WIZZ AIR HOLDINGS PLC – RESULTS FOR THE TWELVE MONTHS TO 31 MARCH 2018

RECORD FY18 NET PROFITS OF €275M ON 25% PASSENGER GROWTH, FY19 PROFIT GUIDANCE OF BETWEEN €310M AND €340M

LSE Ticker: WIZZ

Geneva, 24 May 2017: Wizz Air Holdings Plc ("Wizz Air" or the "Company"), the largest low-cost airline in Central and Eastern Europe[1], today announces its audited results for the full year ended 31 March 2018 ("FY2018" or "FY18") for the Company as a whole, and separately for its airline ("Airline") and tour operator ("Wizz Tours") business units[2].

Full year to 31 March	**2018 (million)**	2017 (million)	Change
Passengers carried	**29.6**	**23.8**	+24.7%
Revenue (€ million)	**1,948**	**1,571**	+24.0%
EBITDAR[3] (€ million)	**659**	**538**	+22.4%
EBITDAR margin[4] (%)	**33.8**	**34.3**	-0.4ppt
Profit for the year[5] (€ million)	**275**	**225**	+22.1%
Profit margin (%)	**14.1**	**14.3**	-0.2ppt
Ex-fuel CASK (€ cent)	**2.26**	**2.25**	+0.4%
RASK (€ cent)	**3.76**	**3.75**	+0.4%
Cash and Cash Equivalents (€ million)	**980**	**774**	+206
Load factor (%)	**91.3**	**90.1**	+1.3ppt
Year-end fleet	**93**	**79**	+14

RECORD CAPACITY GROWTH AND PROFITABILITY BOTH AHEAD OF INITIAL GUIDANCE

- Total revenue increase of 24.0% to €1,948 million.
  - Ticket revenue up 23.7% to €1,132 million.
  - Ancillary revenue up 24.4% to €816 million, representing 42% of total revenue.
- Net profit grew 22.1% to a record €275 million (compared to underlying profit in FY17).
- Net profit margin of 14.1% while delivering 25% passenger growth and 1.3ppt higher load factors of 91.3%.
- Total cash at the end of March 2018 was €1,142 million of which €980 million was free cash.
- Investment grade credit ratings received from both Moody's (Baa3) and Fitch (BBB).

SIGNIFICANT INVESTMENTS TO DRIVE COSTS EVEN LOWER

- Over 35% of seats now served by the more cost effective A321ceo aircraft with the addition of 10 brand new aircraft.
- Fleet expansion to 93 aircraft, a mix of 67 A320ceos and 26 A321ceos.
- Average aircraft age of 4.6 years, remains one of the youngest and most cost efficient fleets of any major European airline.
- Ordered 146 additional Airbus A320neo family aircraft securing an enviable pipeline of latest-technology, ultra-cost efficient aircraft deliveries until 2026.

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1 Central and Eastern Europe, or CEE, is a region comprised of Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.
2 The Group discloses revenues and expenses for its airline and tour operator business units separately. 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 4 to the financial statements.
3 EBITDAR: profit (or loss) before net financing costs (or gain), income tax expense (or credit), depreciation, amortisation and aircraft rentals.
4 EBITDAR Margin: EBITDAR divided by total revenue.
5 In FY17 the Company presented two profit measures: the IFRS profit for the period and the 'underlying' profit for the period. The latter included adjustments for exceptional items. As explained in Note 5 to the consolidated financial statements, the adoption of IFRS 9 has removed the principal cause of such exceptional items and the Company is therefore not disclosing a separate underlying profit measure for FY18. The comparison in this table is made to the underlying profit in FY17 as this presents the best like for like measure. A reconciliation between underlying (non-GAAP) and IFRS profit for the year is set out in the Financial Review and also in Note 5 to the financial statements.

- Launched the WIZZ Pilot Academy and started construction of a brand new state-of-the-art pilot and cabin crew training facility in Budapest supporting growth in a cost efficient way.

AIRLINE AND WIZZ TOURS

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

- ***Airline:*** FY18 performance:
    - Total unit revenue improved by 0.4% to 3.76 euro cents per available seat kilometre (ASK).
    - Total unit costs increased by 1.3% to 3.19 euro cents per ASK.
    - Fuel unit costs increased by 3.5% to 0.93 euro cents per ASK.
    - Ex-fuel unit costs increased by 0.4% to 2.26 euro cents per ASK.
    - Ancillary revenue per passenger unchanged at €27.2 per passenger.
        - Value added services +€2.0 per passenger.
        - Baggage fees -€2.0 per passenger.
- ***Wizz Tours:*** FY18 package holiday revenues of €18.0 million.

INCREASING MARKET LEADING POSITION AND CUSTOMER OFFERING

- Passengers carried +24.7% to 29.6 million increasing Wizz Air's position as CEE's leading low cost carrier.
- Number one market share position in CEE increased by 3ppt to 42% in terms of seats.
- 95 new routes commenced in FY18, building our core CEE markets and expanding our customer offering outside the CEE.
- Launched a brand new UK airline, Wizz Air UK Limited, confirming our commitment to the UK market and significant investment in Luton starting with 8 based aircraft.
- New base announced in Vienna with five based aircraft committed.
- Wizz Discount Club membership continued to increase reaching already over 1.1 million by year end.

Commenting on the results, József Váradi, Wizz Air's Chief Executive Officer said:

The 2018 financial year was another year of investment and driving efficiencies in Wizz Air's operations as we continue on our mission to become Europe's undisputed airline cost leader. This relentless focus on cost means we continue to stimulate the market through the lowest fares, resulting in record passenger numbers of almost 30 million up 25% year on year. A backdrop of high economic growth rates across the CEE and the opportunities created by Wizz Air's ultra-low fares underpins our business which has seen revenues increase by 24% and net profit of a record €275m an increase of 22% year on year. Our cost focus, market leading position in CEE, pipeline of truly game changing Airbus A320neo family technology and balance sheet strength, as reflected in our recently awarded investment grade credit ratings, are the strongest of foundations for Wizz Air to continue to drive profitable growth and achieve one of the best profit margins of all European airlines, ensuring Wizz Air remains one of the most exciting airline businesses in the world.

As FY 2019 financial year begins we remain very optimistic for the coming twelve months. Higher fuel prices are supporting a stronger fare environment and we expect these macro conditions to provide Wizz Air with market share opportunities as weaker carriers withdraw unprofitable capacity. Our ability to drive cost advantage further and offer lower fares across our ever expanding network will lead to an expected 20% increase in passenger numbers to 36 million in FY 2019.

The Company recorded a solid start to FY 2019 with RASK forecast at broadly flat in Q1 year on year, a good performance given the absence of Easter traffic which fell into the last financial year, and although still at an early stage of the financial year, the Group net profit is expected to be in a range of between €310 million and €340 million in FY 2019. As usual, this guidance is dependent on the revenue performance for the all-important summer period as well as the second half of FY 2019, a period for which the Company, like most airlines, currently has limited visibility."

ABOUT WIZZ AIR

Wizz Air is the largest low-cost airline in Central and Eastern Europe, operates a fleet of 96 Airbus A320 and Airbus A321 aircraft, and offers more than 600 routes from 27 bases, connecting 141 destinations across 44 countries. At Wizz Air, a team of more than 3,800 aviation professionals delivers superior service and very low ticket prices making Wizz Air the preferred choice of 29.6 million passengers in the financial year ended 31 March 2018. 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 2017 - European Airline of the Year by Aviation 100, a renown annual publication that recognizes the year's most outstanding performers in the aerospace industry.

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CHIEF EXECUTIVE'S REVIEW

The 2018 financial year was another year of investment and driving efficiencies in Wizz Air's operations as we continue on our mission to become Europe's undisputed airline cost leader. This relentless focus on cost means we continue to stimulate the market through the lowest fares, resulting in record passenger numbers of almost 30 million up 25% year on year. A backdrop of high economic growth rates across the CEE and the opportunities created by Wizz Air's ultra-low fares underpins our business which has seen revenues increase by 24% and net profit of a record €275m an increase of 22% year on year. Our cost focus, market leading position in CEE, pipeline of truly game changing Airbus A320neo family technology and balance sheet strength, as reflected in our recently awarded investment grade credit ratings, are the strongest of foundations for Wizz Air to continue to drive profitable growth and achieve one of the best profit margins of all European airlines, ensuring Wizz Air remains one of the most exciting airline businesses in the world.

Central to Wizz Air's ultra-low cost base is our commitment to operating the youngest, most fuel efficient aircraft. Evidence of that commitment in action can be seen in the average age of our fleet, which is just 4.6 years. However, we need to ensure that we continue have access to the latest technology and to have a constant replacement of older aircraft with new and so, in late 2017, we announced a firm order for an additional 72 Airbus A320neo and 74 Airbus A321neo aircraft. These aircraft, adding to our previous order for 110 Airbus A321neo aircraft, will allow us to sustain our cost advantage through cabin innovations, the latest engine technology and other efficiency improvements, while enhancing our customer offering and experience.

Our performance over FY2018 demonstrated the benefits of our fleet, diversified network and continued improvements to our industry-leading ultra-low-cost base coming together to drive fares lower and stimulate ever higher load factors and passenger numbers. In FY 2018, we delivered:

- A revenue increase of 24.0% to €1,948.0 million;
- Growth in ancillary revenue of 24.4% to €815.8 million;
- An underlying net profit increase of 22.1% to €275.1 million;
- A total airline ex-fuel unit cost increase of 0.4% to €2.26 cents per Available Seat Kilometre (ASK);
- A 23.6% increase in capacity offered to the market (as measured by ASKs), as we extended and deepened our network of routes to and from Central and Eastern Europe;
- An increase in our average load factor by 1.3 percentage points to 91.3% in the financial year in addition to the significant capacity expansion; and
- TSR growth of 98.3% since the end of FY 2017.

Strategic progress

We believe that our strategy of building on our diverse network, highly efficient business and operating model, compelling customer proposition, solid finances and sound approach to risk management will result in sustainable growth and continue to drive increasing value for shareholders.

The culture of rigorous cost control is set from the top by management. It affects every aspect of our business and, as a result, Wizz Air has a cost advantage that protects its market share, provides customers with extremely low fares and stimulates demand. Wizz Air's infrastructure, including personnel, processes, systems and relationships with suppliers of outsourced services, is scalable and sufficiently flexible to support Wizz Air's growth plans.

We continue to leverage the know-how, market understanding and cultural awareness of senior management and employees to build fruitful relationships with airport operators, suppliers, governments and regulators in new markets, with the Company being able to present itself as a reliable partner establishing and maintaining long lasting, mutually beneficial partnerships.

The strength of our balance sheet recently recognised by the investment grade ratings from both Fitch and Moody's is a historic milestone in the development of Wizz Air. These ratings will enable Wizz Air not only to access new sources of aircraft financing but also financing at even lower cost than at present. Reducing our aircraft ownership costs will be crucial to delivery our mission of becoming the undisputed cost leader amongst European airlines.

CEE's Leader

Wizz Air continues to be the clear market leader in CEE. In FY2018, we had a market share of over 42% of low-cost airline traffic in the region and more than 16% of the total CEE market. We launched 95 new routes during the 2018 financial year, taking our operating route network to 525 routes from 27 bases, connecting 135 destinations in 44 countries at the end of March 2018, allowing us to reach more new customers throughout Europe than ever before.

Today we operate in 21 of the 22 CEE countries, serving the market by offering a network of 27 bases and 141 destinations in 44 countries. We are confident in the significant growth opportunity that remains in the region and we are convinced that our ultra-low cost business model is best placed to serve and stimulate this market.

The table below shows the Company's ranking by low-cost market share in each of its CEE base countries:

	Number 1		Number 2		Number 3	
Market	Carrier	Share	Carrier	Share	Carrier	Share
CEE	Wizz Air	42.3%	Ryanair	29.8%	EasyJet	6.3%
Poland	Ryanair	49.5%	Wizz Air	41.9%	Norwegian	3.9%
Romania	Wizz Air	56.0%	Blue Air	26.7%	Ryanair	14.4%
Ukraine	Wizz Air	56.5%	Pegasus Airlines	18.9%	Ernest Airlines	12.2%
Hungary	Wizz Air	56.6%	Ryanair	25.9%	EasyJet	8.0%
Bulgaria	Wizz Air	56.4%	Ryanair	35.3%	Norwegian	3.2%
Latvia	Ryanair	52.4%	Wizz Air	30.2%	Norwegian	17.4%
Serbia	Wizz Air	56.6%	Ryanair	12.2%	FlyDubai	7.4%
Lithuania	Ryanair	50.7%	Wizz Air	45.0%	Norwegian	4.2%
Georgia	Wizz Air	48.4%	FlyDubai	29.8%	Air Arabia	12.0%
Moldova	FlyOne	58.1%	Wizz Air	41.9%		
Slovakia	Ryanair	62.7%	Wizz Air	34.8%	FlyDubai	2.5%
Macedonia	Wizz Air	92.0%	Pegasus Airlines	5.1%	FlyDubai	2.9%
Bosnia and Herzegovina	Wizz Air	60.2%	FlyDubai	17.1%	Pegasus Airlines	12.6%

The table below shows the Company's ranking by market share in each of its CEE base countries:

	Number 1		Number 2		Number 3	
Market	Carrier	Share	Carrier	Share	Carrier	Share
CEE	Wizz Air	16.1%	Ryanair	11.3%	LOT	6.7%
Poland	Ryanair	25.7%	LOT	24.6%	Wizz Air	21.8%
Romania	Wizz Air	35.5%	Blue Air	16.9%	TAROM	15.0%
Ukraine	Ukraine International	37.0%	Aeroflot	10.1%	Wizz Air	6.9%
Hungary	Wizz Air	32.7%	Ryanair	15.0%	Lufthansa	7.0%
Bulgaria	Wizz Air	23.8%	Ryanair	14.9%	Bulgaria Air	10.7%
Latvia	Air Baltic	58.7%	Ryanair	12.7%	Wizz Air	7.4%
Serbia	Air Serbia	47.3%	Wizz Air	10.8%	Lufthansa	5.0%

Lithuania	Ryanair	29.7%	Wizz Air	26.3%	Air Baltic	9.6%
Georgia	Georgian Airways	15.4%	Wizz Air	11.3%	Turkish Airlines	10.9%
Slovakia	Ryanair	32.6%	Wizz Air	18.1%	Travel Service	18.0%
Macedonia	Wizz Air	59.6%	Austrian Airlines	7.5%	Turkish Airlines	7.4%
Bosnia and Herzegovina	Wizz Air	32.8%	Turkish Airlines	12.1%	Austrian Airlines	9.5%

(Source data: Innovata, April 2017 – March 2018.)

The table below shows the fleet allocation by country at 31 March 2018 compared to a year earlier:

	Fleet deployment by country		
Year end	March 2018	March 2017	Change
Total	93	79	+14
Poland	25	21	+4
Romania	21	21	-
Hungary	12	10	+2
Bulgaria	8	7	+1
Lithuania	4	4	-
Macedonia	4	3	+1
Great Britain	3	-	+3
Bosnia and Herzegovina	2	2	-
Latvia	2	2	-
Serbia	2	1	+1
Ukraine	2	1	+1
Czech Republic	1	1	-
Slovakia	1	1	-
Georgia	1	1	-
Moldova	1	1	-
Undesignated	4	3	+1

Expanding Network

While we remain the market leader in CEE, during 2018, we also continued to grow outside CEE. Our first Western European base opened at London Luton in June 2017 and, shortly afterwards, our entrepreneurial spirit and agility as a business allowed us to secure additional slots and parking stands at London Luton airport and grow that base quickly. By the end of FY2018, our network from London Luton airport consisted of 46 routes, flying to 20 countries and offering 6.9 million seats to customers. In response to the uncertainty created by Brexit, we put in place one of the pillars of our contingency plan with the establishment of Wizz Air UK Limited, a UK-licensed airline which, by the end of June 2018, will be operating 8 aircraft. Later in the financial year, we were also able to take advantage of a market opportunity in Vienna, and announced the establishment of our second Western European base which will start operations in June 2018.

As at today, Wizz Air offers services from 21 CEE countries including the 14 CEE countries where we have based aircraft and crews. During the year the Company started operations to/from 12 new airports, as follows:

New CEE stations		New stations outside CEE	
City	Country	City	Country
Tirana	Albania	Frankfurt	Germany
Sarajevo	Bosnia and Herzegovina	Athens	Greece
Osijek	Croatia	Astana	Kazakhstan
Prishtina	Kosovo	Agadir	Morocco
St Petersburg	Russian Federation	Tromso	Norway
Lviv	Ukraine	Faro	Portugal

Fleet development

During the 2018 financial year, we continued to invest significantly in our fleet by adding ten A321ceo and four A320ceo aircraft, taking our fleet to 93 aircraft at the end of March 2018. Deliveries of the A321ceo aircraft commenced in November 2015 and in just 30 months we are already operating 26 of the type representing 33 per cent. of the Company's total seat capacity. We are excited about the cost savings we are seeing from the A321ceo aircraft, and the continued roll-out of these aircraft across our network is expected to further improve our cost base and competitive edge.

The composition of our fleet at the end of the 2018 financial year and currently anticipated at the end of the next two financial years is as follows:

	March 2018 Actual	March 2019 Planned	March 2020 Planned
A320ceo without winglets (180 seats)	**35**	35	32
A320ceo with winglets (180 seats)	**28**	28	28
A320ceo with winglets (186 seats)	**4**	9	9
A321ceo with winglets (230 seats)	**26**	38	41
A321neo with winglets (239 seats)	**-**	3	20
Fleet size	**93**	113	130
Proportion of seat on A321	**33%**	42%	53%
Average number of seats per aircraft	**194.2**	198.9	205.3

Aircraft Orders

In FY 2016 the Company concluded a purchase agreement with Airbus for 110 firm-order A321neo aircraft and purchase rights for a further 90 of the type. During the 2017 financial year the Company selected and contracted Pratt & Whitney's new technology geared turbofan engines to power these aircraft. The purchase agreement includes uncommitted purchase rights for 75 additional A321neo aircraft as well as ample flexibility with conversion and deferral rights.

Complementing the above transaction, during FY 2018 the Company signed two additional purchase agreements with Airbus. The first was for 10 A321ceo aircraft with deliveries in 2018 and 2019 calendar years responding to the ever-increasing demand for Wizz Air's low fares. The second and historic order at the end of 2017 was the Company's largest ever order of 146 A320neo family aircraft (72 A320neo and 74 A321neo), and as part of an airline group initiative, marked also Airbus' largest ever A320 family aircraft order of 430 units. This exceptional deal secures a continued stable flow of new aircraft starting from 2021 until 2026 at extremely competitive prices.

We are convinced that the Airbus A320neo and A321neo are game-changer aircraft for Wizz Air, as we continue to grow at an industry-leading rate and expand our market reach across and beyond Europe. Wizz Air now has 256 Airbus A320 family neo aircraft on order and these ultra-efficient, next-step technology aircraft will underpin our growth plans for the next decade as we continue with our mission to be the undisputed cost leader among European airlines.

Based on the estimates of both Airbus and Pratt & Whitney, the A320neo Family will deliver significantly better fuel burn efficiency and even lower unit costs compared to the ceo version, making it the perfect aircraft to underpin the Company's ambitious growth plans and replace older aircraft as they are returned to lessors. The first A321neo is scheduled to be delivered in 2019 and deliveries will continue until the end of 2026. Based on the current order book with Airbus, and lessor return schedule, the fleet will more than double in size from the end of FY 2017 to the end of FY 2024.

Offering our customers more

We know that our customers welcome the opportunity to fly at Wizz Air's lowest fares yet experience a high quality on-board service provided by our dedicated crew. We continue to challenge ourselves to make things easier for our customers, provide the widest choice of travel options fpr our customers and deliver a strong operational performance. Proving our commitment to finding innovative ways of enhancing the customer experience we introduced several new services in the 2018 financial year:

- "WIZZ Priority", an option which includes priority boarding, an additional small cabin bag and guarantee that hand luggage will be placed in the cabin;
- "Fare Lock", a new product helping customers lock-in Wizz Air's low fares for 48 hours and complete their purchase later;
- "Flexible Travel Partner", a service allowing customers to create a new reservation without including all passengers' names at the time of booking; and
- "Trip Planner", a new website search tool which allows passengers to discover new and exciting destinations by offering a choice of flexible filter.

Wizz Air continuously listens to customer feedback, which is why Wizz Air decided to change its cabin baggage policy and allow passengers to bring a large item of hand baggage on all Wizz Air flights for free. We believe that the new hand luggage policy enhances the WIZZ travel experience even further and underlines Wizz Air's commitment to continuously provide excellent consumer experience every step of the customer journey.

Many of our customers are loyal Wizz Air fans who fly with us on multiple occasions each year. Our Wizz Discount Club enables our most loyal customers and their friends and families to benefit from even lower fares than normal, throughout the year. The popularity of the Wizz Discount Club continued with members reaching 1.1 million members by the end of the 2018 financial year further demonstrating how well Wizz Air treats its customers.

The trust customers place in Wizz Air has also been evident from the success of bookings with our partners through wizzair.com; and, the continued growth in ancillary revenues, which represented 41.9% of overall revenue during the year. While knowing that there is always more to do, we are delighted with customer satisfaction scores of 82% for FY 2018.

Developing our people

Without the best people, we would be unable to deliver a high quality service for our customers. That is why we take steps not only to recruit the best but also place a relentless focus on developing our employees. We have developed a number of training and career development initiatives for our employees to help them with their career progression not only through promotions but also helping them move between functions, operations and bases. Our employee feedback survey, which we conduct bi-annually, showed that our employees are highly engaged in their work.

Technology advancements

In line with our commitment to customers, Wizz Air continues to place a relentless focus on technology so that we will continue to serve an evolving customer base. In FY 2018, we made further enhancements in our booking system and website to ensure that customers' experiences are seamless – from the point of booking to their final destination.

By the end of FY 2018 64% of Wizz Air's digital interactions originated from mobile devices. Satisfying millions of travellers, Wizz Air launched brand new mobile applications for iOS and Android. This highly personal mobile experience features a dynamic timeline that offers trip information and ancillary services. additional mobile improvements will be launched this summer to enhance further our customers' journeys. Continuous user research and data-driven experimentation once again fuelled hundreds of digital optimizations, contributing to ever improving conversion rates on ticket and ancillary sales. With mobile applications now in 14 languages and 27 on the web, Wizz Air served close to 300 million sessions to more than 7.4 million users.

Wizz Air remains among the top 10 most visited airline websites in the world with the highest share of mobile visitors. Our mobile app user base doubled again to 7.4 million users in FY 2018. Reaching 3 million followers on Facebook, Wizz Air was the most popular LCC among its European peers.

New digital initiatives in FY 2019 will continue to improve our interaction with an ever growing audience 'on the move'. Our customers continue to change and we need to change with them – and digital development is at the heart of this.

Balanced hedging approach

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 per cent. of the projected US Dollar and jet fuel requirements for the next twelve months (40 per cent. on an 18-month hedge horizon).

Details of the current hedging positions (as at 10 May 2018) are set out below:

Foreign exchange (FX) hedge coverage of Euro/US Dollar

Period covered	F19 11 months	F20 7 months
Exposure (million)	$1,039	$796
Hedge coverage (million)	$628	$127
Hedge coverage for the period	55%	16%
Weighted average ceiling	$1.2299	$1.2947
Weighted average floor	$1.1905	$1.2401

Fuel hedge coverage

Period covered	F19 11 months	F20 7 months
Exposure in metric tons ('000)	980	765
Coverage in metric tons ('000)	515	175
Hedge coverage for the period	53%	23%
Blended capped rate	$604	$643
Blended floor rate	$544	$587

Sensitivities

- Pre-hedging, a one cent movement in the Euro/US Dollar exchange rate impacts the 2019 financial year operating expenses by €7.5 million.
- Pre-hedging, a one penny movement in the Euro/British Pound exchange rate impacts the 2019 financial year operating expenses by €1.7 million.
- Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts the 2019 financial year fuel costs by $10.0 million.

In the Company's view, the profit impact of such changes is likely to be less given the empirical evidence of major industry-wide movements in input costs being passed through to air fares with a lag of twelve to eighteen months.

Management changes

In July 2017, Wizz Air announced the appointment of Stephen Jones as our Executive Vice President and Deputy Chief Executive Officer, Iain Wetherall as Chief Financial Offer and Heiko Holm as Chief Technical Officer. Stephen has responsibility for Wizz Air's commercial, marketing and information technology organizations with the Company's Chief Commercial Officer, Chief Marketing Officer and Head of Information Technology as direct reports. The promotion of Iain Wetherall to Chief Financial Officer and Heiko Holm to the newly-created Chief Technical Officer position were further examples of Wizz Air's planning for its future significant growth by bringing additional capacity into its senior management team while also leveraging its great talent pool to promote from within.

In November 2017, the Company's leadership capacity was further strengthened by the promotion of Bela Szegedi to take the role of Chief Flight Operations Officer. We are delighted to bring further extensive expertise to the executive management team, which remains an important part of overall succession planning.

Outlook

As FY 2019 financial year begins we remain very optimistic for the coming twelve months. Higher fuel prices are supporting a stronger fare environment and we expect these macro conditions to provide Wizz Air with market share opportunities as weaker carriers withdraw unprofitable capacity. Our ability to drive cost advantage further and offer lower fares across our ever expanding network will lead to an expected 20% increase in passenger numbers to 36 million in FY 2019.

The Company recorded a solid start to FY 2019 with RASK forecast at broadly flat in Q1 year on year, a good performance given the absence of Easter traffic which fell into the last financial year, and although still at an early stage of the financial year, the Group net profit is expected to be in a range of between €310 million and €340 million in FY 2019. As usual, this guidance is dependent on the revenue performance for the all-important summer period as well as the second half of FY 2019, a period for which the Company, like most airlines, currently has limited visibility.

Full year guidance

	2019 Financial Year	Comment
Capacity growth (ASKs)	+ 20%	H1: 21%; H2: 18%
Average stage length	Moderate Increase	-
Load Factor	+ 1%	-
Fuel CASK	+ 15%	Fuel price of $685, €/$ of 1.20
Ex-fuel CASK	- 1%	-
Total CASK	+ 3%	-
RASK	+ 3%	-
Tax rate	6%	-
Net profit	€310-340 million	-

FINANCIAL REVIEW

During the 2018 financial year Wizz Air carried 29.6 million passengers, a 24.7 per cent. increase compared to the previous year. Revenues grew to €1,948.0 million, representing a 24.0 per cent. increase compared to the previous year. Wizz Air again successfully balanced the pace of capacity growth and profitability. Capacity growth measured in terms of available seat kilometres (ASK) of 23.6 per cent. and seats of 23.0 per cent while delivering an increase in net profit by 22.1 per cent to €275.1m.

Notwithstanding this fast growth rate we were able to achieve a slight increase in unit revenues measured in terms of ASKs rose by 0.4 per cent to 3.76 Euro cents and unit costs grew by 1.3 per cent. to 3.19 Euro cents in 2018 from 3.15 Euro cents in 2017. This increase in CASK was principally driven by an increase in the average fuel price. CASK excluding fuel expenses was increased by 0.4 per cent to 2.26 Euro cents in 2018 from 2.25 Euro cents in 2017. Net profit margins declined to 14.1%, down from 14.3% in 2017.

Wizz Air continued to invest into growth during the financial with a number of new initiatives undertaken to strengthen our long term growth plans, drive further efficiencies and ultimately lower costs. Significant investments include:

- Two firm orders for 10 Airbus A321ceo and 146 A320neo family aircraft taking the Company's fleet delivery stream to 271 brand new A320 Airbus family aircraft.
- Establishing a new base in London Luton paving the way for a new UK airline, Wizz Air UK Limited, which started operations in May 2018.
- Capitalising on market opportunities in Europe with the purchase of additional overnight stands and slots at London Luton airport, and announced a major investment in Vienna, Austria with a five aircraft base.
- Creating the Wizz Pilot Academy and investment to build one of the largest state-of-the-art crew training facilities in Europe.

Underlying profit after tax (which is the same as IFRS profit after tax in 2018) increased by 22.1 per cent. to €275.1 million in 2018 from €225.3 million in 2017.

The macro variables with significant influence on the financial performance of the Group developed during the year as follows:

	2018	2017	Change
Average jet fuel price ($/metric ton, including into plane premium and hedge impact)	611	553	+10.4%
Average USD/EUR rate (including hedge impact)	1.15	1.10	+4.1%
Year-end USD/EUR rate	1.23	1.07	+15.0%

Group Financial overview

Summary statement of comprehensive income
€ million

Continuing operations	Airline 2018	Wizz Tours[6] 2018	Consolidation adjustment	Group 2018	Group 2017	Change in Group results
Passenger ticket revenue	1,132.2	6.1	(6.1)	1,132.2	915.5	23.7%
Ancillary revenue	806.8	11.9	(2.8)	815.8	655.7	24.4%
Total revenue	1,939.0	18.0	(8.9)	1,948.0	1,571.2	24.0%
Staff costs	147.6	0.2		147.8	112.9	30.9%
Fuel costs	479.8			479.8	375.2	27.9%
Distribution and marketing	33.1	1.0		34.0	27.9	22.0%
Maintenance materials and repairs	98.6			98.6	74.7	32.0%
Aircraft rentals	276.3			276.3	233.9	18.1%
Airport, handling and en-route charges	465.7			465.7	390.0	19.4%
Depreciation and amortisation	90.6	0.1		90.7	57.6	57.5%
Other expenses	54.2	17.6	(8.9)	63.2	52.4	20.6%
Total operating expenses	1,645.9	19.0	(8.9)	1,656.2	1,324.5	25.0%
Operating profit/(loss)	293.0	(1.0)	-	291.8	246.7	18.3%
Financial income	2.8			2.8	0.6	
Financial expenses	(5.0)			(5.0)	(13.0)	
Net foreign exchange gain/(loss)	(3.5)			(3.6)	2.6	
Net exceptional financial income	-			-	18.8	

[6] The Group discloses revenues and expenses for its airline and tour operator business units separately. Where a measure is reported for a business unit as opposed to the Group as a whole then this fact is explicitly stated. All other measures and statements relate to the Group as a whole. See also Note 5 to the financial statements.

Net financing income/(expense)	(5.7)			(5.8)	9.1	
Profit/(loss) before income tax	287.3	(1.0)		286.1	255.8	11.8%
Income tax expense	(11.0)			(11.0)	(9.8)	
Profit/(loss) for the year	276.4	(1.0)		275.1	246.0	11.8%

Adjusted performance measures (Note 5) € million	Profit for the year 2018	 2017	
Statutory (IFRS) profit	275.1	246.0	
Exceptional items (Note 5):			
Net gain on fuel caps sold before expiry	-	(4.5)	
(Gain)/loss from change in time value of hedges	-	(14.3)	
Total exceptional adjustments	-	(18.8)	
Unrealised foreign exchange (gains)/losses (Note 6)	-	(1.9)	
Underlying profit	275.1	225.3	22.1%
Underlying profit margin	*14.1%*	*14.3%*	(0.2)ppts

Earnings per share

Earnings per share (Note 8)	2018	2017	Change
Basic earnings per share, EUR	4.00	4.30	(0.30)
Diluted earnings per share (statutory), EUR	2.18	1.95	0.23
Proforma earnings per share (underlying), EUR	2.18	1.79	0.39
Proforma earnings per share (underlying), GBP*	1.91	1.53	0.38

* Translated from EUR to GBP at 1.14 for 2018 (rate applicable at 31 March 2018) and at 1.164 for 2017 (rate applicable at 31 March 2017).

The proforma underlying earnings per share (EPS) is a fully diluted measure defined by the Company. Its calculation differs from the IFRS diluted EPS measure in the following:

- for earnings the underlying profit for the year is used, as opposed to the statutory (IFRS) profit for the year; and
- for the fully diluted number of shares the year-end position was taken rather than the weighted average for the year.

While these factors had relevance until March 2017 they did not have relevance in the current year; therefore, the proforma earnings per share measure is now equal to the diluted earnings per share. The proforma earnings per share measure is being disclosed only because of its relevance in the prior year.

Return on capital employed and capital structure

ROCE* is a non-statutory performance measure commonly used to measure the financial returns that a business achieves on the capital it uses. ROCE for the 2018 financial year was 16.2 per cent., a decrease of 1.4 percentage points compared to the previous year driven by different levels of growth in earnings before interest and tax (EBIT), shareholder's equity, net cash position, and capitalised leases.

The Company's leverage** fell to a ratio of 1.5 (2017: 1.7) at the end of the 2018 financial year.

The year-on-year comparisons of ROCE and leverage benefited from the translation effect of the weaker US Dollar compared to last year as capitalised US dollar aircraft leases are translated into a lower Euro value.

Liquidity, defined as cash and equivalents as a percentage of the last twelve months' revenue, rose from 49.3 per cent. at the end of the 2017 financial year to 50.3 per cent. a year later.

	2018	2017	Change
ROCE*	16.2%	17.6%	1.4 ppts
Leverage**	1.5	1.7	(0.2) ppts
Liquidity	50.3%	49.3%	1.0 ppts

* ROCE: operating profit after tax/average capital employed, where average capital employed is the sum of average equity (excluding convertible debt) and capitalised operating lease obligations, less average cash and cash equivalents.

** Leverage: Net debt adjusted to include capitalised operating lease obligations, divided by EBITDAR (earnings before interest, tax, depreciation, amortisation and aircraft rentals). Capitalised lease obligations: annual aircraft lease expenses multiplied by seven as an estimate of the total outstanding obligation.

Financial performance

Revenues and operating expenses are analysed by business segment, compared to the same measures for the 2017 financial year. The remaining measures (financial income and expenses, taxation, other comprehensive income and expense) are analysed for the Group, as the share of the tour operator business unit is immaterial or nil in these measures.

Airline revenue

The following table sets out an overview of Wizz Air's revenue items for 2018 and 2017 and the percentage change in those items:

	2018		2017*		
	Total (€ million)	Percentage of total revenue	Total (€ million)	Percentage of total revenue	Percentage change
Passenger ticket revenue	1,132.2	58.4%	915.5	58.6%	23.7%
Ancillary revenue	806.8	41.6%	646.4	41.4%	24.8%
Total revenue	1,939.0	100%%	1,562.0	100%	24.1%

* The 2017 numbers have been restated what regards the split between passenger ticket revenue and ancillary revenue.

The guided modest RASK[1] increase of 0.4 per cent. coupled with the 24.7% higher passenger number were the main drivers for passenger ticket revenue increasing by 23.7% per cent. to €1,132.2 million. At the same time ancillary (or "non-ticket") revenue continued to outperform ticket revenue growth and increased by 24.8 per cent. to €806.8 million.

Average revenue per passenger decreased from €65.7 in 2017 to €65.4 in 2018, a decrease of 0.4 per cent which continued to stimulate higher passenger volumes. Average ticket revenue per passenger declined from €38.5 in 2017 to €38.2 (0.8 per cent.), while average ancillary revenue per passenger was unchanged at €27.2. The slight decrease in average revenue per passenger was due to:

- a decrease in average passenger ticket revenue per passenger in 2018 compared to 2017, which was the result of the Company's' high pace of capacity growth and proactively managing load factors 1.3 percentage points higher to 91.3%; and
- the combined impact of the modification of certain products, the introduction of a free large cabin bag policy, fare lock, flexible travel partner, enhanced priority service, and the increased customer penetration of existing products such as allocated seating and different checked-in luggage sizes.

Airline operating expenses

Total airline operating expenses increased by 25.2 per cent. to €1,645.9 million in 2018 from €1,314.5 million in 2017. Airline CASK[1] grew by 1.3 per cent. to 3.19 Euro cents in 2018 from 3.15 Euro cents in 2017. This increase in CASK was principally driven by an increase in the average fuel price. CASK excluding fuel expenses increased to 2.26 Euro cents in 2018 from 2.25 Euro cents in 2017 driven by the combined effect of higher staff related costs and higher depreciation and amortization expenses offset by further improvement of major cost items such as aircraft leasing, airport, handling and en-route charges.

The following table sets out the airline operating expenses for 2018 and 2017 and the percentage changes in those items:

	2018		2017		
	Total (€ million)	Percentage of total operating expenses	Total (€ million)	Percentage of total operating expenses	Percentage change
Staff costs	147.6	9.0%	112.6	8.6%	31.1%
Fuel costs	479.8	29.2%	375.2	28.5%	27.9%
Distribution and marketing	33.1	2.0%	27.0	2.1%	22.3%
Maintenance, materials and repairs	98.6	6.0%	74.7	5.7%	32.0%
Aircraft rentals	276.3	16.8%	233.9	17.8%	18.1%
Airport, handling and en-route charges	465.7	28.3%	390.0	29.7%	19.4%
Depreciation and amortisation	90.6	5.5%	57.5	4.4%	57.6%
Net other expenses	54.2	3.3%	43.6	3.3%	24.4%
Total operating expenses	1,645.9	100%	1,314.5	100%	25.2%

Staff costs increased by 31.1 per cent. to €147.6 million in 2018, up from €112.6 million in 2017. The increase in overall staff costs reflected a 19.7 per cent. rise in aircraft block hours and a structural crew salary increase of 5 per cent.

[1] See definition of RASK and CASK in the Glossary of technical terms

Fuel expenses increased by 27.9 per cent. to €479.8 million in 2018, up from €375.2 million in 2017. This was mainly driven by an increase of 23.6 per cent. growth in ASKs, a 10.4% increase in the average fuel price (after hedging) offset somewhat by a 4.1 per cent. depreciation of the US Dollar against the Euro. The average fuel price, including hedging impact and into-plane premium, paid by Wizz Air in 2018 was US$611 per ton, an increase of 10.4 per cent. from the previous year's figure of US$553 per ton. The average euro / US dollar rate in 2018, including hedging, was 1.15 compared to a rate of 1.10 in 2017.

Distribution and marketing costs rose 22.3 per cent. to €33.1 million in 2018 from €27.0 million in 2017 which is broadly in line with FY 2018 seat capacity growth of 23.0 per cent.

Maintenance, materials and repair costs increased by 32.0 per cent. to €98.6 million in 2018 from €74.7 million in 2017. This cost increase was the combined result higher 'total component support' payment driven by the increased numbers of hours flown and the timing of certain maintenance events.

Aircraft rental costs increased 18.1 per cent. to €276.3 million in 2018, from €233.9 million in 2017 which was in line with fleet growth (equivalent aircraft grew by 18.2 per cent.).

Airport, handling and en-route charges increased by 19.4 per cent. to €465.7 million in 2018 from €390.0 million in 2017. This category comprised €273.9 million of airport and handling fees and €191.8 million of en-route and navigation charges in 2018 and €224.2 million of airport and handling fees and €165.8 million of en-route and navigation charges in 2017. The cost increase was due to a 18.7 per cent. increase in the number of flights, and a 24.7 per cent. rise in passenger numbers.

Depreciation and amortisation charges increased by 57.6 per cent. to €90.6 million in 2018, up from €57.5 million in 2017 due to higher engine-related maintenance and component depreciation as in the last twelve months new maintenance fixed assets were capitalized and their depreciation started in relation to a significant number of future engine heavy maintenance events.

Net other expenses increased by 24.4 per cent. to €54.2 million in 2018 from €43.6 million in 2017. Other expenses include cancellation and delay related costs of €20.1 million, an increase of 64.8 per cent year-on-year. Extensive fleet growth during the financial year and in the early part of the 2019 financial year led to higher training costs and longer training times for the newly joined crew strengthening the Company's work force.

Airline operating profit

The Airline delivered an operating profit of €293.0 million in 2018, an 18.4 per cent. increase compared to 2017 of €247.4 million.

Wizz Tours

Wizz Tours generates revenue by selling package holidays made up of flight tickets purchased from the airline and hotel accommodation purchased from wholesalers (or bedbanks). Revenues in FY18 were €18.0 million compared to €18.1 million in 2017 and operating expenses were €19.0 million compared to €18.9 million in 2017. Operating expenses in both years comprise primarily the value of the flight tickets and hotel accommodation purchased.

Net financing income and expense

The Group's net financing expense was €5.8 million in 2018 after a gain of €9.1 million in 2017. This change was driven primarily by the change in the time value of hedges in 2017, with the net impact of all other items being less significant, as shown in the table below:

€ million	2018	2017	Change
Net FX-related impacts	(3.6)	2.6	(6.2)
Change in time value of hedges (exceptional)	-	14.3	(14.3)
Fuel cap impacts (including exceptional item in 2017)	-	(4.5)	4.5
All other financial income and expenses, net (recurring)	(2.2)	(3.3)	1.1
Net financing income and expense*	(5.8)	9.1	(14.9)

* See also Notes 5 and 6 to the financial statements.

Net FX-related impacts consisted primarily of unrealised FX differences (€3.8 million loss in 2018 and €1.9 million gain in 2017), driven mainly by significant movements in the USD–EUR FX-rate (15.0 per cent. strengthening of the EUR during 2018 and 6.1 per cent. weakening during 2017).

Changes in the time value of hedges, as accounted for under IAS 39, resulted in significant gains in 2017. With the Company's adoption of IFRS 9 from 1 April 2017 subsequent changes in the time value hedges are no longer booked to earnings. Fuel caps resulted in €4.5 million net loss in 2017, there were no fuel caps expiring in 2018.

Taxation

The Group recorded an income tax expense of €11.0 million in 2018 compared to €9.8 million in 2017. The effective tax rate for the Group in 2018 was 3.8 per cent, unchanged compared to 2017. The main components of this charge are local business tax and innovation tax paid in Hungary, and corporate income tax paid in Switzerland.

Profit for the year

The Group generated a profit for 2018 of €275.1 million, an 22.1 per cent. increase from the underlying profit of €225.3 million in 2017.

Other comprehensive income and expenses

In 2018 the Group had other comprehensive income of €10.0 million compared to €15.5 million in 2017. This change was driven by the movements in the balance of the cash flow hedging reserve (in equity).

Cash flows and financial position

Summary statement of cash flows

The following table sets out selected cash flow data and the Company's cash and cash equivalents for 2018 and 2017:

€ million	2018	2017	Change
Net cash generated by operating activities	**416.9**	310.9	106.0
Net cash used in investing activities	**(208.9)**	(179.7)	(29.2)
Net cash used in financing activities	**(2.3)**	(1.8)	(0.5)
Effect of exchange rate fluctuations on cash and cash equivalents	**(0.1)**	(1.0)	0.9
Cash and cash equivalents at the end of the year	**979.6**	774.0	205.6

Cash flow from operating activities

The majority of Wizz Air's cash inflows from operating activities are derived from passenger ticket sales. Net cash flows from operating activities are also affected by movements in working capital items.

Operating cash flows improved from €310.9 million in 2017 to €416.9 million in 2018 primarily due to the following factors:

- Profit before tax and depreciation: Profit before tax in 2018 was €30.3 million higher than in 2017. Depreciation and amortisation expenses were €33.1 million higher in 2018 than in 2017. In 2017 there were also significant non-cash financial income items primarily relating to the time value of hedges. These differences explain most of the €78.0 million increase in operating cash flows year on year before adjusting for changes in working capital.
- Changes in working capital: The movements in working capital items increased 2018 operating cash flows by €44.0 million. The continued strength of the Company's balance sheet meant that less cash collateral on letters of credits were required. Cash collateral balances increased by €10.6 million in 2018 compared to an increase of €52.4 million in 2017.

Cash flow from investing activities

Net cash used in investing activities increased by €29.2 million from a net cash outflow of €179.7 million in 2017 to a net cash outflow of €208.9 million in 2018. The two main drivers of investment in 2018 were:

- Advances paid for aircraft (pre delivery payments, 'PDP'): The net PDP flows (payments paid to Airbus less refunds received) were €124.9 million in 2018, requiring €60.9 million more cash investment than in 2017.
- Purchase of maintenance assets amounting to €84.1 million in 2018, consisting of maintenance related activities as well as advance payments made in relation to engine heavy maintenance scheduled to be performed in the future.

Cash flow from financing activities

Net cash used in financing activities increased by €0.5 million resulting in a €2.3 million outflow in 2018 from a €1.8 million outflow in 2017.

Summary statement of balance sheet

The following table sets out summary statements of financial position of the Group for 2018 and 2017:

€ million	**2018**	2017	Change
ASSETS			
Property, plant and equipment	**684.5**	505.7	178.8
Restricted cash*	**162.1**	155.8	6.3
Derivative financial instruments*	**34.1**	10.1	24.0
Trade and other receivables*	**239.0**	208.7	30.3
Cash and cash equivalents	**979.6**	774.0	205.6
Other assets*	**42.7**	42.1	0.6

Total assets	**2,142.1**	1,696.3	445.8
EQUITY AND LIABILITIES			
Equity			
Equity	**1,241.9**	952.5	289.4
Liabilities			
Trade and other payables	**254.7**	197.7	57.0
Convertible debt and other borrowings*	**32.2**	33.0	(0.8)
Deferred income*	**437.4**	388.8	48.6
Derivative financial instruments*	**13.7**	1.8	11.9
Provisions*	**153.0**	113.7	39.3
Other liabilities*	**9.2**	8.9	0.3
Total liabilities	**900.2**	743.8	156.3
Total equity and liabilities	**2,142.1**	1,696.3	445.8

* Including both current and non-current asset and liability balances, respectively.

Property, plant and equipment increased by €178.8 million as at 31 March 2018 compared to 31 March 2017 (see Note 9 to the financial statements). This was driven by investments in the two most important fixed asset categories, as follows: (i) the gross book value of aircraft maintenance assets (including advances paid for these assets) increased by €124.2 million, mainly due to more engines being out of condition under the respective lease contract at the end of 2018 than a year before; (ii) PDPs increased by €125.0 million due to the growing number of future aircraft deliveries and their respective payments as well as the relatively higher PDP of the A321ceo compared to the A320ceo.

Restricted cash (current and non-current) increased by €6.3 million as at 31 March 2018 compared to 31 March 2017.

Derivative financial assets (current and non-current) increased by €24.0 million as at 31 March 2018 compared to 31 March 2017. The asset in 2018 relates primarily to mark-to-market gains on open fuel hedges arising from the increase of the jet fuel prices since the inception of the hedges.

Trade and other receivables (current and non-current) increased by €30.3 million as at 31 March 2018 compared to 31 March 2017, which is broadly consistent with the rate of increase of the business.

Cash and cash equivalents increased by €205.6 million as at 31 March 2018 compared to 31 March 2017. This change is explained in detail in the cash flow analysis above.

Trade and other payables increased by €57.0 million as at 31 March 2018 compared to 31 March 2017. This rate of increase is broadly consistent with rate of increase for the Group's business during the year.

Deferred income (current and non-current) increased by €48.6 million as at 31 March 2018 compared to 31 March 2017. This was driven by the increase in unflown revenues (€44.4 million or 17%), primarily due to the increase in offered seat capacity, somewhat reduced by the Easter-effect (i.e. Easter falling to mid-April in 2017 but to end of March in 2018).

Derivative financial liabilities (current and non-current) increased by €11.9 million as at 31 March 2018 compared to 31 March 2017. The liability in 2018 relates to losses on open US dollar hedge positions arising from a weaker US$ compared to the Euro since inception of the hedges.

Provisions (current and non-current) increased by €39.3 million as at 31 March 2018 compared to 31 March 2017 (see Note 10 to the financial statements). The increase relates primarily to new provisions made for future heavy maintenance events, particularly engine LLP replacements.

KEY STATISTICS

	2018	2017	Change
CAPACITY			
Number of aircraft at end of period	**93**	79	+17.7%
Equivalent aircraft	**85.3**	72.13	+18.2%
Utilisation (block hours per aircraft per day)	**12.68**	12.48	+1.6%
Total block hours	**394,624**	329,592	+19.7%
Total flight hours	**343,006**	286,188	+19.9%
Revenue departures	**168,208**	141,698	+18.7%
Average departures per day per aircraft	**5.41**	5.37	+0.7%

Seat capacity	**32,438,754**	26,378,840	+23.0%
Average aircraft stage length (km)	**1,589**	1,582	+0.4%
Total ASKs ('000 km)	**51,536,986**	41,690,967	+23.6%
OPERATING DATA			
RPKs (revenue passenger kilometre) ('000 km)	**47,209,679**	37,627,831	+25.5%
Load factor (%)	**91.3**	90.1	+1.3ppt
Number of passenger segments	**29,632,357**	23,764,385	+24.7%
Fuel price (US$ per ton, including hedging impact and into-plane premium)	**611**	553	+10.4%
Foreign exchange rate (US$/€ including hedging impact)	**1.15**	1.10	+5.1%
FINANCIAL MEASURES (for the Airline only)			
Yield (revenue per RPK, € cents)	**4.11**	4.15	(1.2)%
Average revenue per seat (€)	59.77	59.21	0.9%
Average revenue per passenger (€)	**65.43**	65.73	(0.4)%
RASK (€ cents)	**3.76**	3.75	0.4%
CASK (€ cents)	**3.19**	3.15	1.3%
Ex-fuel CASK (€ cents)	**2.26**	2.25	0.4%

* Percentage changes in this table are calculated by division of the two years' KPIs also when the KPIs are expressed in percentage.

Glossary of technical terms

Available seat kilometres (ASK): available seat kilometres, the number of seats available for scheduled passengers multiplied by the number of kilometres those seats were flown.

Block hours: each hour from the moment an aircraft's brakes are released at the departure airport's parking place for the purpose of starting a flight until the moment the aircraft's brakes are applied at the arrival airport's parking place.

CASK: operating expenses per ASK.

EBITDAR: profit (or loss) before net financing costs (or gain), income tax expense (or credit), depreciation, amortisation and aircraft rentals.

Equivalent aircraft: the number of aircraft available to Wizz Air in a particular period, reduced on a per aircraft basis to reflect any proportion of the relevant period that an aircraft has been unavailable.

Ex-fuel CASK: operating expenses net of fuel expenses per ASK.

Flight hours: each hour from the moment the aircraft takes off from the runway for the purposes of flight until the moment the aircraft lands at the runway of the arrival airport.

Leverage: net debt adjusted to include capitalised operating lease obligations divided by earnings before interest, tax, depreciation, amortisation and aircraft rentals.

Load factor: the number of seats sold divided by the number of seats available.

PDP: the pre-delivery payments under the Group's aircraft purchase arrangements.

Utilisation: the total block hours for a period divided by the total number of aircraft in the fleet during the period and the number of days in the relevant period.

Revenue passenger kilometres (RPK): revenue passenger kilometres, the number of seat kilometres flown by passengers who paid for their tickets.

RASK: passenger revenue divided by ASK.

Yield: the total revenue per RPK.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017

Continuing operations	Note	€ million	€ million
Passenger ticket revenue	4	**1,132.2**	915.5
Ancillary revenue	4	**815,8**	655.7
Total revenue	4	**1,948.0**	1,571.2
Staff costs		**(147.8)**	(112.9)
Fuel costs		**(479.8)**	(375.2)
Distribution and marketing		**(34.0)**	(27.9)
Maintenance materials and repairs		**(98.6)**	(74.7)
Aircraft rentals		**(276.3)**	(233.9)
Airport, handling and en-route charges		**(465.7)**	(390.0)
Depreciation and amortisation		**(90.7)**	(57.6)
Net other expenses		**(63.2)**	(52.4)
Total operating expenses		**(1,656.2)**	(1,324.5)
Operating profit		**291.8**	246.7
Financial income	6	**2.8**	0.6
Financial expenses	6	**(5.0)**	(13.0)
Net foreign exchange (loss)/gain	6	**(3.6)**	2.6
Net exceptional financial income	5	**-**	18.8
Net financing (expense)/income		**(5.8)**	9.1
Profit before income tax		**286.1**	255.8
Income tax expense	7	**(11.0)**	(9.8)
Profit for the year		**275.1**	246.0
Other comprehensive income – items that may be subsequently reclassified to profit or loss:			
Net movements in cash flow hedging reserve, net of tax		**10.0**	15.5
Currency translation differences		**-**	-
Other comprehensive income for the year, net of tax		**10.0**	**15.5**
Total comprehensive income for the year		**285.1**	261.6
Earnings per share (Euro/share)	8	**4.00**	**4.30**
Diluted earnings per share (Euro/share)	8	**2.18**	**1.95**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2018

	Note	**2018 € million**	2017 € million
ASSETS			
Non-current assets			
Property, plant and equipment	9	**684.5**	505.7
Intangible assets		**17.6**	10.3
Restricted cash		**159.4**	154.7
Deferred interest		**3.4**	4.7
Derivative financial instruments		**2.5**	0.1
Trade and other receivables		**43.7**	67.3
Total non-current assets		**910.9**	742.7
Current assets			
Inventories		**21.6**	24.9
Trade and other receivables		**195.4**	141.4
Financial assets available for sale		**-**	1.0
Derivative financial instruments		**31.7**	10.0
Deferred interest		**0.2**	1.2
Restricted cash		**2.8**	1.2
Cash and cash equivalents		**979.6**	774.0
Total current assets		**1,231.1**	953.7
Total assets		**2,142.1**	1,696.3
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		**-**	-

Share premium		**379.1**	378.2
Reorganisation reserve		**(193.0)**	(193.0)
Equity part of convertible debt		**8.3**	8.3
Cash flow hedging reserve		**18.7**	2.6
Retained earnings		**1,028.7**	756.4
Total equity		**1,241.9**	952.5
Non-current liabilities			
Borrowings		**4.7**	5.3
Convertible debt		**26.6**	26.8
Deferred income		**107.3**	107.9
Deferred tax liabilities		**7.4**	6.5
Derivative financial instruments		**0.9**	0.8
Provisions for other liabilities and charges	10	**94.8**	77.5
Total non-current liabilities		**241.7**	224.7
Current liabilities			
Trade and other payables		**254.7**	197.7
Current tax liabilities		**1.8**	2.4
Borrowings		**0.6**	0.6
Convertible debt		**0.3**	0.3
Derivative financial instruments		**12.8**	1.1
Deferred income		**330.1**	280.9
Provisions for other liabilities and charges	10	**58.3**	36.2
Total current liabilities		**658.5**	519.1
Total liabilities		**900.2**	743.8
Total equity and liabilities		**2,142.1**	1,696.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	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)	8.3	8.7	750.3	952.5
Comprehensive income							
Profit for the year	-	-	-	-	-	275.1	275.1
Other comprehensive income							
Hedging reserve	-	-	-	-	10.0	-	10.0
Total other comprehensive income	-	-	-	-	10.0	-	10.0
Total comprehensive income for the year	-	-	-	-	10.0	275.1	285.1
Transactions with owners							
Proceeds from shares issued	-	0.9	-	-	-	-	0.9
Share based payment charge	-	-	-	-	-	3.3	3.3
Total transactions with owners	-	0.9	-	-	-	3.3	4.2
Balance at 31 March 2018	**-**	**379.1**	**(193.0)**	**8.3**	**18.7**	**1,028.7**	**1,241.9**

* 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 YEAR ENDED 31 MARCH 2017

	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 2016	-	377.0	(193.0)	8.3	(13.0)	509.4	688.8
Comprehensive income							
Profit for the year	-	-	-	-	-	246.0	246.0
Other comprehensive income							
Hedging reserve	-	-	-	-	15.5	-	15.5
Total other comprehensive income	-	-	-	-	15.5	-	15.5
Total comprehensive income for the year	-	-	-	-	15.5	246.0	261.6
Transactions with owners							
Proceeds from shares issued	-	1.2	-	-	-	-	1.2
Share based payment charge	-	-	-	-	-	1.0	1.0
Total transactions with owners	-	1.2	-	-	-	1.0	2.2
Balance at 31 March 2017	-	378.2	(193.0)	8.3	2.6	756.4	952.5

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	**2018 € million**	2017 € million
Cash flows from operating activities			
Profit before income tax		**286.1**	255.8
Adjustments for:			
Depreciation	9	**86.9**	55.0
Amortisation		**3.8**	2.6
Financial income		**(2.8)**	(21.6)
Financial expense		**8.8**	13.0
Gain on sale of PPE		**(2.2)**	-
Share based payment charges		**3.2**	1.0
		383.8	305.8
Changes in working capital (excluding the effects of exchange differences on consolidation)			
Increase in trade and other receivables		**(38.3)**	(7.6)
Increase in restricted cash		**(10.6)**	(52.4)
Decrease in deferred interest		**2.3**	1.3
Decrease/(increase) in inventory		**3.3**	(7.3)
Increase in provisions		**0.4**	0.7
Increase in trade and other payables		**49.5**	21.9
Increase in deferred income		**37.4**	57.6
Cash generated by operating activities before tax		**427.8**	319.9
Income tax paid		**(10.9)**	(9.0)
Net cash generated by operating activities		**416.9**	310.9
Cash flows from investing activities			
Purchase of aircraft maintenance assets		**(84.1)**	(77.7)
Proceeds from the sale of available for sale financial assets		**1.0**	-
Purchases of tangible and intangible assets		**(25.6)**	(38.1)
Proceeds from the sale of tangible assets		**23.8**	-
Advances paid for aircraft		**(219.8)**	(172.7)
Refund of advances paid for aircraft		**94.9**	108.7
Interest received		**0.9**	0.2
Net cash used in investing activities		**(208.9)**	(179.7)
Cash flows from financing activities			
Proceeds from the issue of share capital		**1.0**	1.2
Interest paid		**(2.8)**	(2.4)
Commercial loan repaid		**(0.6)**	(0.5)
Net cash used in financing activities		**(2.3)**	(1.8)
		205.6	129.4

Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	**774.0**	645.6
Effect of exchange rate fluctuations on cash and cash equivalents	**(0.1)**	(1.0)
Cash and cash equivalents at the end of the year	**979.6**	774.0

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Basis of preparation

These consolidated financial statements consolidate those of the Company and its subsidiaries. The consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs" and IFRS IC interpretations).

Based on the exemption provided in Article 105 (11) of the Companies (Jersey) Law 1991 the Company does not present its individual financial statements and related notes.

The financial statements are presented in Euros, which is the functional currency of all companies in the Group other than Wizz Air UK Ltd. and two dormant entities, Dnieper Aviation LLC and Wizz Air Ukraine Airlines LLC.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with IFRS legislates the use of certain critical accounting estimates and requires management to exercise judgments in the process of applying the Group's accounting policies. The areas involving a high degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2. Financial risk management

Hedge transactions during the periods

The Group uses non-derivatives, zero-cost collar instruments and outright forward contracts 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 that expired during the periods was as follows:

a) Foreign exchange hedge (USD versus EUR):

US$517 million (2017: US$333.5 million).

b) Foreign exchange hedge (GBP versus EUR):

GBP 48 million (2017: nil).

c) Fuel hedge:

703,000 metric tons (2017: 475,000 metric tons).

The gains and losses arising from the expired hedge transaction during the year were as follows:

a) Foreign exchange hedge (USD versus EUR):

€510.7 million loss (2017: €2.4 million gain). Out of it €7.4 million loss effect on fuel cost (2017: €1.1 million gain), while €3.3 million loss (2017: €1.3 million gain) effect on lease rental cost.

b) Foreign exchange hedge (GBP versus EUR):

€1.9 million gain (2017: nil). GBP foreign exchange hedge affects revenue.

c) Fuel hedge:

€24.4 million gain (2017: €5.9 million loss).

Hedge year-end open positions

At the end of the year and the prior year the Group had the following open hedge positions:

a) Foreign exchange hedge with derivatives:

The fair value of the open positions was a €12.8 million loss (2017: €5.8 million gain) recognised within other comprehensive income, assets (€0.8 million in 2018 and €5.8 million in 2017) or liabilities (€13.7 million in 2018 and nil 2017), respectively. The €12.8 million loss can be analysed further into €7.5 million intrinsic value loss and €5.3 million time value loss components.

The notional amount of the open positions was US$726 million (2017: US$297 million). There was no open position on the GBP/Euro zero-cost collar instruments at the end of the current and the prior year.

b) Foreign exchange hedge with non-derivatives:

The notional amount of the open positions was US$393.4 million (2017: US$238.5 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 year out of its non-derivative financial assets position the Group had US$13.5 million designated for hedge accounting (2017: US$23.6 million). This amount is part of trade and other receivables on the consolidated statement of financial position.

In preparation for the Company to potentially buy aircraft and bring them on balance sheet the Company altered the settlement process of payable and receivable Pre-Delivery Payments (PDPs) to/from Airbus in March 2018. This change in settlement method will significantly reduce the exposure of the Company's income statement to unpredictable FX gains and losses arising on returned USD deposits. In addition, the change will improve the efficiency of cash management between Airbus and the Company with less cash transactions going backwards and forwards.

Therefore, the PDP balance kept with Airbus is no longer considered as a natural hedge of future USD cash outflows as it is intended to be kept with Airbus without any commitment and timing of its return. Under a scenario of purchasing aircraft the PDP is a down-payment of the final purchase price of the aircraft, and upon the delivery of the aircraft Airbus will irrevocably retain the PDP. The FX gains or losses in this case would therefore be capitalized as part of the cost of the aircraft asset and depreciated over the life of the aircraft.

c) Fuel hedge:

The fair value of the open positions was a €33.3 million gain (2017: €2.5 million gain) recognised within other comprehensive income and assets (€33.3 million in 2018 and €4.3 million in 2017) or liabilities (nil in 2018 and €1.8 million in 2017), respectively. The €33.3 million gain can be analysed further into €37.7 million intrinsic value gain and €4.4 million time value loss components.

The notional amount of the open positions was 626,000 metric tons (2017: 598,000 metric tons).

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 year ending 31 March 2019.

The company had only cash flow hedges in the year. The amounts removed from equity during the year were all recycled to the statement of comprehensive income.
During the year the Group realised €16 million gain (2017: €15.5 million) in other comprehensive income in relation to change in fair value of cash flow hedge open positions and as of 1 April 2017 in amount of €6.1 million time value gain was reclassified from retained earnings as a result of adoption of IFRS 9.

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

a) Maintenance policy

For aircraft held under operating lease agreements, provision is made for the minimum unavoidable costs of specific future obligations created by the lease at the time when such obligation becomes certain. The amount of the provision involves making estimates of the cost of the heavy maintenance work that is required to discharge the obligation, including any end of lease costs.

The cost of heavy maintenance is capitalised and recognised as a tangible fixed asset (and classified as an "aircraft maintenance asset") at the earlier of: (a) the time the lease re-delivery condition is no longer met; or (b) when maintenance, including enhancement, is carried out. The calculation of the depreciation charge on such assets involves making estimates for the future utilisation of the aircraft and in the case of engines also of the future operating conditions of the engine.

The policy adopted by the Company, as summarized above, is only one of the policies available under IFRS in accounting for heavy maintenance for aircraft held under operating lease agreements. A principal alternative policy involves recognising provisions for future maintenance obligations in accordance with hours flown or similar measure, and not only when lease re-delivery conditions are not met. The directors believe the policy adopted by the Company provides the most reliable and relevant information about the Company's obligations to incur major maintenance expenditure on leased aircraft and at the same time it best reflects the fact that an aircraft has lower maintenance requirements in the early years of its operation.

b) Hedge and derivative accounting

Fair value of derivatives (namely the open position of cash flow hedges) is determined by the contracting financial institutions as per their industry practice. As required, the fair values ascribed to those instruments are verified also by management using high-level models. Further, the effectiveness of hedges is tested both prospectively and retrospectively to determine the appropriate accounting treatment of hedge gains and losses.

c) Net presentation of government taxes and other similar levies

The Group's accounting policy stipulates that where charges levied by airports or government authorities on a per passenger basis represent a government tax in fact or in substance, then such amounts are presented on a net basis in the statement of comprehensive income (netted between the revenue and the airport, handling and en-route charges lines).

Management reviews all passenger-based charges levied by airports and government authorities to ensure that any amounts recovered from passengers in respect of these charges are appropriately classified within the statement of comprehensive income. Given the variability of these charges and the number of airports and jurisdictions within which the Group operates, the assessment of whether these items constitute taxes in nature is an inherently complex area, requiring a level of judgment.

d) Accounting for membership fees

The Group operates the Wizz Discount Club ("WDC") loyalty program for its customers. Under this program customers can pay an annual membership fee, with the key benefit that during most of the twelve-month membership period they get access to special fares that are lower than the standard ticket prices.

The Group recognises the revenue from the membership fees following the pattern of customers taking benefits from the program. This pattern is determined by management once a year, on the basis of the actual distribution of member flights in the preceding twelve months, and then applied prospectively. It is unlikely that there would be a material change in the pattern within one year, because the underlying fact patterns (for customers to buy membership, to buy tickets and then to fly those tickets) are reasonably stable.

4. Segment information

Reportable segment information

The 'chief operating decision maker' (CODM) of the Group, as defined in IFRS 8 'Operating segments' is the senior management team of the Group.

The Group has two reportable segments: the airline and the tour operator business units, marketed under the Wizz Air and 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.

	2018 Airline € million	2018 Tour operator € million	2018 Group € million	2017 Airline € million	2017 Tour operator € million	2017 Group € million
Total revenue	1,939.0	18.0	1,957.0	1,562.0	18.1	1,581.0
Less: inter-segment revenue	(9.0)	0.0	(9.0)	(8.8)	-	(8.8)
Revenue from external customers	1,930.0	18.0	1,948.0	1,553.1	18.0	1,571.2
Operating expenses	(1,645.9)	(19.0)	(1,656.2)	(1,314.5)	(18.9)	(1,324.5)
Operating profit/(loss)	293.0	(1.0)	291.8	247.4	(0.8)	246.7
Profit/(loss) after tax	276.4	(1.0)	275.1	246.7	(0.9)	246.0
Underlying profit/(loss) after tax	276.4	(1.0)	275.1	226.1	(0.9)	225.3

In 2018 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.

5. Exceptional items and underlying profit

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Until 31 March 2017 the Group used to identify exceptional items and calculate an underlying profit measure that was different from the statutory profit after tax measure. The principal source of these exceptional items was the change in the time value of open hedges, the accounting for which was passed through the income statement. Following the adoption of IFRS 9, the Group changed its treatment of the change in the time value of such open hedges, recording them as reserve movements rather than through the income statement. As a consequence, unless new material exceptional items arise, from the current year the Group has decided to present only the statutory profit after tax measure in its reporting.

In the 2017 financial year the Group had a net exceptional income of €18.8 million, consisting of: (i) exceptional gain of €14.3 million relating to the change in time value of open hedge positions, particularly on fuel caps; and (ii) exceptional income of €4.5 million relating to closing of fuel cap deals.

The Group had no similar transactions or impacts in 2018. While the Group had some unrealised foreign exchange differences also in 2018, the impact of these was limited (€3.8 million, see in Note 6 below) and therefore this item on its own does not justify determining an underlying profit measure for the year, that would be different from the IFRS profit for the year.

Underlying profit

	2018 € million	2017 € million
Profit for the period	275.1	246.0
Adjustments (exclusions):		
Unrealised foreign exchange gain	-	(1.9)
Exceptional items net gain	-	(18.8)
Sum of adjustments	-	(20.7)
Underlying profit after tax	275.1	225.3

The tax effects of the adjustments made above are insignificant.

6. Net financing income and expense

	2018 € million	2017 € million
Interest income	2.8	0.3
Ineffective hedge gain	-	0.3
Financial income	2.8	0.6
Interest expense		
Convertible debt	(1.8)	(1.2)
Finance lease	(0.5)	(0.5)
Other	(2.7)	(2.3)
Premium of expired fuel cap deals	-	(9.0)
Financial expenses	(5.0)	(13.0)
Foreign exchange gain/(loss)		
Realised	0.2	0.7
Unrealised	(3.8)	1.9
Net foreign exchange (loss)/gain	(3.6)	2.6
Net exceptional financial income (Note 5)	-	18.8
Net financing (expense)/income	(5.8)	9.1

Interest income and expense contain interest on financial instruments and, under the ‘Other’ category the effect of the initial discounting of long-term deposits and the later unwinding of such discounting.

The fuel caps premium of €9.0 million in 2017 relates to the option fees for fuel caps expired in the period – these were paid in the 2015 financial year. No fuel cap deals were used by the Group in this year ended in March 2018.

7. Income tax expense

Recognised in the statement of comprehensive income

	2018 € million	2017 € million
Current year corporate tax	3.9	2.6
Other income based taxes	6.4	5.6
Deferred tax	0.7	1.6
Total tax charge	11.0	9.8

The Company has a tax rate of 7.8 per cent. (2017: 7.8 per cent.). The tax rate relates to Switzerland, where the Company is tax resident.

The current tax charge for the year is different to the standard rate of corporation tax of 7.8 per cent. (2017: 7.8 per cent.). The difference is explained below.

Reconciliation of effective tax rate

	2018 € million	2017 € million
Profit before tax	286.1	255.8
Tax at the corporation tax rate of 7.8 per cent. (2017: 7.8 per cent.)	22.3	20.0
Effect of different tax rate of subsidiaries versus the parent company	(17.7)	(15.8)
Other income based foreign tax	6.4	5.6
Total tax charge	11.0	9.8
Effective tax rate	3.8%	3.8%

The Company had no taxable income. Substantially all the profits of the Group in 2018 and 2017 were made by Wizz Air Hungary Kft, the airline subsidiary of the Group, and substantially all the tax charges presented in this Note were incurred by this entity.

Other income based foreign tax represents the "innovation contribution" and the local business tax payable in Hungary in 2018 and 2017 by the Hungarian subsidiaries of the Group, primarily Wizz Air Hungary Kft. Hungarian local business tax and innovation contribution are levied on an adjusted profit basis.

Recognised in the statement of other comprehensive income

	2018 € million	2017 € million
Deferred tax	0.2	-
Total tax charge	0.2	-

8. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during each period.

	2018	2017
Profit from the year, € million	275.1	246.0
Weighted average number of Ordinary Shares in issue	68,739,736	57,254,581
Basic earnings per share, EUR	4.00	4.30

There were also 29,830,503 Convertible Shares in issue at 31 March 2018. 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

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares in issue with the weighted average number of Ordinary Shares that could have been issued in the respective year as a result of the conversion of the following convertible instruments of the Group:

- Convertible Shares;
- Convertible Notes; and
- employee share options (vested share options are included in the calculation).

The profit for the year has been adjusted for the purposes of calculating diluted earnings per share in respect of the interest charge relating to the debt which could have been converted into shares.

	2018	2017
Profit for the year, € million	275.1	246.0
Interest expense on convertible debt (net of tax), € million	1.8	1.2
Profit used to determine diluted earnings per share, € million	277.0	247.2
Weighted average number of Ordinary Shares in issue	68,739,736	57,254,581
Adjustment for assumed conversion of convertible instruments	58,111,974	69,514,785
Weighted average number of Ordinary Shares for diluted earnings per share	126,851,711	126,769,366
Diluted earnings per share, EUR	2.18	1.95

The dilution effect of each class of convertible instrument from the total 58,111,974 dilutive shares in 2018 was the following: Convertible Shares: 33,693,517 shares; convertible debt: 24,246,715 shares; employee share options: 171,743 shares.

Proforma earnings per share

The proforma earnings per share is a fully diluted non-IFRS measure defined by the Company, calculated as follows:

	2018	2017
Underlying profit for the year, € million	275.1	225.3
Interest expense on convertible debt, € million[1]	1.8	1.2
Profit used to determine proforma earnings per share, € million	277.0	226.5
Number of shares in issue at year end[2]	102,576,674	102,235,474
Adjustment for assumed conversion of convertible debt instruments[3]	24,246,715	24,246,715
Adjustment for assumed conversion of employee share options	187,500	288,700
Fully diluted number of shares for proforma earnings per share	127,010,889	126,770,889
Proforma earnings per share, EUR	2.18	1.79

(1) Interest expense on convertible debt is higher in 2018 because in 2017 it was reduced by refunds of interest withholding tax incurred in earlier periods.

(2) The issued share number includes also the 29.8 million Convertible Shares in issue at 31 March 2018 (2017: 44.8 million).

(3) Interest outstanding on Convertible Notes in issue at year end is not taken into account for conversion because it is more likely to be paid in cash than converted into shares (as it was the case also in the past).

The calculation of the proforma underlying EPS is different from the calculation of the IFRS-diluted EPS measure in the following:

- for earnings, the underlying profit for the year was used (see Note 5), as opposed to the statutory (IFRS) profit for the year; and
- for the fully diluted number of shares the year-end position was taken rather than the weighted average for the year.

While these factors had relevance until March 2017 they did not have relevance in the current year; therefore, the proforma earnings per share measure is now equal to the diluted earnings per share. The proforma earnings per share measure is being disclosed only because of its relevance in the prior year.

9. 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 2016	7.7	149.1	32.2	5.0	142.3	93.9	430.2
Additions	1.9	69.9	37.3	1.4	172.7	32.6	315.8
Disposals	-	(14.8)	-	(0.2)	(108.7)	-	(123.7)
Transfers	-	51.8	-	-	-	(51.8)	-
At 31 March 2017	9.6	256.0	69.5	6.2	206.3	74.7	622.3
Additions	-	88.2	17.8	6.7	219.8	58.8	391.3
Disposals	(0.1)	(18.3)	(23.0)	(0.3)	(94.8)	(4.5)	(141.0)
Transfers	-	25.5	-	-	-	(25.5)	-
Foreign exchange differences	-	-	(0.1)	-	-	-	(0.1)
At 31 March 2018	9.5	351.4	64.2	12.6	331.3	103.5	872.5
Accumulated depreciation							
At 1 April 2016	1.3	63.7	8.1	3.5	-	-	76.6
Depreciation charge for the year	0.7	47.0	6.8	0.5	-	-	55.0
Disposals	-	(14.8)	-	(0.2)	-	-	(15.0)
At 31 March 2017	2.0	95.9	14.9	3.8	-	-	116.6
Depreciation charge for the year	0.8	77.2	8,3	0.6	-	-	86.9
Disposals	(0.1)	(12.6)	(2.5)	(0.3)	-	-	(15.5)
At 31 March 2018	2.7	160.5	20.7	4.1	-	-	188.0
Net book amount							
At 31 March 2018	6.8	190.9	43.5	8.5	331.3	103.5	684.5
At 31 March 2017	7.6	160.1	54.6	2.4	206.3	74.7	505.7

Additions to aircraft parts were €17.8 million (2017: €37.3 million). Most of this increase in 2018 was related to the delivery of a spare engine from IAE.

Additions to aircraft maintenance assets were €88.2 million (2017: €69.9 million). These additions were due to the fact that there were a significant number of engine-related new assets created in both years as engines became out of condition for LLP replacement. Additions to 'advances paid to aircraft maintenance assets' reflect primarily the advance payments made by the Group to the engine maintenance service provider under fleet hour agreements (FHA).

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

	2018 € million	2017 € million
Cost from capitalised finance lease	7.5	7.5
Accumulated depreciation	(2.5)	(1.8)
Net book amount	5.0	5.7

10. Provisions for other liabilities and charges

	Aircraft maintenance € million	Other € million	Total € million
At 1 April 2016	83.7	1.2	84.9
Non-current provisions	41.2	-	41.2
Current provisions	42.5	1.2	43.7
Capitalised within property, plant and equipment	67.9	-	67.9
Charged to comprehensive income	-	1.2	1.2
Used during the year	(39.8)	(0.5)	(40.3)
At 31 March 2017	111.8	1.9	113.7
Non-current provisions	77.5	-	77.5
Current provisions	34.3	1.9	36.2
Capitalised within property, plant and equipment	87.6	-	87.6
Charged to comprehensive income	-	1.4	1.4
Used during the year	(48.7)	(1.0)	(49.7)
At 31 March 2018	150.7	2.3	153.0
Non-current provisions	94.8	-	94.8
Current provisions	55.9	2.3	58.2

Non-current provisions relate to future aircraft maintenance obligations of the Group on leased aircraft and spare engines, falling due beyond one year from the balance sheet date. Current aircraft maintenance provisions relate to heavy maintenance obligations expected to be fulfilled in the coming financial year. The amount of provision reflects management's estimates of the cost of heavy maintenance work that will be required in the future to discharge obligations under the Group's operating lease agreements (see Note 3). Maintenance provisions in relation to engines covered by FHA agreements are netted off with the FHA prepayments made to the engine maintenance service provider in respect of the same group of engines.

The increase in maintenance provisions from 2017 to 2018 relates primarily to new provisions made for engine Life Limited Part (LLP) replacements.

Other provisions relate to future liabilities under the Group's customer loyalty programme, all within one year.

11. 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. The Bucharest Court of Appeals decided however 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 is set to 18 June 2018.

12. Related parties

Identity of related parties

Related parties are:

- Indigo Hungary LP and Indigo Maple Hill LP (collectively referred to as "Indigo" here), because it appointed two Directors to the Board of Directors (all in service at 31 March 2018);
- key management personnel (Directors and Officers); and

Indigo, Directors and Officers altogether held 23.8 per cent. of the voting shares of the Company at 31 March 2018 (2017: 23.3 per cent.).

Transactions with related parties

There were no transactions with related parties during the fiscal year except as indicated below.

Transactions with Indigo

During the period Indigo sold 10,740,633 of its existing holding of Ordinary Shares in the Company and converted 15,000,000 of its holding of Convertible Shares into Ordinary Shares of the Company. At 31 March 2018 Indigo held 15,000,000 Ordinary Shares (equal to 20.6 per cent. of the Company's issued share capital) and 29,830,503 Convertible Shares of the Company (2017: 10,740,633 Ordinary Shares and 44,830,503 Convertible Shares).

Indigo has interest in convertible debt instruments issued by the Company. The Company's liability to Indigo, including principal and accrued interest, was €26.9 million at 31 March 2018 (2017: €27.1 million).

During the year ended 31 March 2018 the Company entered into transactions with Indigo as follows:

- the Company recognised interest expense on convertible debt instruments held by Indigo in the amount of €2.0 million (2017: €2.0 million); and
- fees of €0.1 million (2017: €0.1 million) were paid to Indigo in respect of the remuneration of two of the Directors who were delegated by Indigo to the Board of Directors of the Company.Accounts and other information