NEWS FLASH

20 March 2014

Flughafen Zürich AG: profit of 137.1 million Swiss francs for the 2013 financial year

Flughafen Zürich AG generated a profit of 137.1 million Swiss francs in the financial year 2013. As in the previous year, an extraordinary effect impacted the company's annual result. Without the extraordinary items in 2012 and 2013, profit increased by 5.8 percent.

Passenger figures developed positively in the past year, although the increase of 0.3 percent was modest, as expected. Revenues in the aviation segment increased accordingly. The non-aviation segment saw a disproportionately high increase in revenue compared to passenger growth. Again, a one-off effect affected the result: the restructuring of non-current financial liabilities negatively impacted the financial result with one-off costs in 2013. Last year, the initial recognition of the new affiliation contract with the Employee Pension Fund of the Canton of Zurich BVK led to an increase in operating expenses and significantly reduced the profit. Without these extraordinary items, Flughafen Zürich AG would report an increase in profit of around 5.8 percent compared with the previous year.

Traffic figures
24,865,138 passengers passed through Zurich Airport in 2013. The number of local passengers rose by 2.2 percent to 16.6 million. At the same time, the number of transfer passengers at Zurich Airport declined by 3.5 percent to 8.2 million. In percentage terms, the share of transfer passengers fell from 34.2 percent in 2012 to 32.9 percent in 2013. The average number of passengers per flight rose from 106 to 109, and the seat load factor increased by one percent to 75.1 percent in 2013. Seating capacity to and from Zurich declined in 2013 by 0.7 percent. Overall, there were 262,227 flight movements at Zurich Airport in 2013, corresponding to a drop of 2.9 percent from the previous year's figure.

Total revenue
Revenue rose year on year from 948.8 million to 975.1 million Swiss francs (+2.8 percent). Both aviation business and non-aviation business contributed to this growth. Approximately 62 percent of the total revenue came from aviation operations, which amounted to 604.5 million Swiss francs (+1.4 percent) in the year under review. Due to the increase in local passengers, revenues from passenger and security charges increased disproportionately compared to passenger growth. Revenue from noise charges rose to 54.4 million Swiss francs (+4.4 percent). These charges comprise passenger noise charges, noise-related landing charges, and surcharges for shoulder and night-time hours. The reason for this increase in revenue is the revised noise charge model, which

investor.relations@zurich-airport.com
Fax +41 (0)43 816 72 34

Flughafen Zürich AG
P.O. Box, CH-8058 Zurich Airport
www.zurich-airport.com

was implemented on 1 May 2013 in accordance with the the ruling of the Federal Office of Civil Aviation (FOCA).

Non-aviation revenues increased by 5.2 percent to 370.6 million Swiss francs. In particular, turnover-based revenue in the retail, tax & duty-free and food & beverage operations improved again. This gratifying trend confirms that the decision to optimise the existing retail portfolio and to expand the sales area and other passenger services was correct. There was also a substantial increase in revenue from arrival duty free. The average spend per departing passenger rose from 41.70 Swiss francs in 2012 to 43.20 Swiss francs in 2013.

Operating expenses
Operating expenses declined by 19.7 percent to 448.4 million Swiss francs. The significant decline is due in particular to the initial recognition in 2012 of the affiliation contract with the Employee Pension Fund of the Canton of Zurich BVK in the income statement, amounting to 121.9 million Swiss francs. Without this extraordinary item, operating expenses would have risen by around 12.1 million Swiss francs (2.8 percent), of which expenditure of around 6.0 million Swiss francs can be attributed to the first-time consolidation of the Chilean subsidiary A-port Operaciones S.A. Moreover, higher passenger volumes generate higher revenues but also higher costs for police and security. These costs increased by 2.4 percent to 118.1 million Swiss francs in the period under review. The company was able to save costs for energy and waste (-3.5 percent) and for sales, marketing and administration (-8.0 percent).

EBITDA
Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to 526.7 million Swiss francs, up 136.0 million Swiss francs (+34.8 percent) on the previous year. Adjusted for the extraordinary effect resulting from the BVK affiliation contract, EBIT increased by 2.8 percent.

Depreciation and amortisation
The 2.7 percent increase in depreciation and amortisation to 224.7 million Swiss francs is due to the opening of new retail outlets and the partial commissioning in Terminal 2.

EBIT
Earnings before interest and tax (EBIT) went up from 171.9 million to 302.0 million Swiss francs, representing an increase of 75.6 percent. Adjusted for the extraordinary effect resulting from the BVK affiliation contract, EBIT increased by 2.8 percent.

Finance result
The finance result was 134.4 million Swiss francs and thus 77.5 Swiss francs million higher than in 2012. The main reason for the substantial increase is the restructuring of non-current financial liabilities. In the year under review, Flughafen Zürich AG gave notice of the termination of the Japanese private placement of 37 billion Japanese yen and paid it back in full. The related hedging instrument was terminated at the same time. In this context, a new debenture was issued in the amount of 400.0 million Swiss francs (nominal amount). It carries an interest coupon of 1.5 percent and will be redeemed in 2023. The negative impact of the restructuring on the finance result for financial year 2013 totalled 82.9 million Swiss francs.

Profit
Profit amounted to 137.1 million Swiss francs which is 44.7 percent higher than in the previous year. Without the restructuring of non-current financial liabilities and without last year's initial recognition in the income statement of the new affiliation contract with the BVK pension fund, profit would have increased by 5.8 percent.

Investments
Investments in property, plant and equipment in 2013 amounted to 246.9 million Swiss francs, corresponding to an increase of 70.2 million Swiss francs or 39.7 percent. The largest investments comprise the Terminal 2 upgrade (43.5 million Swiss francs), "The Circle" project (21.6 million Swiss francs) and the expansion of car park P6 (19.5 million Swiss francs). Since being privatised in 2000, Flughafen Zürich AG has invested over 3.7 billion Swiss francs in airport infrastructure projects.

Balance sheet
Equity increased by 10.3 percent and at the end of 2013 amounted to over 2.0 billion Swiss francs for the first time – the corresponding equity ratio is 50.5 percent. The company's net debt came to 692.8 million Swiss francs as at the reporting date (2012: 826.2 million Swiss francs).

Outlook
Flughafen Zürich AG anticipates moderate growth in passenger volumes for the current financial year. A slight decline in the number of flight movements is expected. In addition to the commissioning of various infrastructure projects such as Terminal 2 (southern part) and the noise protection hangar, the major construction project "The Circle" in particular will be driven forward. At the political level, decisions are pending regarding ratification of the state treaty with Germany and the resulting consequences for flight operations. Adjusted for the one-off effect in 2013 and excluding the influence of aircraft noise components, Flughafen Zürich AG expects EBITDA and EBIT in the current financial year to be slightly above the prior year's level.

Dividend
The Board of Directors will propose a slightly higher dividend than in the previous year, i.e. 10.00 Swiss francs per share, to the General Meeting of Shareholders on 10 April 2014.

Changes in the Board of Directors
Martin Candrian (69), who has been a member of the Board of Directors of Flughafen Zürich AG since 2004, is not standing for re-election. The Board of Directors thanks Martin Candrian most sincerely for his hard work and his valuable contribution to Zurich Airport over the past ten years. The Board of Directors will nominate Guglielmo Brentel as a new member of the Board of Directors to the General Meeting of Shareholders on 10 April 2014. Guglielmo Brentel is President of Hotelleriesuisse and a member of the board of a number of tourism organisations.

The latest annual report is available on the Internet at http://www.zurich-airport.com/annualreport.