Dear Reader,

As Switzerland’s gateway to the world, Zurich Airport is a transport infrastructure of national importance. For multinational enterprises, the availability of direct flights to other major metropoles is a primary consideration when choosing a business location. This is also particularly important for the many small and medium-sized enterprises (SMEs) who do business internationally. They depend on Switzerland’s accessibility, as Martin Naville, President of the Komitee Welt-offenes Zürich, an association promoting Zurich as an international business-friendly city, mentions in his guest column.

Since Zurich Airport is located in a very densely populated area, however, in our daily activities we must endeavour to strike a balance between the operation and promotion of this essential motor of the entire Swiss economy, on the one hand, and the equally legitimate rights of local residents to greater protection from excessive aircraft noise, on the other. We will therefore continue to pay close attention to the aviation noise aspects of our operations. We hope, too, before the year is out to see a solution to the long-running dispute over air traffic noise which is acceptable to both Germany and Switzerland.

In order to encourage airlines to use quieter aircraft on their Zurich routes, Zurich Airport has charged noise-related landing fees for the last thirty years. To ensure these charges remain an incentive in future, Flughafen Zürich AG will introduce a newly revised noise charge framework in 2013. All income from such charges is earmarked specifically for projects to mitigate noise for residents living in the vicinity of the airport.

As part of a further noise abatement project, Flughafen Zürich AG is to erect a fully enclosed noise protection hangar for engine run-up testing by 2014. The existing baffles will be replaced entirely by this new state-of-the-art facility.

To better prevent residents living south of the airport from being woken by early-morning flights, at the end of last year Flughafen Zürich AG submitted a sound insulation concept for this southern area to the Confederation. The measures are scheduled to be implemented in the affected communities over the next two years.

Despite the noise, many people still find planes fascinating. Since it opened on 1 December 2011, over 60,000 visitors have already stopped by observation deck B to get a closer look at all the different types of aircraft on view.

Thank you for your interest in Zurich Airport and happy reading!

Michael Schallhart
Chief Service Officer
Noise protection hangar to absorb engine testing noise

To provide optimum protection for residents during engine run-up testing, Flughafen Zürich AG is to erect an enclosed noise protection hangar by 2014. The existing noise baffles will then be removed entirely.

Aero engines require regular testing

In the course of aircraft maintenance, it is often necessary to perform “on-wing” engine testing. These tests, which are used to check that the engines are working properly after servicing or repair, are sometimes very noisy. The current noise baffles have been in use since the early seventies and are now obsolete, so a new state-of-the-art engine testing facility is set to replace them altogether. Flughafen Zürich AG is investing around 25 million francs from the Airport Zurich Noise Fund in this new noise protection hangar.

Planning application submitted

In November 2010 Flughafen Zürich AG agreed the construction of a fully enclosed noise protection hangar with the principal users of the facility, Swiss and SR Technics, and the neighbouring communities of Kloten, Opfikon-Glattbrugg and Rümlang. The planning application was submitted to the Federal Office of Civil Aviation (FOCA) at the end of 2011. The planned noise protection hangar should commence operation during the first half of 2014 and will then provide local residents with optimum relief from engine testing noise. The new facility will be large enough to accommodate all aircraft types that are regularly maintained at Zurich Airport, with the exception of the Airbus A380, currently the largest passenger plane in the world. However, it is not envisaged that ground run-up testing will be carried out regularly on the A380 at Zurich Airport.

Temporary run-up pen as interim solution

The existing noise baffles are being demolished in order to make way for the new facility. As a provisional solution, a temporary U-shaped run-up pen that is open to the sky was built on the hangar apron and came into operation on 1 February 2012. This temporary facility is used for testing engines on small and medium-sized aircraft. As before, ground run-up testing for long-haul aircraft, usually carried out during daytime, will continue to be performed directly on the hangar apron or on one of the runways.

Continuous monitoring of noise exposure

During 2012, Flughafen Zürich AG will develop a noise monitoring concept to be implemented once the enclosed facility comes into operation. As part of this noise monitoring, the number and the noise impact of engine run-up tests will be measured at various predefined reference points in the adjoining communities of Kloten, Opfikon-Glattbrugg and Rümlang.
Safeguarding the development of Zurich Airport into the future!

As the holder of the operating licence awarded by the Swiss Confederation, Flughafen Zürich AG has a duty to maintain direct connections to the most important metropolitan centres in the world and to meet the rising mobility demands of people and goods. Zurich Airport is therefore a key element of the economic infrastructure for the entire Zurich–Upper Rhine–Lake Constance cross-border region. However, the ability of Zurich Airport to develop in line with rising demand is increasingly being constrained.

Zurich voters are behind their airport
The voters of the Canton of Zurich have repeatedly come out in support of their airport. The latest example of this is the referendum held on 27 November 2011 in which they resoundingly voted in favour of maintaining Zurich Airport’s leeway to develop. They unmistakably rejected the initiative calling for a ban on runway expansion, as well as a counterproposal that demanded even more stringent restrictions. Flughafen Zürich AG greatly appreciates this support and thanks the citizens of Zurich for their forward-looking decision. The emphatic defeat of the two proposals now leaves the way open for the airport to optimise operations in future and plan further development. The citizens of Zurich have also sent a clear signal to Germany that they are willing to do their part to resolve the dispute over air traffic noise.

Restrictions in South German airspace
For many years, the restriction of flights approaching over southern German territory has remained an unresolved issue between Germany and Switzerland. As a result of the ordinance unilaterally and progressively imposed by the German Ministry of Transport, German airspace is off limits to flights into Zurich Airport on weekdays from 9 p.m. to 7 a.m. and from 8 p.m. to 9 a.m. at weekends and on Baden-Württemberg public holidays. Because of this, flights during these restricted periods are currently routed from the east and the south over densely populated areas, with the result that many people living around the airport are exposed to more aircraft noise. The resolution of this conflict between the two neighbouring countries will be a major challenge in the coming year.

Initial steps to resolve the conflict
Flughafen Zürich AG welcomes long-awaited signs of movement in the deadlock that has lasted for many years now. The signing of a joint declaration of intent covering the basic points by Swiss Federal Councillor Doris Leuthard and German Transport Minister Peter Ramsauer is a positive step forward. Setting out these key points in a treaty ratified by both countries is a promising strategy. It will create certainty from both a legal and planning point of view. It is therefore very important that the points covered by the declaration of intent are now fleshed out in a way that offers an acceptable solution to both Germany and Switzerland.

Joint noise study as objective basis
Flughafen Zürich AG regrets that the noise exposure analysis conducted jointly with the German Aerospace Center (DLR) on 30 October 2009 was not mentioned in the declaration of intent. This study sought to create a factual basis for discussions by measuring the objective noise exposure in the various regions (see also Political Newsletter No. 9).

Flexibility important during morning hours
In comparison with other European hubs that are part of the Star Alliance, Zurich Airport has the most stringent night-time flight restrictions and as a result its capacity is greatly reduced between 6 a.m. and 7 a.m. on weekdays and from 6 a.m. to 9 a.m. at weekends. For the airlines flying into Zurich Airport to remain competitive, however, the prospective treaty must allow flexibility during these morning periods, as signalled at the press conference during the recent World Economic Forum in Davos held to mark the signing of the declaration.

The Airbus A380-800 named “Zürich” by Lufthansa on 13 September 2011 at Zurich Airport.
Photo: Lufthansa photo archive FRA CI/I
On 16 December 2011, Flughafen Zürich AG submitted a sound insulation concept for residents living on the south side of the airport to the Federal Office of Civil Aviation. The concept provides for the installation of closing mechanisms on bedroom windows within a defined corridor. Noise calculations show that closed windows provide adequate protection against being awoken by aircraft noise.

### Flughafen Zürich AG to implement insulation concept for south-side residents

Seven years after submission of its provisional operating regulations, including specification of the takeoff and landing regimes, the current flight operations at Zurich Airport have now been put on a firm legal footing following the final ruling of the Swiss Federal Supreme Court at the end of 2010. Along with other stipulations and in addition to its existing sound insulation programme, the Court required the airport operator to draw up a sound insulation concept designed to prevent residents in houses to the south of the airport being awoken by early-morning inbound flights from the south. Flughafen Zürich AG submitted a concept on 16 December 2011.

### South-side sound insulation concept to be completed within two years

The concept provides for the installation of closing mechanisms on bedroom windows in the communities of Opfikon-Glattbrugg, Wallisellen, Zurich and Düben-dorf within a predefined protection sector directly affected by landings on runway 34. There are some 1,300 residential properties on the airport’s perimeter. Some of these have already been equipped with new sound-insulating windows as part of Zurich Airport’s established “Programm 2010” sound insulation project and are consequently adequately protected from excessive aircraft noise. The remaining properties are within the boundaries of the south-side insulation project, but not within the scope of the general sound insulation programme. The work will be carried out in stages and should be completed within two years.

### 2010 sound insulation programme

Already since the year 2000, as part of its “Programm 2010”, the airport has been fitting sound-insulating windows in properties near the airport that are affected by noise above the stipulated limits. Around half of the planned work has been completed to date. The total costs of this programme are estimated to be around 240 million francs.
Zurich Airport – our trump card as international players

For international businesses – whether Swiss or foreign-owned – accessibility is a key factor. Taxes may be low, labour may be skilled, the standard of living may be high and social harmony may prevail, but if accessibility deteriorates, sooner or later such multinational enterprises will move away, leading to a fall in demand for the services of local small and medium-sized enterprises (SME).

Zurich is internationally oriented
Zurich is home to over 80 European and global head offices. 12 of the 500 biggest companies in the world are based in Zurich. However, our economic region is a hub not only for multinationals and headquarters, but also for service providers and research and innovation. Nowhere in Switzerland is there a higher density of law firms, management consultants and other corporate service providers. It is estimated that 450 to 500 jobs depend directly or indirectly on every head office here. Companies such as IBM with their cutting-edge research centre in Rüschlikon, Dow in Horgen and Google are making a major contribution to the development of our knowledge society. Around 1.2 million people work for these multinationals!

Excellent connections are vital
Only locations that offer excellent international connections can attract and retain such multinational enterprises. Excellent means: there must be several flights a day to destinations within Europe, and at least one direct flight a day to cities on other continents. Thanks to its intercontinental airport and hub carrier Swiss, Zurich is well placed in this respect.

Fragile competitive advantage
If their markets are no longer easy to reach efficiently, large corporates simply move their management centres to more attractive locations. Manufacturing companies, too, will also respond if accessibility declines for any reason. And CEOs who fear this is likely to happen will no longer invest in a location and will set up important corporate functions and highly skilled jobs elsewhere. To begin with, this leads to stagnation in the labour market, followed by a decline in the attractiveness, quality and number of jobs available.

We will all pay the price
Local suppliers and service providers are not usually in a position simply to pack up and follow their customers when they move. They are greatly dependent on the highly qualified local labour force and the risks of moving their firm or establishing a branch far away from Switzerland are too high. An exodus of multinational headquarters and companies consequently affects not only their employees, but also SMEs in their role of suppliers of products and services.

Conclusion
If we want to keep pace with dynamic international markets, we also need to ensure the dynamic development of our international accessibility in line with demand. Our airport is not just a pleasant place to start our holidays from, it is purely and simply the trump card we must play to ensure our future economic growth!

Martin Naville
President Komitee Weltoffenes Zürich
Revised noise charge framework

**Noise charges as incentive**
In order to encourage airlines to use quieter aircraft, Flughafen Zürich AG has been charging noise-related landing fees for over thirty years. The charges for loud aircraft are higher than for less noisy aircraft. All aircraft types are assigned to one of five noise categories with differing charge rates based on the noise measured at Zurich Airport. This model has proved effective in the past, with airlines replacing their old and noisy jets with newer, more noise-efficient aircraft. However, in order to maintain the incentive effect over the long term, it is necessary to revise the noise charge framework at regular intervals.

**Supreme Court orders revision of noise charge framework**
The current charging model has been in force since the year 2000, so that nearly 90 percent of the planes landing in Zurich are now in the least noisy category V which is free of charge. As a consequence, this no longer provides any real incentive for airlines to modernise and make further technical advances in their aircraft fleets operating in and out of Zurich. At the end of 2010, the Swiss Federal Supreme Court therefore called on Flughafen Zürich AG to revise its noise charge framework.

**Extensive revision of existing model**
In the course of last year, Flughafen Zürich AG completely revised its existing noise charge framework and submitted the new framework to the Federal Office of Civil Aviation (FOCA) in the autumn of 2011. In addition to changing the assignment of aircraft types to the five noise categories, the charge rates per noise category and time slot were also revised. The new charges also clearly reflect the fact that noise levels at Zurich Airport differ, depending on the time of day.

**Additional noise supplement during fringe hours**
The Supreme Court’s demand for an additional noise supplement during the shoulder periods from 6 to 7 a.m. and from 9 to 10 p.m. has also been met. This will reinforce the incentive for airlines to deploy quieter aircraft. The charges during the night-time curfew period were likewise increased, in some cases up to double the previous amount.

**New noise charge framework to be introduced during 2013**
The consultation process, during which the submitted noise charge framework will be presented and giving the airlines the opportunity to respond, is set to commence shortly. It is anticipated that the revised noise charge framework will be introduced in the spring of 2013.
Helping to contain epidemics

In the wake of increasing globalisation, national borders are becoming less important. However, in the event of the outbreak of a serious epidemic, they immediately take centre stage again against the backdrop of domestic political demands to safeguard public health.

Since all countries are equally affected by this problem, the International Health Regulations of 2005 (IHR 2005), which have been in force for Switzerland and the other 192 members of the World Health Organisation (WHO) since 15 June 2007, stipulate that member states must designate border crossing points. Coordinated action should then be taken to contain any threats to health on a global scale. In Switzerland, the Federal Council is planning to appoint the two national airports Geneva and Zurich to be the designated airports in June 2012. Swiss airports will thus make a significant contribution to countering epidemics.

Revision of Epidemics Act
The Swiss National Council is currently engaged in revising the Epidemics Act. The Confederation is proposing that airport operators and travel companies should now bear the costs of operational preparations and helping to implement the regulations. The airports are willing to continue playing their part in helping the Confederation combat epidemics. However, protecting the population from infectious diseases is fundamentally a federal responsibility. The Confederation should therefore shoulder the costs directly arising from the obligations to cooperate imposed by the regulations and the measures they stipulate.

Preventive measures
Among other things, preventive measures include having a plan for dealing with public health emergencies, appointing a Chief Border Medical Officer, and providing suitable rooms for infected passengers so as not to endanger healthy passengers. Most of these preventive measures have already been implemented at Zurich Airport.

Emergency drill at Zurich Airport.
Photo: Flughafen Zürich AG
Traffic volumes

Record-breaking 24 million passengers
A total of 24,337,954 passengers passed through Zurich Airport in 2011. This represents an increase of 6.4% over the previous year, which is on a par with the average growth of European airports (6.6%). This rise in passenger numbers is attributable in part to the “catch-up effect as compared with the ash cloud period in 2010, and in part to the strong franc motivating Swiss people to take more holidays abroad. European traffic (+7.9%) and the North American market (+6.5%) benefited from these factors in particular. Owing to the unrest spreading through North Africa since spring 2011, however, passenger volumes to and from that region declined by 12.3%.

Strong local demand
The number of local passengers rose by 7.4% in 2011 to 16.0 million. At the same time, the number of transit passengers at Zurich Airport rose by 4.5% to 8.3 million. In percentage terms, the share of transfer passengers fell from 34.6% in 2010 to 34.0% in 2011. The above-average strong growth in local demand indicates a relatively stable economic development of the catchment area around Zurich Airport and underscores the rising demand for air travel to and from Zurich.

More passengers per flight
In 2011, takeoffs and landings numbered 279,001. In comparison with the previous year, this 3.8% increase in flight movements is disproportionate to passenger volumes. As a result, the number of passengers per flight has risen to 102, which represents a 1.6% increase over the previous year. At +6.5%, seating capacity from and to Zurich was slightly ahead of passenger growth, which led to a slight drop in the average seat load factor of 0.1 percentage points.

Stable freight volume
Freight volumes at Zurich Airport saw a year-on-year increase of 1.0% in 2011. A total of 415,035 tonnes of freight were transported during the year under review. While the volume of air freight remained constant (+0.0%), freight transported by road grew by 3.2%.

New routes
In 2011, 70 airlines offered scheduled services and 15 charter companies operated flights from Zurich Airport to 135 European and 61 intercontinental destinations. The number of intercontinental destinations rose by two, while ten European destinations were added. During 2011 three new long-haul carriers were welcomed at Zurich Airport: Hainan Airlines (Beijing), Oman Air (Muscat) and SriLankan Airlines (Male-Colombo).

Traffic volumes at Zurich Airport in 2011

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<th>January–December 2011</th>
<th>2010</th>
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<td><strong>Local passengers</strong></td>
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<tr>
<td>Local passengers</td>
<td>15,998,457</td>
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<tr>
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<td><strong>Flight movements/freight/mail</strong></td>
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<td>Flight movements</td>
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<td>32,936</td>
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* Incl. transit, general aviation and other traffic.

Source: Flughafen Zürich AG