

# **Acquisition of Bratislava and Kosice Airports**

***Developing the future of the region  
Vienna - Bratislava - Kosice***

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February 2006

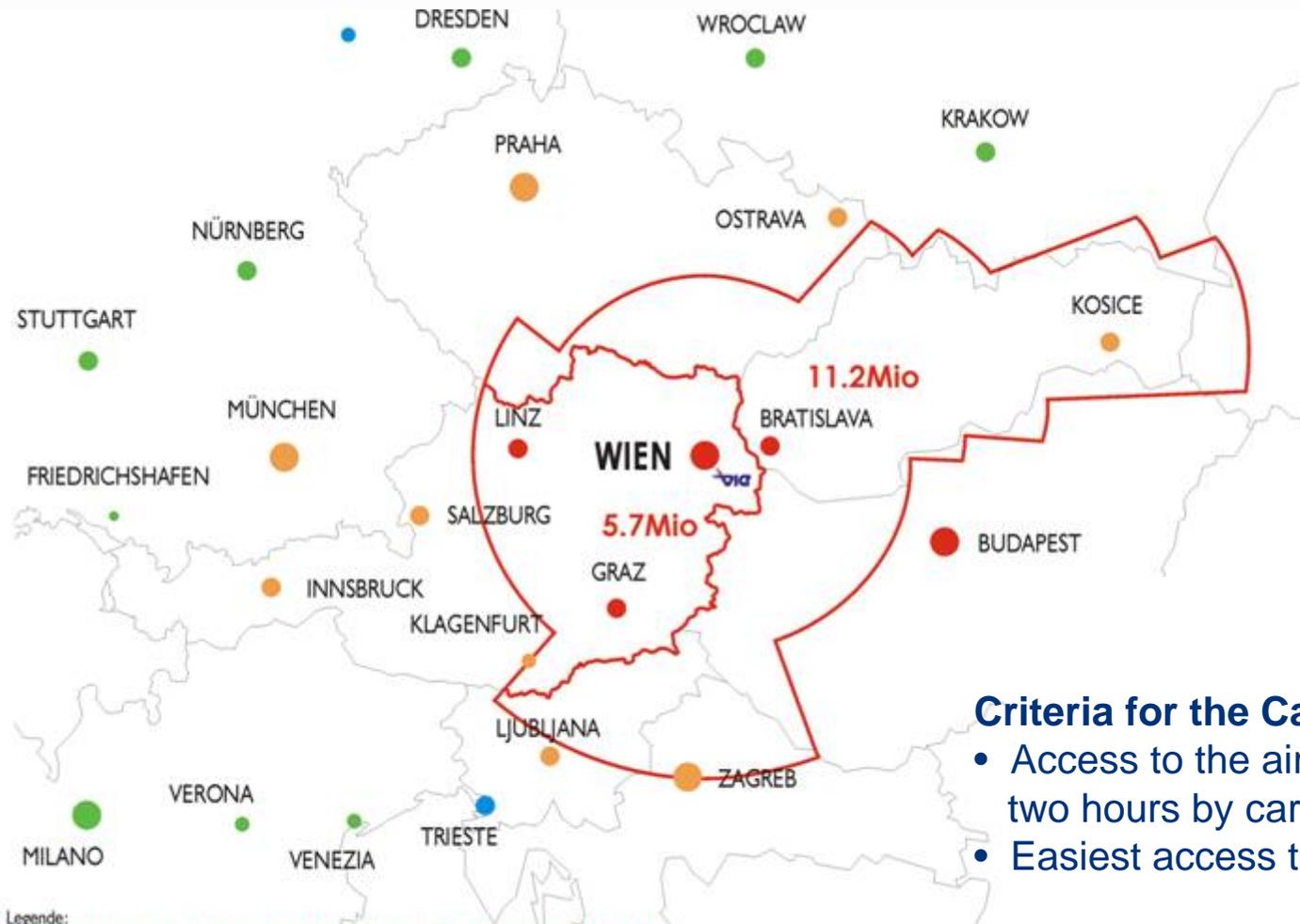
## The Region Vienna – Bratislava - Kosice



## Competition between Regions

- The **Bratislava-Vienna region** is expected to be the fastest growing region in Europe.
- The competitors of the **Bratislava-Vienna region** include Munich, Milan, Paris, Budapest, Prague, etc.

# Catchment Area



## Criteria for the Catchment Area:

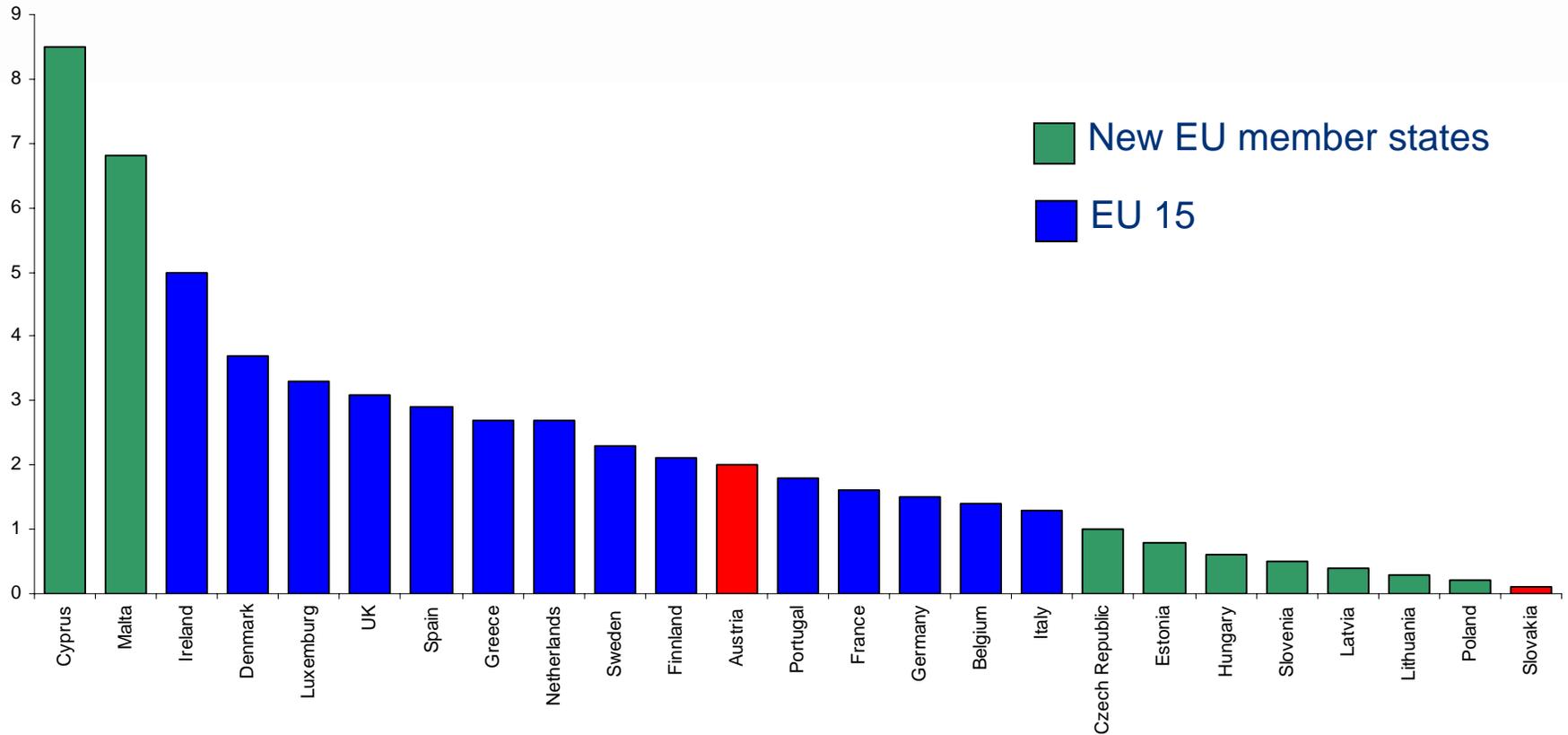
- Access to the airport within two hours by car
- Easiest access to a main airport

Legende:

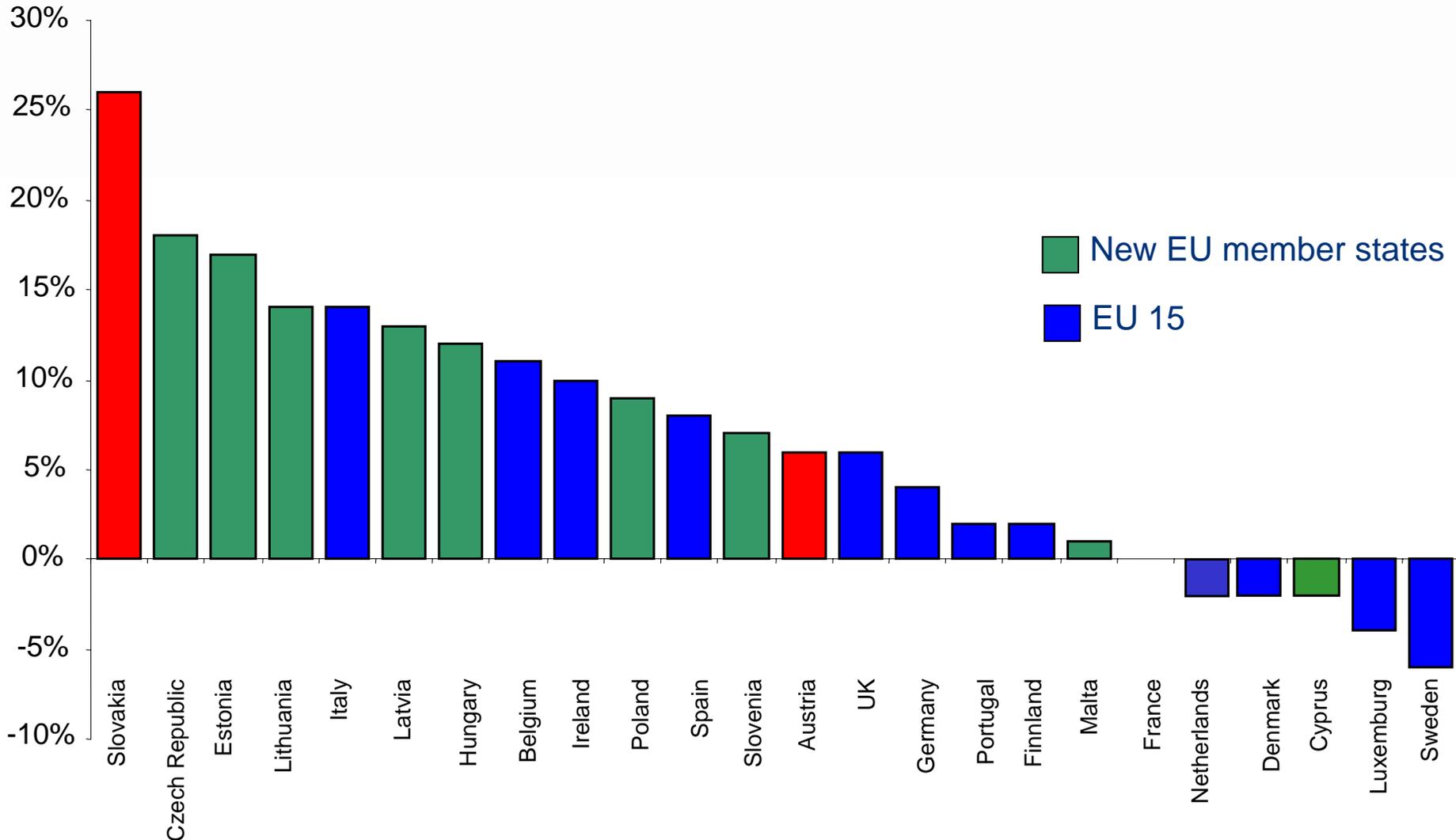
Einwohner im unmittelbaren und weiteren Einzugsbereich VIE / BTS

Mindestflugdauer: ● bis 45 Minuten ● über 45 bis 60 Minuten ● über 60 bis 90 Minuten ● über 90 Minuten

# Propensity to travel (trips per year per inhabitant)



# Growth in Air Transport (flights flown)



Source: Eurostat, 2004

## Vienna International Airport

- Vienna Airport plc
  - Privatised in 1992
  - Present ownership structure:
    - 40% Public sector
    - 10% Employee trust
    - 50% Free float
- 15.9 m passengers in 2005
- High dividend yield
- Two runways
- Airport area: 10km<sup>2</sup>
- Full airport provider (including ground handling)

## Bratislava Airport

- Airport area: 477 ha
- 2 runways:
  - Runway 13/31: 3,190m
  - Runway 04/22: 2,900m
- 1.3m passengers in 2005
- Operated by:
  - M.R. Stefanik Airport
- Full airport provider (including ground handling)



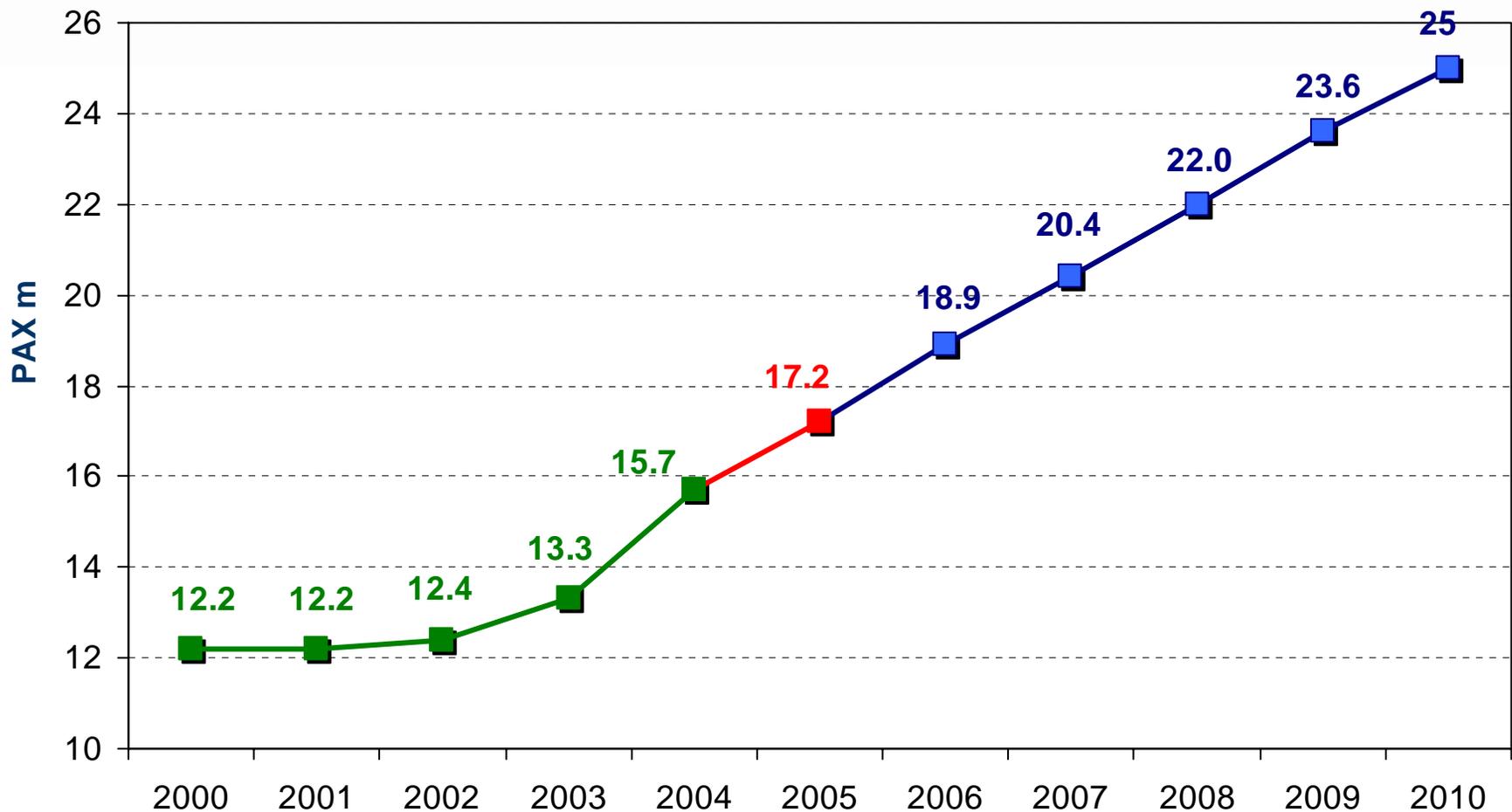
## Kosice Airport

- 1 runway:
  - Runway 01/19: 3,1000m
- 269,885 passengers in 2005
- Operated by: Letisko Kosice - Airport Kosice a.s.
- Full airport provider (including ground handling)

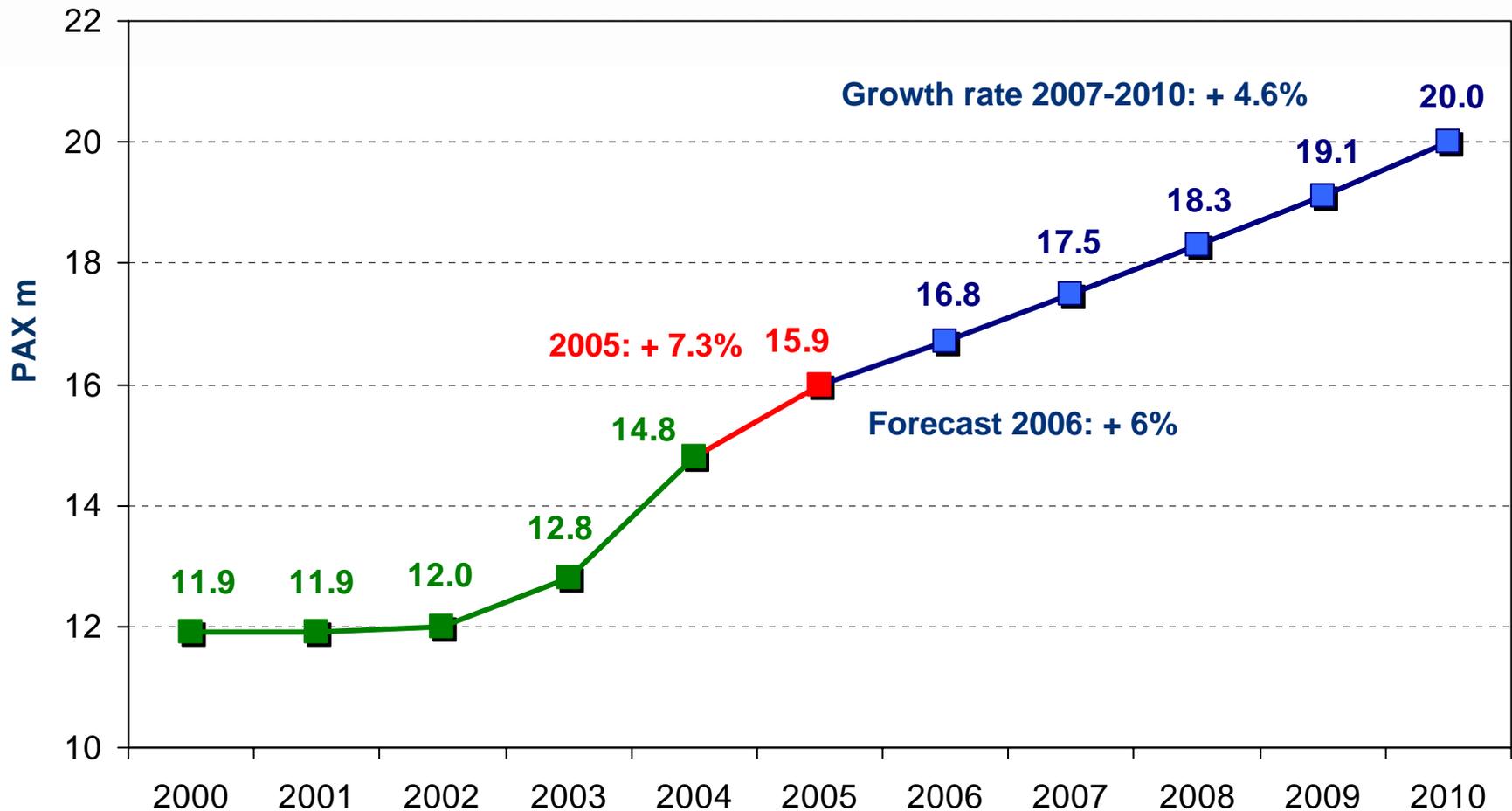


# Passenger Growth 2000 – 2010

## Bratislava-Vienna region

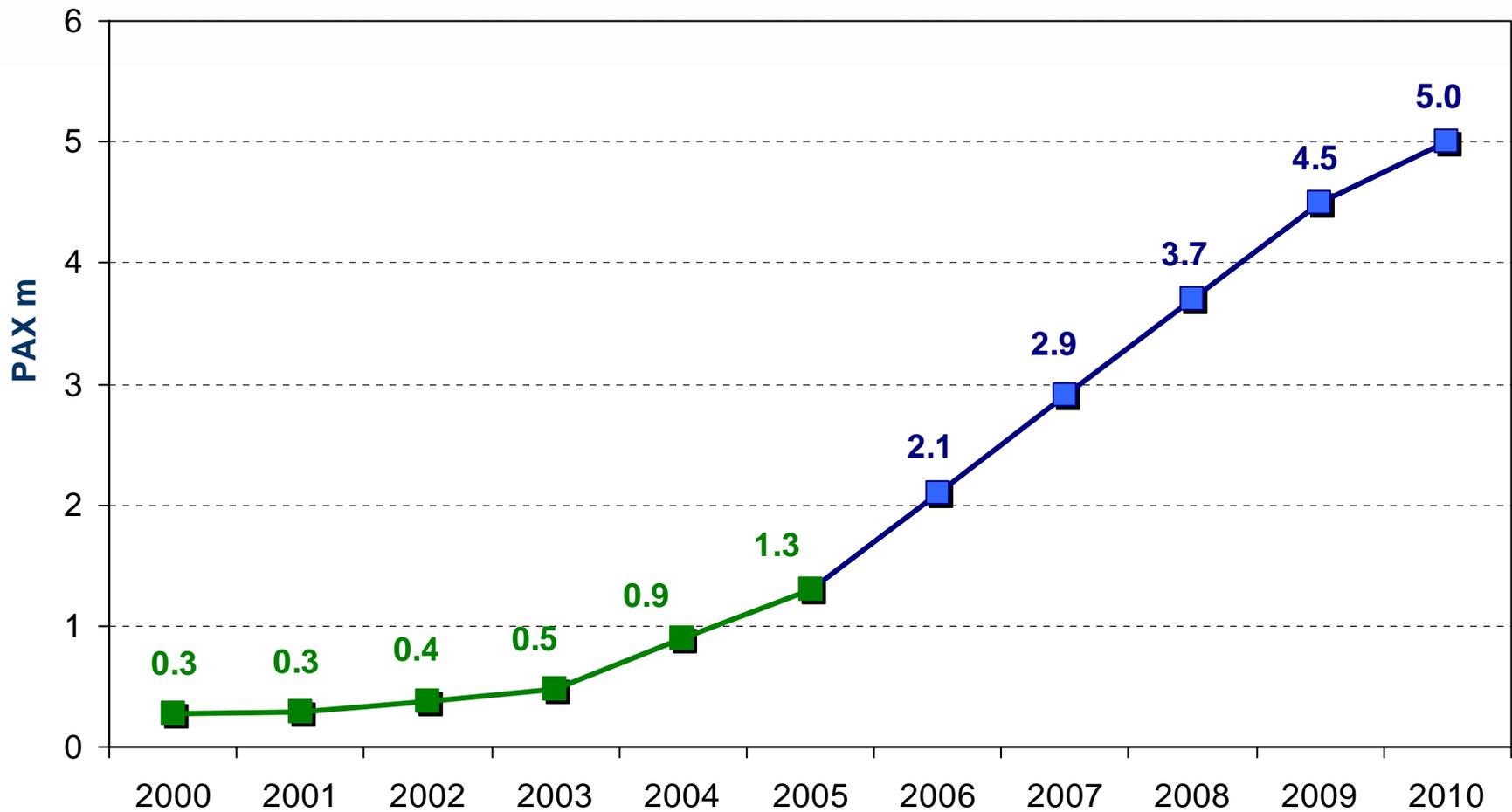


# Passenger Growth 2000 – 2010 Vienna International Airport



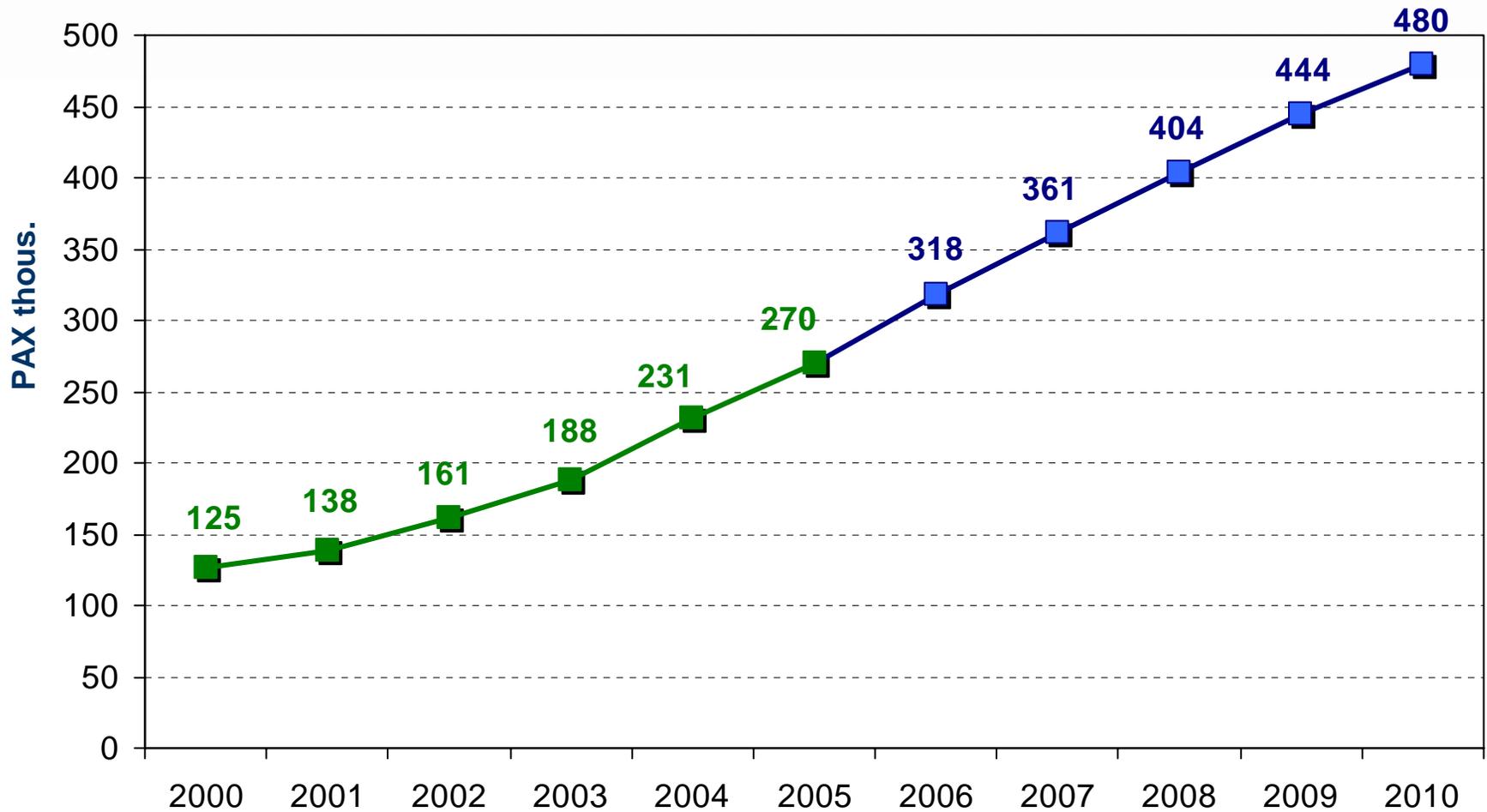
# Passenger Growth 2005 – 2015

## Bratislava



# Passenger Growth 2005 – 2015

## Kosice



# Vienna & Bratislava Airports

## Wide-ranging opportunities for growth

- **Leading position in Central Europe**

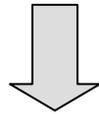
2005:	<b>17.2 million</b> passengers:	15.9m (VIE)	+	1.3m (BTS)
2010:	<b>25 million</b> passengers:	20m (VIE)	+	5 m (BTS)
2015:	<b>30.0 million</b> passengers:	23m - 24m (VIE)	+	6m - 7m (BTS)

- **Main drivers of development**

- Transfer and point to point traffic
- Fast growing market with little exploitation in Slovakia

## Cooperation allows for the best development of potential

- **Vienna:** focused on **transfer hub west/east/long-haul**
- **Bratislava:** focused on **point-to-point traffic:**  
low-cost carriers and charter



**Competitive advantages over airports like Zurich, Munich, Budapest, Prague etc.**

- **Kosice:** focused on **connections to hubs like Vienna and Frankfurt** and **tourism**

## Linking of Vienna and Bratislava market

- Express connections between Vienna City Centre – BTS Airport less than 1 hour travelling time (CAT extension by 2009)
- Starting 2006:
  - City check-in in Vienna for flights from Bratislava
  - City check-in in Bratislava for flights from Vienna
  - plus bus connections



## Consortium TwoOne

The “Airport TwoOne“ consortium consists of:

	Voting rights
● Flughafen Wien Aktiengesellschaft	50.1
● Raiffeisen Zentralbank Österreich AG (RZB)	20.0
● Penta Investment Limited	29.9

## Key figures of the bid

### Bratislava

- Price 10.5 billion SKK (~EUR 275 m)
- Capital contribution: 7.9 billion SKK (~EUR 203 m)
- Investment programme: 9.37 billion SKK (~EUR 240 m) over the first five years

### Košice

- Price 900 million SKK (~EUR 24 m)
- Capital contribution: 380 million SKK (~EUR 10 m)
- Investment programme: 415.6 million SKK (~EUR 11 m) over the first five years

## Key figures of the bid - Bratislava

	Consortium	thereof VIE
Purchase price	275	<b>138</b>
Capital contribution	204	<b>102</b>
Comitted investment during the first 5 years	240	
- thereof capital contribution	204	
- <i>out of cash flow</i>	<b>36</b>	

## Key figures of the bid - Kosice

	Consortium	thereof VIE
Offered purchase price	24	<b>12</b>
Capital contribution	10	<b>5</b>
Comitted investment during the first 5 years	11	
- thereof capital contribution	10	
- <i>out of cash flow</i>	<i>1</i>	

# Specific Expansion Projects for Bratislava Airport

22 projects have been defined for Bratislava Airport, each with an exact financial plan and time schedule:

Project	Forecasted Costs	Schedule
Existing terminal – expansion	SKK 326 m (ca. € 8.4 m)	2006 - 2007
New terminal	SKK 2,850 m (ca. € 73 m)	2006 - 2009
Expansion of runways	SKK 1,243 m (ca. € 32 m)	2007 - 2010
Car park	SKK 216 m (ca. € 5.6 m)	2006 – 2007
Further 18 projects	SKK 4,735 m (ca. € 122 m)	2006 - 2010

## Financial approach

- Enterprise value (100%) of Bratislava Airport above EUR 534 m
- EBITDA multiple (5 years average): 23
- Flughafen Wien AG
  - 7% WACC
  - Debt / Equity ratio: 50:50
- Bratislava shows positive results after one year
- From 2011 onwards profit contribution of Bratislava exceeds cost of debt

# Synergies

e.g.

- Capacity management: (Construction of third runway in VIE will be postponed up to four years)
- Facility management
- Procurement
- IT

## Privatisation Process BTS/KSC

- 11 July 2005: Start of the privatisation process
- 5 September 2005: Submission of the preliminary bid
- 15 September 2005: Selection of short-listed bidders
- 5 December 2005: Submission of the final bid
- 20 December 2005: Preferred bidder/privatisation commission
- 20 January 2006: Announcement of second round
- 27 January 2006: Submission of final bid/second round
- 1 February 2006: Preferred bidder/government
  
- **OUTLOOK:**
- Signing of the final contract with the National Property Fund and Ministry of Transport
- Summer 2006: Expected closing of the privatisation process after approval by the Anti-Monopoly Office

**Thank you for your attention.**

