018, €4.3 million gain was on fuel cost; the rest of the gain (€2.8 million) was originally recognised within lease rental expenses but after the restatement to IFRS 16 it is part of net foreign exchange gains/losses.
Forward contracts:
Six months ended 30 September 2019: €3.5 million gain recognised within financial income (related to the forward point element of the hedges) and €1.0 million loss recognised within net foreign exchange gains/losses (related to the spot-to-spot element of the hedges) (six months ended 30 September 2018: nil).

b) Foreign exchange hedge (GBP versus EUR)
Zero-cost collar instruments:
Six months ended 30 September 2019: €0.3 million loss recognised within revenue (six months ended 30 September 2018: nil).

c) Foreign exchange hedge (USD versus GBP)
Forward contracts:
Six months ended 30 September 2019: €0.6 million gain recognised within financial income (related to the forward point element of the hedges) and €3.2 million gain recognised within net foreign exchange gains/losses (related to the spot-to-spot element of the hedges) (six months ended 30 September 2018: nil).

d) Fuel hedge
Six months ended 30 September 2019: €4.2 million loss (six months ended 30 September 2018: €37.3 million gain) recognised within fuel cost.

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 €16.7 million gain as at 30 September 2019 (31 March 2019: €18.0 million gain) recognised within other comprehensive income and assets (€16.9 million at 30 September 2019 and €19.7 million at 31 March 2019) or liabilities (€0.2 million at 30 September 2019 and €1.7 million at 31 March 2019). The €16.7 million gain can be analysed further into €18.9 million intrinsic value gain and €2.2 million time value loss components. All of the €16.7 million gain was related to zero-cost collar instruments.

The notional amount of the open positions at 30 September 2019 was:
- US$440.0 million on EUR/USD zero-cost collar instruments (31 March 2019: US$463.0 million),
- US$60.0 million on EUR/USD forward contracts (31 March 2019: US$676.0 million)
- nil on GBP/EUR zero-cost collar instruments (31 March 2019: £24.1 million) and
- US$125.0 million on GBP/USD forward contracts (31 March 2019: nil).

b) Foreign exchange hedge with non-derivatives
Non-derivatives are existing financial assets that hedge highly probable foreign currency cash flows in the future and therefore act as a natural hedge. At the end of the period out of its non-derivative financial assets the Group had US$5.1 million designated for hedge accounting (31 March 2019: US$6.7 million). This amount is part of trade and other receivables on the consolidated statement of financial position.

c) Fuel hedge
The fair value of the open positions was a €32.6 million loss as at 30 September 2019 (31 March 2019: €5.3 million loss) recognised within other comprehensive income, assets (€1.7 million at 30 September 2019 and €11.8 million at 31 March 2019) or liabilities (€34.3 at 30 September 2019 and €17.1 million at 31 March 2019). The €32.6 million loss can be analysed further into €10.4 million intrinsic value and €22.2 million time value components.

The notional amount of the open positions was 1,167,000 metric tonnes as at 30 September 2019 (31 March 2019: 712,000 metric tonnes).

In relation to these open hedge positions the cash flows will occur and the hedge relationships will impact the statement of comprehensive income during the six months ending 31 March 2020 and the year ending 31 March 2021, respectively.
The Company had only cash flow hedges in the period. The amounts removed from equity during the period were all recycled to the statement of comprehensive income.
During the period the Group realised €28.3 million loss (six months ended 30 September 2018: €47.9 million gain) in other comprehensive income in relation to changes in fair value of cash flow hedge open positions.

Hedge effectiveness
During the period covered by these financial statements, based on the evaluation of the Group, the hedging transactions did not give rise to material ineffectiveness under IFRS 9. In the opinion of management, during the period none of the hedge counterparties had a material change in their credit status that would have influenced the effectiveness of the hedging transactions.

Fair value estimation
The Group classifies its financial instruments based on the technique used for determining fair value into the following categories:

Level 1: Fair value is determined based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is determined based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value is determined based on inputs that are not based on observable market data (that is, on unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 September 2019.

	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Assets				
Derivative financial instruments	-	18.7	-	18.7
	-	18.7	-	18.7
Liabilities				
Derivative financial instruments	-	34.5	-	34.5
	-	34.5	-	34.5

5. Critical estimates and judgments made in applying the Group's accounting policies

During the adoption and the ongoing application of IFRS 16 the following critical judgments and estimates were made by the Group:

- Judgment: The Group takes the view that, as a lessee, it is not able to readily determine the interest rate implicit in its lease contracts. Therefore it applies its incremental borrowing rate for discounting future lease payments.
- Estimate: The Group does not currently have external debt through which its incremental borrowing rate could be observed. The incremental borrowing rate of the Group is at any point in time determined by taking into account the risk-free rate of return (that on the financial markets is applied for debt with similar characteristics), the assumed credit rating of the Group (this is for historic periods when it was not available from rating agencies) and estimating the risk premium associated with that credit rating.
- Estimate: The right-of-use assets associated with aircraft and spare engine lease contracts are split into asset components on the basis of value proportions that could be observed on an owned aircraft of the same type and age. The useful economic life of the asset components that represent the maintenance condition of the aircraft and of its key components is estimated to last until the respective aircraft component does not any longer meet the return conditions defined in the lease contract.

For other critical estimates and judgments not related to IFRS 16 please refer to Note 4 in the 2019 annual report of the Group.

6. Discontinued operation

In October 2018 the Group decided to cease its online tour operator business and thus the activity of Wizz Tours Kft. effective from 31 December 2018. This business was in the past presented as a separate operating segment of the Group (see Note 8) and for the purposes of the current financial statements was classified as discontinued operation under IFRS 5.

The results of the discontinued operation are presented as a single profit or loss figure in the statement of comprehensive income. This figure was nil in 2019. The 2018 statement of comprehensive income was re-presented accordingly, which impacted revenues and certain expense lines.

The other financial statements include balances and cash flows for the full Group, including those of the discontinued operation. The financial information relating to the discontinued operation is set below:

	Six months ended 30 Sep 2019 € million	Six months ended 30 Sep 2018 € million
Revenue	**-**	6.1
Expenses	**-**	(8.2)
Loss before income tax	**-**	(2.1)
Income tax expense	-	-
Loss from discontinued operation	**-**	(2.1)
Other comprehensive income/(expense) – items that may be subsequently reclassified to profit or loss:		
Other comprehensive income/(expense) for the year, net of tax from discontinued operation	**-**	-
Total comprehensive expense for the period from discontinued operation	**-**	(2.1)

Earnings per share for the discontinued operation was antidilutive and for this reason it is not being disclosed.

	Six months ended 30 Sep 2019 € million	Six months ended 30 Sep 2018 € million
Net cash generated by operating activities	**-**	0.1
Net cash used in investing activities	**-**	(0.3)
Net cash from financing activities	**-**	5.0
Net increase in cash and cash equivalents generated by the discontinued operation	-	4.8
Cash and cash equivalents at the beginning of the period	-	0.7
Cash and cash equivalents at the end of the period	-	5.5

7. Prior period adjustments/restatements

The Group adopted IFRS 16 on 1 April 2019 (the date of initial application) using the "full retrospective method" of transition. The financial statements for the year ended 31 March 2019, and within this for the half year ended 30 September 2018, were re-stated to IFRS 16.

The impact of IFRS 16 on equity was explained earlier in the Consolidated statement of changes in equity. Retained earnings on the transition (1 April 2018) were decreased by €140.0 million, offset by other changes on the 1 April 2018 Consolidated statement of financial position as follows:

	Balance at 31 March 2018 € million	Impact of restatement € million	Balance at 1 April 2018 As restated € million
Property, plant and equipment	684.5	1,155.9	1,840.4
Deferred interest (current and non-current)	3.6	(3.6)	-
Trade and other receivables (current and non-current)	239.1	(16.6)	222.5
Retained earnings	1,025.6	(140.0)	885.6
Deferred income (current and non-current)	437.4	(120.8)	316.6
Borrowings (current and non-current)	5.3	1,396.5	1,401.8

The Consolidated statement of financial position at 31 March 2019 has been restated as follows:

	Balance at 31 March 2019 As previously stated € million	Impact of restatement € million	Balance at 31 March 2019 As restated € million
Property, plant and equipment	659.3	1,407.6	2,067.0
Deferred tax assets	0.1	0.5	0.6
Deferred interest non-current	2.3	(2.3)	-
Trade and other receivables non-current	17.0	1.2	18.2
Trade and other receivables current	287.3	(19.5)	267.8
Deferred interest current	0.6	(0.6)	-
Retained earnings	1,320.2	(303.3)	1,016.9
Borrowings non-current	2.1	1,576.0	1,578.1
Deferred income non-current	104.2	(90.6)	13.6
Deferred tax liabilities	2.2	(2.2)	-
Trade and other payables	306.4	(4.3)	302.1
Borrowings current	0.1	236.3	236.4
Deferred income current	420.0	(24.9)	395.1

The Consolidated statement of financial position at 30 September 2018 has been restated as follows:

	Balance at 30 September 2018 As previously stated € million	Impact of restatement € million	Balance at 30 September 2018 As restated € million
Property, plant and equipment	738.2	1,326.9	2,065.1
Deferred interest non-current	2.9	(2.9)	-
Trade and other receivables non-current	23.2	1.6	24.8
Trade and other receivables current	261.4	(20.3)	241.0
Deferred interest current	0.8	(0.8)	-
Retained earnings	1,319.2	(233.7)	1,085.6
Borrowings non-current	4.4	1,422.8	1,427.2
Deferred income non-current	109.5	(100.9)	8.6
Deferred tax liabilities	2.3	(1.0)	1.2
Trade and other payables	330.1	(7.2)	322.9
Borrowings current	0.6	249.2	249.8
Deferred income current	250.7	(24.7)	226.0

The Consolidated statement of comprehensive income for the half year ended 30 September 2018 has been restated as follows:

	Six months ended 30 September 2018 As previously stated € million	Impact of restatement € million	Six months ended 30 September 2018 As restated € million
Maintenance materials and repairs	(56.8)	(6.9)	(63.7)
Aircraft rentals	(157.1)	157.1	-
Depreciation and amortisation	(48.8)	(121.1)	(169.9)
Other expenses	(39.9)	5.9	(34.0)
Financial expenses	(2.4)	(44.1)	(46.5)
Net foreign exchange loss	(1.9)	(85.5)	(87.4)
Income tax expense	(3.3)	1.0	(2.2)
Profit for the period from continuing operation	294.3	(93.7)	200.6
Profit for the period	292.2	(93.7)	198.5

The Consolidated statement of cash flows for the half year ended 30 September 2018 has been restated as follows:

	Six months ended 30 September 2018 As previously stated € million	Impact of restatement € million	Six months ended 30 September 2018 As restated € million
Profit before tax	295.5	(94.7)	200.8
Adjustment for depreciation	46.4	121.1	167.5
Adjustment for financial income	(3.0)	(6.3)	(9.3)
Adjustment for financial expense	4.3	134.4	138.7
Adjustment for other non-cash expense	0.1	1.2	1.3
Impact of change in deferred interest	(0.1)	(0.5)	(0.6)
Impact of change in deferred income	(93.2)	12.3	(80.9)
Interest paid	(1.6)	(44.1)	(45.7)
Repayment of loans	(0.3)	(123.4)	(123.7)

8. Segment information

Reportable segment information

The Group had two reportable segments: the airline and the tour operator business units, marketed under the Wizz Air and Wizz Tours brand names, respectively. In October 2018 the Group decided to cease operating Wizz Tours Kft. as of 31 December 2018. Following this closure (i) the Group has only one reportable segment being its entire route network; (ii) all segment revenue is derived wholly from external customers and, as the Group has a single reportable segment, inter-segment revenue is zero.

Six months ended 30 September 2019

	Airline € million	**Tour operator € million**	**Group € million**
Total revenue	**1,670.8**	**-**	**1,670.8**
Less: inter-segment revenue	**-**	**-**	**-**
Revenue from external customers	**1,670.8**	**-**	**1,670.8**
Total operating expenses	**(1,256.3)**	**-**	**(1,256.3)**
Less: inter-segment expenses	**-**	**-**	**-**
Operating expenses from third parties	**(1,256.3)**	**-**	**(1,256.3)**
Operating profit/(loss)	**414.5**	**-**	**414.5**
Profit/(loss) after tax	**371.5**	**-**	**371.5**

Six months ended 30 September 2018

	Airline (restated) € million	Tour operator € million	Group (restated) € million
Total revenue	1,373.0	11.4	1,384.4
Less: inter-segment revenue	(5.3)	-	(5.3)
Revenue from external customers	1,367.7	11.4	1,379.1
Total operating expenses	1,037.2	13.4	1,050.6
Less: inter-segment expenses	-	(5.3)	(5.3)
Operating expenses from third parties	1,037.2	8.1	1,045.3
Operating profit/(loss)	335.8	(2.0)	333.8
Profit/(loss) after tax	200.6	(2.1)	198.5

Financial income, financial expenses, depreciation and amortisation, and income tax expenses reported for the Group in the period and in the prior period are all related to the airline business. There were no material non-cash items in the period or in the prior 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 2019 € million	Six months ended 30 Sep 2018 € million
Airline passenger ticket revenue	**956.6**	858.6
Airline ancillary revenues	**714.2**	514.4
Total revenue from external customers	**1,670.8**	1,373.0

These categories are non-GAAP categories meaning that they are not necessarily distinct from the point of view of their nature and the risks associated to them; however management believes that these categories provide clarity over the revenue profile of the Group to the readers of the financial statements and are in line with airline industry practice. The categories as per the definition of IFRS 15 are disclosed in Note 9.

Airline ancillary revenues arise mainly from baggage charges, booking/payment handling fees, airport check-in fees, fees for various convenience services (e.g. priority boarding, extended legroom and reserved seat), loyalty programme 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.

Geographic areas

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

	Six months ended 30 Sep 2019 € million	Six months ended 30 Sep 2018 € million
Jersey (country of domicile)	**-**	-
EU	**1,450.8**	1,203.3
Other (non-EU)	**220.0**	169.6
Total revenue from external customers	**1,670.8**	1,373.0

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

9. Revenue

The split of total revenue presented in the statement of profit or loss and other comprehensive income, being passenger ticket revenue and ancillary revenue, is a non-GAAP measure. The Group decided not to change the presentation (disaggregation) of revenue to that defined under IFRS 15. The existing presentation is considered relevant for the users of the financial statements because (i) it mirrors disclosures presented outside of the financial statements and (ii) it is regularly reviewed by the chief operating decision maker for evaluating the financial performance of the operating segments.

Revenue from contracts with customers can be disaggregated as follows based on IFRS 15. These categories represent revenues that are distinct from nature, risk and timing point of view:

	Six months ended 30 Sep 2019 € million	Six months ended 30 Sep 2018 € million
Revenue from contracts with passengers	**1,656.0**	1,361.0
Revenue from contracts with other partners	**14.8**	12.0
Total revenue from contracts with customers	**1,670.8**	1,373.0

The contract assets reported as part of trade and other receivables amounted to €1.6 million and the contract liabilities reported as part of deferred income were €288.0 million as at 30 September 2019.

10. Operating profit

Leases recognised in the statement of profit or loss

The statement of profit or loss includes the following amounts relating to leased assets accounted for under IFRS 16:

	Six months ended 30 Sep 2019 € million	Six months ended 30 Sep 2018 (restated) € million
Aircraft and spares	**140.4**	120.9
Other right-of-use assets	**1.1**	0.2
Depreciation charge for right-of-use assets	**141.5**	121.1
Interest expense (included in finance cost)	**44.8**	44.1
Net gains arising from sale and leaseback transactions (included in net other expenses)	**(3.7)**	(5.7)

Other right-of-use assets include leased buildings and simulator equipment.

The total cash outflow for leases in the period was €182.5 million (2018: €163.5 million).

11. Net financing income and expense

	Six months ended 30 Sep 2019 € million	Six months ended 30 Sep 2018 (restated) € million
Interest income	**23.7**	1.0
Financial income	**23.7**	1.0
Interest expense		
Convertible debt	**(1.0)**	(1.0)
Leases	**(45.1)**	(44.3)
Other	**(1.4)**	(1.2)
Financial expenses	**(47.5)**	(46.5)
Foreign exchange (loss)/gain		
Realised	**(1.1)**	(3.2)
Unrealised	**3.9**	(84.2)
Net foreign exchange loss	**(2.8)**	(87.4)
Net financing expense	**(26.7)**	(133.0)

Interest expense related to leases includes interest computed both on lease liabilities under IFRS 16 and on other lease-related borrowings (JOLCO aircraft lease contracts).

The €84.2 million unrealised FX loss in 2018 was primarily from the revaluation of the lease liability under IFRS 16 (as restated), caused by the strengthening of the USD versus the EUR in the period.

12. Income tax expense

The income tax charge for the six months ended 30 September 2019 was €16.4 million (30 September 2018: €2.2 million). The main components of the income tax charge are local business tax and innovation tax paid in Hungary and corporate income tax paid in Switzerland.

The tax charge for the interim period was calculated under IAS 34, by applying the effective tax rate estimated for the financial year ending 31 March 2019 to the pre-tax earnings of the interim period. The estimated average annual effective income tax rate of the Group for the financial year is 4.2% (prior year: 1.1%).

13. Earnings per share

Basic earnings per share

	Six months ended 30 Sep 2019	Six months ended 30 Sep 2018 (restated)
Profit for the half year from continuing operation(€ million)	**371.5**	200.6
Profit for the half year (€ million)	**371.5**	198.5
Weighted average number of Ordinary Shares in issue (thousands)	**72,795**	72,748
Basic earnings per share from continuing operation (€)	**5.10**	2.76
Basic earnings per share (€)	**5.10**	2.73

There were also 29,830,503 Convertible Shares in issue at 30 September 2019 (30 September 2018: 29,830,503). 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 2019	Six months ended 30 Sep 2018 (restated)
Profit for the half year from continuing operation (€ million)	**371.5**	200.6
Profit for the half year (€ million)	**371.5**	198.5
Interest expense on convertible debt (net of tax) (€ million)	**1.0**	1.0
Profit used to determine diluted earnings per share from continuing operation (€ million)	**372.5**	201.6
Profit used to determine diluted earnings per share (€ million)	**372.5**	198.5
Weighted average number of Ordinary Shares in issue (thousands)	**72,795**	72,748
Adjustment for assumed conversion of convertible instruments (thousands)	**54,433**	54,336
Weighted average number of shares for diluted earnings per share (thousands)	**127,228**	127,084
Diluted earnings per share from continuing operation (€)	**2.93**	1.59
Diluted earnings per share (€)	**2.93**	1.57

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

14. Property, plant and equipment

	Land and buildings € million	Aircraft maintenance assets € million	Aircraft parts € million	Fixtures and fittings € million	Aircraft assets € million	Advances paid for aircraft € million	Advances paid for aircraft maintenance assets € million	RoU assets aircraft and spares € million	RoU assets other € million	Total € million
Cost										
At 1 April 2018 (restated)	0.7	351.1	64.3	12.5	-	331.2	103.6	1,884.2	11.1	2,758.7
Additions	-	26.0	54.1	8.0	-	111.3	26.4	291.9	-	517.7
Disposals	-	(6.7)	(23.1)	-	-	(102.7)	-	(69.4)	-	(201.9)
Transfers	-	20.9	-	-	-	-	(20.9)	-	-	-
At 30 September 2018 (restated)	0.7	391.3	95.3	20.5	-	339.8	109.1	2,106.7	11.1	3,074.5
At 31 March 2019 (restated)	17.9	414.3	74.1	8.3	-	259.9	138.6	2,286.0	7.9	3,207.0
Additions	0.2	14.6	6.1	1.4	178.4	19.6	32.6	86.9	3.1	342.9
Disposals	-	(13.6)	0.6	(0.1)	-	(3.4)	-	(14.9)	-	(31.4)
Transfers	-	21.8	-	-	-	-	(21.8)	-	-	-
At 30 September 2019	18.1	437.1	80.8	9.6	178.4	276.1	149.4	2,358.0	11.0	3,518.5
Accumulated depreciation										
At 1 April 2018 (restated)	2.8	160.3	20.6	4.2	-	-	-	729.5	0.9	918.3
Depreciation charge for the period	0.3	40.6	5.0	0.2	-	-	-	120.9	0.2	167.2
Disposals	-	(6.7)	-	-	-	-	-	(69.4)	-	(76.1)
At 30 September 2018 (restated)	3.1	194.2	25.6	4.4	-	-	-	781.0	1.1	1,009.4
At 31 March 2019 (restated)	1.6	223.7	26.3	4.8	-	-	-	882.1	1.4	1,139.9
Depreciation charge for the period	0.6	43.2	4.2	0.4	2.1	-	-	140.4	1.1	192.0
Disposals	(0.7)	(12.1)	-	(0.1)	-	-	-	(14.9)	-	(27.8)
At 30 September 2019	**1.5**	**254.8**	**30.5**	**5.1**	**2.1**	**-**	**-**	**1,007.6**	**2.5**	**1,304.1**
Net book amount										
At 1 April 2018 (restated)	(2.1)	190.8	43.7	8.3	-	331.2	103.6	1,154.7	10.2	1,840.4
At 30 September 2018 (restated)	(2.4)	197.1	69.7	16.1	-	339.8	109.1	1,325.7	10.0	2,065.1
At 31 March 2019 (restated)	16.3	190.6	47.8	3.5	-	259.9	138.6	1,403.9	6.5	2,067.0
At 30 September 2019	**16.6**	**182.3**	**50.3**	**4.5**	**176.3**	**276.1**	**149.4**	**1,350.4**	**8.5**	**2,214.4**

Aircraft assets relate to aircraft leased under special Japanese tax lease contracts (‘JOLCO’) as part of sale and leaseback arrangements that under IFRS 16 are not classified as leases.

Other RoU (right-of-use) assets include leased buildings and simulator equipment.

15. Provisions for other liabilities and charges

	Aircraft maintenance € million	Other € million	Total € million
At 1 April 2018	150.7	7.8	158.5
Capitalised within property, plant and equipment	26.5	-	26.5
Charged to comprehensive income	-	9.7	9.7
Used during the period	(21.9)	(2.9)	(24.8)
At 30 September 2018	155.3	14.6	169.9
At 31 March 2019	138.3	10.9	149.2
Capitalised within property, plant and equipment	21.0	-	21.0
Charged to comprehensive income	-	13.9	13.9
Used during the period	(45.5)	(7.9)	(53.4)
At 30 September 2019	**113.8**	**16.9**	**130.7**
Non-current provisions	50.5	-	50.5
Current provisions	63.3	16.9	80.2

Aircraft maintenance provisions relate to future aircraft maintenance obligations of the Group on leased aircraft and spare engines. Other provisions relate to future liabilities (i) under the Group's customer loyalty programme and (ii) in relation to compensation expected to be payable under EU legislation to passengers impacted by operational disruptions ("EU261 compensations").

16. Borrowings

	30 Sep 2019 € million	31 March 2019 (restated) € million
Lease liability under IFRS 16	**314.2**	236.4
Liability related to JOLCO contracts	**9.8**	-
Total current borrowings	**324.0**	236.4
Lease liability under IFRS 16	**1,479.5**	1,578.1
Liability related to JOLCO contracts	**187.7**	-
Total non-current borrowings	**1,667.2**	1,578.1
Total borrowings	**1,991.2**	1,814.5

Reconciliation of the opening lease liability balance to operating lease commitments previously disclosed:

	€ million
Operating lease commitments disclosed as at 31 March 2019	2,550.1
Finance lease liabilities recognised as at 31 March 2019 under IAS 17	2.3
Effect of discounting under IFRS 16	(372.4)
Value of lease commitments with contract signed but service not started	(327.9)
Contract for the lease of intangible asset	(37.6)
Lease liability recognised as at 1 April 2019	**1,814.5**
Non-current lease liabilities	1,578.1
Current lease liabilities	236.4

The maturity profile of borrowings as at 30 September 2019 is as follows:

	IFRS 16 liability Aircraft & spares € million	IFRS 16 liability Other € million	Other borrowings (JOLCO) € million	Total borrowings € million
Payments due:				
Within one year	313.3	0.9	9.8	324.0
Between one and five years	1,038.3	2.2	42.5	1,083.0
In more than five years	432.7	6.2	145.2	584.2
Total	1,784.3	9.3	197.5	1,991.2

17. Capital commitments

At 30 September the Group had the following capital commitments:

a) a commitment to purchase 270 Airbus aircraft of the A320 family in the period 2019–2026.
Of the 270 aircraft 250 relate to the “neo” version of the A320 family (104 from the purchase orders placed in June 2015 and 146 from the purchase order placed in November 2017), while the remaining 20 relate to the “neo XLR” version (from the purchase order placed in June 2019). The total commitment is valued at US$33.6 billion (€30.7 billion) at list prices in 2018 US Dollar terms (as at 31 March 2019: US$31.9 billion (€28.4 billion), valued at 2018 list prices). As at the date of approval of this document 4 of the 270 aircraft are covered by sale and leaseback agreements; and

b) a commitment to purchase 39 IAE “neo” (GTF) spare aircraft engines in the period 2019–2026.
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 (of which two were received in the 2019 financial year). In September 2019 the Group restated and amended this engine selection agreement with certain other commitments including a purchase of additional 25 spare engines until 2026. The total commitment is valued at US$598.0 million (€546.9 million) at list prices in 2019 US Dollar terms (as at March 2019: US$218.8 million (€195.2 million), valued at 2019 list prices). As at the date of approval of this document the 39 engines are not yet financed.

18. Contingent liabilities

The Group has certain contingent liabilities in relation to European Commission state aid investigations and to legal claims initiated by Carpatair. These matters were explained in Note 34 in the 2019 annual report of the Group and there have been no significant developments in these cases since then.

No provision has been made by the Group in relation to these cases because there is currently no reason to believe that the Group will incur charges from these cases.

19. 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’.

20. Related parties

The Group has related party relationships with Indigo and its key management personnel (Directors and Officers).

There were no related party transactions in the period ended 30 September 2019 that materially affected the financial position or the performance of the Group during that period and there were no changes to the related party positions described in the 2019 annual report that could have a material effect on the financial position or performance of the Group in the same period.

21. 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 2019 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 2019 and any material changes in the related party transactions described in the last Annual report and accounts 2019.

The Directors of Wizz Air Holdings Plc are listed in the Annual report and accounts 2019. There have been no changes since the date of publication. 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 13 November 2019 and signed on its behalf by:

József Váradi
Director

INDEPENDENT REVIEW REPORT TO WIZZ AIR HOLDINGS PLC

Report on the condensed consolidated interim financial information

Our conclusion

We have reviewed Wizz Air Holdings plc’s condensed consolidated interim financial information (the “interim financial statements”) in the condensed consolidated interim financial report of Wizz Air Holdings plc for the 6 month period ended 30 September 2019 (the “half-yearly report”). 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 Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated interim statement of financial position as at 30 September 2019;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the period then ended;
- 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 half-yearly report have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2 to the interim financial statements, 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 half-yearly report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly 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 Guidance and Transparency Rules sourcebook 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, 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 half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
13 November 2019

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.