

NEWS FLASH**August 28, 2018****Flughafen Zürich AG: Interim Results 2018**

Flughafen Zürich AG reported a profit of CHF 84.5 million for the first half of 2018. After adjusting for one-off effects, profit rose by 16.6%.

Trend in traffic volume

Between January and June 2018, 14.6 million passengers used Zurich Airport as their departure, transfer or destination airport, an increase of 6.4%. Compared with the prior-year period, the number of local passengers rose by 6.8% and the number of transfer passengers by 5.4%. The percentage of transfer passengers as a proportion of total passenger volume declined from 28.7% to 28.4% over the prior-year period.

The number of flight movements in the first six months of the year compared with the prior-year period increased by 2.4% to 134,608 take-offs and landings. The average number of passengers per aircraft (scheduled and charter) rose from 119.8 to 124.7. Compared with the prior-year period, the volume of freight handled at Zurich Airport increased by 5.4% to 244,330 tonnes.

Trend in total revenue

Revenue grew by 10.5% year on year to CHF 540.2 million. In line with the growth in traffic, aviation revenue rose by 5.7% to CHF 309.0 million. Passenger growth in the first six months of the year also had a positive impact on commercial and parking revenue. Thanks in particular to the operational takeover of the airport in Florianópolis, located in southern Brazil, revenue from international business increased to CHF 31.9 million (first half of 2017: CHF 4.9 million). Non-aviation revenue increased by 17.7% to CHF 231.2 million.

One-off effects

Flughafen Zürich AG is expanding its program of sound insulation measures based on the night-time noise curve in the revised Sectoral Aviation Infrastructure Plan (SAIP2) approved by the Federal Council as well as its south-side sound insulation concept. Over and above the previously estimated CHF 340 million set aside for sound insulation and resident protection, further measures costing around CHF 60 million are planned. The present value of these additional costs of around CHF 57.6 million (before tax) was recognized as a provision as at 30.06.2018, resulting in a one-off amount of

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CHF 45.8 million (after taxes) being charged to the profit and loss account. All additional costs will be financed by the Airport of Zurich Noise Fund, which is adequately funded. The measures are scheduled for completion by the end of 2030.

In the previous year, the sale of the shareholding in Bangalore International Airport Limited resulted in a one-off gain of CHF 31.4 million (after taxes).

Key operating data

Operating expenses rose by 38.4% to CHF 300.6 million in the first half of 2018, in particular due to the expansion of the sound insulation program. After adjusting for the effects of recognizing the provision, expenses rose by 11.9%, primarily due to setting up operations in Florianópolis. Operating expenses in Zurich increased by 1.9%, considerably less than the growth in traffic. Earnings before interest, tax, depreciation and amortization (EBITDA) declined by CHF 32.0 million to CHF 239.6 million. Adjusted for the provisions for sound insulation measures, EBITDA improved by 9.4% to CHF 297.2 million, representing an adjusted EBITDA margin of 55.0%.

Profit

Profit for the first six months of year amounts to CHF 84.5 million. Adjusted for the provision for sound insulation measures, the result is CHF 130.3 million, corresponding to an increase of 16.6% compared with the prior-year period's profit – adjusted for the one-off effect resulting from the disposal of the Bangalore holding.

Outlook

Flughafen Zürich AG expects passenger growth of around 6% in 2018.

Excluding the one-off effects in financial years 2017 and 2018, earnings before interest, tax, depreciation and amortization (EBITDA) and profit for the 2018 financial year are expected to be higher than in the previous year.

The 2018 annual report is available on the Internet at www.zurich-airport.com/annualreport.