Dear Reader,

CHF 6,000,000,000 in value creation, 25,500 jobs, 188 direct connections, 418,000 tonnes of freight and 10,000 tourists per day: these impressive figures are the result of a study on the economic significance of Zurich Airport. We have summarised the most important aspects for you on our website www.zurich-airport.com/economy. It is important to us to make an ongoing contribution to a flourishing business region. The employees of Zurich Airport are naturally at the core of this.

More than 25,000 people work at Zurich Airport for 280 different companies. Specialists from many different fields are needed to ensure that the airport functions optimally. But even people without high professional qualifications find employment at the airport and contribute through their committed efforts to the smooth functioning of the airport as a traffic hub. You will find more information on the airport as an employer in this edition of the Newsletter.

Berne is sending a clear signal: the Swiss parliament has approved the ratification of the State Treaty between Germany and the Swiss Confederation on the effects of operations at Zurich Airport on German territory. Now we hope that Germany will take up the ratification of the treaty once elections in autumn 2013 are over.

Passive sound insulation measures for real estate are an important element in protecting the population around the airport from the effects of excessive aircraft noise. Flughafen Zürich AG has once again intensified its efforts to drive forward these measures. In parallel, reimbursements to property owners who finance sound-insulating windows themselves are being speeded up.

Robert Deillon, President of the Swiss International Airports Association (SIAA), wrote the guest column for this issue. He explains the significance of the six SIAA airports for the accessibility of our country and shows how the association supports its members in a climate of increasing global competition so that Switzerland remains as ideally connected with foreign countries in future as it is today.

I hope you enjoy reading this issue and discover many exciting facets about Switzerland’s airports!

Joana Filippi
Head Public Affairs
New study: Zurich Airport as an economic engine

Value creation of over 6 billion Swiss francs, more than 25,000 jobs, an international hub for passengers and air freight, a guarantee of Switzerland’s outstanding accessibility as proven in international comparisons, and with it, the fulfilment of an important condition for a successful tourism industry: Zurich Airport is an important economic engine for greater Zurich as well as for Switzerland as a whole – a fact confirmed by a current study on the economic significance of Zurich Airport.

Zurich Airport is the most important and largest airport in Switzerland and its only intercontinental hub. Every year, around 25 million passengers travel via direct flights to 188 destinations, and 418,000 tonnes of air freight are handled. In addition, the airport’s 140 shops and 50 restaurants turn over more than CHF 500 million – making Zurich Airport the second-largest shopping centre in Switzerland. INFRAS and BAK Basel examined and quantified the economic importance of Zurich Airport as a large-scale operation in a study commissioned by Flughafen Zürich AG.

25,500 jobs and 6 billion Swiss francs

Zurich Airport is one of the largest employment locations in Switzerland. The 280 companies at the airport employ more than 25,000 people from a wide variety of professions. This is because a smoothly functioning airport requires not just crew members and ground handling staff, but also sales employees, architects, gardeners...

78 airlines connect Zurich directly to 188 destinations around the world.
ers, engineers, and financial and human resources specialists. A majority of these people work for companies with a direct connection to aviation, but a growing share are service providers in the airport’s restaurants or retail shops, or are simply taking advantage of the airport as a central business location which offers outstanding access by all forms of transport. Together, all these companies generate direct value of CHF 4.4 billion, and if one counts the indirect effects – that is, those attributable to wholesale services and products supplied to those companies – that figure rises by another CHF 1.7 billion to a total of more than CHF 6 billion. That amounts to nearly 5% of the GDP of the Canton of Zurich.

Direct connections ensure excellent accessibility
Zurich Airport connects Switzerland to the world and the world to Switzerland. 78 airlines fly from Zurich directly to 188 destinations. With this network, Zurich Airport guarantees fast, direct and efficient access to the most important sales and procurement markets in the world and ensures that Swiss companies benefit from short travel and transport times for their personnel and products. This effect is directly dependent on the airport, and is a crucial regional factor and an absolute prerequisite for the strong, internationally competitive position of Switzerland as a business location. Without Zurich Airport, travel times to the main cities in Europe and overseas would be significantly longer. For industries strongly oriented toward value creation, such as corporate consulting or financial services, time is the single most costly production factor, and longer travel times would have extremely negative effects.

Air freight strengthens Switzerland as an industrial location
This accessibility is also important for Switzerland as an industrial location. The fact that air freight is carried on nearly every flight enables Swiss companies to deliver their high-value products quickly and securely to customers all over the world. The volume of all exports leaving Switzerland as air freight is only 3.7%, but these shipments amount to more than 35% of the country’s entire goods exports when measured in value. This shows that air freight services are needed to satisfy demand in Switzerland’s strongly globalised economy for the secure, rapid shipment of its products and indeed is vital to the economy’s success.

The gateway to Switzerland – for tourists, too
In addition to manufacturing industry, tourism also benefits greatly from the airport and its direct connections to the rest of the world. More than half of the total value creation attributable to tourism – nearly CHF 15 billion – comes from foreign guests who spend one or more nights in Switzerland. Most of them – 3.6 million people annually or 10,000 tourists every day – enter Switzerland via Zurich Airport, and are responsible for one-quarter of all the Swiss francs spent by foreign tourists. The tourist industry in greater Zurich is the prime beneficiary, as this sector is particularly dependent on foreign tourists entering Switzerland via Zurich Airport. And it is thanks to business tourism and the numerous hotels around the airport that in the Zurich region, half of all overnight stays by foreign guests are generated by travellers who arrived at Zurich Airport.

More information to the study can be downloaded from our website www.zurich-airport.com/economy
Zurich Airport – a nationally important employer

More than 25,000 people work at the 280 companies at Zurich Airport, making the airport not just a key infrastructure element, but also one of Switzerland’s major employers.

Thanks to growing passenger numbers, over the last five years more than 3500 additional jobs have been created at the airport. Approximately 70% of these employees live in the Canton of Zurich, and the remaining 30% are distributed primarily across the neighbouring cantons. Barely 2% of the employees live in Germany, and this number is declining even though the number of employees of German nationality has climbed from 5% to 7% over the last five years. Many jobs at Zurich Airport are characterised by a high degree of specialisation and quality, but there are also numerous employment opportunities for less qualified employees. Owing to the high number of trainee positions, the airport is also an attractive location for young people seeking training.

More than 70 professions – impressive variety
Flughafen Zürich AG employs more than 1600 people directly. However, it does not undertake every task itself; instead, many work processes are outsourced to specialized companies. Examples include security checks, passenger handling, aircraft de-icing and take-off and landing clearances. The airport also works with sector-specific companies in the real estate, restaurant and retail businesses. However, responsibility for safe and efficient airport operation lies with Flughafen Zürich AG. For that reason, internal specialists must be available for operational positions, which is why Flughafen Zürich AG has employees in more than 70 different professions – an impressive variety.

A complex environment requires expert employees
The airport’s employees are characterised by their openness, flexibility, sound professional knowledge and excellent social skills. This is the only way that common objectives can be successfully realised at the highest level in such a complex environment. And in return, Flughafen Zürich AG invests a great deal of money in the training and further education of its employees.

Creating new jobs in future as well
Zurich Airport needs a competitive operating environment and scope for reasonable growth. Only then will it be possible to continue creating new jobs at the airport – or at least to preserve the existing ones.

Zurich Airport is a fascinating place to work for more than 25,000 people.
Swiss airports provide high-quality infrastructures

Swiss airports with regularly scheduled flights ensure a secure, efficient, high-quality infrastructure and thus contribute substantially to Switzerland’s accessibility. They are the foundation for the connection of this export- and tourism-oriented country to the centres of Europe and the rest of the world. With their numerous jobs and their high level of value creation, these airports are also important economic factors – not just for their individual regions but for the entire Swiss economy.

In the year 2012 44.6 million passengers travelled through one of the six member airports of the Swiss International Airports Association (SIAA). Moreover, 665,119 flight movements were processed and 602,056 tonnes of air freight and air mail handled.

To manage this traffic safely and efficiently, the operating companies of the SIAA member airports continually invest high sums in upgrades to their infrastructures. Zurich Airport is presently undertaking an extensive renovation of Terminal 2 and building a new noise protection hangar for on-wing testing of aircraft engines on the ground. Geneva Airport is commencing preparations for the replacement of the terminal added during the 1970s to house gates for long-haul flights. The old building will give way to a modern one offering considerable improvements in terms of comfort, passenger flows and quality of the time passengers spend in the terminal. The construction of a new cargo terminal at EuroAirport Basel-Mulhouse-Freiburg has commenced, and in Bern-Belp preparations for the start of the fourth phase of construction are underway. These infrastructure projects are very important for the airports and their users, and should not be delayed by unreasonably long approval processes.

However, beyond making a central contribution to the mobility of people and goods, these airports are also actively committed to the climate-friendly development of the aviation sector.

In order to flourish in the fiercely competitive European aviation environment today and in future, airports need a regulatory and operating environment which enables them to develop in line with demand. The Swiss International Airports Association (SIAA) and its members Zurich Airport, Geneva Airport, EuroAirport Basel-Mulhouse-Freiburg, Bern-Belp Airport, Lugano Airport and People’s Business Airport St. Gallen-Altenrhein are working to ensure these optimal conditions.

Robert Deillon
President of the Swiss International Airports Association (SIAA)
General Director, Geneva Airport
Sound insulation measures at Zurich Airport

Zurich Airport is located in a very densely populated area. It is therefore no surprise that there is a conflict between ensuring maximum flexibility of flight operations – which, however, result in aircraft noise – and the need of the local residents for peace and quiet. One way to protect the population from excessive aircraft noise is to fit buildings with sound-insulating windows.

Flughafen Zürich AG has been pursuing passive sound insulation measures since 2000. Until now there is no legally valid noise exposure registry for Zurich Airport, the implementation of these measures is taking place in districts in which excessive noise is undisputed or very foreseeable. This process is being carried out according to the principle that strongly affected areas close to the airport receive first priority, areas further away have second priority. On the basis of a second principle – “Protection from noise is more important than reimbursement” – until a few years ago Flughafen Zürich AG concentrated on carrying out sound insulation measures itself. To date work has been completed in 45 areas.

Reimbursements for sound-insulating windows possible since 2009

Since 2009, Flughafen Zürich AG has also been reimbursing property owners who install sound-insulating windows in their buildings themselves. Before then, the airport could proceed with the installation of these windows on the basis of plausibility despite the absence of a noise exposure registry, but there were no legally binding guidelines for the reimbursement of sound-insulating windows which property owners had paid for themselves. However, since 2009 the courts have ruled on final appeals in different types of cases, so that reimbursements can now be processed much more quickly. Reimbursements in the areas already eligible for remediation work are likely to be complete by the end of 2014. They are being implemented for each area in turn and are subject to the same evaluation criteria as applied to window refurbishment. It is possible that windows regarded as adequate at the time of the first survey no longer meet the demands of sound insulation owing to more stringent sound absorption levels or the natural ageing process. In that case, these windows are replaced rather than being reimbursed.

CHF 240 million for passive sound insulation measures

Up to now, CHF 150 million has been spent on window renovation and reimbursements. When the project is complete, the total is likely to amount to CHF 240 million. Around CHF 25 million has been spent to date on reimbursements, and another CHF 40 million is likely to be paid out by end-2014 in the areas identified to date. Flughafen Zürich AG assumes that total costs of around CHF 50 million will arise from direct window replacements and reimbursements. The precise amount is dependent on areas that have not yet been defined but will in future fall within the legally defined sound insulation perimeter.
Parliament’s clear decision on the State Treaty

The Swiss Federal Assembly has approved the State Treaty with Germany on flights approaching Zürich Airport over southern German territory. Switzerland thus stands by the compromise the two countries negotiated, which offers both sides advantages. Now the ball is in Germany’s court: it is time for the country to stop stalling and, in the interests of legal security, likewise ratify the treaty, which has already been signed by both transport ministers. During the past two sessions both the National Council and the Council of States have spoken out clearly in favour of the State Treaty between Switzerland and Germany, showing that they recognise the significance of this treaty for Switzerland, its economy and especially its aviation sector.

Advantages for Germany and Switzerland

The treaty is not perfect, and in Zürich Airport’s view it introduces more stringent regulations. Although the population of southern Germany gains 16.5 hours more quiet time every week, the treaty creates legal and planning certainty for everyone involved, because it dispenses with rigid restrictions on the possible number of flights approaching from the north and offers long-term orientation. In return, during these 16.5 hours all approaching flights will be routed over more densely populated Swiss territory, which runs counter to the principle of exposing as few people as possible to aircraft noise.

Ball in Germany’s court

Flughafen Zürich AG welcomes the Swiss parliament’s clear decision. At the same time, it hopes that residents and politicians in Germany consider the value of these protected hours, which are anchored in the treaty and unique around the world, and allow the treaty – which has already been signed by the transport ministers of both countries – to be ratified. This step would resolve a long-standing conflict between two friendly nations.
Traffic statistics

Origin and destination of passengers by country

Every sixth passenger at Zurich Airport is travelling to or from a German airport. With 4.1 million passengers, Germany leads the passenger ranking, a fact which reflects the strong economic interdependence of Switzerland and Germany. Attractive connections between these two countries are an important factor in Swiss-German relations. Second and third place go to Spain, with 2.2 million passengers, and Great Britain, with 2.1 million.

You will find these and other interesting statistics on flight operations at Zurich Airport in the Statistical Yearbook 2012 of Flughafen Zürich AG as well as in the Internet at www.zurich-airport.com/statisticreport_2012

Origin and destination of passengers by country
(Scheduled and charter flights in 2012)

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<th>Rank</th>
<th>Country/region</th>
<th>No. of passengers</th>
<th>Share in %</th>
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<td>1</td>
<td>Germany</td>
<td>6,086,837</td>
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<td>Spain</td>
<td>2,201,851</td>
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Source: Flughafen Zürich AG (Statistical Yearbook 2012)

Traffic trends, January to June 2013

Between January and June 2013, 11,829,390 passengers used Zurich Airport. This corresponds to an increase of 0.1% compared with the first half of 2012.

At 128,509, the number of flight movements during the first half of 2013 dropped 4.0% under the previous year’s levels. At 106, the average number of passengers per flight was 2.7% above the previous year; the average seat load factor was 73.6%, representing a gain of 1.1% over the same period in 2012.

Traffic trends during the first half of 2013

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1 incl. transit, general aviation and other

Source: Flughafen Zürich AG