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Address to shareholders

Dear Shareholders,

Unique Zurich Airport's first financial year has been a successful one. The projected turnover and profit targets were reached. This is all the more satisfying since the year 2000 also witnessed a corporate reorientation, in the course of which Zurich Airport was confronted by numerous external challenges.

A financial year as good as expected

The significant increase in turnover of close to 10% to 523 million francs was in line with the expectations of the Board of Directors and the management. This satisfactory result was due to a further rise in the number of flights of 6.3%, this being an expression of the positive overall economic situation and the rising demand for mobility. The fact that the passenger numbers rose at the same time by 8.4% reflects the trend towards larger aircraft and the better use of aircraft capacity, which makes sense in ecological terms.

The increase in turnover can also be explained by the higher than average growth in non-aviation business. Non-Aviation revenues which totalled 271 million francs or 52% of total turnover, exceeded turnover from aviation business for the first time in the airport's history clearly. This is a consequence of our strategy of targeted expansion of non-aviation activities at Zurich Airport.

Despite high integration costs, it proved possible to significantly increase the operating result before depreciation (EBITDA) by 12.4 percent to CHF 253 million from the level of the previous year. The fact that the net result was slightly lower than in 1999 is associated with the fact that all business activities became liable for tax for the first time, coupled with the higher depreciation.

Market-orientated strategy with customer-orientated organisation

Following the targeted and speedy integration during the year under the report of Flughafen-Immobilien-Gesellschaft (FIG) and Flughafendirektion (FDZ), to form Unique, we are now in a position to work consistently towards the implementation of our strategy. In the aviation sphere we aim to consolidate the Zurich Airport's status as an international aviation hub. At the same time we intend to promote non-aviation business. On the one hand this is intended to be achieved through a significant expansion in commercial activities in Zurich, as is already evident in the 2000 result. On the other hand we intend to utilise our available know how to export consulting and management services for the planning, construction and operation of other airports around the world.

Fifth expansion phase on track

The fifth expansion phase represents a key element of our strategy in relation to both aviation business and commercial activities. This largest building construction project in Switzerland to date will put Zurich Airport back at the top, in an international comparison, in terms of quality and attraction. This step is necessary independently of the continued development of the SAirGroup as the airport's home carrier. Our ideal location in the heart of Europe, coupled with growing demand for flights, convinces us that Unique, in conjunction with the new infrastructure enlarged by the fifth expansion phase will in any event be in an excellent starting position to successfully counter the competitive forces of the future.

The building work proceeded according to plan last year, with the objective of keeping the airport operating as smoothly as possible at all times. We were even able to achieve this target during the critical phase when the main takeoff runway was closed during the months of June and July.

Broadening the circle of shareholders

As part of the application for the transfer of the airport concession from the Canton of Zurich to Unique on 1 June 2001, the Canton proceeded with the planned offer of 28% of the shares to the public and to institutional investors last November, which proved a success. A further offering is planned for the second half of 2001, at which time the Canton will reduce its holding to 33%.

General external situation

Unique is aware of the fact that it operates in a demanding and to some extent contradictory corporate environment. This was also highlighted during the 2000 financial year. Key factors were termination by Germany of the administrative agreement relating to takeoffs and landings over its sovereign territory, the associated preparatory work for new operating rules, the irritation expressed by the inhabitants affected during the temporary closure of the western runway for building work, discussions about the noise level limits and the adoption of the air traffic infrastructure plan (SIL) by the Bundesrat. The SIL states that all national airports should be extended in line with air traffic demands and that Zurich Airport must remain in a position to fulfil its duty as an international air traffic hub.

Unique has the task of striking a balance in its entrepreneurial duties which are laid down in the concession between the continuously growing demand for mobility and the call for high quality of life around the airport.

Thank you

During this first financial year, great demands were made on all employees by the organisational integration coupled with the corporate reorientation, and an extraordinary degree of commitment was expected from them. We would like to take this opportunity to thank everyone who was involved for rising to the challenge. We also wish to thank our shareholders, all airports and other partners for the confidence they have shown.

Zurich Airport, 23 March 2001



Andreas Schmid
Chairman of the Board of Directors



Josef Felder
Chief Executive Officer

address to
shareholders

Comments on the financial statements

Unique (Flughafen Zürich AG) produced a pleasing result during its first financial year. Turnover was increased by 9.7% to 523 million francs and the operating result before depreciation (EBITDA) by as much as 12.4% to 253 million francs. Net profits stood at 90 million francs, 6.8% below the 1999 pro forma result, due to the fact that FDZ was not liable for tax during the 1999 fiscal year, so that Unique had to pay tax on all its profits during 2000 for the first time.

The evolution of commercial revenue, which it was possible to increase by 271 million francs (+12.1%) was particularly pleasing. All commercial services contributed to this improvement. It proved in particular possible to increase revenue from car parking charges to 45 million francs (+11.2%), franchising receipts from duty and tax-free shops to 28 million francs (+26.0%), franchising receipts for advertising space to 5.5 million francs (+57.2%) and income from the operation of the Unique Airport Conference Centre to 3.7 million francs (+33.4%). The pleasing increase in franchising receipts from duty- and tax-free shops is unquestionably due to special efforts made by the franchisee. Additionally we are experiencing the first positive effects of the fact that Switzerland is the only sizeable country in Europe which still enjoys duty-free status.

The operating costs rose during the year 2000 by 7.3% to 269 million francs, with personnel costs increasing by 12.1% to 112 million francs. Extraordinary reasons associated with the Reverse Take Over between the two companies were a major contributory factor in this extraordinary rise, in addition to the necessary additional posts needed due to the growth with which it was necessary to cope. As promised in the privatisation referendum, Unique has fully honoured its social policy commitments.

Depreciation during the year 2000 amounted to 109.6 million francs (+21.6%). The increase of 19.5 million francs against the previous year is due to the Reverse Take Over, which led to increased fixed assets and consequently to additional depreciation (in the order of 12 million francs) and to the amortisation of the goodwill which arose through the Reverse Take Over, at a rate of 4.4 million francs per year. In addition, the schedule of fixed assets of the former FDZ was adjusted during the year 2000, which led to additional depreciation of 1.9 million francs.

The capital employed earned interest at 6.4% during the year 2000. Account must be taken of the fact that at the end of 2000, 691 million francs were invested in assets under construction, which produced no revenue. The average equity earned 9.9% interest.

After a lengthy wait, work on the 5th phase of the expansion was able to start at the beginning of the year. In combination with the other operational investments, 496 million francs were invested during the financial year (+190.2%). It was possible to finance 41.6% of investments via the company's own cash flow.

A new 300 million francs domestic debenture bond at 4.625% over 5 years to finance investments was issued in June 2000. The debenture bond was very well received by the market and appeared to have laid a sound foundation for further planned debenture bonds. It is planned to issue additional debenture bonds in the order of 700 million francs during 2001.

Ratios

Financial ratios

CHF in thousands, all amounts in accordance with International Accounting Standards IAS

ratios

	2000	1999 ¹⁾	Change in percent
Turnover	522,551	476,259	+9.7%
of which aviation revenue	251,207	234,017	+7.3%
of which Non-Aviation revenues	271,344	242,242	+12.0%
Operating costs	269,479	251,074	+7.3%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	253,072	225,185	+12.4%
EBITDA margin	48.4%	47.3%	
Profit for the year	89,782	96,282	-6.8%
Investments (net)	496,436	171,047	+190.2%
Cash Flow ²⁾	206,418	190,139	+8.6%
Capital employed 2000	1,733,706	-,-	
Return on capital employed (ROCE)	6.4%	-,-	
Equity at 31.12.	931,488	873,442	+6.6%
Equity return	9.9%	-,-	
Equity ratio	43.1%	50.6%	
Interest-bearing debt (net)	994,389	656,168	+51.5%
Interest-bearing debt/EBITDA	3.93x	2.91x	

Operational ratios

	2000	1999	Change in percent
Number of passengers	22,675,366	20,925,667	+8.4%
Number of flight movements	325,622	306,182	+6.3%
Freight in thousand tonnes	545,423	495,090	+10.2%
Full time positions at 31.12.	1,084	1,031	+5.1%
Number of employees	1,276	1,211	+5.4%

Ratios for the shareholder

	2000	1999	Change in percent
Number of shares issued	4,912,300	4,912,300 ¹⁾	+0%
Dividend (proposed) per share (in CHF)	5.50	5.50 ³⁾	+0%
Dividend amount in CHF thousands	26,919	7,700 ³⁾	+249.6%
Payout Ratio	30.0%	8.0% ³⁾	
Capital per share (in CHF)	189.60	177.80 ¹⁾	+6.6%
Earnings per share (in CHF)	18.29	19.60 ¹⁾	-6.7%
Share price [corrected] (in CHF) max.	349.90	364.80 ³⁾	
min.	262.50	275.00 ³⁾	
Securities number	1,056,796	UZAN	Reuters
Flughafen Zürich AG Namen			UZAZn.S

¹⁾ pro forma figures

²⁾ Profit for the year plus depreciation and change in provisions for non-current liabilities (social security contributions, deferred taxes)

³⁾ Flughafen Immobilien Gesellschaft

Unique – the new airport company

Based on the result of the referendum in Zurich, the airport was removed from government control during the year under report and the privatisation process was instituted. This reorientation means that the airport will be able to adapt itself more quickly and flexibly to the extremely dynamic needs of passengers, airline companies and its other customers, in order to consequently offer a well functioning infrastructure and high quality services subject to competitive terms. In order to safeguard the interests of the population and the government in this market-orientated airport company operated under private law, the form of a semi-public limited company was selected, which permits the delegation of public authority representatives to the company's Board of Directors. Consequently it was possible to use the former FIG, which already existed in this legal form, for the purposes of the Reverse Take Over with Flughafendirektion. Thus the Canton of Zurich transferred to FIG all the assets and liabilities of Flughafendirektion contained in the airport account and in return received shares worth the same amount as the assets contributed. The share capital required for this purpose was created via an increase in capital, whilst the former FIG was converted to the new airport company designed to comply with the requirements of the Airport Act, via a simultaneous general review of its articles of association. The new shares were created with a denomination of Fr. 50.– per share and at the same time the former FIG Fr. 500.– shares were split in the ratio of 1:10.

Once the Reverse Take Over had been implemented, the Canton of Zurich initially held 78.1% of the company's share capital, due to the agreed exchange ratio and on the other hand to its existing holding. In the interests of keeping share trading as liquid as possible and in accordance with the terms of the Reverse Take Over agreement, the first stage was instituted in November towards a reduction in the Canton's holding to initially just over 50%. The second stage, a reduction to just below 50%, will take place after the operating concessions applied for to the Government for 1 June 2000 are granted. The reason for completing the process in two stages relates to the fact that the Airport Act prescribes that the Canton should have a shareholding of over 50% up to the point of transfer of the operating concession to the Company, and that the contractually agreed further reduction down to a minimum holding of just over 33¹/₃%, should only take place subsequently.

Immediately after the resolutions of the shareholders' meeting and the Board of Directors relating to the Reverse Take Over took effect, the operational take over of the business activity and the launch of the new name Unique took place at the beginning of April. The new launch is not only evidence of the fundamentally altered circumstances, it also provides a basis for the extremely demanding process of internal implementation of these changes.

The market and customer orientation at Unique is a key feature of the organisational structure of the Company (see the flowchart of the following page). The five strategic divisions are targeted to the customer segments and are responsible for their own results. A decisive factor is the fact that the change in the organisational structures is intrinsically linked to a change in mental attitude and thinking. We are looking for entrepreneurial thinking, customer-orientation, flexibility and a willingness to take decisions, in full awareness of the fact that public duties are being conducted. This cultural change has put considerable demands on all employees during the past year. The change was broadly successful thanks to workshops and information events. As a result the Reverse Take Over can be described as successful, although it has not yet been fully completed.

Against this background, and founded on the vision of being a global leader and successful airport company, Unique has defined the individual points of its strategic profit plan and developed its new image.

Unique focuses on Swiss quality. Relying on the features which have made our country strong, namely reliability, friendliness, innovation and expertise, Unique aims to target its product to customer requirements and to offer them the quality they are seeking at the right price. The proper management of the core processes of airport operation under difficult conditions will put Zurich Airport back in the lead, in particular with respect to punctuality.

All our Unique employees think and act in an entrepreneurial manner, they are a key element in the Company's success. Their ability to take responsibility is promoted via transparency and trust and is rewarded with a share in the profits.

All airport users are our guests. We greet them with genuine courtesy and civility and create for them an attractive, unique atmosphere. This applies not only at our home base in Zurich, but also wherever Unique is active and is to be found. These fundamental attitudes need to be expressed in Unique's new image:

Our customers come first

We win them over with first class services and a unique atmosphere.

Our staff are the key to our success

We individually take responsibility for the achievement of the highest level of service and we take a share in the profits. Our managers give encouragement through trust, delegate entrepreneurial duties and support our further development.

Our partners are important

We support our partners and they support us. Together we achieve maximum customer satisfaction.

Our neighbours are involved

We respect the concerns of those living nearby and of the authorities and make a significant contribution to the promotion of the economic region.

Our shareholders invest on a long term basis

As owners, you will benefit from a company policy which is aimed at long-term gain.

Our success in Zurich opens up the world market

Our domestic airport is independent and is one of the main traffic centres in Europe. It makes a key contribution to the locational benefits of Switzerland. We offer our services globally.

Our security creates confidence

We perform at optimum level and guarantee the highest possible degree of reliability and quality.

We care for our environment

We are ecological leaders and seek to minimise pollution.

Our communication is honest

We communicate quickly, openly and transparently and inspire confidence and acceptance amongst all those involved and in the public.

UNIQUE –
the new airport
company

Board of Directors

Chairman

Andreas Schmid

CEO Jacobs AG

Chairman of the Board of Directors and
CEO of Barry Callebaut AG

Vice Chairman

Dr. Ruedi Jeker

Member of the Cantonal Government,
Economic Director of the Canton of Zurich

Members

Dorothee Fierz

Member of the Cantonal Government,
Building Director of the Canton of Zurich

Dr. Christian Huber

Member of the Cantonal Government,
Financial Director of the Canton of Zurich

Dr. Elmar Ledergerber

Member of the City Council, Chairman of
the Civil Engineering Department of the City of Zurich

Jacob Schmidheiny

Chairman and representative of the Board of Directors
of conzzela Holding

Dr. Martin Wetter

Member of the management of Credit Suisse

Eduard Witta

Graduate Building Engineer ETH/SIA,
joint owner of a building engineering office

General Secretary

Thomas Egli

Management

Josef Felder

Chief Executive Officer

Members

Thomas Calame

Divisional Manager, Commerce

Pascal Erni

Divisional Manager, Consulting and Services

Andrea Muggli

Divisional Manager, Airline Companies

Beat Pahud

Divisional Manager, Freight

Advisory Board

Chairman

Andreas Schmid

Vice Chairman

Dr. Ruedi Jeker

Members

Urs Adam

Deputy Director, Federal Civil Aviation Office

Dr. Lukas Briner

Deputy Director, Zurich Chamber of Commerce

Bruno Heinzelmann

Mayor of Kloten

Dr. Eric Honegger

Prof. Dr. Franz Kellerhals

Chairman of the Board of Directors, Skyguide

Dr. Thierry Lalive d'Epinay

Chairman of the Board of Directors, SBB

Vreni Spoerry

Member of the 2nd chamber of the
Canton of Zurich

from 2001:

Dr. Sven von Ungern-Sternberg

President of the Administrative District
of Freiburg i.Br.

Christina Spoerry

Divisional Manager, Passengers and Security

Lukas Hässig

Head of Corporate Centre for Communication

Daniel Schmucki

Head of Corporate Centre for Controlling

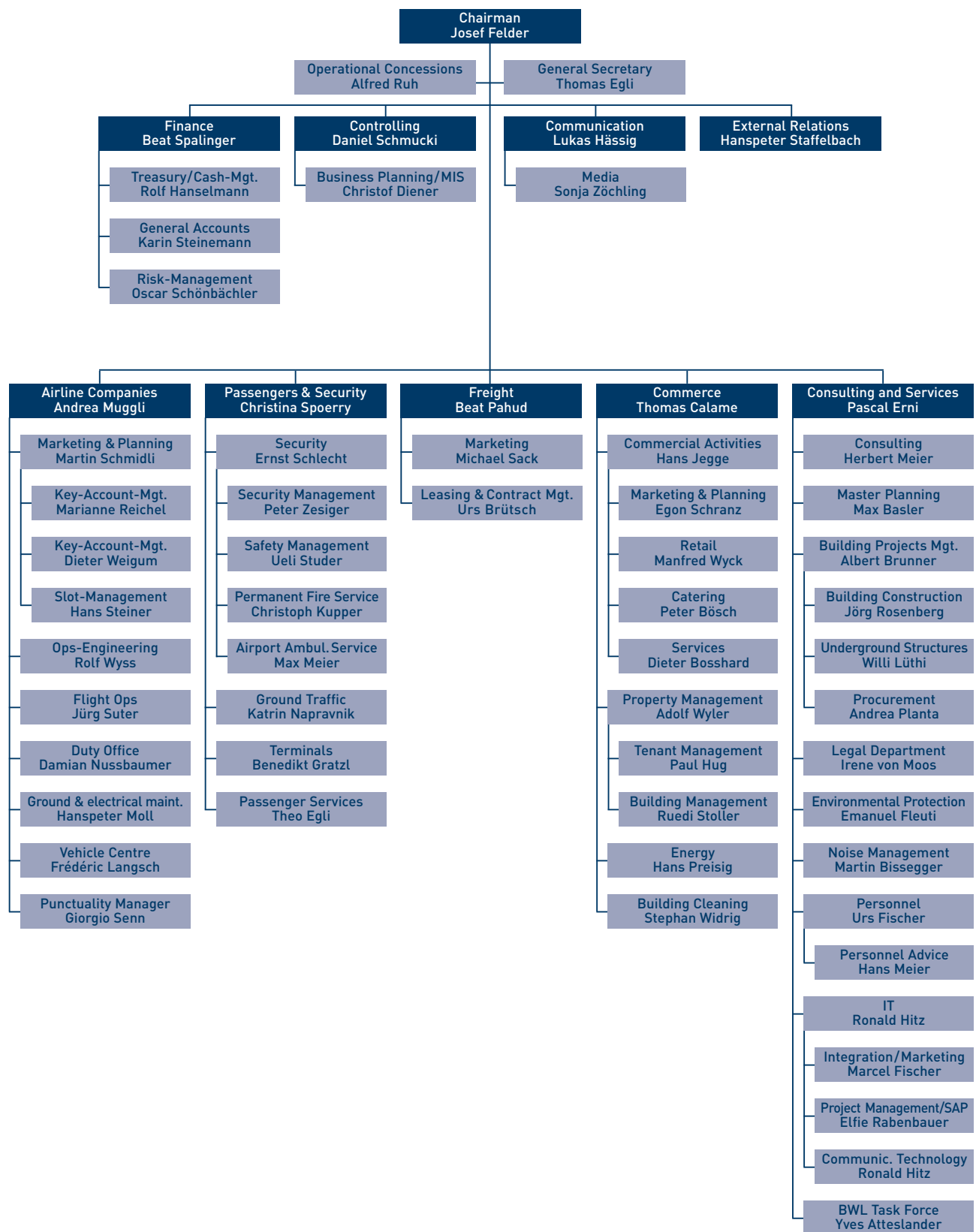
Beat Spalinger

Chief financial officer

Hans Peter Staffelbach

Head of Corporate Centre for External Relations

The Management Team at Unique



Memorable events during 2000

31 January

Building work commences on the 5th phase.

1 March

Airport Act becomes operative.

30 March

The Reverse Take Over between Flughafendirektion and FIG to form Flughafen Zürich AG is completed.

6 April

The new airport company is launched under the name Unique.

12 April

Unique shares are listed on the Main Board of the Swiss Stock Exchange.

12 April

The Bundesrat establishes noise level limits for Swiss airports for the first time.

18 May

The landing and takeoff routes are adapted to the new airways by the Government.

22 May

The administrative agreement relating to approach flights to Zurich airport over southern Germany is terminated by Germany with effect from the end of May 2001.

23 May

The extended freight installations Fracht Ust are inaugurated.

29 May

The closure of runway 10/28 (western runway) due to the expansion work commenced with a temporarily altered takeoff regime.

31 July

The closure of runway 10/28 ends.

23 August

The Zurich senior council lays down principles for the airport policy of the airport.

18 October

The air traffic infrastructure plan (SIL) is adopted by the Bundesrat [Federal Council]. The role of Zurich as an Inter-continental hub is explicitly reinforced.

6 – 15 November

Public placement takes place of 1.3 million registered shares in Flughafen Zürich AG from the capital share of the Canton of Zurich.

8 December

The Federal Court confirms the building concessions for the 5th building phase, however rejects the noise level limits laid down by the Bundesrat.

15 December

The request to transfer the new airport operating concession at 1 June 2001 is adopted by the Board of Directors and submitted to the Swiss government.

airline

companies



Airline Companies Division

A first class airport must be in a position to guarantee its customers, the airline companies, smooth ground operations, since due to the increasingly short standing times of aircraft between landing and takeoff, the efficiency of clearance procedures is becoming increasingly important. In an effort to provide adequate infrastructural capacities, to significantly increase punctuality and to thoroughly and actively service airline customers, Unique is devoting itself to increasing orientation towards the needs of its customers.

In the interests of improved punctuality, a separate functional and organisational "Punctuality Management" unit has been set up, whose duties specifically include the systematic analysis of the varied reasons for delay and the use of operational, tactical and strategic measures aimed at increasing departure punctuality. The problems associated with delay can however only be solved with the collaboration of all the airport partners involved, so that a number of additional jobs have been created both in the home carrier Swissair and in flight security, with a view to reducing delay.

In the "Marketing & Planning" department, which has also been newly created, the international air traffic market is thoroughly investigated and observed, so that it is possible to plan flight operation services in line with demand and on a forward-looking basis, based on findings. The new function of Operations Engineering ensures that the necessary capacities are available at the proper time.

Key Account Management has also been implemented, as an indication of increased customer-orientation. This permits comprehensive support to airline companies and thus contributes towards increased customer satisfaction.

Co-ordination of flight operations and expansion work

The extensive work on the 5th building phase made extreme demands on flight operations, in particular in view of the further increase in flight numbers which has occurred at the same time. The scenarios produced, which were designed to guarantee secure operation which complies with international civil aviation regulations, even under such extremely difficult circumstances, not only affected takeoff and landing operations but also taxiing, aircraft standing and traffic on the service roads. In order to conduct aircraft safely and punctually past the various building sites, en route between the runways and the standings not only was maximum care and precision needed, but there also had to be close co-ordination between the building security service, the apron supervisory service and the building management. In order to protect incoming and outgoing aircraft from site traffic, the taxiways were secured by modern automated signalling equipment and additional staff. During times of poor visibility, all building vehicles were accompanied by trained building security staff en route between the entrance gate and the building site and back again. Thanks to the securing of the building sites on the apron, it was possible to continue building work in parallel with flight operations, even during times of poor visibility.

The closure of a number of aircraft standings due to the building sites for the access tunnel to the planned Dock Midfield, led to a reduction in the numbers of these standings. In the interests of optimum flight operations, there must on the one hand be efficient management of standings by the responsible "Apron Control" unit, and on the other new and in some cases improvised standings have to be created, by opening the new standings in the Dock Midfield.

Due to altered requirements, extensive flight operations areas must be adapted and restructured, many taxiways moved and the entire runway and taxiway signalling converted or renamed.

Unquestionably the most important measure associated with flight operation was the temporary closure of the western runway from the end of May to the beginning of August. This serious encroachment into the flight operational infrastructure necessitated a temporary change in taxiing and takeoff procedure. Most takeoffs took place on runway 16 towards the south, whilst in westerly wind conditions, takeoffs took place on runway 32 or 34 towards the north west. This takeoff pattern led to unusual noise pollution in the municipalities to the south and north, whilst those to the west of the airport benefited from a temporary reduction in noise levels.

Noteworthy events

In addition to regular flight operations, a large number of special flights were cleared at Zurich Airport during special occasions. In such circumstances, Unique is able to call upon its years of expertise, to meet the special requirements of such flights.

In November 2000, Unique was assigned the duty of technical and reporting office for the zone protection of the entire canton of Zurich. Unique is undertaking this duty, the aim of which is to keep landing and takeoff routes free of sources of building hazard, in close collaboration with the Federal Civil Aviation Office.

During the whole of 2000, 347 night flight exceptional approvals were granted, 173 of which were for takeoffs and 174 for landing operations. A total of 243 accident and damage occurrences were recorded, 17 involving people, 50 involving aircraft, 148 involving vehicles and 28 involving other losses.

airline
companies

passengers & security



Passengers and Security Division

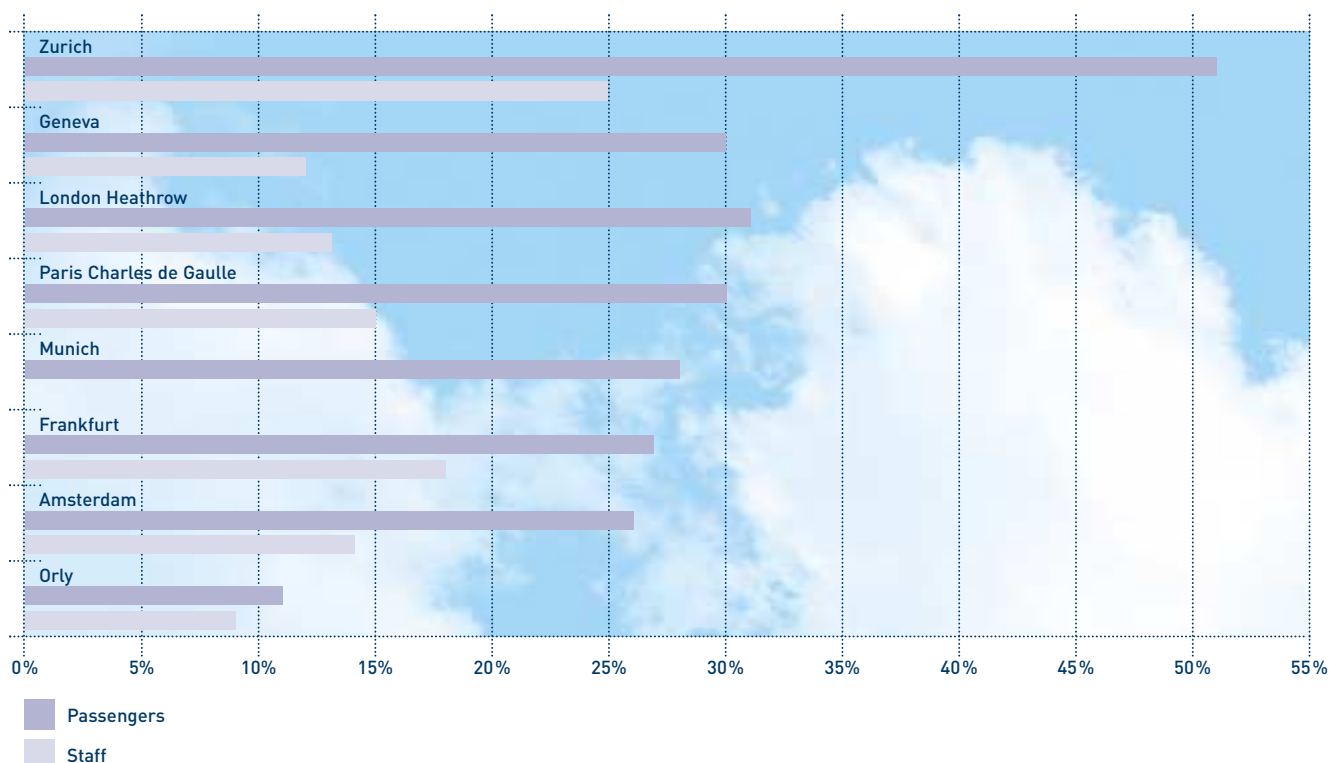
During the year 2000, 22.7 million passengers passed through Zurich airport, 8.5% more than in the previous year. The infrastructural bottlenecks which occurred during to steadily rising traffic increasingly affected passengers, causing Zurich to fall from 4th position to a middle ranking in an international comparison of the general views of passenger satisfaction. Worse scores were also achieved with respect to criteria such as signposting and information, regarding which Zurich had been in the lead for many years. The activities instigated both on the ground and in the air, which seek to return Zurich to the top of the list of quality airports, were evident and experienced by passengers this year. Unique places great emphasis on the best possible quality of the design of the temporary infrastructural equipment, even during this demanding transitional period.

Public transport

The proportion of passengers arriving and departing on public transport has risen to a pleasing 51%. The promotion of public transport has been consistently furthered by the additional check-in facilities at 13 stations and by timetabling improvements. On the other hand the proportion of users of public transport amongst airport staff has fallen slightly, although this does not apply if we look solely at Unique employees, who are offered the alternatives of payment of an eco-bonus or once again the opportunity of the cheap purchase of an annual season ticket for the Zürcher Verkehrsverbund [Zurich transport combine]. In this way Unique offers incentives to move to public transport, thereby making a major contribution to the achievement of its environmental targets. Thanks to the positive evolution amongst passengers, the total proportion of train and bus users has risen from 34% (1995) to 39%, making the target of 42% in 2004 look feasible.

Capacity employment of the parking spaces at the airport remains very high, and at times the multi-storey car parks are full. Following the positive decision by the Federal Court, the construction of the new multi-storey car park C is secured, which should relieve the problem of scarce parking facilities. The situation will also be alleviated by an increase in the numbers of spaces in the two existing multi-storey car parks B and F. At the beginning of the year, the tariffs for the staff parking spaces were increased, whilst the tariffs for those for public use were increased at the beginning of August. Following this increase, the parking tariffs are in the top third in comparison with other European airports.

Zurich in the lead for public transport



Passenger services

In July, eight new, temporary bus gates were brought on line in Terminal A. They replace gate exits which had to be closed due to the construction of the new Airside Centre at the beginning of 2001. The floor renovation work was completed in Terminal B. The new, light granite floor improves the appearance of the terminal, which was built over 25 years ago, and of the finger gates.

Passengers were again offered some free services over the very busy holiday weekends. The Kids Corner, a staffed play area for children of all ages, and the free Internet access points, were very well received and will be offered in the future.

Security

The merger of the former security organisations in both organisational and staffing terms proceeded as planned. Synergic benefits were achieved in the spheres of preventive fire protection and work safety. The newly adapted crisis organisation system proved its worth during two events, namely the crash of the Crossair and the strike in the baggage handling area. The emergency exercise "EVAC 2000" confirmed that the airport emergency organisation is highly trained and that the close collaboration with partner organisations is extremely valuable. For the first time, part of the finger gate was evacuated using real passengers. During this major exercise, the airport civil protection organisation was involved in addition to five fire services and the emergency and ambulance services.

The new security pavilion, designed on a multi-functional basis, established the necessary infrastructure for various special control duties and emergency operation plans. The installation of modern equipment for comprehensive baggage control is going to plan, so that it will be possible to bring the system on line in March 2001. During the year under report, half of the airport perimeter fence, which is over 30 years old, was replaced, and in November the examination and replacement of the close on 25,000 access authorities was successfully completed.

The move from public to private employment necessitated extensive adjustments to the rules relating to conditions of employment for the permanent fire service and the airport ambulance service. Performance assignments, location, working hour plans and structural organisation were subjected to extensive review. The special approval for uninterrupted operation, based on the new shift plans, was granted by the Secretary of State for Economic Affairs Isecol just before the end of the year.

In conjunction with the technical replacement and expansion of services, the fire service and ambulance control centre was set up as a special unit with its own staffing resources, thereby creating the prerequisites for further professionalisation. The contract with the building insurance company for take over of the regional emergency fire control centre Zurich Unterland was signed.

The permanent fire service was called out 1306 times (previous year 1151). The emergency ambulance went out 4574 times (previous year 4255), 2959 of which calls (previous year 2897) were within the Zurich Unterland area. The increase in the number of calls is due to the fact that the staffing bottlenecks in Bülach hospital caused by the airport ambulance service have been dealt with.

Closer collaboration has been agreed with the hospital associates of Bülach and Dielsdorf, with a view to setting up a cheaper ambulance and emergency service, which meets the needs of the community and the airport via the use of available synergies.



freight



Freight Division

The freight business, which for some considerable time has been the wallflower of the air traffic industry, has become a performance factor for the airline companies. Air freight revenues are a decisive factor in profits and frequently hold the balance in determining whether or not a flight is profitable.

An efficient logistical hub is extremely important for the Swiss economy and consumers, both as regards the export of industrial goods and the import of consumer goods, and for urgent consignments for the service and production spheres. Speed and punctuality are strategic performance factors in this business.

Unique has recognised this situation. The Freight Division creates the prerequisites for a competitive air freight hub. At the same time, the market is changing rapidly. New products demand new services. Altered requirements within the logistical chain need to be recognised and implemented in a manner appropriate to the location, using market handling, planning, realisation and management of the freight installations and supplementary services. We are working on this, together with our freight partners and to the benefit of our customers.

Growth in freight

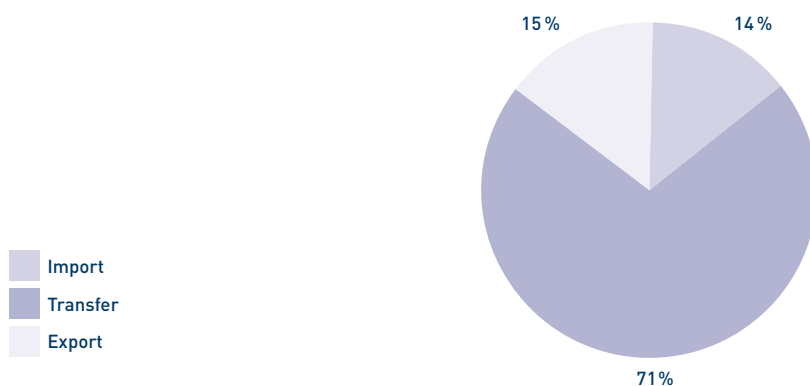
Freight flights at Zurich Airport have increased by 10.2% in comparison with the previous year. This growth is comparable with the development at the other European hubs. The increase is in line with the forecast trend and with economic development.

In order to finance Unique's investments in imports, import charges were increased to 6 rappen per kilogram. In contrast, it has been possible to reduce the transfer charge to 2 rappen per kilogram because the high investments on the corresponding operating installations did not have to be undertaken by Unique, but by the SAirGroup.

Freight volumes are divided amongst import, export and transfer. Incoming and outgoing flights account for approximately equal proportions of the total volume. The clear hub function of the SAir subsidiary Swisscargo in Zurich means that the proportion of transfer freight is very high.

The graph for 2000 is as follows:

Proportions of freight volume

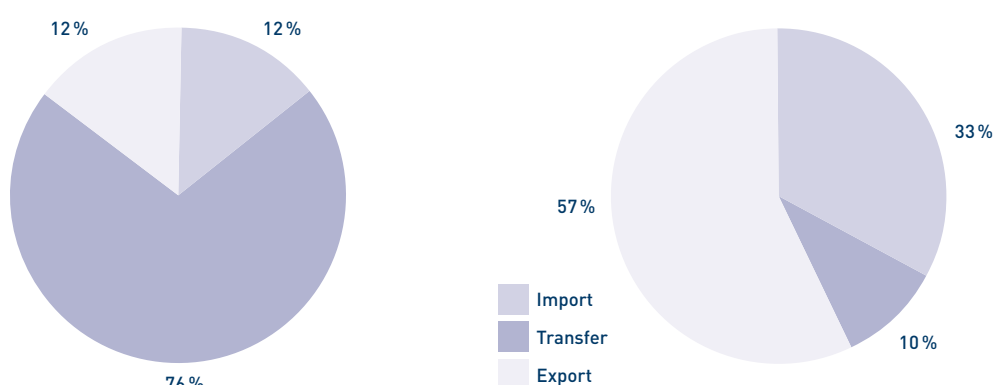


Growth in the area of the “Rapid Channel”, where most of the express consignments are cleared, has been especially marked. The increase in comparison with the previous year was 63%, this mainly being due to a successfully launched Swisscargo product designated “Expresso XL”, which additionally led to a shift of consignments from General Cargo. This trend towards express traffic, to the detriment of traditional air freight traffic, is being seen generally throughout the sector.

The proportion of import, export and transfer of the two handling agents is as follows:

Cargologic

Jet Aviation

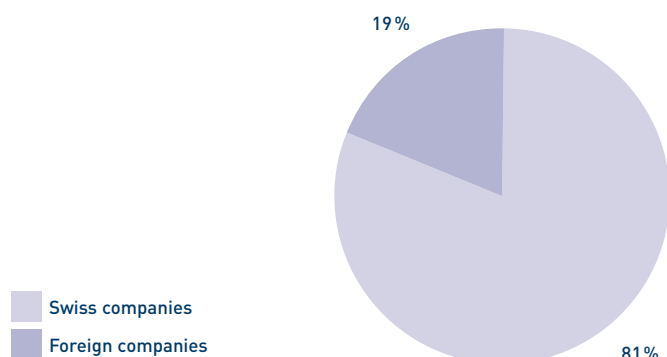


Jet Aviation is the handling service provider for a large number of airline companies, which have no hub in Zurich. This explains the significantly smaller transfer proportions and larger import and export proportions in comparison with those of the SAirGroup company Cargologic.

The full freighter operations increased by 96% last year. The reason for this lies on the one hand in the daily traffic of United Parcel Service (UPS). Since March, Farnair has been flying to and from Cologne on behalf of UPS with express consignments. On the other hand, Swisscargo has been flying to Hong Kong twice a week since September with a Cargolux Boeing 747-F. In addition, full freighter cargo operations were undertaken, which were used primarily to transport urgent consignments from the Swiss machine tool industry, in addition to the famous “Kosovo cows”.

The air freight replacement traffic (LEV) took a proportion of 28% of the total volume of freight. LEV is the term used to describe air freight which is taken by road between the airports within Europe on behalf of airline companies.

Proportion of Swiss/foreign freight companies



freight

Services

Unique offers various supplementary services within the air freight process chain at Zurich airport. This includes the care of live animals on behalf of the handling agents. Three trained animal carers are under contract to offer this service. It was possible to significantly increase quality in this sensitive area via improved collaboration with partners and optimisation of the processes, so that it proved possible to handle 60% more animal consignments.

High rise store

The freight infrastructure management is an important link between the tenants and the various internal specialist departments such as property management, maintenance and building project management. The focus is on optimised use of the warehouse, operational and office areas and the development of infrastructural solutions which are future-orientated and in line with requirements. The current freight installations at Zurich airport comprise three interconnected building complexes: Freight West, Freight Mid and the new installation Freight East, with high rise store systems for europallets and Unit Load Devices (ULD, aircraft pallets). The buildings are linked in such a way that they form an efficient unit. The space capacity in the existing installations totals 60,000 m².

Following various optimisation measures, it was possible to officially inaugurate the "cargologic hub zurich" in the Freight East building complex last May, and to hand over operation. As a result Cargologic has one of the most modern computer-controlled installations for the handling and storage of air freight. This installation has storage space for over 8,200 europallets and for 4,200 ULD's and allows the clearance of approx. 600,000 tonnes of freight per annum.

With a view to preserving a healthy competitive environment which is capable of promoting overall quality, it is also important that Unique should not only support the SAirGroup subsidiary Cargologic, which operates the Zurich cargo hub, but also all partners in their efforts at process optimisation. Consequently it was possible to take account of the needs of the second handling agent, Jet Aviation, by creating the additional transshipment area.

commerce



Commercial Division

The merger enabled all the business relations between the former partners to be consolidated and their contractual relations reassessed. At the same time the purely functionally organised technical operation and the property maintenance were restructured on a process-orientated basis. Despite these changes and the building activity, it proved possible to significantly increase some revenues.

Retail

The continuing planning for the 5th building phase has also seriously affected the retail area. Considerable effort is required in order to maintain the commercial services affected and to utilise their economic potential despite the general environment, which was made more difficult during the building phase. With this in mind, various revaluation measures were taken in the arrivals area shopping area, and a provisional retail area was set up in the transit zone. These measures produced significant increases in revenue, in particular for duty-free business. It also proved possible to strengthen the partnership relationships between Unique and the individual retailers, as part of the customer-orientation, which is now a core element throughout the company.

Catering

During the renovation work on the conference rooms, in the "Airport-Plaza" arrivals area commercial zone, it was possible to section off parts of the area. After a planning and conversion phase lasting only two months, the new "Ritazza" coffee bar, which is operated by a new catering partner, was opened.

On the basis of a limited term agreement for the individual catering outlets and any necessary temporary measures, concluded between Unique and the airport restaurants, it is aimed to guarantee that appropriate facilities will remain available to customers during the extensive building work on the 5th building phase. The tender procedures to be conducted for the purposes of the future services were prepared during the year under report and can start during 2001.

Advertising and promotion

Management of the advertising space in the airport was brought up to date during a tender procedure. This is intended to make Zurich airport an attractive advertising location in an international comparison. Sizeable increases in turnover against the previous year have already been recorded.

Conference Centre

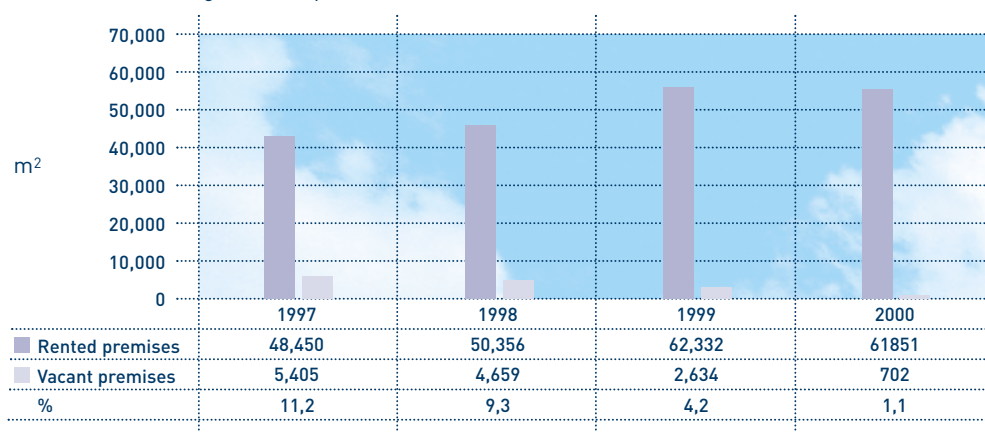
The Airport Conference Centre reported overall turnover which was 55% higher than in the previous year. This is primarily due to the fact that the infrastructure and organisation have been expanded and better account has been taken of customer requirements. For example the conference rooms of the former Airport Forum on the plaza level have been renovated after being closed for several years, and were made available for use again in July. The historical tower has also been completely renovated and fitted out to a well-appointed standard. The entire Conference Centre has 29 different rooms, which hosted 7,600 events during the year under report.

Property Management

There is considerable demand for premises at the airport. As a result the management decided to build the new head office away from the main airport building on the Werkhof site (fire service location). By letting the vacated premises in the prime location right by the airport, Unique will be able to increase its rent receipts in the future. The prompt procurement of airport premises remains an important topic.

commerce

Evolution of leasing of office premises

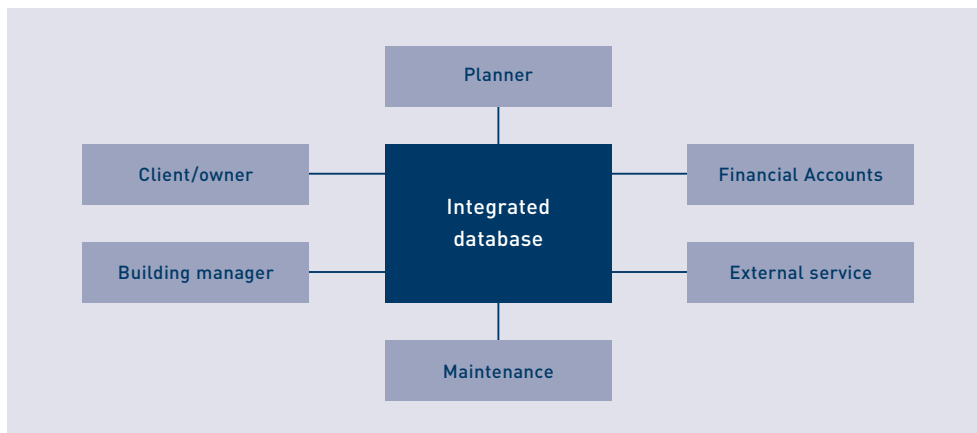


It proved a difficult task to merge the two existing property management divisions of the partners in the Reverse Take Over to establish the new property management division. In addition to checking the data in relation to properties and including new properties, it was also necessary to determine procedure within the newly organised property management division, in particular with respect to collaboration with the operating divisions which have also been reorganised and are active in property management. These procedural adjustments need to be persistently pursued in conjunction with the impending replacement of old electronic aids and the introduction of a new commercial Facility Management System.

Facility Management System

A feature of good Facility Management (FMS, building management) is a satisfied customer. The means available to the FMS are transparency, cost control and efficient data management. The main focus of the efforts in this respect during the year under report was on computer-aided maintenance. Over 5,000 technical installations have been recorded and incorporated into the fault database (Help Desk). The system also records the working hours of staff and external services. The detailed costs reported are aggregated and are included in the rent calculation as maintenance expenditure or in the incidental rental costs as operating costs. The next stage will be the reorganisation of the distribution and charging of these costs. In this respect, the central information platform was finalised in parallel to replace the old premises database, and a standard software for the commercial FM was put out to tender. The question of the incorporation of the graphic data was also solved.

Data integration by "Computer Aided Facility Management".

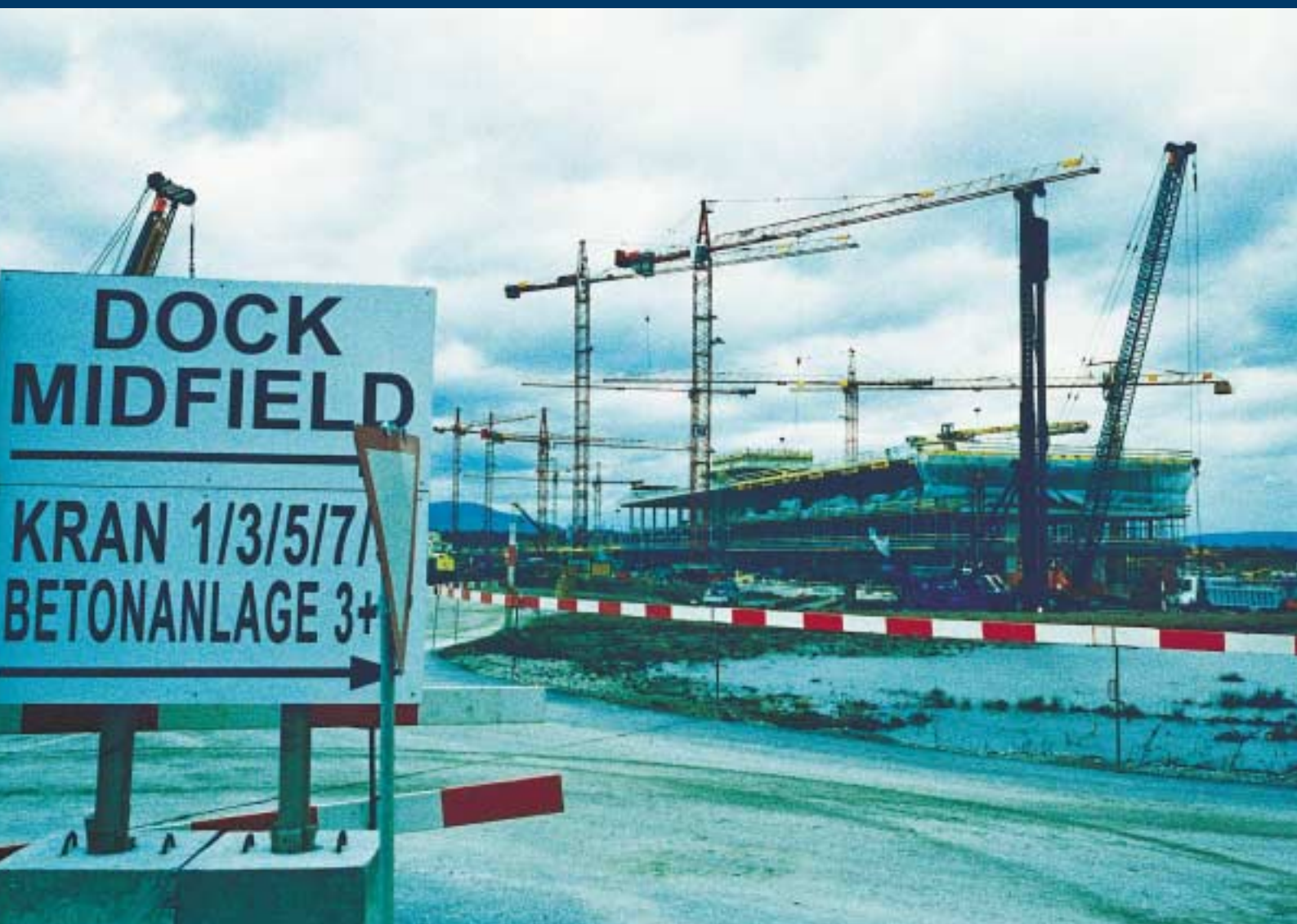


New head office "Unique One"

The first 1,000 m² in "Unique One", the new head office on the existing Werkhof site, were occupied on 23 December, after only 11 months of preliminary study, planning, approval and realisation. The project was a huge challenge for all those involved. Many existing operations had to be questioned and unconventional solutions sought. The staff were directly involved in the layout planning. The move out of individual offices into an open plan office and away from the centre of the airport represented a difficult change for many who had to cope with the independence and the increased volume of work in addition to the structural effects. However, the advantages, such as a joint head office for the entire company, short communication routes, a mood of new awakening and an architecturally successful, light and airy office building speak for themselves. It is important that the independence and the associated Change Management should now be manifested externally.

commerce

consulting and services



Consulting and Services Division

One of the outstanding events of the year under report was the long-awaited start of the realisation of the 5th building phase, which led within a few months to major building sites with the Dock Midfield and the tunnel construction beneath the temporarily closed western runway.

Expansion

In close collaboration with other divisions, planners and entrepreneurs, the twenty man building project management team invested close to 500 million francs by the end of the year 2000. This corresponds to 1.2 million francs per working day.

As a result of lengthy approval and court proceedings, realisation of the airport expansion was delayed by several years from its original planned completion date in 1995. In contrast, it has been possible in 2001 to get the building work underway in a very short time. So far it has proved possible to adhere to the extremely tight timetable, with technical, organisationally and politically difficult phases such as the closure of the western runway to build the road tunnel, being successfully tackled. Thanks to the high degree of commitment of all those involved, meticulous planning, a unique concentration of special equipment, financial incentives and good weather, it has been possible to press on with the building work at such a speed that it has proved possible to return to normal operational planning within nine weeks rather than the planned twelve. The shell of the Dock Midfield is 60% complete and at the beginning of December it was possible to hand over the first new taxiways to flight operations. At the end of the year, all the large building sites for the 5th building phase were open: the dock and the apron areas in the Midfield area, access via the airport metro tunnel and the road tunnel, the future shopping centre to be known as the Airside Center and the station terminal, increasing the size of the multi-storey car parks and the extensive work on the bridges and the roads on the arrivals side.

Renovation of the airport infrastructure is therefore on track. In 2000, the next important milestone on the path towards the airport of the future was reached, with the commissioning of the Midfield zone and the necessary development work in the main part of the airport.

Environment

As in previous years, an Environmental Report was also published in 2000, which, like much other environmental information, is available via the Internet. A number of environmental events such as Oeko tours, readings and lectures demonstrated the general level of interest in environmental work at Zurich airport. The environmental management system is still being set up and certification is sought for the end of 2001. Important sections of the database within environmental data management were commissioned. A few small air hygiene assignments for foreign airports were processed as part of consulting activities.

A focus of environmental protection lay in strategic planning for air hygiene. A specific aim is to be able to produce a more accurate emission inventory, and thereby to have available the basis for reliable air pollution calculations. In addition, preparatory work was undertaken for implementation of the measures resolved and commissioned under the Midfield building concession. International agreements and developments are necessary on many topics, and Unique is intensively involved in these.

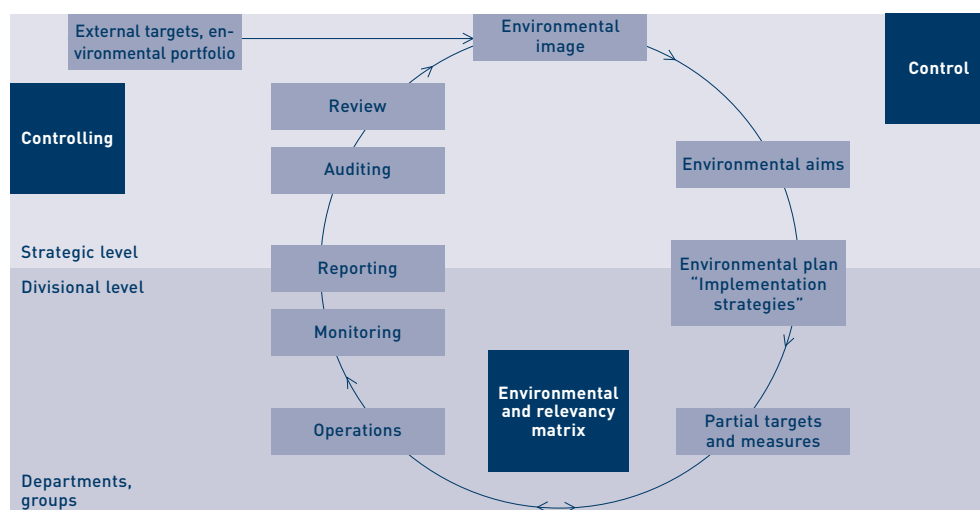
Pure disposal was increasingly abandoned in favour of the recycling alternative, in conjunction with the environmental management system. The aim is to stimulate the conservation of natural resources via a polluter-pays charging system (further development in waste water and waste). Schemes were also implemented in the energy management sphere in order to guarantee the targets set down in the major consumer agreement with the building directorate of the Canton of Zurich.

Noise management and resident protection

During the year 2000, the renovation measures within the sound insulation programme were commenced. During the spring, a number of buildings, in Opfikon-Glattbrugg, specifically schools and kindergartens, were fitted with sound insulating windows and ventilation installations. The cost of these measures amounted to around 8 million francs. In addition, implementation of the sound insulation measures commenced in the pilot municipality of Oberglatt and in Hochfelden. Projects and renovation work involving sound insulating windows were pursued in other areas at an additional cost of 9 million francs.

During the closure of the western runway during June and July, all landings took place on runway 16, which necessitated the introduction of alternative takeoff routes. In addition to the usual takeoff followed by a left turn, takeoffs with a right turn and straights were added. As a consequence, new areas, in particular to the south and west of the airport, suffered from flight noise. Unique accompanied the temporary takeoff regime with a series of flight noise measurements, in collaboration with the airport of Dübendorf and the city of Zurich, and the results of these were published on the Internet. A call centre was set up to deal with questions from the public about noise. This dealt with concerns and questions from the public in a dual shift operation and passed these on to the competent airport department for a response.

Setting up the environmental management system



Expansion abroad

Creation of the opportunity to also be operational outside Zurich airport was one of the primary aims of the airport privatisation and has been explicitly included in the Airport Act, in the articles of association of the Company and finally in our vision of becoming a globally leading and successful airport company.

The newly established Consulting department has sounded out the market using a conscious trial and error procedure, during which a great deal was learnt about the market, customers and the competition and it was established that Unique is seen in a positive light. A few interesting consulting assignments have already resulted. A number of different investment opportunities have reached different project stages.

The experience gained serves as a basis for us to set down more precisely the aims and general framework of our international commitment. We shall observe ethical principles in relation to political, cultural and environmentally-related matters. All activities will be communicated in a transparent manner and should be attractive to investors. A precondition is evidence of adequate revenue from global business.

Our strength lies in the mastery and efficient operation of complex airport systems. We are therefore concentrating on airports as potential customers and are seeking to market our system understanding as a whole. The Consulting department represents the hub for canvassing and project management in relation to these services. The team will be availing itself of the best specialists from the airline companies or from established service partners to provide this service. Appropriate partnerships will be formed as necessary for large projects.

Development planning

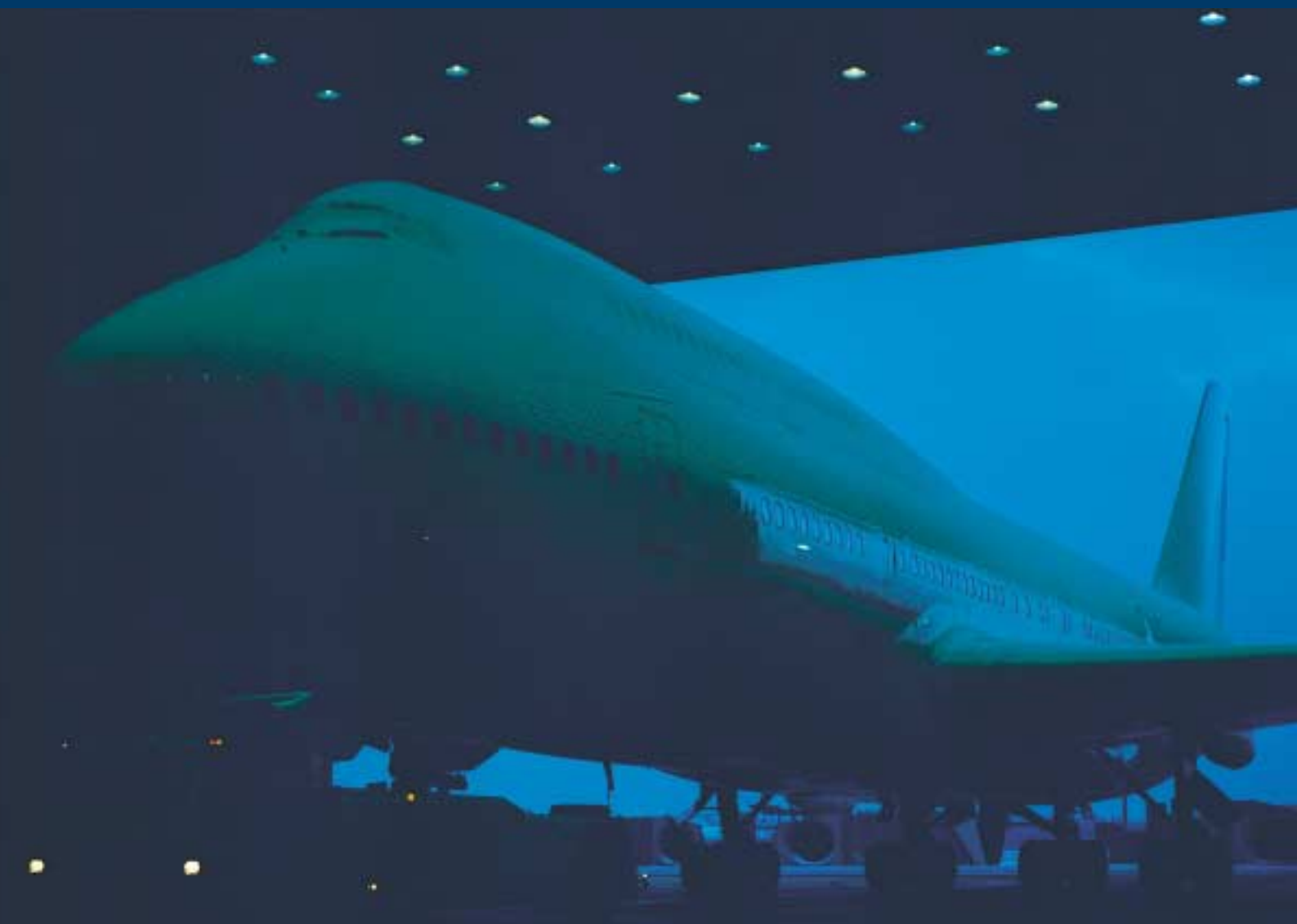
With a view to the continued development of the building infrastructure of Zurich Airport, we have instituted work on a development plan entitled "Building constructions". Compatibility with long-term development will be examined in relation to all major projects. Building development planning must take into account considerations related to the operating franchise, the noise and environmental effects and the functional, economic and town planning demands.

The planning preparation work has been concluded for use of the land behind the main airport building for the new service centre "Airport City". The density of use and the town planning consequences have been ascertained on the basis of a test plan drawn up. These factors form the basis for an international competition, which will be held by mid 2001. The principal uses planned include a hotel with around 300 rooms and a Business Centre with a health spa and fitness centre and conference facilities. The construction of a casino, which is also planned, depends on the Bundesrat granting a concession, and this is not expected until the second half of 2001.

consulting and
services

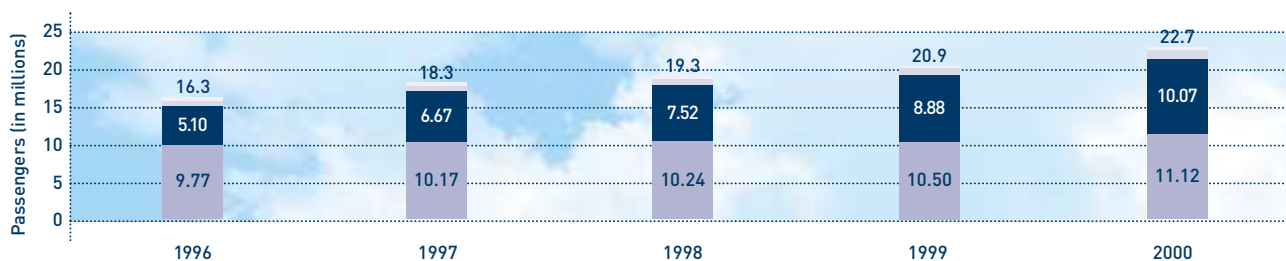


traffic statistics



Passenger evolution

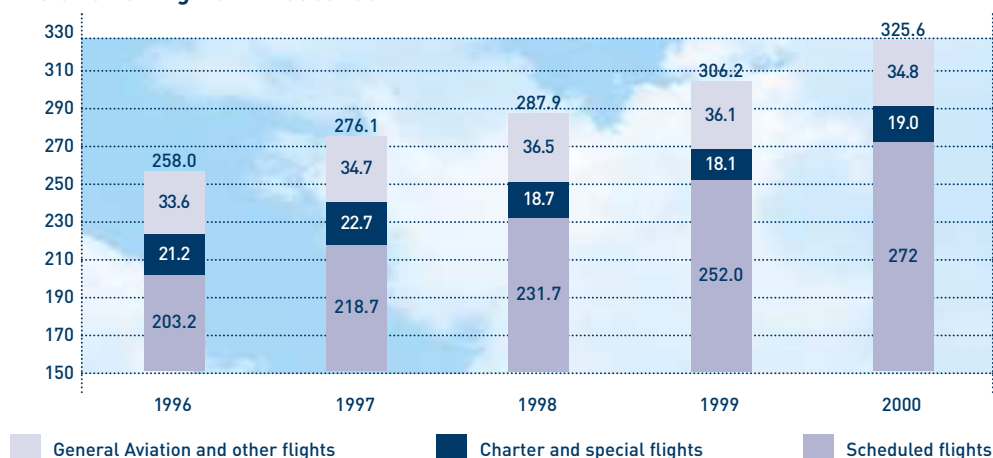
	2000	1999	1998	1997	1996
Total passengers	22,675,366	20,925,667	19,326,589	18,318,360	16,276,699
Change over previous year	8.4%	8.3%	5.5%	12.5%	5.7%
by type of passenger					
International passengers	11,124,284	10,498,162	10,239,881	10,169,909	9,767,696
Change over previous year	6.0%	2.5%	0.7%	4.1%	4.2%
Transfer passengers	10,068,036	8,879,782	7,516,976	6,668,096	5,098,415
Change over previous year	13.4%	18.1%	12.7%	30.8%	9.9%
Lokal (domestic) passengers	1,253,274	1,264,790	1,145,969	1,032,509	929,513
Change over previous year	-0.9%	10.4%	11.0%	11.1%	2.8%
Transit passengers	181,799	232,577	373,956	398,008	430,417
Change over previous year	-21.8%	-37.8%	-6.0%	-7.5%	2.1%
General Aviation passengers	47,973	50,356	49,807	49,838	50,658
Change over previous year	-4.7%	1.1%	-0.1%	-1.6%	-7.8%
by type of flight					
Scheduled flights	20,551,503	18,876,843	17,142,169	15,827,572	13,998,296
Change over previous year	8.9%	10.1%	8.3%	13.1%	7.7%
Swiss companies	14,483,050	13,121,143	11,407,710	10,145,433	8,320,391
Change over previous year	10.4%	15.0%	12.4%	21.9%	8.8%
Foreign companies	6,068,453	5,755,700	5,734,459	5,682,139	5,677,905
Change over previous year	5.4%	0.4%	0.9%	0.1%	6.1%
Charter and special flights	2,075,890	1,998,468	2,134,613	2,440,950	2,227,745
Change over previous year	3.9%	-6.4%	-12.5%	9.6%	-4.8%
Swiss companies	1,422,044	1,421,549	1,537,982	1,825,636	1,415,784
Change over previous year	0.0%	-7.6%	-15.8%	28.9%	7.9%
Foreign companies	653,846	576,919	596,631	615,314	811,961
Change over previous year	13.3%	-3.3%	-3.0%	-24.2%	-21.1%
General Aviation and other flights	47,973	50,356	49,807	49,838	50,658
Change over previous year	-4.7%	1.1%	-0.1%	-1.6%	-7.8%
Seating capacity employment *)					
	64.0%	63.8%	63.9%	63.3%	60.6%
Change over previous year					
*) Airline seating capacity employment proportion					
Seating per movement (Total)	69.6	68.3	67.1	66.3	63.1
Change over previous year	1.9%	1.8%	1.2%	5.2%	0.2%
Seating per movement (Scheduled and Charter)	79.5	79.1	79.2	78.5	75.3
Change over previous year	0.5%	-0.1%	0.9%	4.2%	
Capacity					
Daily average passengers	61,954				
Peak date passengers	87,930	Saturday, 29 July 2000			



Movements

	2000	1999	1998	1997	1996
Total movements	325,622	306,182	287,885	276,131	258,031
Change over previous year	6.3%	6.4%	4.3%	7.0%	5.5%
by type of operation					
Commercial flights	302,792	280,985	261,961	251,129	233,731
Change over previous year	7.7%	7.3%	4.3%	7.4%	7.1%
Non-commercial flights	22,830	25,197	25,924	25,002	24,300
Change over previous year	-9.4%	-2.8%	3.7%	2.9%	-7.3%
by type of flight					
Scheduled flights	271,838	252,018	231,738	218,726	203,214
Change over previous year	7.9%	8.8%	5.9%	7.6%	8.8%
Charter and special flights	19,029	18,088	18,686	22,739	21,218
Change over previous year	5.2%	-3.2%	-17.8%	7.2%	-4.8%
General Aviation and other flights	34,755	36,076	36,461	34,666	33,599
Change over previous year	-3.7%	-1.1%	5.2%	3.2%	-5.3%
by origin and destination					
Switzerland (domestic)	21,800	21,615	20,468	19,579	21,860
Change over previous year	0.9%	5.6%	4.5%	-10.4%	1.4%
Europe	225,697	208,578	193,269	184,646	168,224
Change over previous year	8.2%	7.9%	4.7%	9.8%	6.5%
Africa	9,667	9,122	8,465	9,480	8,288
Change over previous year	6.0%	7.8%	-10.7%	14.4%	3.0%
Asia	19,891	18,709	17,868	17,373	15,970
Change over previous year	6.3%	4.7%	2.8%	8.8%	29.6%
Latin America	1,462	1,737	1,745	1,561	1,684
Change over previous year	-15.8%	-0.5%	11.8%	-7.3%	20.2%
USA/Canada	12,350	10,347	9,609	8,826	8,396
Change over previous year	19.4%	7.7%	8.9%	5.1%	8.4%
by type of aircraft					
Mixed operation	325,019	306,057	287,751	276,043	257,942
Change over previous year	6.2%	6.4%	4.2%	7.0%	5.6%
Full freighters	603	125	94	88	89
Change over previous year	382.4%	33.0%	6.8%	-1.1%	-48.6%
2000					
Daily average					
Commercial flights	827				
Non-commercial flights	63				
Total	890				
Peak date	1,008 Friday, 8. September 2000				
Peak time	83 Saturday, 23. September 2000 (11.00 a.m. - midday)				

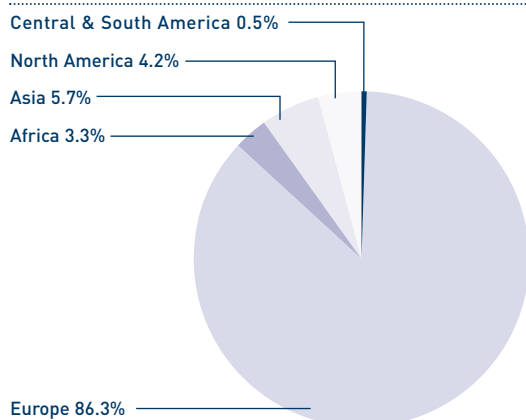
Evolution of flights in thousands



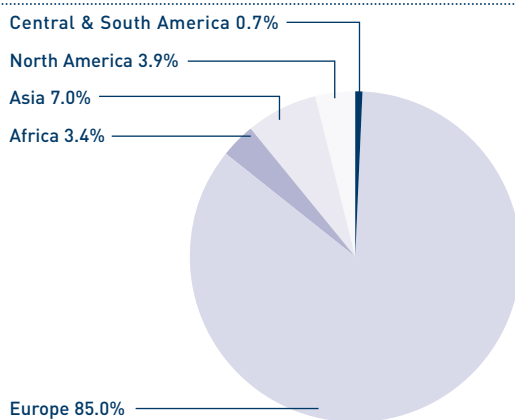
Freight and mail

	2000	1999	1998	1997	1996
Freight in ton	545,423	495,090	473,704	472,273	445,640
Change over previous year	10.2%	4.5%	0.3%	6.0%	1.4%
by type of transport					
Air freight	395,142	356,643	329,842	335,028	322,541
Change over previous year	10.8%	8.1%	-1.5%	3.9%	-1.3%
Trucked freight	150,281	138,447	143,862	137,245	123,099
Change over previous year	8.5%	-3.8%	4.8%	11.5%	9.6%
Mail in ton	22,843	21,806	20,824	20,273	17,550
Change over previous year	4.8%	4.7%	2.7%	15.5%	2.5%
	2000	1999	1998	1997	1996
Number of airline companies					
Scheduled flights	69	71	70	67	72
Charter flights	61	60	54	59	59
Destinations (cities)					
Europe	105	101	110	94	94
Africa	25	26	31	28	23
Asia	30	33	35	31	30
North America	13	11	15	15	12
Central & South America	6	8	6	6	11
Total	179	179	197	174	170
Destinations (countries)					
Europe	34	35	36	36	33
Africa	17	18	19	20	17
Asia	22	23	21	18	21
North America	2	2	2	2	2
Central & South America	4	5	4	4	8
Total	79	83	82	80	81

Origin and destination by movements (2000)



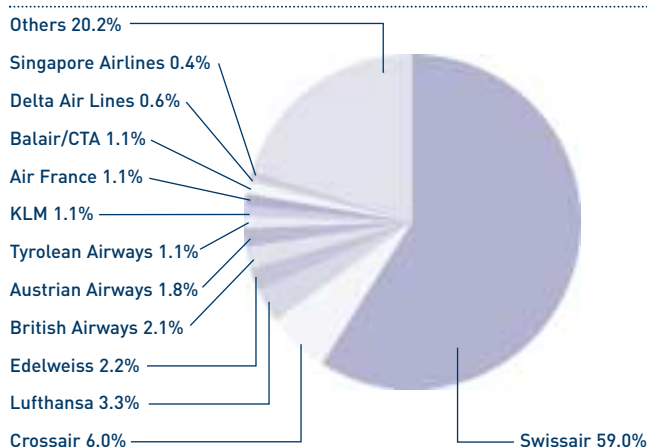
Origin and destination by movements (1999)



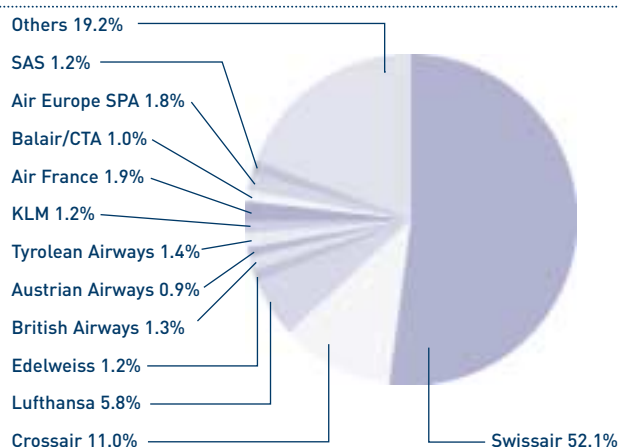
Airline companies in Zurich

Scheduled flights			
<p>Adria Airways (Slovenia)</p> <p>Aer Lingus **)</p> <p>Aeroflot Russian International Airlines</p> <p>Air Alps *)</p> <p>Air Canada</p> <p>Air Dolomiti (Italy) *) / **)</p> <p>Air Engiadina</p> <p>Air Europe SpA (Italy)</p> <p>Air Malta</p> <p>Albanian Airlines MAK **)</p> <p>American Airlines</p> <p>AOM – French Airlines</p> <p>AUA, Austrian Airlines</p> <p>Avioimpex</p> <p>Balkan, Bulgarian Airlines</p> <p>Base – Regional Airlines</p> <p>British Airways</p>	<p>Cathay Pacific Airways</p> <p>Cityflyer Express (GB)</p> <p>Continental Airlines (USA)</p> <p>Croatia Airlines</p> <p>Crossair</p> <p>CSA, Czech Airlines</p> <p>Cyprus Airways</p> <p>Delta Air Lines (USA)</p> <p>Deutsche Lufthansa</p> <p>Easy Jet Airline Co. Ltd. *)</p> <p>Easy Jet Switzerland S.A.</p> <p>Egyptair</p> <p>EL AL, Israel Airlines</p> <p>Emirates</p> <p>Eurowings (Germany)</p> <p>Finnair</p> <p>Gandalf Airlines (Italy)</p>	<p>Go Fly (GB) **)</p> <p>Iberia</p> <p>Icelandair</p> <p>Japan Air Lines</p> <p>JAT, Yugoslav Airlines</p> <p>KLM, Royal Dutch Airlines</p> <p>Korean Airlines</p> <p>Libyan Arab Airlines *)</p> <p>LOT, Polskie Linie Lotnicze</p> <p>LTU, Lufttransportunternehmen **)</p> <p>Maerks Air *)</p> <p>Malev, Hungarian Airlines</p> <p>MAS, Malaysian Airlines System</p> <p>Meridiana (Italy)</p> <p>Olympic Airways</p> <p>Royal Air Maroc</p> <p>SAA, South African Airways</p>	<p>SAS, Scandinavian Airlines System</p> <p>Singapore Airlines</p> <p>Swissair</p> <p>TACV Cabo Verde Airlines</p> <p>TAP, Air Portugal</p> <p>Thai Airways International</p> <p>THY, Turkish Airlines</p> <p>Tunis Air</p> <p>Tyrolean Airways</p> <p>VASP, Viacao Aerea Sao Paulo **)</p> <p>Total 69 companies</p> <p>*) = commenced operation during 2000</p> <p>**) = ceased operation during 2000</p>
Charter and special flights			
<p>Ada Air (Albania) *)</p> <p>Air 2000 Ltd. (GB)</p> <p>Aero Freight Airlines (Russ. Feder.) *)</p> <p>Aero Lloyd Flugreisen (Germany) *)</p> <p>Air Alfa (Turkey)</p> <p>Air Anatolia (Turkey) *)</p> <p>Air Belgium (Belgium)</p> <p>Air Jet (France)</p> <p>Air Liberté (Tunisia)</p> <p>Air Moldora (Moldania) *)</p> <p>Air Srpska (Bosnia)</p> <p>Alpi Eagles SPA (Italy) *)</p> <p>Arkia (Israel)</p> <p>AvioGenex (Yugoslavia)</p> <p>Balair/CTA (Switzerland)</p> <p>British Midland Airways (GB) *)</p> <p>British World Airlines (GB)</p>	<p>Cargo Lux Internat. (Luxembourg) *)</p> <p>City Bird (Belgium)</p> <p>Classic Air AG (Switzerland)</p> <p>Condor Flugdienst (Germany) *)</p> <p>Delta Air Transport (Belgium) *)</p> <p>Danish Internat. (Denmark) *)</p> <p>Donbass Eastern Ukraine *)</p> <p>Edelweiss Air (Switzerland)</p> <p>Estonian Air (Estonia)</p> <p>Eurosun (Turkey) *)</p> <p>Express Hava Yollari (Turkey)</p> <p>Farnair Air Transport AG (Switzerland)</p> <p>Futura Int. Airways (Spain)</p> <p>Hamburg Intern. Luftverk. (Germany) *)</p> <p>Helios Airways Ltd. (Cyprus) *)</p> <p>Hemus Air (Bulgaria)</p> <p>Iberworld Airlines S.A. (Spain)</p>	<p>Icar Air (Bosnia) *)</p> <p>Israil Ltd. (Israel) *)</p> <p>Kampuchea Airlines (Cambodia)</p> <p>Lotus Airlines (Egypt)</p> <p>Lvov Airlines (Ukraine) *)</p> <p>Macedonian Airlines (Mazedonia)</p> <p>Mastair (Bosnia)</p> <p>Midwest Airlines (Egypt)</p> <p>Monarch Airlines (GB)</p> <p>Montenegro Airlines (Yugoslavia)</p> <p>MTM Aviation GmbH, Munich (Germany)</p> <p>Newair (Denmark)</p> <p>Nova Airlines (Sweden) *)</p> <p>Portugal (Portugal)</p> <p>Proteus Air System (France) *)</p> <p>Rheintalflug (Germany)</p> <p>Royal Jordan Airlines (Jordan) *)</p>	<p>Satair (Bosnia)</p> <p>Spanair (Spain)</p> <p>Sune Express (Turkey) *)</p> <p>TAC Heavy Lift (GB) *)</p> <p>Tulip Air Charter (Holland) *)</p> <p>Tyrolean Jet Service (Austria) *)</p> <p>Uzbekistan Airways (Uzbekistan)</p> <p>Volare (Italy)</p> <p>Vlaamse Luchttransportm. (Belgium)</p> <p>Welcome Air Luftfahrt. (Austria) *)</p> <p>Total 61 companies</p> <p>*) = commenced operation during 2000</p> <p>26 Airlines ceased operations</p>

Passengers by airline company



Flights per airline company



Origin and destination of movements by countries

	Scheduled flights	Charter flights	Total	in %
Europe				
Albania	899	30	929	0.3%
Belgium	4,648	113	4,761	1.6%
Bosnia	694	437	1,131	0.4%
Bulgaria	724	52	776	0.3%
Denmark	5,754	14	5,768	2.0%
Germany	56,157	634	56,791	19.5%
Finland	2,165	38	2,203	0.8%
France	21,804	263	22,067	7.6%
Greece	2,917	2,136	5,053	1.7%
Great Britain	20,972	248	21,220	7.3%
Ireland	1,019	104	1,123	0.4%
Iceland	24	18	42	0.0%
Italy	23,551	671	24,222	8.3%
Yugoslavia	1,297	2,165	3,462	1.2%
Luxembourg	2,178	28	2,206	0.8%
Malta	852	10	862	0.3%
Macedonia	1,529	2,110	3,639	1.3%
Netherlands	8,100	30	8,130	2.8%
Norway	1,545	10	1,555	0.5%
Austria	18,654	119	18,773	6.5%
Poland	3,563	6	3,569	1.2%
Portugal	3,673	403	4,076	1.4%
Rumania	1,430	7	1,437	0.5%
Russian Federation	2,314	46	2,360	0.8%
Sweden	5,682	33	5,715	2.0%
Slovenia/Croatia	3,357	3	3,360	1.2%
Spain	11,254	2,317	13,571	4.7%
Czech Rep./Slovakia	3,107	5	3,112	1.1%
Turkey	2,676	329	3,005	1.0%
Ukraine	724	28	752	0.3%
Hungary	3,387	58	3,445	1.2%
Domestic flights	21,035	765	21,800	7.5%
Total Europe	237,685	13,230	250,915	86.3%
Africa	5,764	3,903	9,667	3.3%
Asia	15,111	1,362	16,473	5.7%
North America	12,257	93	12,350	4.2%
South and Central America	1,021	441	1,462	0.5%
Total Africa, Asia, North America, South and Central America	34,153	5,799	39,952	13.7%
Overall total	271,838	19,029	290,867	100.0%

Market Positioning

Number of passengers

	in millions	Change in %
London-Heathrow	64.6	3.8%
Frankfurt	49.4	7.6%
Paris-CDG	48.3	11.6%
Amsterdam	39.6	7.7%
Madrid	32.8	18.2%
London-Gatwick	32.1	4.9%
Rome	25.9	7.5%
Paris-Orly	25.4	0.2%
Munich	23.1	8.7%
Zurich	22.7	8.4%
Brussels	21.6	7.9%
Milan Malpensa	20.7	22.1%
Copenhagen	18.3	5.1%

Number of movements

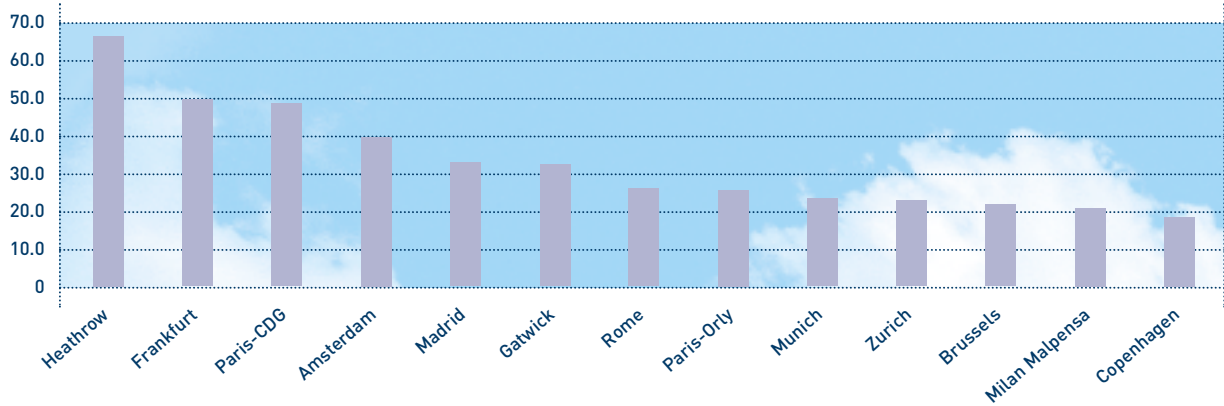
	in thousands	Change in %
Paris-CDG	517.7	8.8%
London-Heathrow	466.8	1.9%
Frankfurt	458.7	4.5%
Amsterdam	431.0	5.1%
Madrid	358.5	16.9%
Brussels	325.9	4.2%
Zurich	325.6	6.3%
Munich	319.0	6.7%
Copenhagen	303.7	1.7%
Rome	280.8	7.8%
London-Gatwick	260.9	2.1%
Milan Malpensa	249.0	15.2%
Paris-Orly	243.6	-0.9%

Freight

	in thousands of tons	Change in %
Frankfurt	1,710.1	11.1%
London-Heathrow	1,402.0	3.4%
Paris-CDG	1,380.1	14.5%
Amsterdam	1,266.4	3.4%
Brussels	634.3	-3.3%
Zurich	545.4	10.2%
Copenhagen	419.4	7.7%
London-Gatwick	338.2	7.8%
Madrid	331.3	7.0%
Milan Malpensa	300.1	20.0%
Rome	210.1	13.5%
Munich	148.0	7.6%
Paris-Orly	112.9	-13.4%

Market Positioning

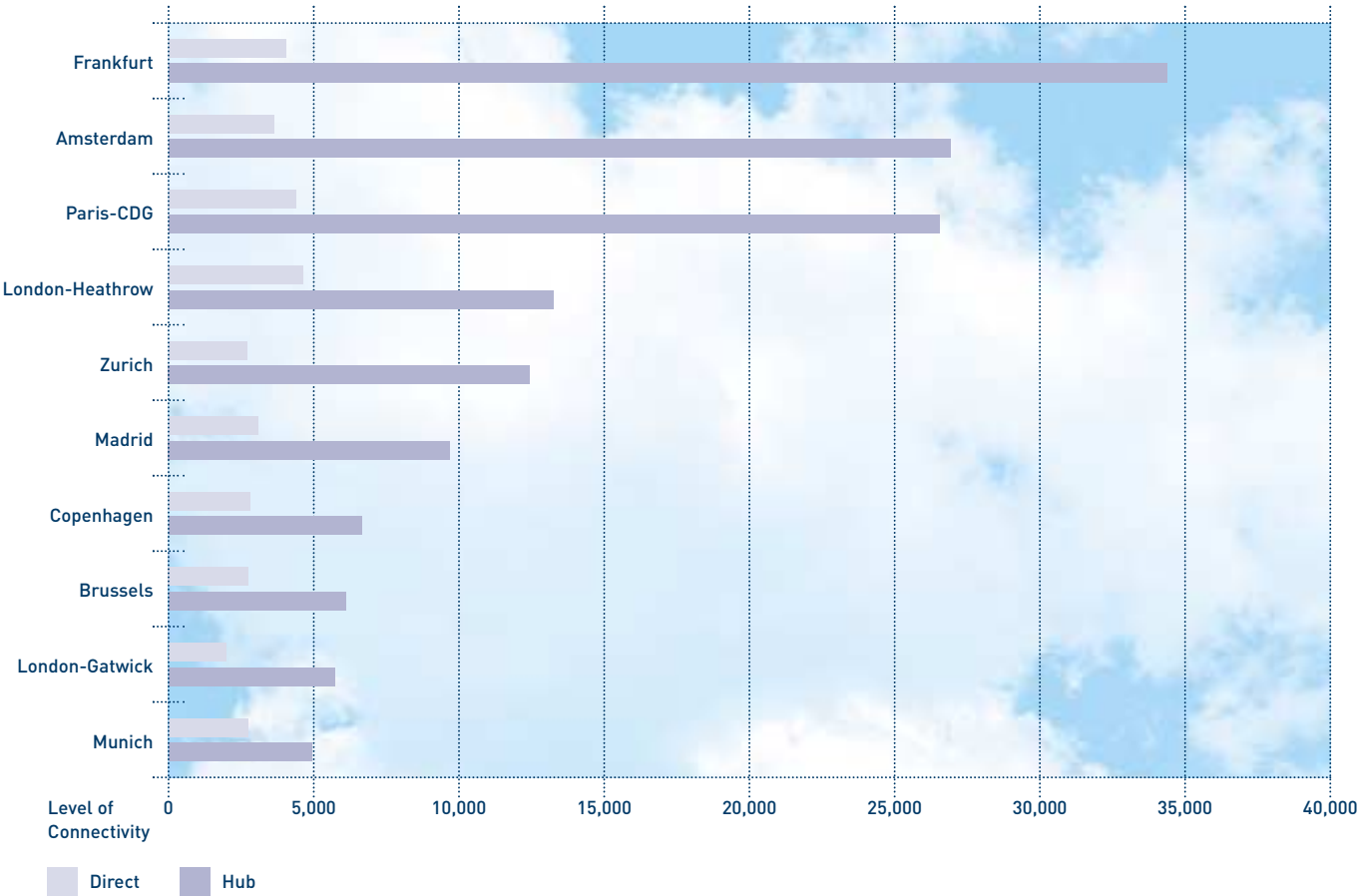
Passengers in millions



Number of Connections 1999^{*)} (Connectivity)

	Number of Hub connections ^{**)}	Number of Direct connections
Frankfurt	34,388	4,034
Amsterdam	26,913	3,642
Paris-CDG	26,550	4,376
London-Heathrow	13,129	4,502
Zurich	12,441	2,585
Madrid	9,689	3,071
Copenhagen	6,332	2,671
Brussels	5,771	2,624
London-Gatwick	5,606	1,974
Munich	4,869	2,616

Source: IATA ^{*)} 2000 figures not yet available ^{**) = Connections involving transfers}



Flight frequency of the intercontinental airport of Zurich 1950–2000

Passengers

Year	Scheduled flights	Charter flights	General Aviation	Total
1950				200,723
1960				1,330,733
1970				4,530,024
1980	6,859,629	1,072,471	59,944	7,992,044
1990	11,215,214	1,479,293	75,250	12,769,757
1991	10,541,653	1,608,800	75,089	12,225,542
1992	11,229,546	1,819,392	70,335	13,119,273
1993	11,652,100	1,859,253	62,732	13,574,085
1994	12,449,367	2,057,498	66,469	14,573,334
1995	12,999,887	2,340,562	54,957	15,395,406
1996	13,998,296	2,227,745	50,658	16,276,699
1997	15,827,572	2,440,950	49,838	18,318,360
1998	17,142,169	2,134,613	49,807	19,326,589
1999	18,876,843	1,998,468	50,356	20,925,667
2000	20,551,503	2,075,890	47,973	22,675,366

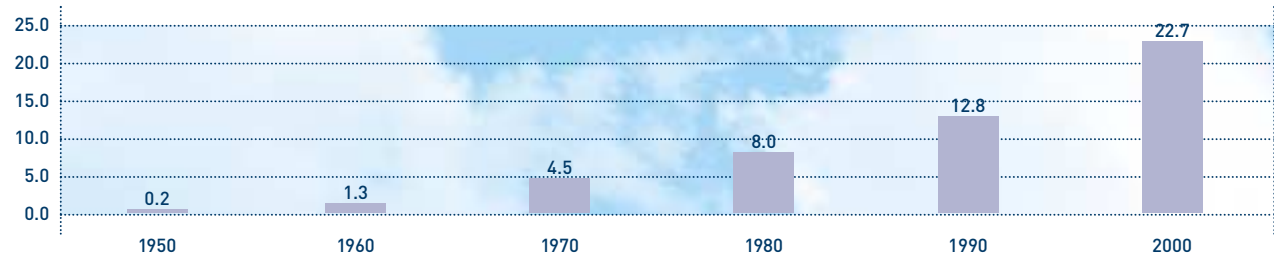
Movements

Year	Scheduled flights	Charter flights	General Aviation + others	Total
1950				41,750
1960				101,800
1970				130,472
1980	107,884	10,639	42,606	161,129
1990	158,360	13,816	47,685	219,861
1991	159,875	15,574	45,946	221,395
1992	173,325	18,188	41,518	233,031
1993	178,812	18,252	36,820	233,884
1994	184,105	19,895	38,498	242,498
1995	186,735	22,299	35,470	244,504
1996	203,214	21,218	33,599	258,031
1997	218,726	22,739	34,666	276,131
1998	231,738	19,686	36,461	287,885
1999	252,018	18,088	36,076	306,182
2000	271,838	19,029	34,755	325,622

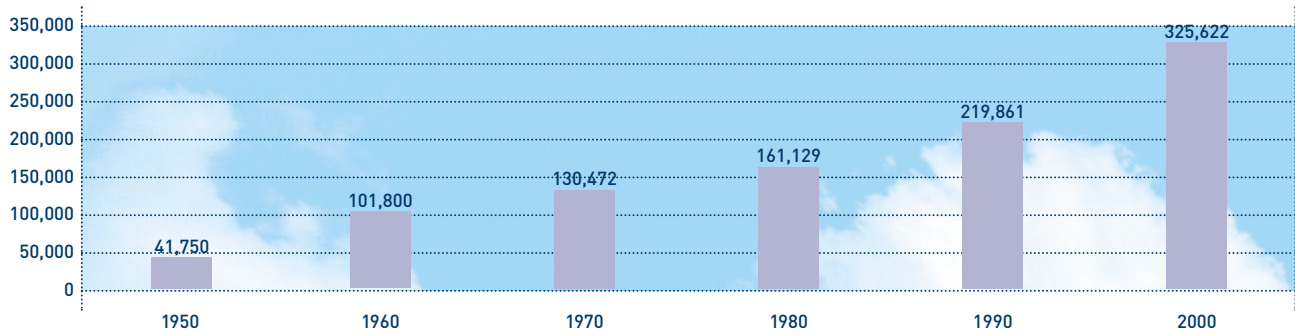
Freight

Year	Air freight in tons	LEV (lorry)	Total
1950			2,846
1960			15,719
1970			96,203
1980	156,751	26,876	183,627
1990	255,513	70,285	325,798
1991	248,452	70,969	319,421
1992	271,475	73,643	345,118
1993	291,623	84,908	376,531
1994	319,968	100,300	420,268
1995	326,928	112,366	439,294
1996	322,541	123,099	445,640
1997	335,028	137,245	472,273
1998	329,842	143,862	473,704
1999	356,643	138,447	495,090
2000	395,142	150,281	545,423

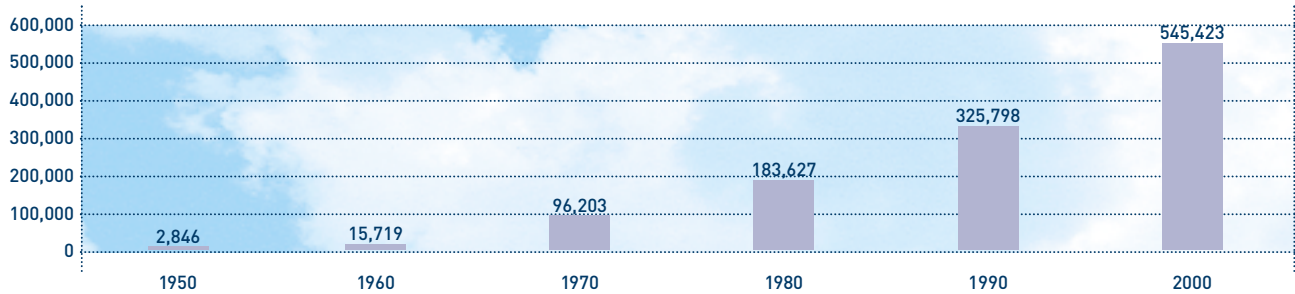
Passengers in millions



Movements in thousands



Freight in tons



Environmental Statistics

		2000 ¹⁾	1999	1998
Air hygiene				
NOx emissions from flight operations	t NOx/a	1,508	1,399	1,267
NO ₂ -concentration on airport site	µg/m ³	39	34	37
Energy				
Total power consumption of airport	MWh/a	165,921	158,413	147,448
Water protection				
Water consumption of airport	m ³ /a	1,015,729	1,012,525	1,007,605
Waste management				
Total volume of waste at airport	t/a	25,313	23,335	21,202

¹⁾ 2000 provisional

The 2000 Environmental Report will appear in mid/end April (in German and English), and will report comprehensively on the programmes, targets and figures from the environmental sphere.

Environment

The environment management system is still being set up and certification is sought for the end of 2001. Important sections of the database can be operated within environmental data management. The Environmental Report, like much other environmental information, is available via the Internet. A number of environmental events such as Oeko tours, readings and lectures demonstrated the general level of interest in environmental work at Zurich airport. A few small air hygiene assignments for foreign airports were processed as part of consulting activities.

Air hygiene

A focus of environmental protection lay in strategic planning for air hygiene. A specific aim is to be able to produce a more accurate emission inventory, and thereby to have available the basis for reliable air pollution calculations. In addition, preparatory work was undertaken for implementation of the measures resolved and commissioned under the Midfield building concession. International agreements and developments are necessary on many topics, and Unique is intensively involved in these.

Aircraft noise

The topic of aircraft noise was determined primarily by the closure of the western runway 10/28, which resulted in a temporarily altered flight regime. Further striking events were the introduction of the noise level limits by the Bundesrat [Federal Council], and their subsequent non-application by the Federal Court, the resolved review of the existing noise charging model at Zurich Airport, termination of the overfly agreement with Germany and renewals associated with the European airway network (CILO project), which, in conjunction with the general growth in air traffic, triggered protests from many residents and from town and municipal authorities. The 2010 sound insulation programme was officially launched with the Oberglatt pilot project. Over the next few years, sound insulation renovation work will be accelerated in the municipalities around the airport which are most affected by flight noise.

Resources

Pure disposal was increasingly abandoned in favour of the recycling alternative, in conjunction with the environmental management system. The aim is to stimulate the conservation of natural resources via a polluter-pays charging system (further development in waste water and waste). Schemes were also implemented in the energy management sphere in order to guarantee the targets set down in the major consumer agreement with the building directorate of the Canton of Zurich.

traffic statistics

Direct services from Zurich

Scheduled summer flights

Europe	Leipzig	Stuttgart	Dubai
Ajaccio	Linz	Thessaloniki	Erivan
Alicante	Lisbon	Tirana	Hong Kong
Amsterdam	Ljubljana	Turin	Izmir
Athens	London (Heathrow)	Valencia	Jeddah
Barcelona	London (Gatwick)	Venice	Karachi
Basle	London (City)	Vienna	Kuala Lumpur
Belgrade	London (Luton)	Warsaw	Male
Bergamo	London (Stansted)	Zagreb	Manila
Berlin (Tegel)	Lugano		Muskat
Bilbao	Luxembourg	Africa	Osaka
Birmingham	Lyons	Abidjan	Riyadh
Bologna	Madrid	Accra	Saigon (Ho Chi Min City)
Bremen	Malaga	Agadir	Seoul
Brussels	Malta	Benghazi	Shanghai
Bucharest	Manchester	Cairo	Singapore
Budapest	Marina di Campo (Elba)	Dar es Saalam	Taipei
Cagliari	Marseilles	Djerba	Teheran
Catania	Milan	Douala	Tel Aviv
Cologne	Moscow	Hurghada	Tiflis
Copenhagen	Munich	Johannesburg	Tokyo
Cracow	Münster	Kinshasa	
Dortmund	Nice	Lagos	Central and South America
Dresden	Nuremberg	Libreville	Buenos Aires
Dublin	Ohrid	Luxor	Puerto Plata
Düsseldorf	Olbia	Mahe	Punta Cana
Edinburgh	Oslo	Malabo	Rio de Janeiro
Eindhoven	Paderborn	Marrakesh	Santiago de Chile
Faro	Palma de Mallorca	Mauritius	Sao Paulo
Frankfurt	Paphos	Nairobi	
Geneva	Paris (CDG)	Sal (Cap Verdi Islands)	North America
Genoa	Paris (ORY)	Sharm el Sheikh	Atlanta
Göteborg	Pisa	Tozeur	Boston
Gran Canary	Porto	Tripoli	Chicago
Graz	Prague	Tunis	Cincinnati
Guernsey	Pristina	Yaounde	Dallas
Hamburg	Rome		Los Angeles
Hanover	Rostock	Asia	Miami
Helsinki	Rotterdam	Abu Dhabi	Montreal
Ibiza	Salzburg	Ankara	New York
Innsbruck	Santiago de Compostela	Baku	Newark
Istanbul	Sarajevo	Bangkok	San Francisco
Jersey	Shannon	Beijing	Toronto
Keflavik	Sion	Beirut	Washington
Kiev	Skopje	Bombay	
Klagenfurt	Sofia	Colombo	
La Mole (St.Tropez)	Split	Delhi	
Larnaca	St. Petersburg		
	Stockholm		

Destination airports and countries

	Cities	Countries
Europe	105	34
Africa	25	17
Asia	30	22
North America	13	2
Central and South America	6	4
Total	179	79

financial report

Accounting Principles

1. General points

Flughafen Zürich AG was established for accounting purposes on 1.1.2000 from the Reverse Take Over between Flughafen Immobilien Gesellschaft (FIG) and Flughafendirektion Zürich (FDZ), which was part of Zürcher Staatsrechnung.

In structural terms, Flughafen Zürich AG is not a group and therefore does not publish consolidated accounts. The individual financial statements are presented as follows:

Part 1, Individual Financial statements according to IAS

The individual financial statements according to IAS are produced, with the exception of the missing segment reporting, in accordance with International Accounting Standards (IAS), as promulgated by the International Accounting Standard Committee (IASC).

The previous year comparison in the IAS financial statements, described as a pro forma presentation, is based on the 1999 financial statements of FIG and FDZ. These financial statements were converted to the IAS rules and combined. In the offering circular for the share placement, these combined financial statements are described as "Historical Combined Financial Statements". The Reverse Take Over between FIG and FDZ took place on 1.1.2000; it is recorded in the IAS financial statements according to the rules of Merger Accounting (IAS 22) as Purchase Method (see section "Effects of the Reverse Take Over at 1.1.2000" in the Notes to the individual financial statements according to IAS). The accounting date for the previous year comparison is therefore 1.1.2000 and not 31.12.1999.

As part of the retrospective introduction of IAS, the following IAS Standards were applied early for the year 1999, although they did not come into effect until subsequent accounting periods: IAS 22 (revised), IAS 36, IAS 37, IAS 38.

Part 2, Individual Financial statements according to Commercial Law

The individual financial statements according to commercial law comply with the rules of the Code of Obligations (OR). These financial statements serve for company law and tax purposes.

The previous year figures were taken from the financial statements of FIG from 31.12.1999, because in legal terms, FIG is the predecessor in title of Flughafen Zürich AG.

2. Accounting Principles (Individual Financial statements according to IAS)

Cash and cash equivalents

The cash and cash equivalents include cash on hand, cash in postal cheque accounts and at banks and current cash deposits maturing within the next 90 days. Cash on hand, cash in postal cheque accounts and at banks are reported at their nominal value, and current cash deposits at their nominal value plus accrued broken interest.

Receivables

Receivables from the sale of goods and services are valued at their nominal values less valuation adjustments necessary to recognise non-collectible receivables. Individual valuation adjustments are raised for recognisable risks; general risks are covered by a global valuation adjustment computed by reference to empirical values.

Inventories

These represent principally fuel inventories and parts used for the maintenance and repair of fixed assets which are valued at purchase cost or if lower at net realisable value.

Mobile Fixed Assets, Building Constructions and Underground Structures

Fixed assets are stated at acquisition or construction cost, less economically required depreciation and amortisation. The purchase costs include the borrowing costs arising during the building phase, which are capitalised up to the point of use or completion of the fixed asset in question. Internally incurred expenditures on construction projects are also capitalised, where these are clearly identifiable and can be assigned to the fixed asset concerned. The fixed assets contributed by the Canton on 31.12.1999 contain no such capitalised own work, since a Restatement would mean a disproportionate amount of time and cost for the Company (cf. "IAS-Framework for the Preparation and Presentation of Financial Statements": Paragraph 44 – "Balance between Benefit and Cost"). With effect from 1.1.2000, the pro rata borrowing costs and own work will be applied to all assets under construction. The fixed assets are depreciated over their estimated useful lives on a straight line basis and charged to the statement of operations.

Regular maintenance and renovation expenses are charged to the statement of operations, exceptions being expenses having the effect of increasing value, which are capitalised and depreciated over their remaining useful lives.

The useful lives of the various categories are as follows

Building constructions	up to 30 years max.
Underground structures	up to 20 years max.
Equipment and motor vehicles	3 to 20 years

The useful lives of runways and taxiways were reviewed. In this context the maximum depreciation period for some of the underground structures was increased from 20 to 30 years (to take effect from the financial year 2000).

Public subsidies (Government grants)

Investment grants are written back over the same useful lives as the subsidised investments. They are reported in the statement of operations as adjustment items under depreciation.

All Government grants received are à fonds perdu grants and are not required to be repaid by the company. – The reported Government grants are such which were paid before 1989.

Assets under construction

The item assets under construction includes investments in building projects not yet completed. After the projects are charged, they will be assigned to the individual tangible fixed asset categories. Properties already used, which are reported as assets under construction, will be depreciated from the point at which their use commences.

Land

The entire airport site of 8,150,100 m² is divided into individual plots of land, each valued differently, on the basis of an internal grid. In addition to various criteria specific to the airport, such as possible building density, the evolution of land prices in the region is also taken into account for valuation purposes. The land with potential for building or already built upon, which is comparable with industrial land, constitutes the highest valued category, followed by the land required for actual flight operations, (runways, taxiways, aprons). A third category includes undeveloped agricultural areas and the extended nature conservation area. Taking this grid into account, land values range from 675 francs per m² for land available for intensive use down to two francs per m² for nature conservation area.

Intangible assets and computer software

Goodwill arising from business combinations is recognised and amortised using the straight-line method the estimated service life which is max. 20 years. Costs associated with the development and implementation of computer software are normally charged to the statement of operations during their year of occurrence. However, in the case of a clearly defined project, from which the company will derive a clearly identifiable future benefit, the directly assignable external costs are capitalised, provided they are exceeded by the resulting future benefit. Otherwise, intangible assets are reported at their acquisition value less operationally necessary amortisation. They are amortised on a straight line basis.

Financial assets

The financial assets comprise unconsolidated holdings and other financial assets. The holdings have been reported at book values, since use of the equity method would only have an insignificant effect on the result.

Debenture bonds

Debenture bonds are reported at their nominal values. Discounts, premiums and issuing costs are depreciated over their term.

Provisions

Provisions are formed on the basis of probable liabilities which relate to events prior to the accounting date. The associated outflow of resources is likely and can be reliably estimated.

Future claims associated with sound insulation measures and formal expropriations/Airport of Zurich Noise Fund (AZNF)

Due to the noise level limits applicable during the financial year 2000, the company has estimated that costs of CHF 650 million will arise over the next 10 to 15 years for sound insulation measures and formal expropriations due to excessive flight noise effects. The refinancing of these future claims for sound insulation measures (Government statute relating to environmental protection (Umweltschutzgesetz USG [Environmental Protection Act]) Art. 20; Requirement of the Framework and Building Concession in relation to the 5th Building Phase) and for formal expropriations (Arts. 679 and 684 of the Swiss Civil Code ZGB), is guaranteed via the noise-based part of the landing charges and a special surcharge on the passenger fees.

Since the Federal Court, in a decision of December 2000, declared the noise level limits set by the Bundesrat [Federal Council] in the spring of 2000 to be invalid and the Bundesrat is required to set new limits, it must be assumed that these new noise level limits will be lower than those which applied in the year 2000. Such a reduction in the limits would lead to higher costs for sound insulation and formal expropriations. Flughafen Zürich AG would refinance such higher costs via higher charges.

All the costs associated with noise and all the associated revenues are processed by the company from 1.1.2000 via the Airport of Zurich Noise Fund (AZNF). The AZNF is not an independent legal entity, but a special account within Flughafen Zürich AG. Noise-related costs and revenues therefore do not affect the company's statement of operations. Any surplus resulting from release of the Fund must be refunded in accordance with the regulations of the fund. The balance of the accumulated revenue and expenses is reported in the balance sheet. Any temporary surplus cash and cash equivalents are freely available to the company and are managed within normal Cash Management. The situation of the Fund at 31.12.2000 is shown under number 11) of the Notes.

Taxes (IAS 12)

The taxes comprises income taxes in respect of profit which is currently taxable as well as deferred taxes. Current income taxes are analysed by nature and are based upon the taxable profit of the reporting period. The charge for taxation is computed using the Balance Sheet Liability Method, whereby deferred taxes are computed by applying the expected tax rate to temporary differences existing between the balance sheet values for tax purposes and those computed using IAS. Deferred tax assets are only recognised if their future realisation is probable.

Segment reporting (IAS 14)

The Company is active in five different primary strategic business units which are constituted by the areas of Airlines, Passengers, Cargo, Commerce, Consulting and Services. As the Company is active exclusively in Zurich-Kloten, the financial statements correspond to the segment reporting by geographic area.

The Company's information system is currently being established and does not yet permit informative segment reporting.

Leasing (IAS 17)

Finance leasing: Finance leases are reported in the balance sheet where most of the risks and benefits of ownership pass to the Company when the lease is signed. The leasing payments are divided into interest expense and reduction of the liability amount, using the annuity method. The leased items are depreciated over their estimated useful lives or over the term of the lease, whichever is shorter. Operational leasing: Revenues and expenses for operational leasing are accounted for in the statement of operations.

Foreign currency (IAS 21)

Transactions in foreign currency are translated into CHF at the exchange rate in force on the day of the transaction. Exchange differences arising from settlement or revaluation of the foreign currency positions as of the date of the balance sheet are accounted for in the statement of operations. For the years 1999 and 2000, there were no relevant transaction in foreign currencies.

Financing and related risks (IAS 32)

Off-balance-sheet transactions: With the exception of the interest rate swap described in the Notes to the financial statements, the Company employs no derivative financial instruments.

Currency risk: Virtually all transactions are in Swiss francs.

Credit risks: Credit risk in the case of receivables arising from sales of goods and services is limited as the clientele consists of a multitude of customers active in different branches. However, business with the SAirGroup is so extensive that a concentration risk exists. It is well-known that at present the SAirGroup is in a difficult financial position. The Board of Directors and the management of Unique believe that under the new management, SAirGroup will succeed in overcoming these difficulties. Therefore, Unique considers special adjustments (of SAirGroup) on outstanding debts as not necessary.

Impairments of value (IAS 36)

It is determined during the year end work whether there are likely to be impairments of value in the sense of IAS 36. These would arise if the book values of the assets exceed their recoverable amount. Any loss of value is to be charged to the result for the period in accordance with IAS 36.

Statements of Operations for the years ended 2000 and 1999
(Individual Financial statements according to IAS)
(CHF in thousands)

	Notes	2000	1999 ¹⁾
Revenue from sales of products and services			
Aviation revenue		251,207	234,017
Non-aviation revenue		271,636	242,281
Bad debts written off		[292]	[39]
Total revenue	(1)	522,551	476,259
Personnel expenses	(2)	[112,121]	[100,039]
Depreciation and amortisation	(7)	[109,611]	[90,159]
Police and security		[69,735]	[64,542]
Maintenance and materials		[31,961]	[28,936]
Sales, marketing, administration		[21,505]	[17,603]
Energy and waste		[16,931]	[17,902]
Other operating expenses	(3)	[16,796]	[21,304]
Other expenses / revenues	(4)	[430]	[748]
Profit before interest and taxes		143,461	135,026
Financial result	(5)	[30,235]	[31,960]
Profit before taxes		113,226	103,066
Income taxes	(6)	[23,444]	[6,784]
Net profit		89,782	96,282
Earnings per share	CHF	18.29	19.60
¹⁾ Pro forma account			

Balance Sheets at 31 December 2000 and 1 January 2000
(Individual Financial statements according to IAS)
(CHF in thousands)

	Notes	31.12.00	01.01.00 ¹⁾
Assets			
Mobile fixed assets	(7)	148,459	169,826
Building constructions, underground structures	(7)	2,866,625	2,639,635
Land	(7)	110,511	100,000
Assets under construction	(7)	691,068	454,037
Intangible assets	(7)	26,954	23,133
Financial assets	(8)	4,175	2,175
Non-current assets (at costs)	(7)	3,847,792	3,388,806
Accumulated depreciation	(7)	(1,806,727)	(1,728,971)
Public subsidies received (prior to 1989)	(7)	(32,386)	(37,981)
Non-current assets (net)		2,008,679	1,621,854
Inventories		2,247	1,937
Receivables arising from sales of goods and services	(9)	67,197	63,902
Other receivables and prepaid expenses	(10)	75,264	29,044
Airport of Zurich Noise Fund	(11)	2,720	0
Cash and cash equivalents		4,091	7,595
Current assets		151,519	102,478
Total assets		2,160,198	1,724,332
Liabilities			
Share capital	(12)	245,615	245,615
Capital reserves		344,674	355,707
Own shares		(4,858)	0
Retained earnings		346,057	272,120
Shareholders' equity		931,488	873,442
Debenture bonds	(13)	625,000	475,000
Other non-current liabilities	(14)	0	9,900
Liabilities for retirement benefits	(15)	6,089	4,836
Deferred tax liabilities	(16)	85,641	79,869
Non-current liabilities		716,730	569,605
Liabilities arising from purchases of goods and services	(17)	53,612	59,726
Short-term financial liabilities	(18)	376,200	179,100
Other current liabilities, accrued expenses and deferred income	(19)	58,415	41,586
Tax liabilities		23,753	873
Current liabilities		511,980	281,285
Total liabilities		1,228,710	850,890
Total liabilities and shareholders' equity		2,160,198	1,724,332

¹⁾ after completion of the Reverse Take Over at 1.1.2000. See Notes relating to the individual financial statements according to IAS.

Statement of Equity
(Individual financial statements according to IAS)
(CHF in thousands)

	Share capital	Own shares	Capital reserves	Retained earnings	Shareholders' Equity
Balance sheet at 31.12.1999	245,615	0	191,707	272,119	709,441
Reverse Take Over			164,000		164,000
Balance sheet at 1.1.2000	245,615	0	355,707	272,119	873,441
Dividend payment 1999				(7,700)	(7,700)
Issuing charge			(10,674)		(10,674)
Purchase of own shares		(5,217)			(5,217)
Own shares distributed		359	(359)		0
Change in tax rate				(8,144)	(8,144)
Net profit				89,782	89,782
Balance sheet at 31.12.2000	245,615	(4,858)	344,674	346,057	931,488

Cash Flow Statement
(Individual financial statements according to IAS)
(CHF in thousands)

	2000	1999 ¹⁾
Profit before interest and taxes	143,461	135,027
Net credit Airport of Zurich Noise Fund ²⁾	(2,130)	0
Profit before interest and taxes and net credit AZNF	141,331	135,027
Depreciation and amortisation of		
Building constructions and underground structures	100,496	86,762
Mobile fixed assets	9,846	8,010
Intangible assets	4,864	227
Release to earning of Government grants		
Building constructions and underground structures	(5,589)	(6,063)
Mobile fixed assets	(6)	(6)
Increase (+)/decrease (-) in current assets excluding cash and cash equivalents and Airport of Zurich Noise Fund	(49,825)	13,596
Increase (+)/decrease (-) current liabilities excluding current financial liabilities	2,809	6,595
Increase (+)/decrease (-) provision for retirement benefits	1,253	0
Capitalised third party financing costs	4,818	1,483
Cash used for income taxes	(2,935)	(3,086)
Net cash provided by operating activities	207,062	242,545
Investments in fixed assets		
Land	(10,511)	0
Assets under construction	(477,401)	(157,581)
Mobile fixed assets	(2,704)	(11,694)
Intangible assets	(3,820)	(1,133)
Investments in financial assets	(2,000)	(2,175)
Disposals of fixed assets		
Mobile fixed assets	0	1,536
Interest received	279	62
Net cash used in investing activities	(496,157)	(170,985)
Increase of bank loans	47,100	21,800
Raising of debenture bonds	300,000	0
Net payments Airport of Zurich Noise Fund ²⁾	(590)	0
Repayment of debt to Canton of Zurich	(9,663)	(50,620)
Repayment of other non-current liabilities	(237)	0
Issuing charge from increase in share capital	(10,674)	0
Dividend payment for previous year	(7,700)	(7,700)
Purchase of own shares	(5,217)	0
Interest paid	(27,428)	(32,660)
Net cash provided by (used in) financing activities	285,591	(69,180)
Net increase (decrease) in cash and cash equivalents	(3,504)	2,380
Cash and cash equivalents at beginning of financial year	7,595	5,215
Increase (reduction) in cash and cash equivalents	(3,504)	2,380
Cash and cash equivalents at end of financial year	4,091	7,595
Composition of cash and cash equivalents		
Cash on hand, cash at bank and in postal cheque accounts	3,680	7,437
Current cash deposits maturing within 90 days	411	158
Balance of cash and cash equivalents at end of financial year	4,091	7,595

1) Pro forma account

2) See note 11

Notes relating to the individual financial statements according to IAS

The Reverse Take Over of FIG and FDZ which was completed on 1.1.2000 was reported in the financial statements according to IAS using the Purchase Method rules. This requires assets to be contributed at their net realisable value rather than at purchase costs. The effects of these valuation measures, which only relate to the financial statements according to IAS, are shown in the following table.

Effects of the Reverse Take Over on 1.1.2000

(CHF in millions)

	31.12.1999 Before Reverse Take Over	Per 01.01.2000 Reverse Take Over	01.01.2000 After Reverse Take Over
Non-current assets	1,414	208	1,622
Current assets	102	0	102
Total assets	1,516	208	1,724
Equity	709	164	873
Share capital	246	0	246
Capital and revenue reserves	463	164	627
Liabilities	526	44	570
Debenture bonds/other non-current liabilities	490	0	490
Liabilities relating to deferred tax	36	44	80
Current liabilities	281	0	281
Total liabilities and shareholders' equity	1,516	208	1,724

Net assets transferred from Flughafen Immobilien Gesellschaft in connection with the Reverse Take Over amounted to CHF 448 million and represented fair value at the time of this transaction. Adopting the Purchase Accounting Method according to IAS respectively, the acquisition price of Flughafen Immobilien Gesellschaft was CHF 470 million. This resulted in a goodwill of CHF 22 million, which is being amortised on a straight-line basis over 5 years.

Statement of Operations

1) Revenue from Sales of Products and Services

CHF in thousands	2000	1999 ¹⁾
Landing fees	97,050	91,437
Passenger fees	145,703	134,525
Emission fees ²⁾	4,974	4,862
Parking fees	3,480	3,193
Total aviation – revenue	251,207	234,017
Car parking fees	45,198	40,654
Franchising receipts from retail traders ³⁾	23,189	21,714
Franchising receipts from duty- and tax-free shops ³⁾	27,884	22,132
Franchising receipts from catering enterprises ³⁾	5,719	5,585
Franchising receipts for advertising space	5,561	3,537
Other franchisees (car rental, taxis, banks etc.) ³⁾	9,362	7,889
Total franchising revenues	116,913	101,511
Rent and lease revenues	83,705	82,466
Energy and incidental cost allocation	18,521	17,393
Cleaning	4,227	4,161
Service revenues	4,625	4,976
Total revenues from real estate management	111,078	108,996
Freight revenues	8,615	6,738
Fuel charges	8,292	7,702
Communication service charges	2,515	3,022
Conference centre	3,659	2,742
Capitalised expenditures ⁴⁾	5,379	3,896
Other services and miscellaneous	13,055	7,674
Airport of Zurich Noise Fund	2,130	0
Bad debts written off	(293)	(39)
Total revenues from services	34,737	24,997
Total non-aviation revenue	271,344	242,242
Total revenue	522,551	476,259

¹⁾ Pro Forma account
²⁾ The noise fee of CHF 3,407 included under this item in the previous year is now contained under other expenses/revenues.
³⁾ Reclassification of previous year's values based on detailed surveys
⁴⁾ Capitalised expenditures relate to the fees of in-house architects and engineers, as well as project managers who assume the functions of builder/owner representatives. Their services are allocated to each project/property.

2) Personnel expenses

CHF in thousands	2000	1999
Wages and salaries	90,288	82,699
Pension contributions for defined benefit plans	0	6,848
Pension contributions for defined contribution plans	6,014	0
Social security contributions	8,789	6,062
Other personnel costs ¹⁾	7,030	4,430
Total personnel expenses	112,121	100,039
Average number of employees (positions):	1,045	1,017

¹⁾ Expenses now reported under administrative costs

In the year 2000, one free share (in exceptional cases further free shares) was distributed to all employees.

3) Other operating expenses

CHF in thousands	2000	1999
Rents and land leases	7,599	8,146
Property insurance	2,213	2,129
Communication charges	2,174	2,352
Passenger services	1,650	1,297
Cleaning by third parties	1,596	3,034
Further operating expenses	1,564	4,346
Other operating expenses	16,796	21,304

Following notes in connection with tenancies and leasing agreements:

All tenancy agreements and leases concluded by the Company as tenant or as landlord are classified as operational leasing.

The following non-terminable tenancy commitments exist:

CHF in thousands	2000	1999
Within a year	2,700	2,700
Between 1 and 5 years	10,125	12,825

These rent payments during the current financial year – incl. variable proportions of rent – totalled CHF 2,626 million (1999: CHF 4,353). In addition a non-terminable tenancy agreement with a term up to 31 December 2004 exists, which triggers exclusively volume-based costs. During the financial year 2000, these amounted to CHF 4,264 million (1999: CHF 3,920).

The tenancy agreements concluded by the Company as landlord are terminable within a year.

4) Other expenses/revenues

CHF in thousands	2000	1999
Other revenues	6,440	4,887
Other expenses	(6,870)	(5,635)
Other expenses/revenues	(430)	(748)

Other revenues contain inter alia CHF 2.2 million for an aperiodic VAT credit.

Other expenses contain inter alia CHF 2.2 million of costs associated with the Company's listing on the Main Board of the Swiss Stock Exchange and the Secondary Offering of November 2000. This item also contains a net expense of CHF 1.3 million from the new presentation of the pension plan and accounting for early retirements (see Note 15) Provisions for retirement benefits].

5) Financial result

CHF in thousands	2000	1999
– Interest payable on debenture bonds	28,901	22,156
less capitalised interest on borrowings for assets under construction ¹⁾	(4,818)	(1,483)
– Interest payable on debenture bonds, net	24,083	20,673
– Amortisation of issuing costs and discount	1,159	845
– Interest payable on bank loans	4,150	2,595
– Other interest expense	1,122	7,909
Financial expenses	30,514	32,022
– Interest income on postal cheque accounts and bank and bank deposits	(263)	(46)
– Dividend income from securities	(2)	(2)
– Capital gains	(14)	(14)
Financial income	(279)	(62)
Financial result	30,235	31,960

¹⁾ The capitalised interest on borrowings was calculated using an average interest rate of 4.26% in 2000 and of 4.0% in 1999

6) Income taxes

CHF in thousands	2000	1999
Current taxes	25,816	3,086
Deferred taxes	(2,372)	3,698
Total tax expenses	23,444	6,784

The tax expenses are calculated as follows:

CHF in thousands	2000	1999
Profit before tax	113,226	103,066
Tax expense at the anticipated tax rate	25,771	21,609
Tax effect on issuing costs	(2,327)	0
Tax effect on the non taxable result of Flughafendirektion	0	(14,825)
Total taxes	23,444	6,784

The profit of Flughafendirektion Zürich was not subject to taxation in the year 1999.

Balance Sheet

7) Changes in fixed assets

CHF in thousands	Land	Underground structures	Building constructions	Assets under construction	Intangible assets	Mobile fixed assets	Financial assets	Total
At cost								
Closing balance sheet at 31.12.1999	100,000	575,009	1,878,626	454,037	1,133	169,826	2,175	3,180,805
Reverse Take Over	0	0	186,000	0	22,000 ¹⁾	0	0	208,000
Opening balance sheet at 01.01.2000	100,000	575,009	2,064,626	454,037	23,133	169,826	2,175	3,388,805
Additions	10,511	0	0	477,381	3,820	2,704	2,000	496,416
Disposals, call for assets	0	(16,159)	(8,815)	0	0	(12,475)	0	(37,450)
Transfers	0	8,325	243,620	(240,349)	0	(11,595)	0	0
Correction from previous year	0	(1,785)	1,805	0	0	0	0	20
Closing balance sheet at 31.12.2000	110,511	565,389	2,301,235	691,068	26,953	148,459	4,175	3,847,791
Accumulated depreciation								
Opening balance sheet at 01.01.2000	0	431,109	1,185,644	11,237	227	100,754	0	1,728,971
Additions, ordinary	0	9,031	91,464	0	4,864	9,846	0	115,205
Disposals, call for assets	0	(16,159)	(8,815)	0	0	(12,475)	0	(37,450)
Transfers	0	(1,447)	12,684	(11,237)	0	0	0	0
Closing balance sheet at 31.12.2000	0	422,534	1,280,977	0	5,091	98,125	0	1,806,726
Public subsidies								
Opening balance sheet at 01.01.2000	0	1,804	36,153	0	0	24	0	37,981
Additions	0	0	0	0	0	0	0	0
Disposals	0	(316)	(5,273)	0	0	(6)	0	(5,595)
Closing balance sheet at 31.12.2000	0	1,488	30,880	0	0	18	0	32,386
Net book value at 31.12.2000	110,511	141,367	989,379	691,068	21,863	50,316	4,175	2,008,679

¹⁾ See notes on page 71

No finance leases exist for the fixed asset items.

8) Financial assets

CHF in thousands		31.12.2000	01.01.2000
NOVO Business Consultants AG, Bern	Equity share 15% reg.shares CHF 1.0 mill.	150	150
APT Airport Technologies AG, Zurich-Airport	Equity share 25% reg.shares CHF 0.1 mill.	25	25
APT Airport Technologies AG, Zurich-Airport	Investment-style loan ¹⁾	4,000	2,000
Total financial assets		4,175	2,175

¹⁾ Entirely subject to subordination

NOVO Business Consultants AG provides consulting and IT services. The business purpose of APT Airport Technologies AG is to provide technical, operational and commercial design, planning, project, implementation as well as the operation of communication and strategic management systems for airports. Both investments are of a strategic nature. The loan to APT Airport Technologies AG bears interest at market rates.

9) Receivables arising from sales of goods and services

CHF in thousands	31.12.2000	01.01.2000
Receivables arising from sales of goods and services, gross	67,926	64,344
Valuation adjustment	(729)	(442)
Total receivables arising from sales of goods and services	67,197	63,902

10) Other receivables and prepaid expenses

CHF in thousands	31.12.2000	01.01.2000
Prepaid expenses and accrued receivables	37,341	15,308
Taxes receivable (VAT/withholding tax)	28,448	8,597
Net premium after issuing costs	5,824	3,746
Advance payments to suppliers	2,892	616
Advance payments of Civil Protection Substitution Dues	710	697
Other receivables	49	80
Total other receivables and prepaid expenses	75,264	29,044

11) Airport of Zurich Noise Fund

The note in relation to this item appears in the Accounting Principles under the heading “Future claims associated with sound insulation measures and formal compulsory purchases”.

CHF in thousands	31.12.2000
Balance of Airport of Zurich Noise Fund at 1.1.2000 ¹⁾	0
Total noise charge revenues	11,594
Total costs for sound insulation and other measures	(12,183)
Net result before operational costs²⁾	(589)
Operational costs ²⁾	(2,130)
Balance of debt of Airport of Zurich Noise Fund at 31.12.2000 to the Company	(2,720)

¹⁾ The Airport of Zurich Noise Fund was set up in the financial year 2000.
²⁾ These values are reported separately in the cash flow statement.

12) Shareholders' equity and reserves

Shareholders' equity (nominal value CHF 50.-)

Number of shares	Registered shares issued	Own shares	Shares in circulation
Balance as of 01.01.2000	1,400,000	0	1,400,000
Issue of new registered shares in conjunction with the formation of Flughafen Zürich AG 01.01.2000	3,512,300	0	4,912,300
Purchase of own shares	0	19,300	4,893,000
Shares distributed to employees and third parties	0	(1,326)	4,894,326
Balance as of 31.12.2000	4,912,300	17,974	4,894,326

Own shares

During the year 2000 the Company acquired 19,300 of its own shares with a view to the introduction of the bonus system (valid from 1.1.2001). During the financial year 2000 no payments were made or shares awarded under this bonus system. The purchase price of these shares (CHF 5,217,000) was charged directly to shareholders' equity (see Statement of Equity on page 69). As part of the implementation of the strategic mission "Be an entrepreneur", the company distributed 1,295 shares free of charge to its employees. The equivalent value was recorded to capital reserves and therefore does not affect the current period result.

Reserves

The reserves are subject to a distribution limit of CHF 127.7 million, based on commercial law provisions.

Earnings per share

Earnings per share are calculated from the net profit of the Company and the weighted average of the number of outstanding shares (issued shares less own shares).

CHF in thousands	2000	1999
Net profit attributable to shareholders	89,781,279	96,282,294
Weighted average of outstanding shares	4,909,444	4,912,300
Earnings per share	18.29	19.60

Related parties

Related parties are:

- The Canton of Zurich
- Members of the Board of Directors
- Members of the Management

During the financial year 2000, the following remunerations were paid to related parties:

CHF in thousands	2000	1999
Board of Directors and Management (remunerations incl. social security benefits)	3,294	2,100
Canton of Zurich (Cantonal police form as per service agreement subject to market terms)	60,984	55,122

Significant shareholders

The shareholders' equity of Flughafen Zürich AG amounts to CHF 245,615,000 (compared with CHF 70,000,000 before the Reverse Take Over), which is divided into 4,912,300 registered shares with a par value of CHF 50 (before the Reverse Take Over there were 140,000 registered shares with a par value of CHF 500).

The breakdown of shareholders at 31 December was as follows:

	2000	1999 ¹⁾
Public shareholders	57.90%	50.00%
Private individuals	3.19%	9.82%
Companies	4.15%	10.54%
Pension funds	6.14%	8.10%
Financial institutions	4.72%	10.66%
Balance available and unregistered shareholders	23.89%	10.88%
Number of shareholders	2,931	1,129

¹⁾ Flughafen Immobilien Gesellschaft

The following shareholders or groups of shareholders hold more than five percent of the voting rights:

	2000	1999 ¹⁾
Canton of Zurich (incl. pension fund of the Canton of Zurich)	52.65%	23.21%
City of Zurich (incl. pension fund of the City of Zurich)	5.36%	18.00%
Credit Suisse		7.15%

¹⁾ Flughafen Immobilien Gesellschaft

13) Debenture bonds

Amount in CHF	Duration	Interest rate	Early cancellation	Interest payment date
150,000,000	1995 – 2007	5.000%	No	28. September
175,000,000	1996 – 2006	4.625%	No	12. April
300,000,000	2000 – 2005	4.625%	No	5. July
625,000,000¹⁾	Total			

¹⁾ See note 18) Short-term financial liabilities on page 81

Interest rate swap

In order to hedge the interest rate risk on the interest-bearing borrowings, the company concluded an agreement with Credit Suisse First Boston International on 21 June 2000 for a forward starting interest rate Swap in a nominal amount of CHF 300 million, with a term from 16 March 2001 to 16 March 2009. The Company appears as a fixed-rate payer. The fixed interest rate was set at 4.68%. The variable interest rate is based on the CHF-LIBOR.

The interest rate swap reported a negative market value of CHF 17.6 million at 31 December 2000.

14) Other non-current liabilities

CHF in thousands	31.12.2000	01.01.2000
Loan from Canton Zurich – ordinary	0	4,949
Loan from Canton Zurich – Aircraft Noise Fund Sound Insulation	0	4,714
Loan from Canton Zurich – Aircraft Noise Fund Properties	0	0
Total Canton Zurich	0	9,663
Other non-current liabilities	0	237
Total other non-current liabilities	0	9,900

The above loans bear interest at an annual rate of 3% (1999 5%). Repayment of the above non-current liabilities took place during the year 2000.

15) Liabilities for retirement benefits

Since 1.1.2000, the entire workforce of Flughafen Zürich AG has been affiliated to the Beamtenversicherungskasse des Kantons Zürich (BVK) for company pension purposes. Policyholders in active employment and pensioners of the former FDZ were already with this pension foundation, whilst the employees taken over by Flughafen Zürich AG from FIG transferred to the BVK on 1.1.2000.

The BVK is a pension foundation for 36,000 employees of the Canton and for a number of other policyholders from public corporations, municipalities and non-profit-making bodies. The BVK's pension plan may be interpreted under the International Accounting Standards (IAS) as a defined benefit plan. However, for reasons outside the control of Flughafen Zürich AG, access to and the extraction of data in a form necessary for calculation according to IAS 19 is not possible in the case of this joint form of pension plan. As a result, Flughafen Zürich AG treats the BVK pension plan as a contribution-based plan, with reference to IAS 19 Paragraph 30. This means that the contributions paid by Flughafen Zürich AG to the BVK for pension purposes are shown as pension contributions. The pension commitments listed below and calculated according to the rules of IAS 19 therefore no longer include, in the 2000 column, the active employees and pensioners insured with the BVK; they only include two special pension subplans: on the one hand the pensioners from the former FIG (this group of policyholders did not transfer to the BVK) and on the other hand a special plan for compensation for early retirement.

The actuarial balance sheet of BVK shows a level of funding of 107.7% at the end of 1999 (with a reduction of the financial assets by a fluctuation reserve of CHF 3.2 billion) and of 129.7% (without reduction by the fluctuation reserve). The calculation of the funded status was based on actuarial tables VZ/EVK 2000 and adopted a method different from the projected unit credit method used according to IAS 19. We cannot give any estimation whether or to which extent this surplus has any impact on the future contributions. It is moreover important from the point of view of IAS, that Flughafen Zürich AG has virtually no influence on questions of benefits and financing, as a result of its membership of a joint pension plan of this nature and size.

The provision for retirement benefits of CHF 4.8 million reported at the end of 1999, which resulted from the inadequate funding on an actuarial basis, was written back as a contribution-based pension plan during the new presentation of the pension plan mentioned earlier. On the other hand, a provision of CHF 6.1 million was formed within the context of a new plan for early retirement.

The former pension foundation of Flughafen Immobilien Gesellschaft, most of whose funds were used as admission fees in conjunction with the transfer of the former FIG employees to the BVK, is now being continued under the name "Personalfonds unique zurich airport". This foundation still has an employer premium reserve of CHF 5.1 million. The main purpose of the foundation is to provide voluntary supplementary benefits, namely to finance the inflation adjustment on the pensions to the former FIG employees not affiliated to the BVK. Since Flughafen Zürich AG firmly intends not to use the premium reserve to pay employer's contributions, either now or in the foreseeable future, the premium reserve was not partially capitalised.

The effect of the defined benefit plan is showed in the following tables:

Balance sheet:

CHF in thousands	31.12.2000 ¹⁾	01.01.2000
Provision for retirement benefits, cash value	36,198	243,697
Pension assets, market value	(38,691)	(246,894)
Excess cover	(2,493)	(3,197)
Technical profits not reported	2,657	4,058
Subtotal (before saleability test)	164	861
Amounts not reports as assets	5,925	4,212
Others	0	(237)
Liability in the balance sheet	6,089	4,836

Statements of operations:

CHF in thousands	2000	1999
Costs of current employment year	0	13,116
Interest expenses	1,430	10,527
Anticipated revenue from the pension assets	(1,890)	(12,315)
Employee contributions	0	(4,480)
Change in the amounts not reportable as an asset	1,713	–
Total amounts reported in the statement of operations	1,253	6,848

The amounts are included under the following items:

CHF in thousands	2000	1999
Personnel expenses [see Note 2]	0	6,848
Other expenses revenues (see Note 4)	1,253	0

Change in the provision for retirement benefits in the balance sheet:

CHF in thousands	31.12.2000	01.01.2000
At the beginning of the year	4,836	5,073
Total costs, see above	1,253	6,848
Employer contributions, actually paid	0	(7,085)
At the end of the financial year	6,089	4,836

The calculation of the provision for retirement benefits was based on the following assumptions:

	2000	1999
Discount rate	4.0%	4.5%
Anticipated return on the pension assets	5.0%	5.0%
Anticipated future salary increases	N.A.	2.5%
Anticipated future pension increases	1.0%	1.0%

¹⁾ Not including the BVK pension plan

16) Deferred tax liabilities

Deferred taxes are computed on all temporary differences using the liability method. The expected future tax rate used is 23% (1999 21%). The increase in the rate of 2 percentage points (CHF 8,144,000) was posted against the revenue reserve. This constitutes a subsequent correction of the tax rate (IAS 8).

The balance of deferred taxes evolved as follows:

CHF in thousands	31.12.2000	01.01.2000
Closing balance sheet at 31.12.1999		35,869
Affect of Reverse Take Over		44,000
Opening balance sheet at 1.1.2000	79,869	79,869
Change in the tax rate, taken into account via revenue reserve	8,144	
Change according to statement of operations	(2,372)	
At the end of the year	85,641	

The deferred taxes are assigned to the following balance sheet items:

CHF in thousands	31.12.2000	01.01.2000
Valuation adjustment building constructions and underground structures and mobile fixed assets	67,916	65,182
Renovation fund	17,158	14,511
Net premium after issuing costs	1,339	787
Miscellaneous positions	(772)	90
Liabilities for retirement benefits	0	(701)
Total deferred tax liabilities	85,641	79,869

17) Liabilities arising from purchases of goods and services

CHF in thousands	31.12.2000	01.01.2000
Liabilities arising from purchases of goods and services¹⁾	53,612	59,726

¹⁾ Further items, which were reported under this item in the previous year, are now contained under number 19 "Other liabilities".

18) Short-term financial liabilities

CHF in thousands	31.12.2000	01.01.2000
Current liabilities to banks	196,200	179,100
Debenture bond repayment 16.3.2001 (interest rate 4.375%)	150,000	0
Short-term advance Conzetta Holding (interest rate 3.75%)	30,000	0
Total short-term financial liabilities	376,200	179,100

Current liabilities to banks relate to short-term credit facilities with various maturities and fixed interest rates for each tranche. These ranged between 3.90% and 3.98% as of 31.12.2000. The accepted loan conditions were adhered to.

19) Other current liabilities, accrued expenses and deferred income

CHF in thousands	31.12.2000	01.01.2000
Accrued expenses and deferred items	47,354	31,451
Amounts due to personnel (13 th month wage/holidays and overtime)	7,120	8,785
Social security contributions	1,572	203
Other liabilities	1,127	298
Deposits and payments in advance by customers	449	726
Retirement benefit foundation	645	22
Personnel cost liabilities	148	101
Total other current liabilities, accrued expenses and deferred income	58,415	41,586

Further details

1. Other financial commitments

At year end 2000 the company approved fixed asset investments aggregating some CHF 2.3 billion. These commitments related principally to the Fifth Expansion Phase, encompassing principally the Midfield Terminal, the extension of the Airside Centre, the Railway Check-In as well as a multi-storey car parking facility. Of this amount, CHF 1.2 billion had been awarded as of 31 December 2000, CHF 0.6 billion of which had already been paid.

The assets which are specific to the airport and which are to be taken over by the Canton under the Reverse Take Over agreement also includes properties and land belonging to the so-called Cantonal Aircraft Noise Fund. In order to allow these assets to be transferred to the Company, the Cantonal Council of the Canton of Zurich had to cancel the Aircraft Noise Fund. In his assembly of 12 March 2001, the Cantonal Council approved the cancellation of the Cantonal Aircraft Noise Fund and therefore, authorized the Company to take over the properties. The take over price will amount to max. CHF 65 millions.

2. Subsequent events

The Board of Directors approved the individual financial statements according to IAS for the year 2000 on 23.3.2001.

The new debenture bond Unique 2001 – 2009 issued in March 2001 in the amount of CHF 200 million (interest rate 4.25%) is not yet included in these financial statements. The inflow of funds from this debenture bond serves to repay the CHF 150 million 1994 debenture bond on 16.3.2001 and to partially repay short-term bank loans.

No further events requiring disclosure have occurred since the balance sheet date.

Individual financial statements according to IAS

Report of the Statutory Auditors to the General Meeting of **Flughafen Zürich AG, Zurich**

As statutory auditors, we have audited the accounting records and the financial statements (accounting principles, statement of operations, balance sheet, statement of equity, cash flow statement and notes; pages 64 to 82) of Flughafen Zürich AG for the year ended 31 December 2000.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, except for the missing segment information, the accounting records and financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Accounting Standards (IAS) and comply with Swiss law.

KPMG Fides Peat

Rudolf Züger
Swiss Certified Accountant
Auditor in charge

Roger Neininger
Swiss Certified Accountant
Auditor in charge

Zurich, 23 March 2001

Financial Statements according to commercial law pursuant to the Swiss Code of Obligations (OR)

1. General points

The presentations and explanations below relate to the individual financial statements pursuant to the Swiss commercial law regulations (Swiss Law of Obligations). These individual financial statements also serve for tax purposes and form the basis for the statutory business of the Shareholders' Meeting.

2. Accounting principles

Unless stated otherwise, the same principles apply analogously to the individual financial statements according to IAS.

Tangible assets

In contrast to the individual financial statements according to IAS, the influence of the Reverse Take Over (revaluation of the FIG tangible assets at 1.1.2000 including deferred taxes) is not relevant. The buildings contributed by FIG are now depreciated on a straight line basis over the estimated residual useful life rather than using the annuity method.

Goodwill

The goodwill of CHF 22,000,000 arising due to the Reverse Take Over Accounting is not relevant in the financial statements according to commercial law.

Renovation fund

As in previous years the renovation fund, which is used for subsequent renovation in order to preserve the value of existing buildings, was topped up with CHF 5.5 million (only financial statements according to commercial law).

Own shares

In contrast to the individual financial statements according to IAS, the holdings of own shares at 31.12.2000 are reported under securities. They are reported under equity in accordance with the rules of the Law of Obligations. Furthermore, the free provision of shares to employees was charged to the statement of operations.

Issuing charge due to the increase in the share capital

The issuing charge of CHF 10,675 million was charged to the statement of operations rather than to the equity, in contrast to the individual financial statements according to IAS.

Previous year's values

The previous year's values have been taken from the financial statements of FIG from 31.12.1999 because in legal terms, FIG is the legal predecessor of Flughafen Zürich AG.

3. Corporate structure

Based on the agreement of 14.12.1999 and of 7./9.03.2000, the Company took over Flughafendirektion Zürich (FDZ) from the Canton of Zurich under the capital increase resolved by the Shareholders' Meeting on 30.03.2000. FDZ's assets of CHF 528,584,055.70 and liabilities of CHF 83,715,619.78 reported in the balance sheet of 31.12.1998 were transferred to the Company. As the former owner of FDZ, the Canton of Zurich received for its contribution 3,512,300 fully paid up registered shares in the Company, with a par value of CHF 50.– per share.

Statement of Operations for the years ended 2000 and 1999
(Individual financial statements according to commercial law)
(CHF in thousands)

	Notes	2000	1999 ¹⁾
Revenue from sales of products and services			
Aviation revenue		251,207	0
Non-aviation revenue		271,557	210,176
Bad debts written off		37	(104)
Total revenue		522,801	210,072
Personnel expenses		(113,052)	(37,098)
Depreciation and amortisation		(92,174)	(77,357)
Police and security		(69,735)	(800)
Maintenance		(23,939)	(15,032)
Sales, marketing, administration		(20,513)	(8,941)
Energy and waste		(16,931)	(14,689)
Other operating expenses		(16,796)	(5,071)
Cost of materials used		(8,022)	(2,489)
Renovation fund		(5,500)	(5,500)
Profit before interest and taxes		156,139	43,095
Financial result	(1)	(42,987)	(25,192)
Extraordinary result	(2)	(5,648)	(4,166)
Non-operating result	(3)	145	124
Profit before taxes		107,649	13,861
Income taxes		(25,816)	(3,086)
Net profit		81,833	10,775

¹⁾ Flughafen Immobilien Gesellschaft, breakdown adjusted to 2000 statement.

Balance sheet at 31 December 2000 and 31 December 1999
(Individual financial statements according to commercial law)
(CHF in thousands)

Assets	Notes	31.12.00	31.12.99¹⁾
Mobile fixed assets		139,763	0
Building constructions, underground structures		2,680,626	1,700,068
Land		110,511	0
Assets under construction		691,068	353,844
Intangible assets		3,820	0
Financial assets	(4)	4,175	2,175
Non-current assets (at cost)		3,629,963	2,056,087
Accumulated depreciation		(1,694,868)	(973,629)
Public subsidies (prior to 1989)		(221,702)	(218,400)
Non-current assets (net)	(5)	1,713,393	864,058
Inventories		2,247	570
Receivables arising from sales of goods and services		67,197	13,010
Other receivables and prepaid expenses		69,440	8,295
Airport of Zurich Noise Fund		2,720	0
Cash and cash equivalents and securities	(6)	8,949	1,015
Current assets		150,553	22,890
Total assets		1,863,946	886,948
Liabilities			
Share capital		245,615	70,000
Legal reserves			
Premium		269,254	0
General reserve		19,060	18,640
Reserve for own shares	(6)	4,858	0
Free reserves		23,742	25,800
Net income shown in the balance sheet			
Profit brought forward		414	559
Net profit for the year		81,833	10,775
Shareholders' equity		644,776	125,774
Debentures bonds	(7)	625,000	475,000
Provisions	(8)	7,588	1,500
Renovation fund		74,602	69,102
Non-current liabilities		707,190	545,602
Liabilities arising from purchases of goods and services		53,612	10,729
Short-term financial liabilities	(7)	376,200	179,100
Other current liabilities, accrued expenses and deferred income	(9)	50,195	23,523
Provisions	(10)	31,973	2,220
Current liabilities		511,980	215,572
Total liabilities		1,219,170	761,174
Total liabilities and shareholders' equity		1,863,946	886,948

¹⁾ Flughafen Immobilien Gesellschaft, breakdown adjusted to 2000 statement.

Notes to the individual financial statements according to commercial law

Statement of operations

1) Financial result

CHF in thousands	2000	1999
– Interest expenses on debenture bonds	28,901	22,156
less capitalised external interest costs on assets under construction ¹⁾	(4,818)	(1,483)
– Interest expenses on debenture bonds, net	24,083	20,673
– Issuing costs	13,911	7
– Interest expenses on bank loans	4,150	2,595
– Other interest expenses	1,122	12
– Land use right	0	1,946
Financial expenses	43,266	25,233
– Interest income on postal cheque account and bank deposits	(263)	(39)
– Dividend income on securities	(2)	(2)
– Capital gains	(14)	0
Financial income	(279)	(41)
Financial result	42,987	25,192

¹⁾ The capitalised external interest was computed at an average interest rate of 4.26% in the year 2000 and of 4.0% in 1999.

2) Extraordinary result

CHF in thousands	2000	1999
Extraordinary revenue	6,196	326
Extraordinary expenses	(11,844)	(4,492)
Extraordinary result	(5,648)	(4,166)

The extraordinary result includes inter alia CHF 2.2 million for a VAT credit not identified with a specific period. The extraordinary expenses include CHF 6.1 million for the formation of a provision for early retirement and CHF 2.2 million for the costs associated with the listing of the Company on the Main Board of the Swiss Stock Exchange (SWX) and the Secondary Offering of November 2000.

3) Non-operating result

CHF in thousands	2000	1999
Non-operating revenue	244	199
Non-operating expenses	(99)	(75)
Non-operating result	145	124

This includes all expenses and revenues not directly associated with the business activity.

Balance sheet

4) Financial assets

CHF in thousands		31.12.2000	31.12.1999
NOVO Business Consultants AG, Bern	Equity share 15% Reg.shares CHF 1.0 mill	150	150
APT Airport Technologies AG, Zurich-Airport	Equity share 25% Reg.shares CHF 1.0 mill.	25	25
APT Airport Technologies AG, Zurich-Airport	Investment-style loan ¹⁾	4,000	2,000
Total financial assets		4,175	2,175

¹⁾ Entirely subject to subordination

¹⁾ Entirely subject to subordination

NOVO Business Consultants AG provides consulting and IT services. The business purpose of APT Airport Technologies AG is to provide technical, operational and commercial design, planning, project, implementation as well as the operation of communication- and strategic management systems for airports. Both investments are of a strategic nature. The loan to APT Airport Technologies AG bears interest at market rates.

5) Fire insurance values of the tangible assets

CHF in thousands	31.12.2000	31.12.1999
Building incl. loading bridges	2,303,144	1,886,714
Movables	255,606	81,279

6) Cash and cash equivalents and securities

CHF in thousands	31.12.2000	31.12.1999
Cash and cash equivalents	4,091	950
Own shares	4,858	65
Total cash and cash equivalents and securities	8,949	1,015

The corresponding reserves for own shares are reported separately under equity.

Number of shares	31.12.2000	31.12.1999
Held at the beginning of the financial year	0	0
Acquisitions (at the market price)	19,300	0
Free distribution	1,326	0
Held at the end of the financial year	17,974	0

7) Debenture bonds

The Company has the following debenture bonds outstanding:

Amount in CHF	Term	Interest rate	Early cancellation	Interest payment date
150,000,000	1995 – 2007	5.000%	No	28. September
175,000,000	1996 – 2006	4.625%	No	12. April
300,000,000	2000 – 2005	4.625%	No	5. July
150,000,000	1994 – 16.3.2001	4.375%	No	16. March
775,000,000	Total¹⁾			

¹⁾ CHF 150 million (repayment of the 4.375% debenture bond on 16.3.2001) of this amount is reported under short-term financial liabilities.

8) Non-current provisions

CHF in thousands	31.12.2000	31.12.1999
Provisional tenancies	1,500	1,500
Early retirement	6,088	0
Total non-current liabilities	7,588	1,500

9) Other current liabilities, accrued expenses and deferred income

This includes the following liability (see also number 19), other current liabilities, accrued expenses and deferred income as per the individual financial statements according to IAS):

CHF in thousands	31.12.2000	31.12.1999
Retirement benefit foundation ¹⁾	645	22

¹⁾ from 2001 "Personalfonds Unique Zürich Airport"

10) Current provisions

CHF in thousands	31.12.2000	31.12.1999
Tax liabilities	23,753	0
Amounts due to personnel (13 th month wage/holiday pay and overtime)	7,120	1,220
Other liabilities	1,100	1,000
Total current liabilities	31,973	2,220

Further details

Significant shareholders

The following shareholders or groups of shareholders hold more than five percent of the voting rights:

	2000	1999 ¹⁾
Canton of Zurich (incl. pension fund of the Canton of Zurich)	52.65%	23.21%
City of Zurich (incl. pension fund of the City of Zurich)	5.36%	18.00%
Credit Suisse		7.15%

¹⁾ Flughafen Immobilien Gesellschaft

Proposal by the Board of Directors for the distribution of retained earnings for the year 2000

The net profit including the balance brought forward from the previous year in accordance with the financial statements according to commercial law, which forms the basis for the statutory business of the Shareholders' Meeting, amounts to CHF 82,247,211. The Board of Directors is making the following proposal to the Shareholders' Meeting with respect to the distribution of retained earnings:

Proposal for the distribution of retained earnings 2000	In CHF
Allocation to the legal reserves ¹⁾	0
Allocation to the free reserves	52,258,352
Dividend payment of a dividend of CHF 5.50 per dividend-bearing share	26,918,793
To be carried forward	3,070,066
Total	82,247,211

¹⁾ No allocation is being made to the legal reserves, because these exceed 50% of the nominal share capital.

If this proposal is approved, then the dividend for the year 2000 will be CHF 5.50 gross per share. After deduction of withholding tax of 35%, the shareholders will receive a net dividend of CHF 3.575.

Individual financial statements according to commercial law

Report of the Statutory Auditors to the General Meeting of **Flughafen Zürich AG, Zurich**

As statutory auditors, we have audited the accounting records and the financial statements (statement of operations, balance sheet and notes; pages 85 to 89) of Flughafen Zürich AG for the year ended 31 December 2000.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

KPMG Fides Peat

Rudolf Züger
Swiss Certified Accountant
Auditor in charge

Roger Neiningner
Swiss Certified Accountant
Auditor in charge

Zurich, 23 March 2001