

2010 results:

Austrian Airlines achieves target result for 2010

- **Loss from operating activities dramatically reduced: from minus 230.9 million to minus 64.7 million euros**
- **Positive Cash Flow: EBITDA totals plus 170 million euros**
- **9.7 percent more passengers carried despite volcanic ash crisis and EU capacity constraints**

Austrian Airlines achieved its target results in the 2010 financial year. The company reduced its loss from operating activities by 72 percent – from minus 230.9 million euros in 2009 to minus 64.7 million euros in 2010 – and achieved a positive EBITDA of 170.0 million euros (2009 figure: minus 71.9 million euros). The company's total revenues from operating activities rose by 3.3 percent to reach 2,150.7 million euros (2009 figure: 2,082.7 million euros). Despite the difficulties caused by the volcanic ash and the fact that Austrian Airlines had to stabilise its capacity measured in Available Seat Kilometers (ASK) in 2010 due to the constraints set by the EU, the number of passengers carried by the company rose by 9.7 percent to 10.9 million people.

The Members of the Austrian Airlines Executive Board, Andreas Bierwirth and Peter Malanik, said: "You can see from these figures that our restructuring measures are having a real effect. We are moving in the right direction. We should not kid ourselves, however: The restructuring of Austrian Airlines is far from being completed. We have a great deal of work still left to do."

Austrian Airlines emphatically implemented its Austrian Next Generation restructuring concept in 2010. The concept consists of three pillars:

1. The new market strategy in the European segment: Austrian Airlines remains a quality airline. With its caterer DO&CO, it offers excellent food, first-class service and a high level of reliability – Austrian stays Austrian. The company increased its quality standard further in 2010 – with an optimised flight schedule, new seats in the medium-haul segment and extra services. Important: Austrian Airlines produces this quality more cost-efficiently than in the past, thereby enabling the company to offer more attractive prices.
2. Costs-side restructuring: Austrian Airlines increases its competitiveness by massively cutting back its costs. Austrian optimised its processes in 2010 and streamlined the company. The number of people employed by the airline fell to around 6,000 full-time positions by the end of 2010. Austrian Airlines has cut its supplier prices. In addition to this, its employees are making an essential contribution to the restructuring and revitalisation of the company with a mix of voluntary wage restraint measures known as the '150 million euro package'.
3. Synergies in the Lufthansa Group: Austrian Airlines is engaging in targeted cooperation with its sister companies within the Lufthansa Group in an effort to realise valuable synergies. As part of this process, the company's international Sales and Ground Services Divisions have been integrated with those of Lufthansa. In Procurement, Austrian Airlines is using the market strength of the Lufthansa Group. The cargo business at the Vienna hub were bundled in the joint company 'Austrian Lufthansa Cargo GesmbH'.

Austrian Airlines had set itself the target of generating a positive cash flow in 2010. In 2011 the company intends to achieve a positive result from operating activities.

Employees:

As at 31 December 2010, Austrian Airlines was employing 5,933.9 people – as measured in full-time positions (figure as at 31 December 2009 was 7,065.9).

Traffic figures

Austrian Airlines carried approximately 10.9 million passengers in 2010, an increase of 9.7 percent compared to the previous year. This means the load factor, at 76.8 percent, was 2.8 percentage points above the figure for the previous year. Austrian Airlines saw a minimal increase in its Available Seat Kilometers (ASK), with the figure rising by 0.3 percent to 22.8 billion. The figure for Revenue Passenger Kilometers (RPK) rose by 4 percent to 17.5 billion.

Austrian Airlines

Austrian Airlines is Austria's largest carrier and offers a global route network of round 130 destinations. In Central and Eastern Europe, the route network is particularly dense: With 44 destinations Austrian Airlines is the market leader throughout the region. Thanks to its favourable geographical location at the heart of Europe, the company's hub at Vienna International Airport is the ideal gateway between East and West. Austrian Airlines is part of the Lufthansa Group, Europe's largest airline group, and a member of the Star Alliance, the first global alliance of international airlines.

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Traffic statistics in detail

AUSTRIAN AIRLINES (Austrian + Austrian arrows + Lauda Air)

Traffic statistics	January – December		+/- % VJ
	2009	2010	

Revenue passenger km (RPK) m.	16.819,6	17.494,1	4,0
Scheduled	14.977,3	16.133,2	7,7
Europe	6.169,3	7.047,8	14,2
Intercontinental	8.807,9	9.085,5	3,2
Charter	1.842,3	1.360,8	-26,1

Available seat km (ASK) m	22.717,4	22.775,2	0,3
Scheduled	20.438,4	21.075,8	3,1
Europe	9.156,0	9.789,2	6,9
Intercontinental	11.282,3	11.286,6	0,0
Charter	2.279,0	1.699,4	-25,4

Passenger load factor %	74,0	76,8	2,8 P.
Scheduled	73,3	76,5	3,3 P.
Europe	67,4	72,0	4,6 P.
Intercontinental	78,1	80,5	2,4 P.
Charter	80,8	80,1	-0,8 P.

Passengers carried 000	9.935,4	10.894,8	9,7
Scheduled	8.960,6	10.163,0	13,4
Europe	7.353,8	8.481,0	15,3
Intercontinental	1.606,7	1.682,0	4,7
Charter	974,9	731,8	-24,9

Total revenue tonne km (RTK) m	2.083,9	2.124,5	1,9
Scheduled	1.905,9	1.988,5	4,3
Europe	634,2	708,8	11,8
Intercontinental	1.271,7	1.279,7	0,6
Charter	178,0	136,0	-23,6

Total available tonne km (ATK) m	2.865,4	2.980,4	4,0
Scheduled	2.631,2	2.799,9	6,4
Europe	972,5	1.084,3	11,5
Intercontinental	1.658,7	1.715,6	3,4
Charter	234,2	180,5	-22,9

Overall load factor %	72,7	71,3	-1,4 P.
Scheduled	72,4	71,0	-1,4 P.
Europe	65,2	65,4	0,2 P.
Intercontinental	76,7	74,6	-2,1 P.
Charter	76,0	75,3	-0,7 P.