WIZZ AIR ON TRACK TO DELIVER FULL YEAR CAPACITY GROWTH OF 20% UNDERLYING NET PROFIT GUIDANCE LOWERED TO A RANGE OF BETWEEN €225M AND €235M FOR THE FULL YEAR

LSE: WIZZ

Geneva, 1 February 2017: Wizz Air Holdings Plc ("Wizz Air" or "the Company"), the largest low-cost airline in Central and Eastern Europe ("CEE"), today issues unaudited results for the three months to 31 December 2016 ("third quarter" or "Q3") for the Company as a whole, and separately for its airline ("Airline") and tour operator ("Wizz Tours") business units[1].

Three months to 31 December	2016 (million)	2015 (million)	Change
Passengers carried	**5.7**	4.7	+20.1%
Revenue (€)	**341.1**	310.5	+9.9%
EBITDAR (€)	**89.2**	74.5	+19.8%
EBITDAR margin (%)	**26.1**	24.0	+2.2ppt
Profit before income tax (€)	**33.1**	16.2	+104.2%
Profit for the period (IFRS)[2] (€)	**32.5**	15.6	+107.8%
Profit margin for the period (IFRS) (%)	**9.5**	5.0	+4.5ppt
Underlying profit after tax[3] (€)	**13.5**	17.2	-21.5%
Underlying profit after tax margin (%)	**3.9**	5.5	-1.6ppt

PROFITABLE Q3 AND STRONG BALANCE SHEET

- Total revenue increased 9.9% to €341.1 million:
  - Ticket revenues increased 2.5% to €191.8 million.
  - Ancillary revenues grew 21.0% to €149.4 million.
- Reported net profit for the period (IFRS) was a record €32.5 million in Q3, a year on year increase of 107.8%.
- Underlying net profit for the period was €13.5 million in Q3, a year on year decrease of 21.5%.
- Total cash at the end of December 2016 was €892.0 million of which €746.8 million was free cash.

AIRLINE AND WIZZ TOURS

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

- ***Airline:*** Q3 performance:
  - Total unit revenue declined 9.4% to 3.31 euro cents per available seat kilometre (ASK).
  - Total unit costs fell by 7.0% to 3.16 euro cents per ASK.
  - Ex-fuel unit costs were unchanged at 2.29 euro cents per ASK.
  - Fuel unit costs fell by 21.5% to 0.87 euro cents per ASK.
  - Reported net profit margin increased 4.6ppt to 9.6%.
  - Underlying net profit margin fell 1.6ppt to 4.0%.
- ***Wizz Tours:*** Q3 package holiday revenues of €3.7 million, a year on year increase of 306%.

LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 20.1% to 5.7 million securing Wizz Air's position as CEE's leading low cost carrier.
- Network has continued to grow with the announcement of the Company's 27th base in Varna (Bulgaria) opening in July 2017.
- Wizz Air started operating 26 new routes in Q3 and now offers more than 500 routes to/from 40 countries from 27 bases.
- Fleet increased to 74 aircraft with the addition of one A321 aircraft, the fleet mix was 63 A320s and 11 A321s.
- Average aircraft age of 4.4 years, one of the youngest fleets of any major European airline.
- Wizz Discount Club membership exceeded 1.1 million by the end of Q3, year-on-year growth of 59%.

DEVELOPMENTS DURING THE THIRD QUARTER

- Wizz Air was awarded a four year concession by the Hungarian government to connect Hungary to Macedonia, Albania, Kosovo, Montenegro and Bosnia & Hercegovina. Flights are on sale and start operating in April 2017.
- Customer offering broadened with the launch of a new fare category called "WIZZ Go".
- Finalised the financing for three new Airbus A320 CEO and seven new Airbus A321 CEO aircraft being delivered in 2017 and 2018. With this Wizz Air secures its fleet requirements until 2018 when Wizz Air's fleet will reach a significant and important milestone of 100 aircraft. From January 2019 Wizz Air will start taking delivery of Airbus A320 NEO family aircraft.

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

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

[3] A reconciliation between underlying (non-GAAP) and IFRS profit for the year is set out on page 4

József Váradi, Wizz Air Chief Executive said:

"I'm pleased to report another quarter of profitable growth increasing passenger numbers by 20% year-on-year to 5.7 million in the third quarter. Wizz Air remains on track to strengthen its position during 2017 financial year through continued growth in our core markets and expansion of our network. We expect to grow capacity in terms of ASKs at 20% for the current financial year which is at the higher end of our previous guidance of 18% - 20%. And the current environment of very low fares and increasing fuel prices presents excellent trading conditions for Wizz Air to continue securing its market leadership position while maintaining industry leading profitability. Our ultra-low cost model is being reinforced with a delivery stream of brand new A321 aircraft which deliver double digit cost savings compared to A320 aircraft. By March 2018 Wizz Air will be operating 26 A321 aircraft – representing a third of the airline's seat capacity - which will give us a clear cost advantage versus most of our rivals. This winning formula leaves Wizz Air well placed to continue to deliver significant growth and returns for our shareholders.

Although the current financial year is looking like a very good year for Wizz Air and we remain excited about our prospects for the next financial year, lower fuel prices continue to feed through to lower airfares, and this downward trend looks likely to continue well into 2017. Also, our operations this winter have been disrupted by unusually severe weather conditions in CEE. As a result, management believes it is prudent to trim the company's guidance for net profit for the full year from the existing range of between €245 - €255 million to a range of between €225 - €235 million."

FULL YEAR OUTLOOK

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

	2017 Financial Year	Comment	Change / Previous
Capacity growth (ASKs)	+ 20 %	-	Between 18% – 20%
Average stage length	+ 2 %	-	No change
Load Factor	Modest improvement	-	No change
Fuel CASK	- 20 %	Assumes Q4 spot rate of $515/MT	No change
Ex-fuel CASK	- 1 %	Assumes Q4 spot rate of €/$1.07	No change
Total CASK	- 7 %	-	No change
RASK	Down high single digit	Pass through of lower fuel prices	No change
Tax rate	6 %	-	No change
Net profit	Between €225 - 235 million*	-	Between €245 - 255 million

*The Company estimates the negative impact relating to operational disruptions at €5 million, an adverse macro effect of €5 million and weaker than expected fare environment of €10 million in the fourth quarter of the current financial year.

ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 75 Airbus A320 and Airbus A321 aircraft, and offers more than 500 routes from 27 bases, connecting 135 destinations across 40 countries. At Wizz Air, a team of approximately 3,000 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of 23 million passengers in the financial year ended 31 March 2016. Wizz Air is listed on the London Stock Exchange under the ticker WIZZ and is included in the FTSE 250 and FTSE All-Share Indices. Wizz Air is registered under the International Air Transport Association (IATA), Operational Safety Audit (IOSA), the global benchmark in airline safety recognition. The company was recently named 2016 Value Airline of the Year by the editors of Air Transport World, one of the leading airline trade magazines, as well as 2016 Low Cost Airline of the Year by the Center for Aviation (CAPA), a leading provider of independent aviation market intelligence.

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Q3 GROUP FINANCIAL REVIEW

In the third quarter, Wizz Air carried 5.7 million passengers, a 20.1% increase compared to the same period in the previous year, and generated revenues of €341.1 million, growth of 9.9%. These growth rates compare to capacity growth measured in terms of ASKs of 20.8% and additional seats of 16.9%. The load factor increased from 85.7% to 88.1%.

The profit for the third quarter was €32.5 million, 107.8% higher than the profit of €15.6 million in the same period of 2015. The increase represents a 4.5 percentage point rise in the profit margin (IFRS) from 5.0% to 9.5%. The increase in profits was caused primarily by changes in the time value of hedges, resulting in €17.6 million gain in Q3 2016 compared to €4.1 million loss in Q3 2015.

Underlying profit after tax for the third quarter was €13.5 million, 21.5% lower than the same period last year of €17.2 million. The decrease represents a 1.6 percentage point fall in the underlying after tax profit margin from 5.5% to 3.9%.

Consolidated statement of comprehensive income (unaudited)

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

Continuing operations	Airline 2016 € million	Wizz Tours 2016 € million	Consolidation Adjustment € million	Group 2016 € million	Group 2015 € million	Change in Group Results
Passenger ticket revenue	190.5	1.2		191.8	187.1	2.5%
Ancillary revenue	148.8	2.4	(1.9)	149.4	123.4	21.0%
Total revenue	**339.3**	**3.7**	**(1.9)**	**341.1**	310.5	9.9%
Staff costs	28.0	0.1		28.0	25.9	8.4%
Fuel costs	89.1			89.1	94.0	-5.2%
Distribution and marketing	6.6	0.1		6.7	5.8	15.6%
Maintenance materials and repairs	21.0			21.0	17.9	17.4%
Aircraft rentals	58.9			58.9	45.7	28.9%
Airport, handling and en-route charges	94.9			94.9	81.7	16.1%
Depreciation and amortisation	14.7			14.7	7.3	102.5%
Other expenses	10.7	3.6	(1.9)	12.3	10.8	13.8%
Total operating expenses	**323.7**	**3.8**	**(1.9)**	**325.6**	289.0	12.7%
Operating profit	**15.6**	**(0.1)**		**15.5**	21.5	-27.7%
Financial income	0.2			0.2	0.1	
Financial expenses	0.1			0.1	(2.6)	
Net foreign exchange gain/(loss)	(0.2)			(0.2)	1.3	
Net exceptional financial income/(expense)	17.6			17.6	(4.1)	
Net financing income/(expense)	**17.6**			**17.6**	(5.3)	
Profit before income tax	**33.2**	**(0.1)**		**33.1**	16.2	104.3%
Income tax expense	(0.6)			(0.6)	(0.6)	
Profit for the period	**32.5**	**(0.1)**		**32.5**	15.6	107.8%

Note: The Group started its own tour operator activity in October 2015 - previously a third party tour operator partner sold the travel packages.

Airline revenues

Passenger ticket revenue increased 2.0% to €190.5 million and ancillary income (or "non-ticket" revenue) increased by 20.7% to €148.8 million. Total revenue per ASK (RASK) declined 9.4% to 3.31 euro cents from 3.65 euro cents in the same period of 2015 as lower fuel prices fed through to lower air fares.

Average revenue per passenger fell from €65.5 in Q3 2015 to €59.7 in Q3 2016, a decline of 8.9%. Average ticket revenue per passenger decreased from €39.4 in Q3 2015 to €33.5 in Q3 2016, a decline of 15.1%, while average ancillary revenue per passenger increased from €26.0 in Q3 2015 to €26.2 in Q3 2016, an increase of €0.2. For the purposes of this analysis, out of the total €1.9m intra-group revenue earned by the Airline, €1.2m was reclassified from ancillary revenue to ticket revenue.

Airline operating expenses

Operating expenses for the three months increased by 12.3% to €323.7 million from €288.2 million in Q3 2015. Cost per ASK (CASK) declined by 7.0% to 3.16 euro cents in Q3 2016 from 3.39 euro cents in Q3 2015. This CASK reduction was principally driven by a decrease in the average fuel price. Despite USD/EUR strengthening by 7.2% from $1.18 in Q3 2015 to $1.09 in Q3 2016, CASK excluding fuel expenses was unchanged at 2.29 euro cents in Q3 2016 (Q3 2015: 2.29 euro cents).

Staff costs increased by 7.2% to €28.0 million in Q3 2016, up from €26.1 million in Q3 2015 reflecting further improving efficiency when compared to growth in capacity.

Fuel expenses declined by 5.2% to €89.1 million in Q3 2016, down from €94.0 million in the same period of 2015. The major drivers of the decrease were the sharp 23% decrease in the price of fuel, offset by the growth in ASKs and the appreciation of the US dollar against the euro. The average fuel price (including hedging impact but excluding into-plane premium) paid by Wizz Air during the third quarter was US$463 per tonne, a decline of 25.9% from US$625 the same period in 2015.

Distribution and marketing costs rose 15.6% to €6.6 million from €5.7 million in the third quarter of 2015, mostly due to increase in volume, following the growth of the Airline.

Maintenance, materials and repair costs increased by 17.4% to €21.0 million in Q3 2016 from €17.9 million in Q3 2015. This cost increase was primarily a function of a fleet growth.

Aircraft rental costs rose 28.9% to €58.9 million in the third quarter, from €45.7 million in 2015. This increase was largely due to fleet growth (equivalent aircraft expanded 15.1%), a higher average lease rate for A321 aircraft and the stronger US dollar.

Airport, handling and en-route charges increased 16.1% to €94.9 million in the third quarter of 2016 versus €81.7 million in the same period of 2015. This category comprised €53.5 million of airport and handling fees and €41.4 million of en-route and navigation charges in Q3 2016 compared with €45.4 million of airport and handling fees and €36.3 million of en-route and navigation charges in Q3 2015. The cost increase was primarily due to 12.8% growth in the number of flights, a 20.1% rise in passenger numbers and a stage length increase of 3.3%.

Depreciation and amortisation charges rose by 102.6% to €14.7 million in the third quarter, up from €7.2 million in the same period in 2015 due to higher engine related maintenance and component depreciation.

Other expenses increased 6.6% to €10.7 million in the third quarter from €10.0 million in the same period in 2015. This increase was attributable to €3.3m higher customer compensation claims, a trend that is expected to continue across the industry.

Income tax expense was €0.6 million (2015: €0.6 million) giving an effective tax rate of 1.9% (2015: 3.5%). The main components of this charge are local business tax and innovation tax paid in Hungary and corporate income tax paid in Switzerland. The lower effective tax rate is caused by the significant gain in Q3 2016 on the time value of hedges that is not subject to tax.

Wizz Tours

Wizz Tours generates revenues by selling package holidays made up of flight tickets purchased from the Airline and hotel accommodation purchased from wholesalers (bedbanks). Revenues in the third quarter were €3.7 million and operating costs were €3.8 million.

Underlying profit (unaudited)

For the three months ended 31 December

	2016 € million	2015 € million
Profit for the period (IFRS)	**32.5**	15.6
Adjustments (exclusions):		
Unrealised foreign exchange (gain)	**(1.4)**	(2.5)
Net exceptional financial (income)/expense	**(17.6)**	4.1
Change in the time value of hedge positions, (gain)/loss	***(17.6)***	*4.1*
Sum of adjustments	**(19.0)**	1.5
Underlying profit after tax	**13.5**	17.2

OTHER INFORMATION

1. Cash, equity and leverage

Total cash at the end of the third quarter increased by 30.4% to €892.0 million versus 31 December 2015, of which over €746.8 million is free cash. Adjusted net debt to EBITDAR was at a ratio of 1.5 at the end of December 2016 after a ratio of 1.4 a year earlier. Shareholders' equity reached €996.3 million, an increase of €319.8 million versus 31 December 2015 and €45.8 million since 30 September 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 12 months and 40% for the next 18-months. Details of the current hedging positions (as of 20 January 2017) are set out below:

FX Hedge Coverage (Euro/US Dollar)

Period covered	F17 3 months	F18 12 months
Exposure (million)	$176	$829
Hedge Coverage (million)	$99	$357
Hedge Coverage for the period %	**56%**	**46%**
Weighted average floor	$1.08	$1.10
Weighted average ceiling	$1.12	$1.12

Fuel Hedge Coverage

Period covered	F17 3 months	F18 12 months
Exposure in metric tons ('000)	177	913
Coverage in metric tons ('000) – *Zero Cost Collars*	133	388
Hedge Coverage for the period %	**75%**	**42%**
Blended capped rate	$479	$519
Blended floor rate	$391	$472

3. Fully diluted share capital

The figure of 126,770,889 should be used for the Company's theoretical fully diluted number of shares as at 31 December 2016. This figure comprises 57,357,121 issued ordinary shares, 44,830,503 convertible shares, 24,246,715 new ordinary shares which would have been issued if the full principal of outstanding convertible notes had been fully converted on 31 December 2016 (excluding any ordinary shares that would be issued in respect of accrued but unpaid interest on that date) and 336,550 new ordinary shares which may be issued upon exercise of vested but unexercised employee share options.

4. EEA ownership

As at 3 January 2017 the Company understand that approximately 51 per cent of its ordinary shares of £0.0001 each ("Ordinary Shares") by Qualifying Nationals. Accordingly, in the announcement of 12 January 2017, the Company's Board of Directors have issued a reminder to Shareholders and potential investors to note that 49% is the 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 third country (whether or not such an undertaking is itself granted an operating license). A Non-Qualifying National is any person who is not a Qualifying National in accordance with the above definition. (http://corporate.wizzair.com/en-GB/investor_relations/news/press_releases)

KEY STATISTICS

For the three months ended 31 December

	2016	2015	Change
Capacity	74	65	13.8%
Number of aircraft at end of period			
Equivalent aircraft	73.26	63.67	15.1%
Utilisation (block hours per aircraft per day)	12.06	11.91	1.3%
Total block hours	81,308	69,795	16.5%
Total flight hours	70,581	60,480	16.7%
Revenue departures	34,535	30,608	12.8%
Average departures per day per aircraft	5.12	5.23	(1.9)%
Seat capacity	6,459,300	5,523,440	16.9%
Average aircraft stage length (km)	1,588	1,537	3.3%
Total ASKs ('000 km)	10,255,337	8,492,266	20.8%
Operating data			
RPKs ('000 km)	9,039,466	7,305,295	23.7%
Load factor	88.1%	85.7%	2.3ppt
Number of passenger segments	5,687,789	4,734,636	20.1%
Fuel price (average US$ per ton, including hedging impact and into-plane premium)	547	711	(23.1)%
Fuel price (average US$ per ton, including hedging impact but excluding into-plane premium)	463	625	(25.9)%
Foreign exchange rate (average US$/€, including hedging impact)	1.09	1.18	(7.2)%

CASK (for the Airline only)

*For the three months ended 31 December**

	2016 *euro cents*	2015 *euro cents*	Change *euro cents*
Fuel costs	0.87	1.11	(0.24)
Staff costs	0.27	0.31	(0.03)
Distribution and marketing	0.06	0.07	-
Maintenance, materials and repairs	0.20	0.21	(0.01)
Aircraft rentals	0.57	0.54	0.04
Airport, handling and en-route charges	0.93	0.96	(0.04)
Depreciation and amortisation	0.14	0.09	0.06
Other expenses	0.10	0.12	(0.01)
Total CASK	**3.16**	**3.39**	**(0.24)**
Total ex-fuel CASK	**2.29**	**2.29**	**-**

*Figures are rounded to 2 decimal places

FORWARD LOOKING STATEMENTS

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

This announcement includes inside information.