WIZZ AIR HOLDINGS PLC – RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2018

RECORD PROFITS ON 20% PASSENGER GROWTH IN H1 SIGNIFICANTLY INCREASING UNIT REVENUE IN H2 FY NET PROFIT GUIDANCE LOWERED TO €270M - €300M DUE TO HIGHER FUEL PRICES AND SUMMER DISRUPTIONS

LSE: WIZZ

Geneva, 7 November 2018: Wizz Air Holdings Plc ("Wizz Air" or "the Company"), the largest low-cost airline in Central and Eastern Europe ("CEE"), today issues unaudited results for the six months to 30 September 2018 ("first half" or "H1") for the Company as a whole, and separately for its airline ("Airline") and tour operator ("Wizz Tours") business units[1].

Six months to 30 September	**2018**	2017	Change
Passengers carried (million)	**18.8**	15.6	+20.0%
Revenue (€ million)	**1,379.1**	1,149.4	+20.0%
EBITDAR (€ million)	**505.5**	492.2	+2.7%
EBITDAR margin (%)	**36.7**	42.8	(6.2)ppt
Profit for the period (€ million)	**292.2**	288.6	+1.2%
Profit margin for the period (%)	**21.2**	25.1	(3.9)ppt
Ex-fuel CASK (€ cent)	**2.25**	2.22	+1.1%
CASK (€ cent)	**3.33**	3.13	+6.4%
RASK (€ cent)	**4.27**	4.27	0.0%
Cash and cash equivalents (€ million)	**1,156.8**	1,029.8	+12.3%
Load factor (%)	**93.6**	92.8	+0.8ppts

József Váradi, Wizz Air Chief Executive said:

"Wizz Air's unique combination of an industry-leading cost base and number one position in the growing CEE market makes us a structural winner. The arrival of game-changing, well-priced A321 NEO aircraft into our fleet in the fourth quarter, financed at very attractive levels, will enable Wizz Air to increase its cost advantage even further. We are delivering on our mission to be the undisputed cost leader among European LCCs, with market leading growth rates and one of the highest profit margins in the industry.

Our ultra-low cost business model provides a significant competitive advantage in an environment of higher fuel prices. As Wizz Air continues to drive its cost base even lower and profitably stimulate traffic, this advantage allows us to capture an even greater share of our market and extend our reach. We anticipate the capacity rationalisation resulting from this increased pressure on our competitors will result in a better yield environment.

On the back of the rising fuel price in the first half the Company has trimmed second half capacity growth to 14% (previously 18%) and as a result second half yields are responding well, tracking 7% higher than last year with load factors also higher.

The operating environment in the first half was particularly challenging for all European airlines with unprecedented disruptions caused by ATC strikes, slot constraints as well as heavily congested airports. These conditions also coincided with the Company's ramp up of our new UK airline, Wizz Air UK, and an extensive delivery program of 17 aircraft in 17 weeks. Our operations are now back on track with October and November KPIs ahead of last year.

We are starting to enjoy further cost improvements from our investment grade credit rated balance sheet with over €1.1 billion of free cash and the Company has recently signed letters of intent to finance 10 A321 NEO aircraft at rates significantly better than the Company's previous best deals.

The encouraging revenue environment, robust demand and an improved operational performance combined with our relentless focus on costs will enable the Company to offset approximately half of the fuel headwind which is estimated at around €80 million for the full year and disruption costs. As a result our full year net profit guidance is lowered to a range of between €270m and €300m".

STRONG YIELD OUTLOOK IN H2

Unit revenues per ASK in the second half are currently tracking +7% higher than last year with load factors higher by 1ppt. Unit revenues per seat (RpS) are tracking 8% higher than last year. This strong revenue performance is down to disciplined capacity management, robust demand across the Company's diversified network, the yoy effect of a change in the Company's carry-on bag policy taken in October 2017 and the introduction of a new carry-on bag policy on 1 November 2018. The Company will grow ASKs by 14% in the second half (Q3: 15%; Q4: 13%).

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

IMPROVING OPERATIONAL ENVIRONMENT

The Company has seen a significant improvement in the operating environment since the end of the summer period. On-time performance has recovered to 83% in October, which is 21ppts better than the low point of 62% in July. The first half of the financial year was particularly challenging with the Company having to cancel 251 flights. The Company has taken steps to address this level of disruptions and is seeing an improved performance with only 11 flights cancelled so far in the third quarter. The Company incurred an unusually high level of passenger disruption costs of €16.8 million in the first half compared to €8.6m in the previous year. Disruption costs normalised from the end of August in line with the improved operating performance.

FY20 EARLY COMMENTARY

Wizz Air is set to deliver another year of profitable growth in FY20 adding around 15% of additional seat to its markets. Our unit costs will start to enjoy the significant benefits of the A321 NEO aircraft and we will be operating 12 A321 NEO aircraft by the end of the financial year. These larger and well-priced aircraft operate game-changing technology that burn at least 16% less fuel compared to our existing technology and will deliver 20% lower unit costs when compared to the A320 CEO aircraft. The investment grade strength of the Wizz Air's balance sheet will deliver additional cost savings through lower ownership costs. The Company has recently signed letters of intent to finance 10 A321 NEO aircraft at significantly better rates than the Company's previous best deals. The Company has 256 NEO aircraft on order to be delivered over the next eight years, these deliveries when combined with an intensive programme of returning older CEO aircraft back to lessors means that the Company will very soon operate one of the most fuel efficient fleets in the world.

RECORD H1 PROFIT AND STRONG BALANCE SHEET

- Total revenue increased 20.0% to €1,379.1 million:
    - Ticket revenues increased 25.3% to €858.6 million.
    - Ancillary revenues grew 12.1% to €520.5 million.
- Profit for the period was a record €292.2 million in H1, a yoy increase of 1.2%.
- Profit for the second quarter was a record €242.3 million, yoy increase of 5.1%
- Higher fuel prices has created an estimated €80 million cost headwind for the full year of which half is expected to be offset through cost and capacity discipline.
- The lack of Easter traffic in FY19 is estimated at €20 million for the full year.
- The closure of Wizz Tours will have a €5m negative impact on full year net profit.
- Total cash at the end of September 2018 was €1,336.3 million, of which €1,156.9 million was free cash.

AIRLINE AND WIZZ TOURS

The segmented reporting details the H1 KPI performance of the Airline and Wizz Tours business units separately:

- ***Airline:***
    - Unit revenues were unchanged at 4.27 Euro cents per available seat kilometre (ASK).
    - Total unit costs increased by 6.4% to 3.33 Euro cents per ASK.
    - Ex-fuel unit costs increased by 1.1% to 2.25 Euro cents per ASK.
    - Fuel unit costs increased by 19.0% to 1.09 Euro cents per ASK.
- ***Wizz Tours:***
    - Wizz Tours will cease operations from 31 December 2018.
    - First half package holiday revenues were €11.4 million and the net loss was €2 million.
    - A similar level of loss will be recorded also in the second half, driven primarily by one-off closure costs.

LEADING POSITION IN CENTRAL AND EASTERN EUROPE

- Passengers carried increased 20.0% to 18.8 million, securing Wizz Air's position as CEE's leading low cost carrier.
- Wizz Air started 91 new routes in H1 and now offers more than 600 routes to 44 countries from 25 bases.
- Network has expanded to include two new countries of Austria and Estonia.
- Fleet has continued to grow with six new Airbus A321 and five new Airbus A320 aircraft added during H1 taking the fleet to 104 aircraft, a mix of 72 A320s and 32 A321s.
- Average aircraft age of 4.6 years, one of the youngest fleets of any major European airline.
- Wizz Discount Club membership increased by 20% to over 1.2 million at the end of H1.

BUSINESS DEVELOPMENTS AND INNOVATION

- Wizz Air has signed letters of intent to finance 10 A321 NEO deliveries at approximately 30% better rates than previous deals.
- SITA WorldTracer® service was introduced to speed up repatriating mishandled bags to passengers.
- The Wizz Air Pilot Academy programme was rolled out in Hungary; this follows the very successful launches of the programme in Poland, Bulgaria and Romania earlier in the year.

FULL YEAR FY19 GUIDANCE

The stronger yield environment, along with the Company's ever disciplined attitude to costs, will enable Wizz Air to offset approximately half of the estimated €80 million full year fuel headwind and disruption costs. As a result the Company's full year net profits guidance is revised lower to a range of between €270m and €300m.

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

	2019 financial year	Comment
Capacity growth (ASKs)	+ 17%	Previously +18%
Average stage length	Moderate increase	-
Load factor	+ 1 ppt	-
Fuel CASK	+ 22%	Fuel price of $710, €/$ of 1.14
Ex-fuel CASK	- 1%	-
Total CASK	+ 6%	Previously + 3%
RASK	+ 3.5%	Previously + 3%
Tax rate	3%	Previously 6%
Net profit	€270-300 million	Previously €310-340 million

ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 104 Airbus A320 and Airbus A321 aircraft, and offers more than 600 routes from 25 bases, connecting 142 destinations across 44 countries. At Wizz Air, a team of more than 4,000 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of over 31 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, a world's only safety and product rating agency, as well as being recently named 2017 - European Airline of the Year by Aviation 100, a renowned annual publication that recognises the year's most outstanding performers in the aerospace industry.

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H1 GROUP FINANCIAL REVIEW

In the first half, Wizz Air carried 18.8 million passengers, a 20.0% increase compared to the same period in the previous year, and generated revenues of €1,379.1 million, growth of 20%. These growth rates compare to capacity growth measured in terms of ASKs of 20.3% and additional seats of 19.0%. The load factor increased from 92.8% to 93.6%.

The profit for the first half was €292.2 million, 1.2% higher than the profit of €288.6 million in the same period of 2017.

Summary statement of comprehensive income (unaudited)

For the six months ended 30 September

Continuing operations	Airline 2018 € million	Wizz Tours 2018 € million	Inter-segment revenue/exp. € million	Group 2018 € million	Group 2017 € million	Change in Group results
Passenger ticket revenue	**858.6**	**3.9**	**(3.9)**	**858.6**	685.1	25.3%
Ancillary revenue	**514.4**	**7.5**	**(1.4)**	**520.5**	464.3	12.3%
Total revenue	**1,373.0**	**11.4**	**(5.3)**	**1,379.1**	1,149.4	20.0%
Staff costs	**98.6**	**0.1**		**98.7**	72.7	35.8%
Fuel costs	**349.5**			**349.5**	244.2	43.2%
Distribution and marketing	**21.0**	**1.2**		**22.2**	18.5	20.0%
Maintenance materials and repairs	**56.8**			**56.8**	49.8	14.0%
Aircraft rentals	**157.1**			**157.1**	139.1	12.9%
Airport, handling and en-route charges	**300.5**			**300.5**	241.6	24.4%
Depreciation and amortisation	**48.8**	**0.9**		**49.7**	48.6	2.1%
Net other expenses	**39.9**	**11.2**	**(5.3)**	**45.9**	30.4	50.9%
Total operating expenses	**1,072.2**	**13.4**	**(5.3)**	**1,080.3**	844.9	27.9%
Operating profit/(loss)	**300.8**	**(2.0)**		**298.8**	304.5	(1.9)%
Financial income	**1.0**			**1.0**	1.2	
Financial expenses	**(2.4)**			**(2.4)**	(1.8)	
Net foreign exchange loss	**(1.9)**			**(1.9)**	(3.2)	
Net financing expense	**(3.3)**			**(3.3)**	(3.9)	
Profit/(loss) before income tax	**297.6**	**(2.0)**		**295.5**	300.7	(1.7)%
Income tax expense	**(3.3)**			**(3.3)**	(12.0)	
Profit/(loss) for the period	**294.3**	**(2.0)**		**292.2**	288.6	1.2%

Airline revenues

Passenger ticket revenue increased 25.3% to €858.6 million and ancillary income (or "non-ticket" revenue) increased by 12.3% to €514.4 million. Total revenue per ASK (RASK) remained flat at 4.27 Euro cents.

Average revenue per passenger was €73.2 during the first half, unchanged compared to H1 2017. Average ticket revenue per passenger increased from €43.9 in H1 2017 to €45.8 in H1 2018, an increase of €1.9 or 4.4%, while average ancillary revenue per passenger decreased from €29.3 in H1 2017 to €27.4 in H1 2018, a decrease of €1.9 or 6.4%. The decline in ancillary revenue per passenger was driven by lower checked-in bag revenues and last year's change in the large cabin bag policy.

Airline operating expenses

Operating expenses for the first half increased by 27.9% to €1,072.2 million from €838.3 million in H1 2017. Total cost per ASK (CASK) increased by 6.4% to 3.33 Euro cents in H1 2018 from 3.13 Euro cents in H1 2017 principally driven by a 23.4% increase in the average fuel price. CASK excluding fuel expenses increased by 1.1% to 2.25 Euro cents in H1 compared to 2.22 Euro cents in H1 2017 due to higher staff costs and passenger disruption costs.

Staff costs increased by 35.8% to €98.6 million in H1 2018, up from €72.6 million in H1 2017, reflecting the growth in capacity, an increase in pilot base pay, and one-time costs in connection with the rapid upscaling of Wizz Air UK.

Fuel expenses increased by 43.2% to €349.5 million in H1 2018, up from €244.2 million in the same period of 2017. 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$717 per tonne, an increase of 23.4% from US$581 in the same period in 2017.

Distribution and marketing costs rose 16.1% to €21.0 million from €18.1 million in the first half of 2017 reflecting economies of scale of the growing airline.

Maintenance, materials and repair costs increased by 14% to €56.8 million in H1 2018 from €49.8 million in H1 2017.

Aircraft rental costs rose 12.9% to €157.1 million in the first half, from €139.1 million in 2017.

Airport, handling and en-route charges increased 24.4% to €300.5 million in the first half of 2018 versus €241.6 million in the same period of 2017. This category comprised €185.2 million of airport and handling fees and €115.3 million of en-route and navigation charges in 2018 compared with €140.4 million of airport and handling fees and €101.2 million of en-route and navigation charges in 2017.The increase was primarily due to 16.8% growth in the number of flights with 20.0% more passengers and a 0.8ppt increase in load factor.

Depreciation and amortisation charges were higher by 0.5% at €48.8 million in the first half, up from €48.6 million in the same period in 2017.

Net other expenses increased 63.3% to €39.9 million in the first half from €24.4 million in the same period in 2017. Passenger disruption costs of €16.8 million are included in other expenses which is a 96% increase compared to the same period last year.

Taxation

The Group recorded an income tax expense of €3.3 million in the period compared to €12.0 million in the same period in 2017. The effective income tax rate in the first half was reduced by one-time credits due to changes in the prior year's tax charge and in deferred tax liabilities. 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 2018 ("Q2" or "second quarter"), Wizz Air carried 10.1 million passengers, a 20.3% increase compared to the same period in the previous year, and generated revenues of €825.7 million, a growth of 21.4%. These growth rates compare to capacity growth measured in terms of ASKs of 20.7% and additional seats of 19.3%. The load factor increased from 94.3% to 95.0%. The profit for the second quarter was €242.3 million, 5.1% higher than the profit of €230.6 million in the same period of 2017. This equates to a 4.6% percentage point decrease in the net profit margin from 33.9% to 29.3%.

OTHER INFORMATION

1. Cash and equity

Total cash at the end of the first half increased by 12.0% to €1,336.2 million versus September 2017, of which €1,156.8 million is free cash. Shareholders' equity reached €1,580.3 million, an increase of €338.1 million versus 30 September 2017 and €338.4 million since 31 March 2018.

2. Hedging positions

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

Wizz Air also hedges the GBP, its largest non-EUR revenue currency, against EUR in order to smooth out potential future volatility due to Brexit. Unlike for the US Dollar, there is no minimum coverage set, while the maximum is 60% of projected net GBP exposure on a rolling twelve-month basis. Details of the current hedging positions (as of 31 October 2018) are set out below:

FX hedge coverage

Euro/US Dollar

Period covered	FY19 6 months	FY20 12 months
Exposure (million)	$548	$1,302
Hedge coverage (million)	$346	$394
Hedge coverage for the period	63%	30%
Weighted average ceiling	$1.23	$1.25
Weighted average floor	$1.19	$1.20

Euro/British Pound

Period covered	FY19 6 months	FY20 12 months
Exposure (million)	£63	£88
Hedge coverage (million)	£45	£24
Hedge coverage for the period	71%	27%
Weighted average floor	0.88	0.88
Weighted average ceiling	0.92	0.92

Fuel hedge coverage

Period covered	FY19 6 months	FY20 12 months
Exposure in metric tons ('000)	481	1182
Coverage in metric tons ('000)	365	417
Hedge coverage for the period	76%	35%
Blended capped rate	$659	$721
Blended floor rate	$607	$658

Sensitivities

- Pre-hedging, a one cent movement in the Euro/US Dollar exchange rate impacts the 2019 financial year operating expenses by €4.2 million.
- Pre-hedging, a one penny movement in the Euro/British Pound exchange rate impacts the 2019 financial year operating expenses by €0.8 million.
- Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts the 2019 financial year fuel costs by $4.8 million.

3. Fully diluted share capital

The figure of 127,166,972 should be used for the Company's theoretical fully diluted number of shares as at 30 September 2018. This figure comprises 72,754,171 issued Ordinary Shares, 29,830,503 Convertible Shares, 24,246,715 new Ordinary Shares which would have been issued if the full principal of outstanding convertible notes had been fully converted on 30 September 2018 (excluding any Ordinary Shares that would be issued in respect of accrued but unpaid interest on that date) and 335,583 new Ordinary Shares which may be issued upon exercise of vested but unexercised employee share options.

4. EEA ownership

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

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

5. Brexit

The United Kingdom's exit from the European Union poses risks as detailed in our annual report for the financial year ended 31 March 2018, chief amongst them being the continued uncertainty resulting from the ongoing exit negotiations. We have considered contingencies for a number of scenarios and have put in place one of the key pillars of our contingency plan with the establishment of Wizz Air UK Limited, a UK-licensed airline, which started commercial operations in May 2018. The subsequent permission from the UK Secretary of State for Transport for Wizz Air UK Limited to be granted a UK route licence, which was issued in October 2018, future-proofs the status of Wizz Air UK Limited as a British airline, regardless of the outcome of the negotiations and therefore will enable the Group to continue flying from the UK to non-EU countries following Brexit.

6. 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 (bed banks). Revenues in the first half were €11.4 million and operating costs were €13.4 million. On 2 October 2018, the Company announced that it will cease its Wizz Tours business from 31 December 2018. Losses recorded in the first half are €2 million and approximately the same amount will be incurred also in the second half, driven primarily by one-off closure costs.

KEY STATISTICS

For the six months ended 30 September

	2018	2017	Change
Capacity			
Number of aircraft at end of period	104	86	20.9%
Equivalent aircraft	100.35	82.74	21.3%
Utilisation (block hours per aircraft per day)	13.09	13.49	(3.0)%
Total block hours	240,471	204,398	17.6%
Total flight hours	209,668	177,844	17.9%
Revenue departures	102,516	87,779	16.8%
Average departures per day per aircraft	5.58	5.79	(3.6)%
Seat capacity	20,028,800	16,830,940	19.0%
Average aircraft stage length (km)	1,605	1,589	1.1%
Total ASKs ('000 km)	32,154,783	26,739,784	20.3%
Operating data			
RPKs ('000 km)	30,110,896	24,847,697	21.2%
Load factor	93.6%	92.8%	0.8ppt
Number of passenger segments	18,754,948	15,623,473	20.0%
Fuel price (average US$ per ton, including hedging impact and into-plane premium)	717	581	23.4%
Foreign exchange rate (average US$/€, including hedging impact)	1.19	1.12	6.2%

CASK (for the Airline only)

For the six months ended 30 September

	2018 *Euro cents*	**2017** *Euro cents*	**Change** *Euro cents*
Fuel costs	1.09	0.91	0.18
Staff costs	0.31	0.27	0.04
Distribution and marketing	0.07	0.07	0.00
Maintenance, materials and repairs	0.18	0.19	(0.01)
Aircraft rentals	0.49	0.52	(0.03)
Airport, handling and en-route charges	0.93	0.90	0.03
Depreciation and amortisation	0.15	0.18	(0.03)
Other expenses	0.12	0.09	0.03
Total CASK	3.33	3.13	0.20
Total ex-fuel CASK	2.25	2.22	0.03

For the definition of certain 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 2018, particularly on page 24.

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 2018, 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 25 to 29 of our annual report for the financial year ended 31 March 2018, available at corporate.wizzair.com, with the comments added below.

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 2018 (unaudited)

	Note	**Six months ended 30 Sep 2018 € million**	Six months ended 30 Sep 2017 € million
Passenger ticket revenue	5,6	**858.6**	685.1
Ancillary revenue	5,6	**520.5**	464.3
Revenue from contracts with customers	5,6	**1,379.1**	1,149.4
Staff costs		**(98.7)**	(72.7)
Fuel costs		**(349.5)**	(244.2)
Distribution and marketing		**(22.2)**	(18.5)
Maintenance materials and repairs		**(56.8)**	(49.8)
Aircraft rentals		**(157.1)**	(139.1)
Airport, handling and en-route charges		**(300.5)**	(241.6)
Depreciation and amortisation		**(49.7)**	(48.6)
Net other expenses		**(45.9)**	(30.4)
Total operating expenses		**(1,080.3)**	(844.9)
Operating profit		**298.8**	304.5
Financial income	7	**1.0**	1.2
Financial expenses	7	**(2.4)**	(1.8)
Net foreign exchange loss	7	**(1.9)**	(3.2)
Net financing expense	7	**(3.3)**	(3.9)
Profit before income tax		**295.5**	300.7
Income tax expense	8	**(3.3)**	(12.0)
Profit for the period		**292.2**	288.6
Other comprehensive income – items that may be subsequently reclassified to profit or loss			
Net movements in cash flow hedging reserve, net of tax		**47.9**	(0.7)
Other comprehensive income for the period, net of tax		**47.9**	(0.7)
Total comprehensive income for the period		**340.1**	287.9
Earnings per share (Euro/share)	9	**4.02**	4.45
Diluted earnings per share (Euro/share)	9	**2.31**	2.28

Condensed consolidated interim statement of financial position

For the half year ended 30 September 2018 (unaudited)

	Note	**30 Sep 2018 € million unaudited**	31 March 2018 € million audited	30 Sep 2017 € million unaudited*
ASSETS				
Non-current assets				
Property, plant and equipment	10	**738.2**	684.5	519.4
Intangible assets		**19.2**	17.6	11.5
Restricted cash		**157.0**	159.4	160.6
Deferred interest		**2.9**	3.4	4.3
Derivative financial instruments		**2.1**	2.5	2.0
Trade and other receivables		**23.2**	43.7	56.5
Total non-current assets		**942.5**	910.9	754.3
Current assets				
Inventories		**30.5**	21.6	21.5
Trade and other receivables		**261.4**	195.4	174.0
Derivative financial instruments		**65.4**	31.7	20.2
Deferred interest		**0.8**	0.2	1.2
Restricted cash		**22.4**	2.8	3.0
Cash and cash equivalents		**1,156.8**	979.6	1,029.8
Total current assets		**1,537.3**	1,231.1	1,249.6
Total assets		**2,479.8**	2,142.1	2,004.0
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		**-**	-	-
Share premium		**379.1**	379.1	378.3
Reorganisation reserve		**(193.0)**	(193.0)	(193.0)
Equity part of convertible debt		**8.3**	8.3	8.3
Cash flow hedging reserve		**66.6**	18.7	8.0
Retained earnings		**1,319.2**	1,028.7	1,040.6
Total equity		**1,580.3**	1,241.9	1,242.2
Non-current liabilities				
Borrowings		**4.4**	4.7	5.0
Convertible debt		**26.5**	26.6	26.7
Deferred income		**109.5**	107.3	110.9
Deferred tax liabilities		**2.3**	7.4	6.4
Derivative financial instruments		**-**	0.9	1.9
Provisions for other liabilities and charges	11	**67.6**	94.8	95.9
Total non-current liabilities		**210.3**	241.7	246.8
Current liabilities				
Trade and other payables		**330.1**	249.2	227.3
Current tax liabilities		**5.1**	1.8	7.4
Borrowings		**0.6**	0.6	0.6
Convertible debt		**0.3**	0.3	0.3
Derivative financial instruments		**-**	12.8	11.2
Deferred income		**250.7**	330.1	220.7
Provisions for other liabilities and charges	11	**102.3**	63.8	47.4
Total current liabilities		**689.2**	658.5	514.9
Total liabilities		**899.5**	900.2	761.7
Total equity and liabilities		**2,479.8**	2,142.1	2,004.0

* Voluntary disclosure.

Condensed consolidated interim statement of changes in equity

For the half year ended 30 September 2017 (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 2017 (as stated before)	**-**	**378.2**	**(193.0)**	**8.3**	**2.6**	**756.4**	**952.5**
Hedge time value reclassification*	-	-	-	-	6.1	(6.1)	-
Balance at 1 April 2017 (restated)	-	**378.2**	**(193.0)**	**8.3**	**8.7**	**750.3**	**952.5**
Comprehensive income							
Profit for the period	-	-	-	-	-	288.6	288.6
Other comprehensive income							
Hedging reserve	-	-	-	-	(0.7)	-	(0.7)
Total other comprehensive income	-	-	-	-	(0.7)	-	(0.7)
Total comprehensive income	**-**	**-**	**-**	**-**	**(0.7)**	**288.6**	**287.9**
Transactions with owners							
Proceeds from shares issued	-	0.1	-	-	-	-	0.1
Share based payment charge	-	-	-	-	-	1.6	1.6
Total transactions with owners	**-**	**0.1**	**-**	**-**	**-**	**1.6**	**1.7**
Balance at 30 September 2017	**-**	**378.3**	**(193.0)**	**8.3**	**8.0**	**1,040.6**	**1,242.2**

* The Group adopted IFRS 9 by restating the opening balances of reserves on 1 April 2017. The €6.1 million gain that related to the time value of open hedge instruments was reclassified from retained earnings into the cash flow hedging reserve. This is presented separately from the other movements in reserves in the period.

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**	**1,028.7**	**1,241.9**
IFRS 15 adjustment*	-	-	-	-	-	(3.1)	(3.1)
Balance at 1 April 2018 (restated)	-	**379.1**	**(193.0)**	**8.3**	**18.7**	**1,025.6**	**1,238.8**
Comprehensive income							
Profit for the period	-	-	-	-	-	292.2	292.2
Other comprehensive income							
Hedging reserve	-	-	-	-	47.9	-	47.9
Total other comprehensive income	-	-	-	-	47.9	-	47.9
Total comprehensive income	**-**	**-**	**-**	**-**	**47.9**	**292.2**	**340.1**
Transactions with owners							
Proceeds from shares issued	-	-	-	-	-	-	-
Share based payment charge	-	-	-	-	-	1.4	1.4
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**1.4**	**1.4**
Balance at 30 September 2018	**-**	**379.1**	**(193.0)**	**8.3**	**66.6**	**1,319.2**	**1,580.3**

* The Group adopted IFRS 15 on 1 April 2018 using the "cumulative effect method". The impact of the transition to IFRS 15 was a reduction in retained earnings (net of tax) of €3.1 million offsetting (i) an increase of €4.7million in contract liabilities reported as part of deferred income and (ii) an increase of €1.6million in contract assets reported as part of trade and other receivables in the consolidated statement of financial position as at 1 April 2018. For more details, please refer to Note 3.

Condensed consolidated interim statement of cash flows

For the half year ended 30 September 2018 (unaudited)

	Six months ended 30 Sep 2018 € million	Six months ended 30 Sep 2017 € million
Cash flows from operating activities		
Profit before income tax	**295.5**	300.7
Adjustments for:		
Depreciation	**46.4**	46.8
Amortisation	**3.3**	1.8
Financial income	**(3.0)**	(1.3)
Financial expenses	**4.3**	5.0
Gain on sale of PPE	**-**	(3.2)
Share based payment charges	**1.4**	1.6
	347.9	351.4
Changes in working capital (excluding the effects of exchange differences on consolidation)		
Increase in trade and other receivables	**(40.7)**	(27.4)
Increase in restricted cash	**(15.7)**	(11.1)
(Increase)/decrease in deferred interest	**(0.1)**	0.4
(increase)/decrease in inventory	**(8.9)**	3.5
Increase in provisions	**6.7**	2.4
Increase in trade and other payables	**83.8**	27.9
Decrease in deferred income	**(93.2)**	(68.2)
Cash generated by operating activities before tax	**279.8**	278.9
Income tax paid	**(5.1)**	(7.1)
Net cash generated by operating activities	**274.7**	271.8
Cash flows from investing activities		
Purchase of aircraft maintenance assets	**(54.8)**	(28.9)
Purchases of tangible and intangible assets	**(41.2)**	(7.0)
Proceeds from the sale of tangible assets	**-**	23.8
Proceeds from the sale of financial assets	**-**	1.0
Advances paid for aircraft	**-**	(63.3)
Refund of advances paid for aircraft	**-**	59.1
Interest received	**0.7**	0.5
Net cash used in investing activities	**(95.4)**	(14.8)
Cash flows from financing activities		
Proceeds from the issue of share capital	**-**	0.2
Interest paid	**(1.6)**	(1.1)
Commercial loan repaid	**(0.3)**	(0.3)
Net cash used in financing activities	**(1.9)**	(1.2)
Net increase in cash and cash equivalents	**177.4**	255.8
Cash and cash equivalents at the beginning of the year	**979.6**	774.0
Effect of exchange rate fluctuations on cash and cash equivalents	**(0.2)**	(0.1)
Cash and cash equivalents at the end of the year	**1,156.8**	1,029.8

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 2017 and 30 September 2018. 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 2018, 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 2018 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 2018, 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 2018, 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 2018, 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.

The Group adopted IFRS 15, 'Revenue from Contracts with Customers' as of 1 April 2018. The adoption of IFRS 15 had the following implications for the Group:

a. Revenue is recognised as a result of an entity satisfying its promise to transfer goods or services in a contract with a customer. The Group recognises revenue to depict the transfer of promised passenger transport service to its customers at a transaction price that the Group expects to be entitled to in exchange for the service. The Group analysed each of its contractual obligations to its customers and reviewed if the different services provided by the Group to the passengers and other partners qualify as a distinct performance obligation. The Group considers a service to be distinct from the passenger transport service if the customers can benefit from the service on its own without the purchase of a flight ticket.
As a result of applying the standard, the recognition of certain ancillary revenue items are deferred to the flight date while they were recognised previously on the date of sales. For the majority of revenue items, the date of recognition remained unchanged compared to IAS 18 'Revenue'.

b. The Group also changed the recognition of part of the card acquirer charges which under IFRS 15 is considered to be an incremental cost of obtaining a contract resulting in the capitalisation of such costs as a contract asset.

c. The Company adopted IFRS 15 using the "cumulative effect method" (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the prior period financial statements have not been restated – i.e. they are presented as previously reported under IAS 18. The impact on transition to IFRS 15 was a reduction in retained earnings (net of tax) of €3.1 million at 1 April 2018.

d. The above changes resulted in an increase of €4.7 million in contract liabilities reported as part of deferred income and an increase of €1.6 million in contract assets reported as part of trade and other receivables in the consolidated statement of financial position as at 1 April 2018.

e. Compared with the amount that would have been recognised under IAS 18, 'Revenue', total revenue under IFRS 15 is lower by €1.8 million in the six months ended 30 September 2018. This €1.8 million change is an aggregate change, being the net of the following two opposite impacts: (i) €0.8 million more revenue due to recognising certain revenues on flight date as opposed to sales date (see paragraph a. above); and (ii) €2.6 million less revenue due to netting certain passenger compensation payments with revenues.

4. Financial risk management

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

Hedge transactions during the periods

The Group uses non-derivatives, 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 2018: US$411.0 million (six months ended 30 September 2017: US$189.0 million).

b) Foreign exchange hedge (GBP versus EUR)
Six months ended 30 September 2018: nil (six months ended 30 September 2017: GBP 18.0 million).

c) Fuel hedge
Six months ended 30 September 2018: 423,000 metric tonnes (six months ended 30 September 2017: 376,000 metric tonnes).

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

a) Foreign exchange hedge (USD versus EUR)
Six months ended 30 September 2018: €7.1 million gain (six months ended 30 September 2017: €2.7 million loss). Out of the €7.1 million gain €4.3 million was on fuel cost (2017: €2.3 million loss) and €2.8 million on lease rental cost (2017: € 0.4 million loss).

b) Foreign exchange hedge (GBP versus EUR)
Six months ended 30 September 2018: nil (six months ended 30 September 2017: €0.9 million gain). The GBP foreign exchange hedge affects revenue.

c) Fuel hedge
Six months ended 30 September 2018: €37.3 million gain (six months ended 30 September 2017: €2.0 million gain) affects 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 a €13.4 million gain as at 30 September 2018 (31 March 2018: €12.8 million loss) recognised within other comprehensive income and assets (€13.4 million at 30 September 2018 and €0.9 million at 31 March 2018) or liabilities (nil at 30 September 2018 and €13.7 million at 31 March 2018). The €13.4 million gain can be analysed further into €17.6 million intrinsic value and €(4.2) million time value components.
The notional amount of the open positions was US$674.0 million and GBP 68.9 million as at 30 September 2018 (31 March 2018: US$726 million and nil GBP, respectively).

b) Foreign exchange hedge with non-derivatives
The notional amount of the open positions was US$400.1 million as at 30 September 2018 (31 March 2018: US$393.4 million).

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$9.8 million designated for hedge accounting (31 March 2018: US$13.5 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 €54.0 million gain as at 30 September 2018 (31 March 2018: €33.3 million gain) recognised within other comprehensive income, assets (€54.0 million at 30 September 2018 and €33.3 million at 31 March 2018) or liabilities (nil at 30 September 2018 and nil at 31 March 2018). The €54.0 million gain can be analysed further into €51.7 million intrinsic value and €2.3 million time value components.

The notional amount of the open positions was 578,000 metric tonnes as at 30 September 2018 (31 March 2018: 626,000 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 2019 and the year ending 31 March 2020, 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 €47.9 million gain (six months ended 30 September 2017: €5.4 million gain, out of which 6.1 million gain related to hedge time value reclassification as of 1 April 2017) 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.

5. Segment information

Reportable segment information

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

Six months ended 30 September 2018

	Airline € million	**Tour operator € million**	**Group € 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	**1,072.2**	**13.4**	**1,085.6**
Less: inter-segment expenses	**-**	**(5.3)**	**(5.3)**
Operating expenses from third parties	**1,072.2**	**8.1**	**1,080.3**
Operating profit/(loss)	**300.8**	**(2.0)**	**298.8**
Profit/(loss) after tax	**294.3**	**(2.0)**	**292.2**

Six months ended 30 September 2017

	Airline € million	Tour operator € million	Group € million
Total revenue	1,143.1	12.1	1,155.2
Less: inter-segment revenue	(5.8)	-	(5.8)
Revenue from external customers	1,137.3	12.1	1,149.4
Total operating expenses	838.3	12.4	850.7
Less: inter-segment expenses	-	(5.8)	(5.8)
Operating expenses from third parties	838.3	6.6	844.9
Operating profit/(loss)	304.8	(0.3)	304.5
Profit/(loss) after tax	289.0	(0.3)	288.6

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

Entity-wide disclosures

Products and services

Revenue from external customers can be analysed by groups of similar services as follows. 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 help the better understanding of the readers of the financial statements and are in line with airline industry practice.

	Six months ended 30 Sep 2018 € million	Six months ended 30 Sep 2017 € million
Airline passenger ticket revenue	**854.6**	681.0
Airline ancillary revenues	**513.1**	456.2
Tour operator revenues	**11.4**	12.1
Total revenue from external customers	**1,379.1**	1,149.4

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. For the purposes of the Group financial statements the tour operator revenues are analysed between passenger ticket revenues and ancillary revenues.

In October 2018 the Group decided to cease the activity of Wizz Tours Kft as of 31 December 2018; therefore the Group will have no tour operator revenues from 2019.

Geographic areas

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

	Six months ended 30 Sep 2018 € million	Six months ended 30 Sep 2017 € million
Jersey (country of domicile)	**-**	-
EU	**1,207.6**	1,025.2
Other (non-EU)	**171.5**	124.1
Total revenue from external customers	**1,379.1**	1,149.4

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

6. 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 Company 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 2018 € million	Six months ended 30 Sep 2017 € million
Revenue from contracts with passengers	**1,352.3**	1,131.1
Revenue from contracts with other partners	**26.8**	18.3
Total revenue from contracts with customers	**1,379.1**	1,149.4

The contract assets reported as part of trade and other receivables amounted to €1.2 million and the contract liabilities reported as part of deferred income were €226.0 million as at 30 September 2018.

7. Net financing income and expense

	Six months ended 30 Sep 2018 € million	Six months ended 30 Sep 2017 € million
Interest income	**1.0**	1.2
Financial income	**1.0**	1.2
Interest expense		
Convertible debt	**(1.0)**	(0.9)
Finance lease	**(0.2)**	(0.2)
Other	**(1.2)**	(0.7)
Financial expenses	**(2.4)**	(1.8)
Foreign exchange (loss)/gain		
Realised	**(2.0)**	(0.1)
Unrealised	**0.1**	(3.1)
Net foreign exchange loss	**(1.9)**	(3.2)
Net financing expense	**(3.3)**	(3.9)

8. Income tax expense

The income tax charge for the six months ended 30 September 2018 was €3.3 million (30 September 2017: €12.0 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 3.4% (prior year: 4.0%). This rate was reduced in the interim period by changes with respect to the prior year's tax charge (by €1.8 million) and to deferred tax liabilities (by €5.3 million).

9. Earnings per share

Basic earnings per share

	Six months ended 30 Sep 2018	Six months ended 30 Sep 2017
Profit for the half year (€ million)	**292.2**	288.6
Weighted average number of Ordinary Shares in issue (thousands)	**72,748**	64,800
Basic earnings per share (€)	**4.02**	4.45

There were also 29,830,503 Convertible Shares in issue at 30 September 2018 (30 September 2017: 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 2018	Six months ended 30 Sep 2017
Profit for the half year (€ million)	**292.2**	288.6
Interest expense on convertible debt (net of tax) (€ million)	**1.0**	0.8
Profit used to determine diluted earnings per share (€ million)	**293.2**	289.5
Weighted average number of Ordinary Shares in issue (thousands)	**72,748**	64,800
Adjustment for assumed conversion of convertible instruments (thousands)	**54,334**	61,991
Weighted average number of shares for diluted earnings per share (thousands)	**127,082**	126,791
Diluted earnings per share (€)	**2.31**	2.28

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

10. Property, plant and equipment

	Land and buildings € million	Aircraft maintenance assets € million	Aircraft parts € million	Fixtures and fittings € million	Advances paid for aircraft € million	Advances paid for aircraft maintenance assets € million	Total € million
Cost							
At 1 April 2017	9.6	256.0	69.5	6.2	206.3	74.7	622.3
Additions	-	40.9	15.8	0.5	63.3	25.3	145.8
Disposals	(0.1)	(10.2)	(24.3)	-	(59.1)		(93.7)
Transfers	-	9.0	-	-	-	(9.0)	-
At 30 September 2017	9.5	295.7	61.0	6.7	210.5	91.0	674.4
At 31 March 2018	9.5	351.4	64.2	12.6	331.3	103.5	872.5
Additions	-	26.1	23.0	8.0	111.3	26.4	194.7
Disposals	-	(6.7)	8.0	(0.1)	(102.7)	-	(101.4)
Transfers	-	20.9	-	-	-	(20.9)	-
At 30 September 2018	9.5	391.7	95.2	20.5	339.9	109.0	965.8
Accumulated depreciation							
At 1 April 2017	2.0	95.9	14.9	3.8	-	-	116.6
Depreciation charge for the period	0.4	41.7	4.4	0.3	-	-	46.8
Disposals	-	(5.9)	(2.5)	-	-	-	(8.4)
At 30 September 2017	2.4	131.7	16.8	4.1	-	-	155.0
At 31 March 2018	2.7	160.5	20.7	4.1	-	-	188.0
Depreciation charge for the period	0.4	40.6	5.0	0.3	-	-	46.4
Disposals	-	(6.7)	-	(0.1)	-	-	(6.8)
At 30 September 2018	3.1	194.5	25.7	4.3	-	-	227.6
Net book amount							
At 1 April 2017	7.6	160.1	54.6	2.4	206.3	74.7	505.7
At 30 September 2017	7.1	164.0	44.2	2.6	210.5	91.0	519.4
At 31 March 2018	6.8	190.9	43.5	8.5	331.3	103.5	684.5
At 30 September 2018	6.4	197.2	69.5	16.2	339.9	109.0	738.2

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

	30 Sep 2018 € million	31 March 2018 € million
Cost from capitalised finance lease	**7.5**	7.5
Accumulated depreciation	**(2.6)**	(2.5)
Net book amount	**4.9**	5.0

11. Provisions for other liabilities and charges

	Aircraft maintenance € million	Other € million	Total € million
At 1 April 2017	111.8	5.1	116.9
Capitalised within property, plant and equipment	40.6	-	40.6
Charged to comprehensive income	-	4.5	4.5
Used during the period	(16.7)	(2.0)	(18.7)
At 30 September 2017	135.7	7.6	143.3
At 31 March 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**
Non-current provisions	67.6	-	67.6
Current provisions	87.7	14.6	102.3

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").

Until 31 March 2018 the Group used to present the liability in relation to EU261 compensations under trade and other payables. Starting from the current financial year the same liability is presented under provisions, that is considered to be the more appropriate treatment. Comparative amounts in the statement of financial position, in the statement of cash flows and in this Note have been restated to follow the new presentation.

12. Capital commitments

There has been no significant change during the period in capital commitments compared to what was disclosed in the annual report for the year ended 31 March 2018.

13. Contingent liabilities

Legal disputes

European Commission state aid investigations

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

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

Claims by Carpatair

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

In January 2016 Carpatair filed a new legal action – registered with the Bucharest Tribunal – against Timişoara airport, the Romanian Ministry of Transports, the Ministry of Public Finances representing the Romanian State and Wizz Air. By the said legal action Carpatair asked the court to order the four defendants to pay, jointly, to Carpatair damages preliminarily estimated to amount to €92 million and interest related to the said amount, resulting from alleged state aid granted by Timişoara airport to Wizz Air, from the existence of a marketing agreement between Timişoara airport and Wizz Air and from an abuse of dominant position on the part of Timişoara airport.

The court's decision delivered in December 2016 upheld the objection raised by the Company that the Bucharest Tribunal lacked jurisdiction to hear the case and that the case should be heard by the Administrative Litigation Section of the Bucharest Court of Appeals. The case was therefore forwarded to the Bucharest Court of Appeals – Administrative and Fiscal Litigation Section where a hearing was scheduled in May 2017. However, the Bucharest Court of Appeals decided that the competent court was the Bucharest Tribunal and sent the case to the High Court to settle the conflict of jurisdiction. On 27 September 2017 the High Court confirmed that the competent court to hear the case was the Bucharest Tribunal. The first hearing took place in April 2018 with no significant developments; the second hearing was set to 18 June 2018. After the hearing of 18 June the court postponed repeatedly the issuance of a decision regarding the exceptions. On 12 July the court granted the exception re Carpatair's lack of interest regarding the alleged damages caused by the schedule of charges that are subsequent to 2014 when Carpatair ceased to operate on TSR, and the exception re the prescription of Carpatair's right to claim damages re the schedule of charges that were issued prior to the same year. The decision of Bucharest Tribunal was communicated in September 2018. The decision of Bucharest Tribunal may be appealed within 30 days as of the communication date.

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

14. Subsequent events

In October 2018 the Group decided to cease the activity of its online tour operator business as of 31 December 2018.
There were no other matters arising, between the statement of financial position date and the date on which this interim financial information was approved by the Board of Directors, requiring adjustment or disclosure in accordance with IAS 10, 'Events After the Reporting Period'.

15. Related parties

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 2018 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 2018 annual report that could have a material effect on the financial position or performance of the Group in the same period.

16. Seasonality of operation

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

- an indication of important events that have occurred during the six months ended 30 September 2018 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 2018 and any material changes in the related party transactions described in the last Annual report and accounts 2018.

The Directors of Wizz Air Holdings Plc are listed in the Annual report and accounts 2018. 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 6 November 2018 and signed on its behalf by:

József Váradi
Director

INDEPENDENT REVIEW OF 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 six-month period ended 30 September 2018 (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 2018;
- the condensed consolidated interim statement of profit and 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 condensed consolidated interim financial information 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 condensed consolidated 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
6 November 2018
London

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

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