Annual Report 2001

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Address to shareholders

Dear Shareholders,

While the first eight months of the 2001 financial year brought pleasing, if slightly slower, growth, the terrorist attacks of 11 September and the later collapse of the Swissair group came as a tremendous shock, and 2001 turned into a year in which Unique found itself facing major challenges. In view of the world-wide crisis in the aviation sector, the collapse of the Swissair group and a series of tragic accidents, our still very young company had to demonstrate its resilience repeatedly during the year. At the same time, Zurich Airport was the focus of a variety of demanding political conflicts.

Unsatisfactory year

Our business activities suffered a considerable setback as a consequence of the above-mentioned events, especially the grounding of our hub carrier, Swissair, at the beginning of October.

Over the full financial year, the volume of flight movements fell by 5 percent, passenger figures by 7.3 percent and freight volumes by 9,6 percent. The volume of passengers fell by 35 percent in the fourth quarter, though we witnessed a gradual recovery in capacity utilisation on intercontinental flights towards the end of the year. The restructuring process within the aviation sector is still very much in progress.

The consequences of the dissolution of the Swissair group – which structurally shaped Zurich Airport for more than fifty years – and the disposal of a variety of its subsidiaries, created both opportunities and obligations for Unique. The uncertainties concerning the continued existence of airside service providers such as Atraxis, Swissport and SR Technics represented a threat to the efficient operation of the airport infrastructure. At the same time, Unique was given the opportunity to redefine the existing ties between the hub carrier and the airport with respect to infrastructure-related tasks.

The take-over of the baggage handling and de-icing systems formerly operated by Swissport and SR Technics respectively, both of which are essential facilities for the operation of the airport, represents a step in line with this premise.

The year under review has made it very clear to us how important it is to have a balanced earnings and client mix. In order to avoid a high degree of dependence on any given large client, we shall be consistently pursuing our strategy of increasing our earnings from non-aviation business. In 2001 we were again able to significantly increase earnings in this segment, so that its proportion to the overall turnover reached 48 percent.

Against the backdrop of setbacks outlined above, we were unable to achieve the turnover and profit targets we had defined at the beginning of the year, and which were still on track towards the middle of the year. However, at 538 million Swiss francs our earnings for the year under review were still approximately 3% up on last year.

We also had to book significantly higher costs versus the prior year, partly due to the implementation of new facilities and systems associated with expansion stage 5, but also as a result of additional operating costs relating to the above-mentioned crises, including more intensive security measures. On top of this we had to book bad debts due to the collapse of the Swissair group, plus other extraordinary write-offs. The financial statements resulted in an overall loss to the tune of 36 million Swiss francs. In view of this, and given the uncertain trend in the aviation sector during 2002, the Board of Directors has resolved not to pay a dividend for the year under review. At the same time we have taken the necessary steps to secure the group's liquidity and the financing of the remainder of the expansion of the airport infrastructure.

External matters

Issue of a 50-year operating licence: Following the expiry of the former airport operating licence held by the Canton of Zurich on 31 May 2001, the Federal Department of Environment, Transport, Energy and Communications (DETEC) issued the new licence to Unique on 1 June 2001. As before, this licence is valid for 50 years. It simultaneously empowers and obliges us to operate Zurich Airport on behalf of the federal government, and to secure the necessary infrastructure for future development. Once the transfer of the operating licence had been finalised, the Canton of Zurich reduced its stake in Unique to below 50 percent, in line with the provisions of the reverse take-over agreement and the Airports Act. A number of objections have been put forward against the transfer of the operating licence to Unique, and the relevant proceedings are still pending.

Treaty between Switzerland and Germany: On 23 April 2001, the transport ministers of Switzerland and Germany agreed on the fundamentals relating to a treaty governing the number of incoming aircraft permitted to fly over German airspace. They subsequently signed the treaty on 18 October 2001. The Board of Directors has repeatedly expressed its strong objections to this treaty, since it is discriminatory, contradicts the fundamental principle of equal rights under international law, runs contrary to the spirit of the bilateral agreements with the EU, and sets a dangerous precedent for the entire international civil aviation sector. In its present form, this treaty will give rise to increased noise emissions for the Canton of Zurich, and threatens to hamper the sustained development of Zurich Airport. Furthermore, it obliges Zurich Airport to major outlays in a difficult economic environment, even though it is uncertain whether Parliament will approve the treaty in the course of this year.

New airport operating regulations: When the Federal Department of Environment, Transport, Energy and Communications (DETEC) granted Unique the operating licence for Zurich Airport, it also stipulated that the new operator has to submit its new operating regulations for approval within one year after joint signature of the treaty between Switzerland and Germany. Without prejudicial recognition of the treaty, Unique has meanwhile formulated five options for future operating processes that correspond to the contents of the treaty and the airport policy formulated by the Cantonal Council of Zurich, and presented these to the authorities and the general public in October. Unique will be submitting its application for approval of its new operating regulations to the Federal Office of Civil Aviation in autumn 2002, based on the outcome of the broad-scale debate that is currently in progress.

Expansion stage 5

Expansion stage 5 will meet the qualitative needs of Zurich Airport, and it represents a major investment in the future. Despite the present situation, we are convinced of the fact that people have a fundamental need for mobility and that this will once again be reflected in the form of increasing passenger volumes. In order for us to be able to respond with sufficient flexibility to this anticipated recovery, we have decided to complete the construction of Midfield Dock (one of the main components of the expansion) on schedule, i.e. as of the end of October. However, due to commercial considerations we have postponed its opening by 12 to 24 months, by which time we expect passenger volumes to have reached a significantly higher level, given the present-day trend. Once the new shopping and services complex (Airside Center) is completed in 2004, we will be able to benefit from additional earnings from retail activities and rental business, and these will compensate the additional operating costs for Midfield Dock.

Outlook

The challenges we had to face during the period under review have made us stronger and better equipped for the future, but we are well aware that 2002 will not be an easy year for us either. Our future success depends to a considerable extent on the progress of our new main client (the new Swiss airline, "Swiss"). Firstly, people have to regain confidence in air travel. Secondly, Unique considers securing a safe, reliable and economically viable air traffic link for Switzerland to the intercontinental network, and thus providing its hub carrier ("Swiss") with an attractive intercontinental hub, as its highest priority. By providing a sound infrastructure in the form of an efficient airport offering high-quality services, we feel sure that we will help "Swiss" get off to a good start. Finally, in order to flourish, both the new airline and its home base need the right conditions that are oriented over the long term rather than on current events, and that provide sufficient room for carefully planned development. For the time being, those activities we recently initiated with a view to expanding our operations on an international scale will be pursued, but on a more moderate basis. In future, we also want to apply the know-how we acquire at Zurich Airport for expanding our international activities, so that we will be able to create added value for the group as a whole.

We would like to take this opportunity to express our sincerest thanks to all our employees, who were asked to perform under particularly trying circumstances during 2001. We also extend our thanks to all our shareholders as well as to our clients and business partners for the confidence placed in us in such a difficult environment.

Zurich Airport, 28 February 2002

Andreas Schmid
Chairman of the Board of Directors

Josef Felder
Chief Executive Officer

key data

Key data

Key financial data

(CHF thousand, all amounts in accordance with International Accounting Standards [IAS])

	2001[1]	2001[2]	2000	Change in percent
Turnover	537,726	537,726	522,491	+2.9%
of which income from aviation operations	279,738	279,738	274,637	+1.9%
of which income from non-aviation operations	257,988	257,988	247,854	+4.1%
Operating costs	309,145	351,595	271,549	+29.5%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	228,581	186,131	250,942	–25.8%
EBITDA margin	42.5%	34.6%	48.0%	
Result	44,158	(36,245)	89,782	–140.4%
Net investments	666,039	666,039	496,436	+34.2%
Cash flow[3]	164,669	133,867	205,165	–34.8%
Capital employed	2,210,217	2,170,015	1,733,706	+25.2%
Return on average capital employed (ROCE)	3.5%	0.3%	6.4%	
Shareholders' equity as of 31 December		833,117	931.488	–10.6%
Return on equity		–4.1%	9.9%	
Equity ratio		31.5%	43.1%	
Interest-bearing debt (net)	1,574,345	1,574,345	994,109	+58.4%
Interest-bearing debt/EBITDA	6.89x	8.46x	3.93x	

Key operational data

	2001	2000	Change in percent
Number of passengers	21,012,282	22,675,366	–7.3%
Number of flight movements	309,230	325,622	–5.0%
Freight in thousand tons	492,869	545,423	–9.6%
Number of full-time positions as of 31 December[4]	1,215	1,111	+9.4%
Number of employees	1,406	1,276	+10.2%

Key data for shareholders

	2001	2000	Change in percent
Number of issued shares	4,912,300	4,912,300	
Proposed dividend per share (in Swiss francs)	0.00	5.50	
Dividend total in thousand Swiss francs	0.00	26,919	
Payout ratio	0.0%	30.0%	
Capital per share (in Swiss francs)	169.60	189.60	–10.5%
Earnings/(loss) per share (in Swiss francs)	(7.48)	18.29	–140.9%
Adjusted share price (in Swiss francs) high	277.00	349.90	
low	88.00	262.50	

	Sec. number	SWIX symbol	Reuters
Flughafen Zürich AG registered share	1,056,796	UZAN	UZAZn.S

[1] Excluding written-off debts due to SAirGroup crisis (42.45 million Swiss francs) and special write-offs (impairment 49.6 million Swiss francs), but including tax burden at anticipated tax rate of 23%

[2] Including written-off debts due to SAirGroup crisis (42.45 million Swiss francs) and special write-offs (impairment 49.6 million Swiss francs)

[3] Result for year plus depreciation and amortisation and change in long-term provisions

[4] Including adjustment for part-time positions

Comments on the financial statements

Comments on the result

The result for 2001 was decisively influenced by the events that took place in the autumn 2001, most notably the grounding of Swissair at the beginning of October. While the result was still up versus the prior year as of the end of the third quarter even despite the terrorist attacks of 11 September, we had to post considerable losses in the fourth quarter.
In spite of the various setbacks, we were able to increase our turnover by 2.9% to 538 million Swiss francs. However, the operating result before depreciation and amortisation (EBITDA) fell by 25.8% to 186 million Swiss francs. This figure includes extraordinary write-offs of receivables due from SAirGroup totalling 42.5 million Swiss francs. Without these extraordinary write-offs, EBITDA would have declined 8.9% versus the prior year to 229 million Swiss francs.
In view of the setbacks in the autumn, together with written-off debts and special write-offs (49.6 million Swiss francs), the result for the year was a loss of 36 million Swiss francs. The Board of Directors therefore petitions the Annual Meeting of Shareholders to approve its proposal not to pay a dividend for the year 2001.

Result by segment

In this year's annual report, Unique is presenting an analysis by segment ("Aviation" and "Non-Aviation") for the first time. The introduction of reporting by segment means that we have had to regroup earnings from certain activities involving third parties in the profit and loss statement.

The two segments have been defined below.

Aviation

This segment involves the construction, operation and maintenance of the airport operations infrastructure. It incorporates all the core services provided to airlines and passengers by Unique in its capacity as operator of Zurich Airport.
These services include the runway system, all apron zones (including control activities), passenger zones in the terminals, freight operations, baggage handling and aircraft energy supply systems (both as of 1 January 2002), passenger handling and services, safety and security, and airport police activities.
The main sources of income in the Aviation segment are passenger and landing fees. Third party earnings are determined by passenger volumes, flight volumes and the trend with respect to aircraft take-off weights.

Non-Aviation

Non-Aviation encompasses all activities relating to the development, marketing and operation of the commercial infrastructure at Zurich Airport.
These include all retail operations at the airport, revenue from rented premises and supplementary costs (energy supply, etc.), parking fees plus a broad range of commercial services provided by Unique.
For reporting purposes, we have adopted the method of allocation of each profit centre to a primary segment. Any internal supplies and services that have been provided for the other segment have been booked as inter-segment earnings or offset against costs.
For example, the Information and Communication Technology (ICT) profit centre is allocated to Non-Aviation as primary segment, and proportionate costs are charged to Aviation on a "user pays" basis. Similarly, our corporate centres are allocated to Non-Aviation as primary segment, and are offset accordingly.

Earnings from third parties

Breakdown of earnings by segment:

CHF thousand	2001	2000	Change in %
Segment			
Aviation	279.7	274.6	+1.9%
Non-Aviation	258.0	247.9	+4.1%
Total	537.7	522.6	+2.9%

Despite lower flight volumes, earnings in the Aviation segment rose by approximately 2% as a result of the higher passenger fees that came into effect on 1 April 2001.
In the Non-Aviation segment, parking revenue increased following introduction of higher fees. We were also able to increase revenue from catering operations (additional premises), advertising, energy sales and miscellaneous services.
On the other hand, earnings from retail outlets and duty-free shops fell by about 7.1%, since these operations depend greatly on passenger volumes.
With respect to rental income we were not quite able to fully match last year's figures due to a refund in the freight segment and unexpected vacancies.
During 2001, Unique provided external consulting services worth 0.8 million Swiss francs, and these earnings were allocated to the Non-Aviation segment.

Segment results

Since segment reporting was introduced for the first time for 2001, there are no figures available for 2000 allowing comparison.

CHF million	2001	2000
Segment		
Aviation	(69.7)	n.a.
Non-Aviation	77.3	n.a.
Total	7.6	

In both segments, the result was greatly influenced by the extraordinary written-off debts and special write-offs. If these extraordinary items are excluded from consideration, then the segment results would appear as follows:

CHF million	2001	2000
Segments excluding extraordinary items		
Aviation	2.1	n.a.
Non-Aviation	97.6	n.a.
Total	99.7	

Personnel costs rose by 14% during 2001. A number of additional employees were required in the course of the year, mainly for the expanded emergency services (17 positions, which helped generate additional revenue), cleaning services (13 positions, due to expanded premises and increased requirements for cleaning services during construction phase), bus services (10 positions, due to opening of new stands at Midfield Dock and Bus Gate South), administrative staff to cover new infrastructure and improve passenger comfort (15 positions), and Information and Communication Technology (8 positions to cover the backlog).

Number of full-time positions by segment:

(as of 31 December)	2001	2000	Change in %
Segment			
Aviation	632	n.a.	
Non-Aviation	583	n.a.	
Total	1,215	1,084	12.1%

In the above table, employees active in the area of support (Finance & Controlling, Human Resources, Corporate Communication) have been allocated to the Non-Aviation segment. The costs relating to support activities have accordingly been booked to each segment on a "user pays" basis.
Although traffic volumes were lower, the costs associated with **security** rose by 4% during 2001. This was mainly attributable to higher costs of services provided by the Zurich cantonal police force, which rose by 7.2% to 65.4 million Swiss francs. The cantonal police had originally planned their services in line with the anticipated traffic volumes, and were therefore not in the position to reduce these activities at short notice. Furthermore, the events that took place in the autumn gave rise to the need for intensified security measures which cost an estimated 1.5 million Swiss francs.
The overall **operating expenses** (excluding written-off debts due to SAirGroup crisis) rose by 13.8% to 309 million Swiss francs, due primarily to higher personnel and security costs, but also to the costs associated with operating the new infrastructure of 5th expansion phase and extraordinary costs incurred as a direct result of the events in autumn 2001.
During 2001, our annual **investments** amounted to 666 million Swiss francs. Our investment activities are due to reach their peak in 2002 and 2003 in line with the progress of work on expansion stage 5.

CHF thousand	2001	2000
Land	653	10,511
Movables	29,382	2,704
Projects in progress (leasing)	32,804	0
Projects in progress	564,164	477,381
Intangible assets	8,709	3,820
Financial assets	30,327	2,000
Total	**666,039**	**496,416**
Portion for expansion stage 5	456,183	413,900

The investments reported under "Projects in progress" include not only investments pertaining to expansion stage 5, but also investments in buildings and tunnels for baggage handling (16.3 million Swiss francs), the upgrade of car park B (13.3 million Swiss francs) and the construction of Unique One (11.9 million Swiss francs). The item "Projects in progress (leasing)" includes the costs incurred for the purchase and completion of the baggage handling and aircraft energy supply systems taken over from Swissport. A loan for 25 million Swiss francs granted to SR Technics is reported as an investment in financial assets. During 2001 we covered 20.1% of our investments via cash flow.
Write-offs rose during 2001 by 62.8% to 178.5 million Swiss francs. However, this figure includes close to 50 million Swiss francs in the form of special write-offs, e.g. for Freight East (24 million Swiss francs), demolition of parts of terminals A and B including catering facilities (20.3 million Swiss francs) and Bus Gate South (5.3 million Swiss francs).
Capital expenditure rose by 58% versus the prior year to reach 47.9 million Swiss francs, reflecting the increase in interest-bearing borrowings.

holdings
and subsidiaries

Unique currently has the following strategic holdings and subsidiaries:

APT Airport Technologies AG
APT operates the wireless LAN system at Zurich Airport and is responsible for planning, evaluating and subsequently operating the new trunking system that is due to be introduced in 2002. Until recently, Unique was a minority (30%) shareholder in APT, which was formed through a joint venture with Atraxis, but we took over the remaining 70% of the shares in the autumn of the year under review following the downfall of the Swissair group. The basic aim is that APT is to act as general provider of the central data processing and communications services used by all partners and clients at Zurich Airport.

Unique Betriebssysteme AG
Unique Betriebssysteme AG is a wholly-owned subsidiary of Zurich Airport Ltd (Flughafen Zürich AG). It was founded with the aim of finding a solution for airside services previously provided by subsidiaries of the Swissair group (SR Technics, Atraxis, Swissport, etc.). In this connection it has access to a bank credit facility for 100 million Swiss francs that is guaranteed by the Canton of Zurich. Unique Betriebssysteme AG has used a portion of this facility for granting bridging loans to Atraxis (CHF 23 million) and SR Technics (CHF 35 million upon which 25 million have been drawn). In the meantime, the loan to Atraxis has been repaid following the company's acquisition by US group, EDS. Unique Betriebssysteme AG also acquired the fleet of de-icing and towing vehicles from SR Technics.

Unique Airports Worldwide Ltd.
Unique Airports Worldwide is a wholly-owned subsidiary of Zurich Airport Ltd. It functions as the co-ordination centre for all our international holdings and interests. In 2001, Unique Airports Worldwide was the vehicle via which we acquired a stake in three airports in Chile, as a result of which we were able to establish a strategic partnership with a view to branching out into other airport ventures in South America.

Unique Liegenschaften AG
Unique Liegenschaften AG was still in the process of establishment at the end of the period under review. Its principal purpose will be to manage the necessary non-aviation related properties and strategic land reserves belonging to Unique. For example, the acquisition of the real estate belonging to the former "Airport of Zurich Noise Fund", which was originally foreseen as part of the merger deal in March 2000, is to be carried out by this new subsidiary.

NOVO Business Consultants AG
NOVO specialises in providing consulting and IT services. Unique holds a minority stake of 15%.

board of directors and management

Board of Directors

Chairman

Andreas Schmid
Chairman of the Board of Directors,
CEO of Barry Callebaut AG

Vice Chairman

Dr. Ruedi Jeker
Member of the Cantonal Government,
Economic Director of the Canton of Zurich

Members

Dorothée Fierz
Member of the Cantonal Government,
Head of Construction and Land Development,
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,
Head of Civil Engineering Department,
Canton of Zurich

Jacob Schmidheiny
Chairman of the Board of Directors of Conzzeta Holding

Dr. Martin Wetter
Member of the Executive Board of Credit Suisse

Eduard Witta
Civil Engineer, co-owner of MWV Bauingenieure AG

General Secretary

Thomas Egli

Advisory Board

Chairman

Andreas Schmid
Chairman of the Board of Directors of Unique AG

Vice Chairman

Dr. Ruedi Jeker
Vice Chairman of the Board of Directors of Unique AG

Members

Urs Adam
Deputy Director, Federal Office of Civil Aviation

Dr. Lukas Briner
Director, Zurich Chamber of Commerce

Bruno Heinzelmann
Mayor of Kloten

Dr. Eric Honegger (up to April 2001)
Chairman of the Board of Directors, SAirGroup

Prof. Dr. Franz Kellerhals
Chairman of the Board of Directors, Skyguide

Dr. Thierry Lalive d'Epinay
Chairman of the Board of Directors,
Swiss Federal Railways

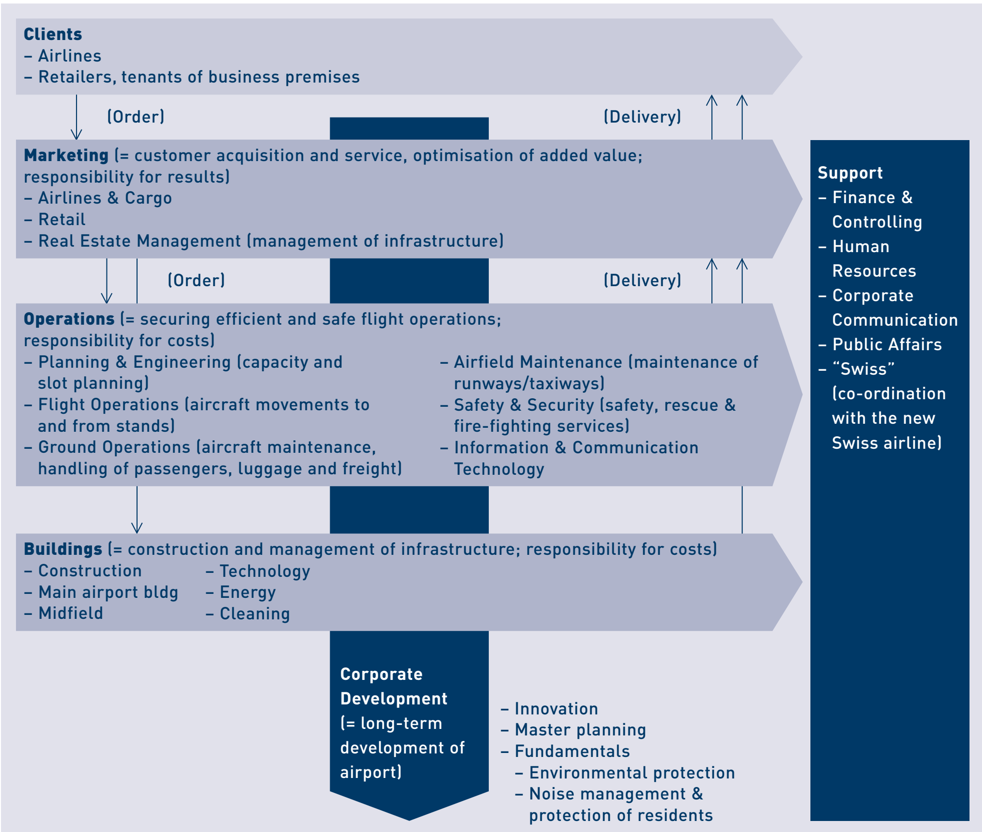
Vreni Spoerry
Member of the Council of States

Dr. Sven von Ungern-Sternberg
Chairman of the Regional Council,
Freiburg im Breisgau (Germany)

"Qualiport" – streamlined organisational structure

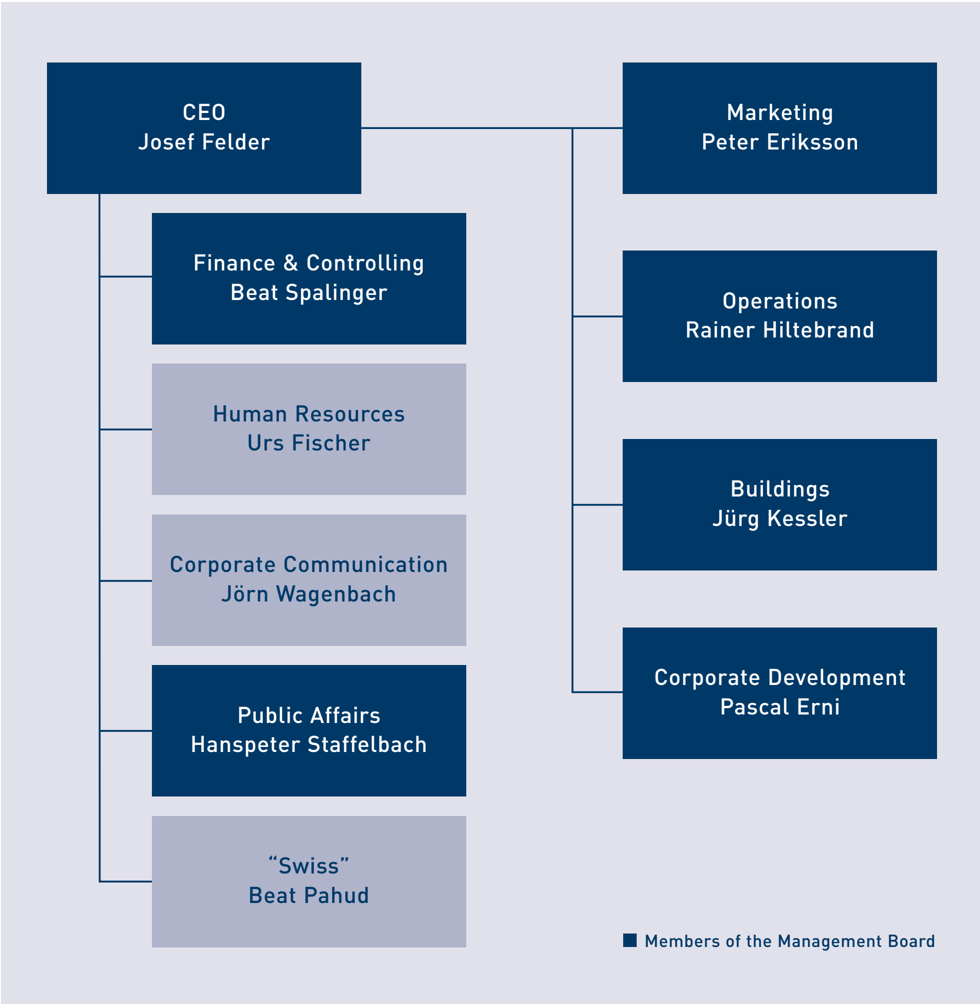
Following the conclusion of the privatisation process that was initiated two years ago, Unique drew up a new business and management model and used this as the basis for streamlining the organisation of the company with effect from 1 January 2002. With this new model we are able to secure business processes through clearly defined, comprehensive competencies and achieve a clear separation of responsibilities with respect to costs and earnings. We have set out to consistently orient our business processes on market demand and customer requirements, as well as towards our corporate objective of attaining sustainable added value, and no longer distinguish between external and internal clients. Our more streamlined management structure means that the decision-making process is both faster and more efficient.

Unique business model (greatly simplified; valid from 1.1.2002)



Our new organisational structure has been defined on the basis of this business model, in other words each business process has been allocated the corresponding resources and forms a separate unit headed by a member of the management board (cf. organisational chart on page 23).

Organisation as of 1 January 2002



events

Significant events during 2001

March
Completion of move into new head office, "Unique One".

23 April
Transport ministers of Germany and Switzerland agree on main contents of treaty limiting the volume of incoming flights over German airspace.

3 May
First General Meeting of Shareholders of Unique (Flughafen Zürich AG).

1 June
New operating licence comes into effect. Unique replaces the Canton of Zurich as official operator of Zurich Airport. New licence is valid for fifty years.

12 June
Unique submits application to federal government concerning amendments to its operating regulations that are necessary as a result of the treaty.

6 July
Midfield Dock topping-out ceremony.

11 September
Terrorist attacks in the USA, temporary closure of American airspace for all civil aviation movements, world-wide impacts. Rescue of thousands of stranded passengers.

2 October
Grounding of entire Swissair fleet at Zurich Airport for financial reasons.

18 October
Berne: Director of Federal Office of Civil Aviation and German Ambassador to Switzerland initial the treaty limiting incoming flights to Zurich Airport over German airspace.

19 October
Part 1 of treaty comes into effect; aircraft to approach from the east and use runway 28 late at night.

25 October
Approval of operating options; initiation of public debate.

November
Unique takes over various key systems for operation of the airport from Swissair subsidiaries, including baggage handling system.

24 November
Crossair Jumbolino crashes during approach to Zurich Airport.

December
Conclusion of joint venture in Chile for the purpose of establishing a partnership with a view to branching out into other airport projects in South America.

17 December
Appeals Commission of the Federal Department of Environment, Transport, Energy and Communications provisionally orders extended night-time curfew from 11 p.m. (11.30 p.m. for delayed aircraft) until 6 a.m.

21 December
Crash of a Cessna plane at Zurich Airport.

21 December
Unique Environmental Management System awarded ISO Certificate 14001.

airlines

Improvements to infrastructure and operations

During the first half of the year under review, air traffic volumes increased steadily and the airport infrastructure was stretched to the limit. At the same time, the rapid progress of construction work on expansion stage 5 meant that ongoing modifications were necessary in both landside and airside operations. In July we were able to open four new remote stands in the vicinity of Midfield Dock, thereby optimising our aircraft handling operations. Although the bus ride from the terminals to these stands is considerably longer, this does not lead to any flight delays since the distance for aircraft from these stands to the runway is shorter than that from the terminals to the stands. This is also beneficial from an environmental point of view, because it saves approximately 300 litres of fuel per take-off and landing. The new stands helped ease congestion during peak hours in the morning, and thus enabled us to handle the intensive traffic volumes during the summer vacation period smoothly and efficiently.

We are now able to make a further significant contribution towards the protection of the environment thanks to the introduction in October of a new system that collects wastewater arising from de-icing operations and disposes of it in an ecological manner.

Our acquisition of towing and de-icing vehicles and systems, plus aircraft fuelling and baggage handling facilities from the Swissair group following its collapse represents a further major step towards implementing our declared intention to take control of all airport operating procedures. As our next step we plan to open a new Operations Control Center in 2002 from which we will be able to oversee all operating activities.

Treaty with Germany and modification of operating concept

The treaty between Switzerland and Germany that was concluded in the autumn of 2001 calls for the number of incoming flights over South German airspace to be reduced to 100,000 per annum. Furthermore, it stipulates that the night-time curfew for flights over this area is to be extended from 10 p.m. to 6 a.m. on weekdays and from 8 p.m. to 9 a.m. at weekends and on public holidays. Although this treaty has not yet been approved by either the Swiss or the German Parliament, some of its provisions came into effect immediately after it had been signed, namely those governing the night-time curfew on weekdays. As a consequence, landings after 10 p.m. have had to take place on runway 28 since October. These binding regulations for Unique meant that we have to revise our concepts for night-time operations. We are of course making every effort to ensure that we will be able to satisfy the needs of all airlines with respect to flight schedules.

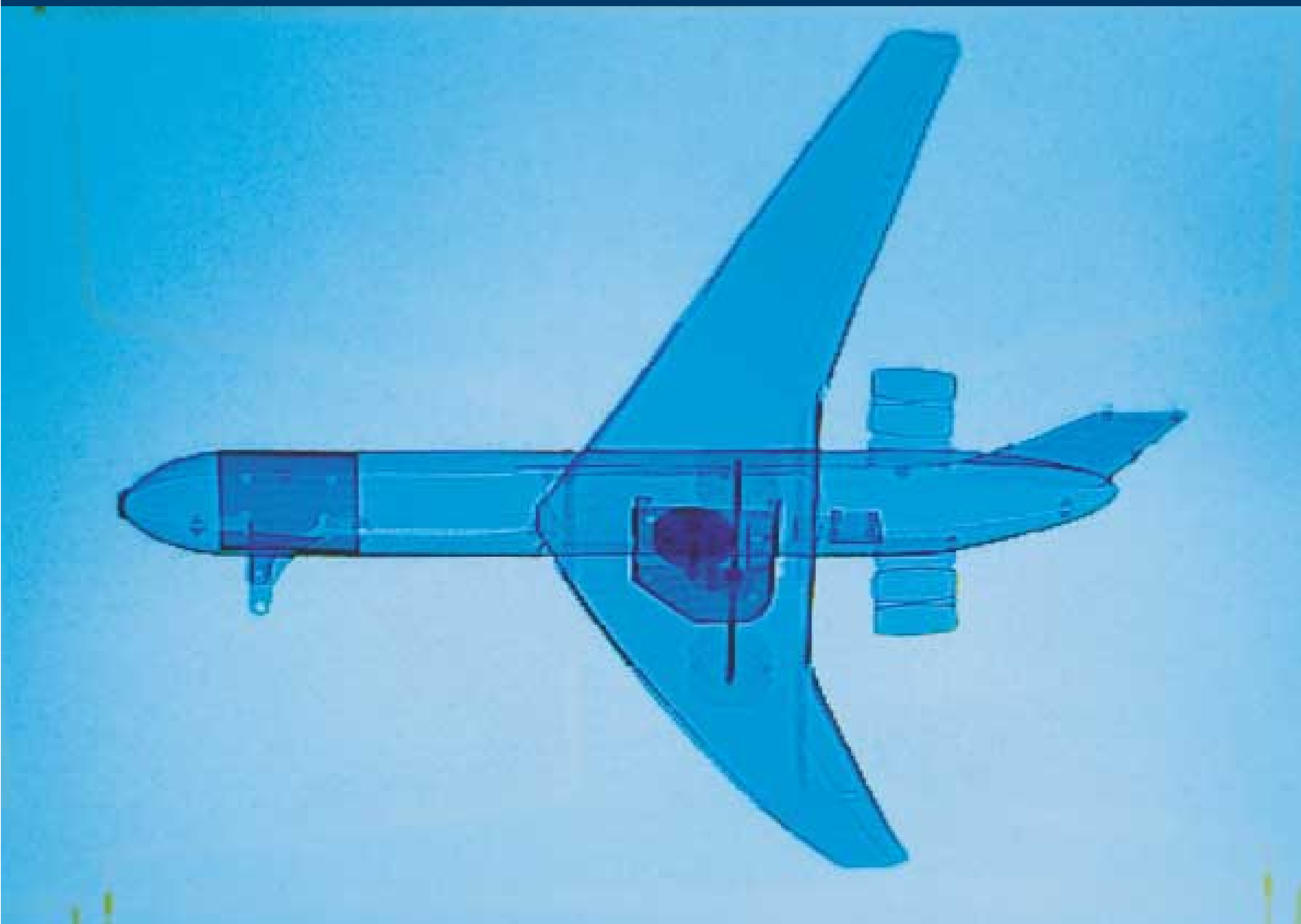
Extraordinary events

During the 2001 World Economic Forum in Davos, a total of 25 foreign official state aircraft landed at Zurich Airport, in addition to the normal schedule. With more than 700 aeroplane and 250 helicopter landings and take-offs in one day, a new record was reached for the month of January.

When 75 aircraft belonging to the Swissair fleet returned to their home base at Zurich Airport on 2 and 3 October 2001, we found ourselves facing unusual and complex tasks relating to the planning and control of stands and aprons. In order to ensure that this sudden influx of aircraft would not interfere with the ongoing operations of other airlines, we had to come up with some fairly unconventional solutions for the allocation of stands and parking of aircraft. Thanks to these measures, we were able to handle all normal operations on these two days without any restrictions. Employees of Unique spontaneously joined in to help the numerous passengers who had been stranded as a result of the grounding.

Immediately after the crash of a Crossair Jumbolino on its approach to runway 28 at the end of November, Unique dispatched the airport fire brigade to assist with rescue and damage limitation efforts on site. Following this accident, all instruments used by Unique for flight operations were thoroughly examined in close collaboration with the Federal Bureau of Aircraft Accidents Investigation, and no irregularities of any sort were detected.

passengers &
security



Security

Towards the end of the year under review, security operations at Zurich Airport had to be greatly intensified as the result of a variety of extraordinary events. Our crisis unit proved to be extremely efficient and effective in overcoming the problems triggered by the terrorist attacks in the USA on 11 September, as well as in dealing with the often chaotic and dramatic situation that arose following the grounding of the Swissair fleet on 2 October, and in the rescue efforts following the crash of a Crossair machine on 24 November. Although passengers and their hand luggage, as well as every single item of checked-in baggage, have been checked since July using advanced X-ray equipment, as a consequence of the terrorist attacks we also had to introduce additional security measures for flights to the USA and the UK and further sensitise our employees to specific aspects relating to security.

The reorganisation of the airport fire brigade and rescue services that was initiated over a year ago was continued in 2001, and we were able to open a new emergency services centre with specialised staff and up-to-date technologies. This modern operations centre also allows Unique to provide an ever-increasing number of municipalities in the canton of Zurich with SOS telephone services (118 and 144). Last year, the airport fire brigade was called into action 1,492 times (prior year, 1,306), while our rescue service responded to 4,958 (4,574) emergency calls.

Landside transport

The proportion of passengers using public transport to get to the airport reached 51 percent. However, the proportion of employees travelling by public transport needs to be significantly improved. To bring about the desired trend, we held talks with numerous representatives of partners of Zurich Airport concerning the possible reasons for this situation, and carried out a survey among employees in which we distributed questionnaires asking them for their views. We then negotiated a deal with the public transport authorities of the canton of Zurich in which they agreed to extend the discount that was previously available to employees of Unique to include all companies operating at Zurich Airport.

Until the terrorist attacks of 11 September, the utilisation of our car-parking facilities was very high, and the shortage of parking spaces became even more acute following commencement of the expansion work on covered car parks B and F. The additional section of car park B was opened in September. As of 1 April, reserved parking spaces were classified according to new quality criteria and rent rates were increased proportionately. The comprehensive construction work on landside traffic connections to the airport has progressed according to schedule.

Terminals and passenger services

During the summer, a new provisional bus gate with eight additional exits was opened to the south of Terminal B. The existing bus gate B was expanded and subsequently reopened for use as passenger lounges, plus a new catering and shopping area. Alongside Star Alliance, which opened its first joint, entirely re-designed lounge in the world here, new passenger lounges have also been opened at Zurich Airport by Air France, Jet Aviation and British Airways.

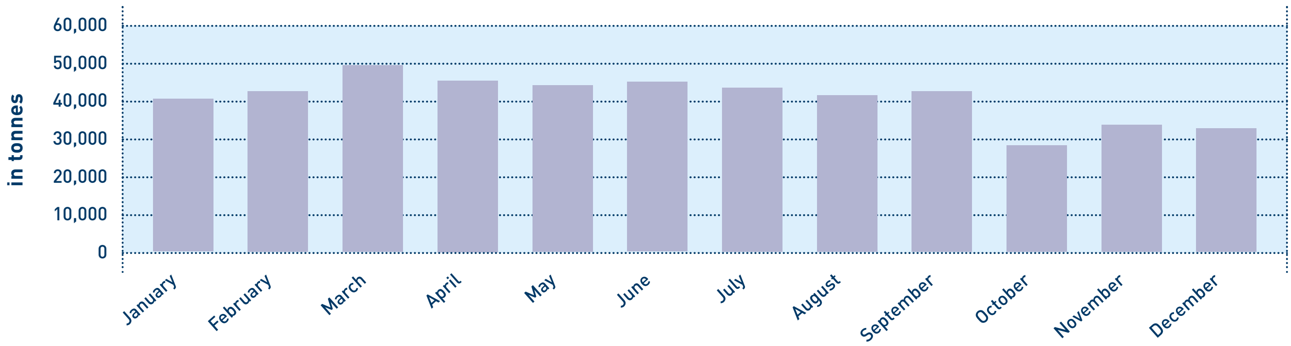
freight

Developments on the market

During 2001, the trend with respect to air freight operations fluctuated sharply. While we recorded significant growth rates in all freight categories during the first quarter, we witnessed a veritable slump in the third quarter. The main factor influencing the progress of freight operations during the year was the global economic slowdown that was essentially triggered by the downturn in the USA. On top of this, the situation resulting from the grounding of the Swissair fleet obviously had a major impact on freight volumes at Zurich Airport. The sudden elimination of numerous intercontinental connections previously provided by Swissair precipitated a drastic fall in the volumes of transported freight in the fourth quarter, given that transfers accounted for 85 percent of intercontinental air freight at Zurich Airport. The planned volume of daily scheduled full-freight flights by Swisscargo also proved to be unrealisable due to the problems surrounding the Swissair group. However, there was a distinct increase in full-freight charter transport. By the end of the year, air freight volumes had picked up again to some extent, but both import and export movements, as well as transfer operations, remained at a considerably lower level than in the previous year. On the other hand, the volume of express freight rose by 20 percent in December versus the same month last year.

Freight volumes, 2001

Monthly freight volumes



Infrastructure

The new freight handling zone that was constructed as part of expansion stage 5 was opened for operation in July. It provides parking spaces for 25 heavy goods vehicles and has greatly eased the landside space problems in the area of freight handling. In view of the still uncertain development of freight volumes at this time, the completion of the final stage of this freight zone has been put on hold.

At the Freight West facilities we optimised the space available to handling agents, upgraded the system for handling valuable items and opened the new battery charging stations for carriage. During the year under review we also completed the construction of a new storage area for the transfer of radioactive goods, and carried out extensive renovations to the premises used by the customs authorities.

We were able to reduce the volume of unused space to a minimum in the area of freight handling.

Services

One of the special services provided at Zurich Airport concerns the care of animals. In close collaboration with the Federal Veterinary Office, we make every effort to ensure that animals that are to be transported by air receive the best possible care and attention.

commerce

Although construction work on expansion stage 5 is increasingly affecting those passenger zones that are used for commercial purposes, we were nonetheless able to continue the development of our non-aviation business during the year under review.

Retail and catering operations during the expansion stage

In order to retain the existing range of retail services during the expansion stage, a number of new locations were put aside for these activities in the transit zone, namely in provisional bus gates B and C and in the shopping concourse in Finger Dock A. Unique is also making every possible effort to ensure that visitors to the airport will have a broad range of catering facilities at their disposal during the expansion stage. For example, "Foodland" – an attractive Pizza/Pasta outlet alongside a Starbucks café – opened for service in May in Transit B. Since the end of January 2002, the "Brasserie" has been offering its essentially French cuisine in a pavilion opposite the "Bye Bye Bar" at the eastern end of the departures hall in Terminal B. Unfortunately, "Top Air" – the first-class restaurant in the departures hall in Terminal A – definitively closed its doors. However, "Restaurant Asia" will continue to serve oriental specialities from its new location on the expanded gallery in the Flags Hall in Terminal A. As a result of these measures, we were able to increase our revenue from catering operations by approximately 25 percent.

Future operations

A first package of requests for tenders was launched in May for nine of the thirty locations that will be available for catering operations after expansion stage 5 has been completed. After a two-stage evaluation process, three different providers were chosen for each of the zones concerned (Midfield, Terminal B and Plaza) on the basis of our overall assessments. Some of these new catering operations are expected to commence trading during the first half of 2002. Requests for tenders for the new retail locations to be installed in Midfield Dock were also launched shortly before the end of the year upon completion of a pre-qualification procedure.

Advertising and promotion

In the course of the year under review, more than 230 new advertising media of varying shapes and sizes were installed at the airport as part of a comprehensive upgrading programme. The new, modern advertising platforms are simple and solid (unbreakable glass) in design, and are also environment-friendly in that they consume up to 50 percent less energy. As a result, they are outstandingly effective as advertising media. We were able to achieve a higher degree of utilisation of advertising space for promotional events, and thus to improve the standard of quality of the various events concerned. In this segment we succeeded in increasing our revenue by around 33 percent.

Real estate

Alongside direct users, a large number of companies of all sizes have expressed a keen interest in renting premises at Zurich Airport. Although the collapse of the Swissair group resulted in the termination of numerous rental agreements, we have already succeeded in re-letting a large proportion of the vacated premises, partly in association with the formation of the new Swiss airline. This means that, although some of our property remained temporarily vacant, we have meanwhile rented practically all objects for the first half of 2002.
With respect to the heat and power supply for the airport infrastructure, we were able to more than double our electricity production thanks to the addition of a 5 MW gas turbine to accompany the existing thermal power plant. Unique's combined heat and power unit now meets the most advanced power plant criteria and is exemplary in terms of both fuel utilisation and environmental protection.

Other services

A variety of facilities such as Web pay phones, video mail, video games, toys, etc., have been installed around the airport as additional services within our new consumer equipment concept.
As far as the operation of an airport hotel is concerned, a preliminary agreement has been signed with Radisson SAS concerning a four-star hotel with 350 beds. This project has been put on hold in view of the current situation.

consulting
and services

Expansion project management

Stage 5 of the expansion of the airport infrastructure has progressed according to schedule. During the year under review, the investments relating to this major project amounted to more than half a billion Swiss francs. Around 1,000 people are involved in this project, some of them working in shifts to enable uninterrupted activity right around the clock. The topping-out ceremony for Midfield Dock took place in July, and the glass facades were in place before the onset of winter. At present, work is advancing on the internal fittings and the assembly of the passenger bridges. With respect to Skymetro – the underground railway linking the existing terminals to Midfield Dock – we are now back on schedule (following delays caused by objections) thanks to rapid progress in the construction of the tunnels. Most of the technical installations are now in place, and we have already taken delivery of the first Skymetro carriages. Within the main airport building, the structural engineering works for the underground arrivals hall and Skymetro station have been completed, while work is currently under way on the check-in zone above the airport railway station and New Plaza. The activities associated with the construction of the new Airside Center – which in future will function as the main hub for all departing and transferring passengers as well as the new services centre – will increasingly encroach on the existing terminals (A and B) in the course of 2002, and this means that the co-ordination between construction work and airport operations will need to be very carefully planned.

Looking ahead to the opening of Midfield Dock (for which an exact date has not yet been specified), together with its taxiways, aircraft stands, road tunnel and Skymetro, a separate organisational project has been initiated in which our partners are to be included. The actual opening date for Midfield Dock has not yet been specified. The aim here is to ensure that it will be possible for operating procedures that are characterised by mutual dependencies to be able to function correctly and reliably immediately after Midfield Dock is officially opened.

Harmonisation of all activities surrounding the new operating regulations

With the aim of optimising operating conditions at Zurich Airport so as to best accommodate demand, Unique has packaged together all those activities that concern basic conditions into an overlying project. Within the scope of this project, the main topics dealt with during the year under review were the renewal of the operating licence and operating regulations, and the impacts of the new treaty between Switzerland and Germany governing flight movements to and from Zurich Airport over German territory. Since negotiations with Germany had not been concluded at the time we were granted the operating licence, and we were therefore not yet able to define our future operating procedures, we also had to postpone the preparation of our environmental compatibility report on future noise impacts. In accordance with the provisions of the operating licence, this must be completed within one year after conclusion of the treaty as part of the process of amending our operating regulations. For the purpose of this revision process, we also have to identify the foreseeable long-term trends and potential operating concepts so that we will be able to take the necessary area planning measures associated with the future flight operations. In October, Unique presented five options (without prejudicial recognition) for the future operation of the airport that are compatible with the fixed provisions of the treaty. These options are now being debated by the authorities and the general public, and it will subsequently be possible for the selected option to be incorporated into the federal government's Civil Aviation Infrastructure Plan, and for Unique to then submit its application for approval of its revised operating regulations.

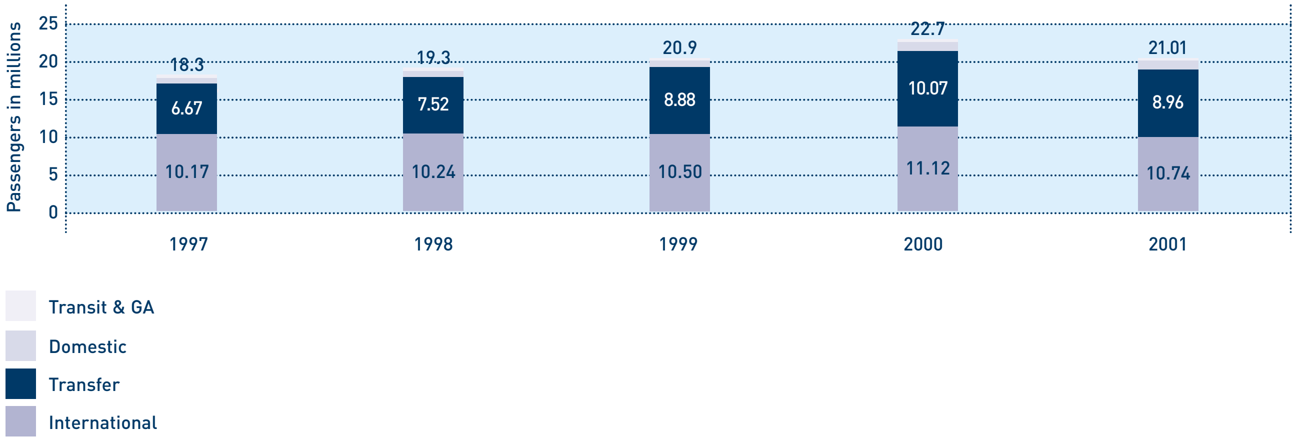
Protection of the environment

The principal focus of our efforts in the area of environmental protection was on completing and introducing our "Environmental Management System", which was implemented at the end of the year following the award of an ISO 14001 certificate. We therefore now possess our own advanced tool for continually improving our efforts to better care for the environment. Furthermore, our Environmental Protection section introduced a quality management system in accordance with ISO 9001. To an increasing extent, we are also able to incorporate findings obtained from ecological training activities undertaken on behalf of external clients into our own efforts. Our environmental report, which was examined by an independent body for the first time, is to be published separately.

traffic statistics

Passenger volumes

	2001	2000	1999	1998	1997
Total no. of passengers	21,012,871	22,675,366	20,925,667	19,326,589	18,318,360
Change	–7.3%	8.4%	8.3%	5.5%	12.5%
By passenger category					
International	10,738,439	11,124,284	10,498,162	10,239,881	10,169,909
Change	–3.5%	6.0%	2.5%	0.7%	4.1%
Transfer	8,959,558	10,068,036	8,879,782	7,516,976	6,668,096
Change	–11.0%	13.4%	18.1%	12.7%	30.8%
Domestic	1,115,541	1,253,274	1,264,790	1,145,969	1,032,509
Change	–11.1%	–0.9%	10.4%	11.0%	11.1%
Transit	157,204	181,799	232,577	373,956	398,008
Change	–13.5%	–21.8%	–37.8%	–6.0%	–7.5%
General aviation	42,130	47,973	50,356	49,807	49,838
Change	–14.3%	–4.7%	1.1%	–0.1%	–1.6%
By flight category					
Scheduled flights	18,916,434	20,551,503	18,876,843	17,142,169	15,827,572
Change	–8.0%	8.9%	10.1%	8.3%	13.1%
Swiss airlines	13,386,227	14,483,050	13,121,143	11,407,710	10,145,433
Change	–7.6%	10.4%	15.0%	12.4%	21.9%
Foreign airlines	5,530,207	6,068,453	5,755,700	5,734,459	5,682,139
Change	–8.9%	5.4%	0.4%	0.9%	0.1%
Charter and special flights	2,054,307	2,075,890	1,998,468	2,134,613	2,440,950
Change	–1.0%	3.9%	–6.4%	–12.5%	9.6%
Swiss airlines	1,524,660	1,422,044	1,421,549	1,537,982	1,825,636
Change	7.2%	0.0%	–7.6%	–15.8%	28.9%
Foreign airlines	529,647	653,846	576,919	596,631	615,314
Change	–19.0%	13.3%	–3.3%	–3.0%	–24.2%
General aviation and other flights	42,130	47,973	50,356	49,807	49,838
Change	–14.3%	–4.7%	1.1%	–0.1%	–1.6%
Seating capacity utilisation *)	63.7%	64.0%	63.8%	63.9%	63.3%
Change					
*) Proportion of occupied seats					
Passengers per flight	68.0	69.6	68.3	67.1	66.3
Change	–4.0%	1.9%	1.8%	1.2%	5.2%
Capacity	77.5	79.5	79.1	79.2	78.5
Change	–2.5%	0.5%	–0.1%	0.9%	4.2%
	2001				
Daily average	57,568				
Peak day	85,750 Saturday 28 July 2001				

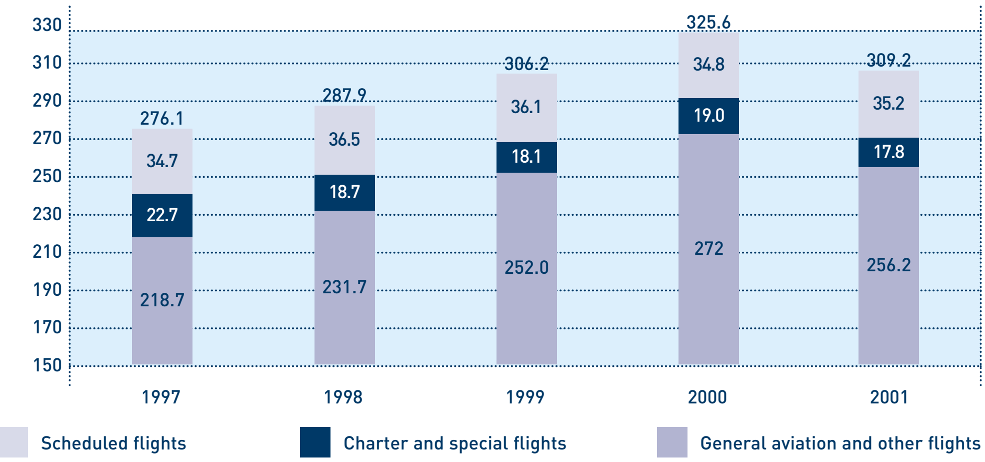


Movements

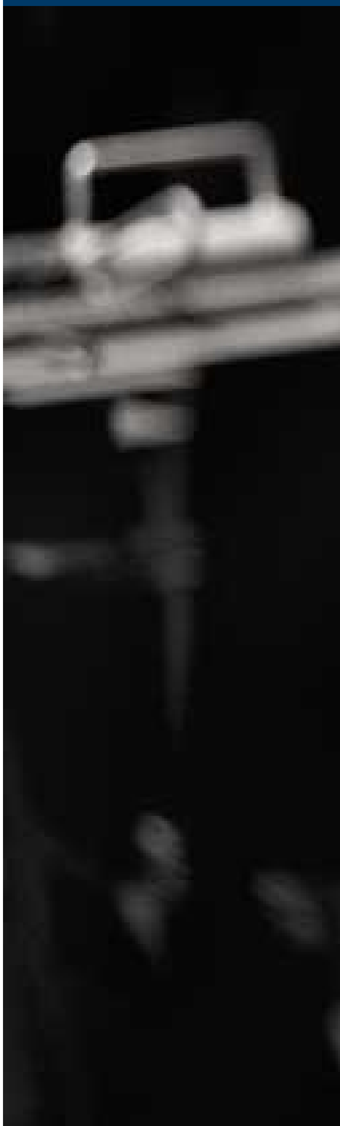
	2001	2000	1999	1998	1997
Total movements (Europe)	309,230	325,622	306,182	287,885	276,131
Change	–5.0%	6.3%	6.4%	4.3%	7.0%
By business category					
Commercial flights	285,605	302,792	280,985	261,961	251,129
Change	–5.7%	7.7%	7.3%	4.3%	7.4%
Non-commercial flights	23,625	22,830	25,197	25,924	25,002
Change	3.5%	–9.4%	–2.8%	3.7%	2.9%
By flight category					
Scheduled flights	256,244	271,838	252,018	231,738	218,726
Change	–5.7%	7.9%	8.8%	5.9%	7.6%
Charter and special flights	17,810	19,029	18,088	18,686	22,739
Change	–6.4%	5.2%	–3.2%	–17.8%	7.2%
General aviation and other flights	35,176	34,755	36,076	36,461	34,666
Change	1.2%	–3.7%	–1.1%	5.2%	3.2%
By origin and destination					
Switzerland (domestic)	18,955	21,800	21,615	20,468	19,579
Change	–13.1%	0.9%	5.6%	4.5%	–10.4%
Europe	219,782	225,697	208,578	193,269	184,646
Change	–2.6%	8.2%	7.9%	4.7%	9.8%
Africa	9,212	9,667	9,122	8,465	9,480
Change	–4.7%	6.0%	7.8%	–10.7%	14.4%
Asia	12,610	19,891	18,709	17,868	17,373
Change	–36.6%	6.3%	4.7%	2.8%	8.8%
South America	1,611	1,462	1,737	1,745	1,561
Change	10.2%	–15.8%	–0.5%	11.8%	–7.3%
USA/Canada	11,883	12,350	10,347	9,609	8,826
Change	–3.8%	19.4%	7.7%	8.9%	5.1%
By type of aircraft					
Combined passenger/cargo	308,437	325,019	306,057	287,751	276,043
Change versus previous year	–5.1%	6.2%	6.4%	4.2%	7.0%
Full freighters	793	603	125	94	88
Change versus previous year	31.5%	382.4%	33.0%	6.8%	–1.1%

	2001	2000
Daily averages		
– commercial flights	782	827
– non-commercial flights	65	63
Total	847	890
Peak day	915 Thursday 12 April 2001	
Peak hour	84 Wednesday 25 July 2001	

Trends in traffic movements movements in thousands



traffic statistics

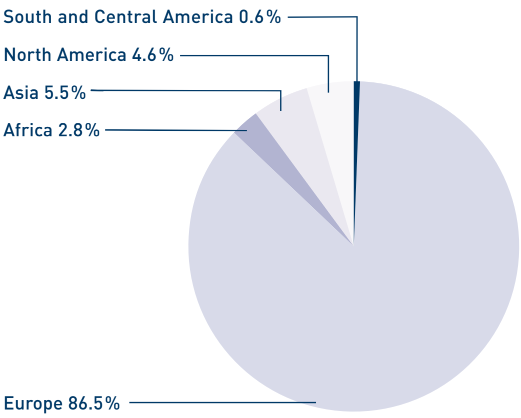


Freight and mail

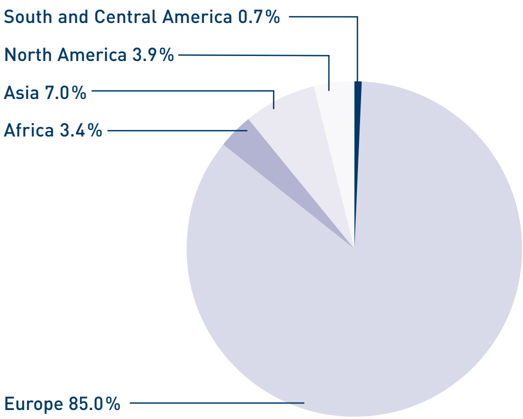
Europe	2001	2000	1999	1998	1997
Freight in tonnes	492,872	545,423	495,090	473,704	472,273
Change	−9.6%	10.2%	4.5%	0.3%	6.0%
By type of transport					
Air freight	352,607	395,142	356,643	329,842	335,028
Change	−10.8%	10.8%	8.1%	−1.5%	3.9%
Road freight	140,265	150,281	138,447	143,862	137,245
Change	−6.7%	8.5%	−3.8%	4.8%	11.5%
Mail in tonnes	21,680	22,843	21,806	20,824	20,273
Change	−5.1%	4.8%	4.7%	2.7%	15.5%

	2001	2000	1999	1998	1997
Number of airlines					
Scheduled flights	70	69	71	70	67
Charter flights	61	61	60	54	59
Destinations (cities)					
Europe	92	105	101	110	94
Africa	25	25	26	31	28
Asia	33	30	33	35	31
North America	17	13	11	15	15
Central & South America	9	6	8	6	6
Total	176	179	179	197	174
Destinations (countries)					
Europe	34	34	35	36	36
Africa	15	17	18	19	20
Asia	24	22	23	21	18
North America	2	2	2	2	2
Central & South America	6	4	5	4	4
Total	81	79	83	82	80

Origin and destination by movements (2001)



Origin and destination by movements (2000)



Airlines in Zurich (2001)

Scheduled flights

Adria Airways (Slovenia)
Aeroflot Russian Intern. Airlines
Air Alps
Air Canada
Air Europa, Lineas Aéreas S.A.
Air Europe SpA (Italy) **
Air France
Air Glacier
Air Littoral (France) **
Air Malta
Air Mauritius
Air Portugal
Air Seychelles
Albanian Airlines MAK
Alitalia
American Airlines
AOM – French Airlines **
AUA, Austrian Airlines
Avioimpex
Balkan, Bulgarian Airlines
Base – Regional Airlines **
British Airways
Cathay Pacific Airways **
Cityflyer Express (UK) **
Continental Airlines (USA)
Croatia Airlines
Crossair
CSA, Czech Airlines
Cyprus Airways
Delta Air Lines (USA)
Deutsche Lufthansa
Easy Jet Airline Co. Ltd.
Easy Jet Switzerland S.A.
Egyptair
EL AL, Israel Airlines
Emirates
Eurowings (Germany)
Finnair
Gandalf Airlines (Italy) **
Iberia
Icelandair
Japan Air Lines
JAT, Yugoslav Airlines
KLM, Royal Dutch Airlines
Korean Airlines
Lauda Air
LOT, Polskie Linie Lotnicze
Maersk Air
Malev, Hungarian Airlines
MAS, Malaysian Airlines System
Meridiana (Italy)
Olympic Airways
Royal Air Maroc
Royal Jordanian Airline *
SAA, South African Airways
Sabena **
SAS, Scandinavian Airlines System
Singapore Airlines
Srilankan Airlines LTD
Swissair
Swisswings
TACV Cabo Verde Airlines
TAM, Linhas Aereas S.A. (Brazil) *
TAP, Air Portugal
Thai Airways International
THY, Turkish Airlines
Tunis Air
Tyrolean Airways **
Virgin Express (Belgium) *
Volare Airlines (Italy) **

Total 70 airlines

*) = commenced operation during 2001
**) = ceased operation during 2001

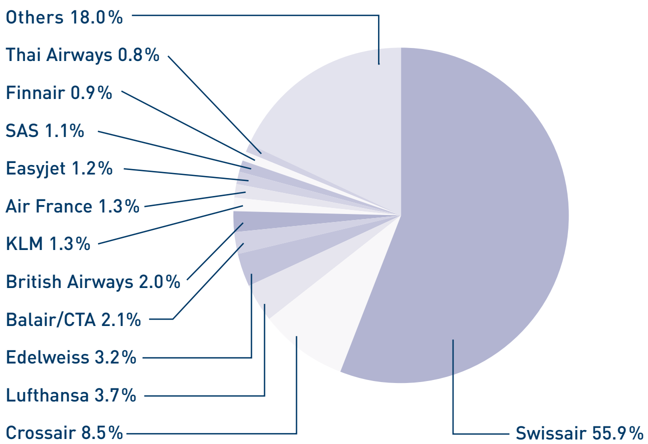
Charter and special flights

Aero Freight Airlines Russ. Fed.)
Air Anatolia (Turkey)
Air Commerce (Bosnia)
Air Liberté (Tunisia)
Air Plus Comet (Spain)
Air Slovakia BMJ LTD (Slovakia)
Air Srpska (Bosnia)
Air Jet (France)
Alpi Eagles SPA (Italy) **
Aviogenex (Yugoslavia) **
Avioimpex (Macedonia)
Azzura Air (Italy)
Air Belgium (Belgium)
Balair/CTA (Switzerland) **
Belair Airlines AG (Switzerland) *
Braathens ASA (Norway)
British World Airlines (UK)
Cargo Lux Internat. (Luxembourg)
City Bird (Belgium) **
Classic Air AG (Switzerland)
Condor Flugdienst (Germany)
Corse Air International (France)
Croatia Airlines (Croatia)
Dardan AIR (Bosnia)
ECA (France)
Edelweiss Air (Switzerland)
Eurofly (Italy) **
Farner Air Transport AG (Switzerland)
Flightline (UK) **
Frosch Touristik (Germany)
Futura Int. Airways (Spain)
Hamburg Intern. Luftverk. (Germany)
Heliopolis Airline (Egypt)
Helios Airways Ltd. (Cyprus)
Hemus Air (Bulgaria)
Iberworld Airlines S.A. (Spain)
Khalifa Airways (Algeria) **
Lauda Air (Austria)
Macedonian Airlines (Macedonia)
Maersk Air (Denmark)
Meridiana (Italy)
Monarch Airlines (UK)
Montenegro Airlines (Yugoslavia)
Omni Air Express (USA) *
Onur Air (Turkey)
Pegasus (Turkey)
Portugalia (Portugal)
Proteus Air System (France) **
Rheintalflug (Germany)
South Atlantic Airways (Spain) *
Spanair (Spain)
Sun Air of Scandinavia (Denmark) *
Sun Express (Turkey)
Transavia (Netherlands)
Turkmenistan Airline *
Tyrolean Jet Service (Austria)
UPS Worldwide (USA)
Ukraine Cargo Airway (Ukraine)
Uzbekistan Airways (Uzbekistan)
Vlaamse Luchttransportm. (Belgium)
Welcome Air Luftfahrt (Austria)

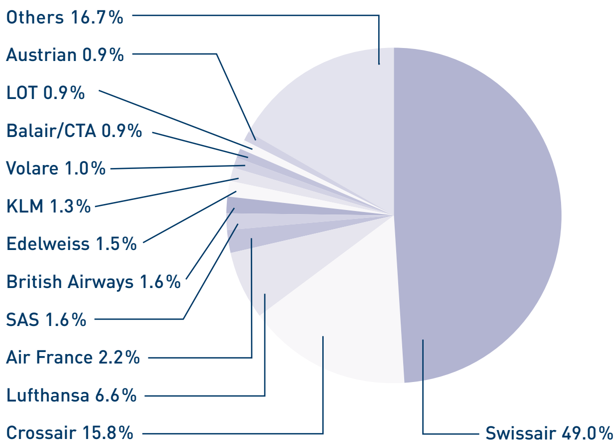
Total 61 airlines

*) = commenced operation during 2001
**) = ceased operation during 2001

Passengers by airline (2001)



Flights by airline (2001)



Origin and destination of movements by country

	Scheduled flights	Charter flights	Total	in %
Europe				
Albania	715	3	718	0.3%
Austria	14,771	169	14,940	5.5%
Belgium	5,055	62	5,117	1.9%
Bosnia	712	96	808	0.3%
Bulgaria	549	62	611	0.2%
Cyprus	862	540	1,402	0.5%
Czech Republic/Slovakia	3,077	10	3,087	1.1%
Denmark	6,267	29	6,296	2.3%
Finland	2,081	39	2,120	0.8%
France	18,057	327	18,384	6.7%
Greece	2,798	2,020	4,818	1.8%
Germany	56,207	849	57,056	20.8%
Hungary	3,238	42	3,280	1.2%
Iceland	22	14	36	0.0%
Ireland	728	145	873	0.3%
Italy	18,987	921	19,908	7.3%
Latvia/Lithuania	0	6	6	0.0%
Luxembourg	2,163	11	2,174	0.8%
Macedonia	1,219	841	2,060	0.8%
Malta	786	0	786	0.3%
Netherlands	7,236	66	7,302	2.7%
Norway	1,916	17	1,933	0.7%
Poland	4,420	8	4,428	1.6%
Portugal	3,658	361	4,019	1.5%
Romania	1,388	8	1,396	0.5%
Russian Federation	2,315	69	2,384	0.9%
Serbia	0	228	228	0.1%
Slovenia/Croatia	3,372	12	3,384	1.2%
Spain	10,986	2,092	13,078	4.8%
Sweden	5,742	30	5,772	2.1%
Turkey	2,687	241	2,928	1.1%
Ukraine	660	4	664	0.2%
United Kingdom	20,557	219	20,776	7.6%
Yugoslavia	2,164	2,323	4,487	1.6%
Domestic flights	18,310	645	18,955	6.9%
Total Europe	**223,705**	**12,509**	**236,214**	**86.2%**
Africa	5,469	3,743	9,212	3.4%
Asia	14,081	1,051	15,132	5.5%
North America	11,753	132	11,885	4.3%
South and Central America	1,236	375	1,611	0.6%
Total Africa, Asia, North America, South & Central America	**32,539**	**5,301**	**37,840**	**13.8%**
Overall total	**256,244**	**17,810**	**274,054**	**100.0%**

Market positioning 2001 – flight statistics

Number of passengers

	in millions	Change in %
London-Heathrow	60.4	–0.4%
Frankfurt	48.3	–1.5%
Paris-CDG	47.9	–0.4%
Amsterdam	39.3	0.1%
Madrid	33.8	3.3%
London-Gatwick	31.1	–2.7%
Rome	25.1	–2.9%
Munich	23.5	2.4%
Paris-Orly	23.0	–9.0%
Zurich	**21.0**	**–5.7%**
Barcelona	20.5	5.4%
Manchester	20.2	22.1%
Brussels	19.5	–9.3%

Number of commercial movements

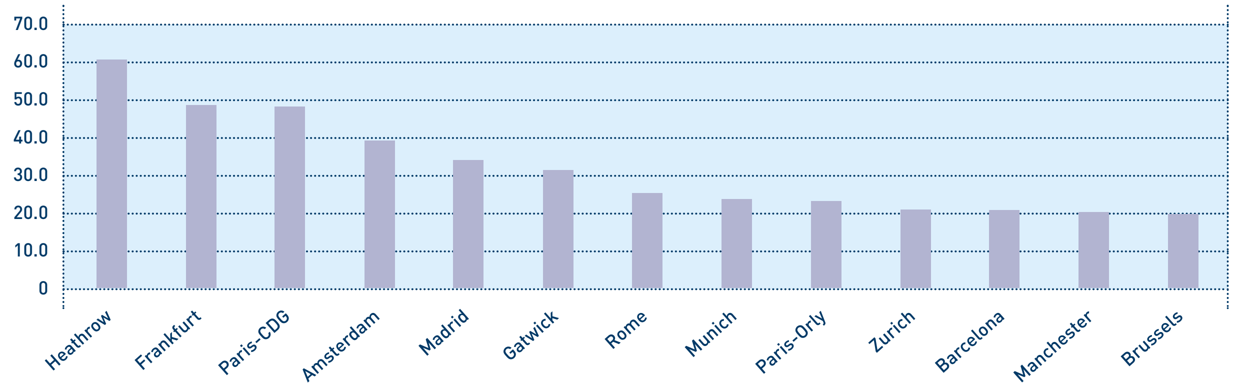
	in thousands	Change in %
Paris-CDG	515.1	1.3%
London-Heathrow	457.6	–0.4%
Frankfurt	440.2	–0.1%
Amsterdam	416.6	0.4%
Madrid	374.7	4.8%
Munich	310.3	6.7%
Brussels	286.8	–6.0%
Zurich	**285.6**	**–5.7%**
Copenhagen	284.9	–4.9%
Rome	283.7	0.1%
Barcelona	270.3	6.5%
Stockholm	251.6	0.6%
London-Gatwick	245.2	–2.9%

Freight

	in thousands	Change in %
Frankfurt	1,476,375	–6.2%
Paris-CDG	1,360,500	–3.5%
Amsterdam	1,181,636	–3.1%
London-Heathrow	1,180,287	–9.7%
Brussels	559,916	–12.5%
Zurich	**492,872**	**–10.3%**
Copenhagen	379,037	–9.6%
Madrid	294,807	–5.1%
London-Gatwick	280,062	–12.4%
Milan Malpensa	277,592	–2.6%
London-Stansted	167,371	–0.8%
Rome	133,979	–13.2%
Munich	123,385	–1.2%

Market positioning

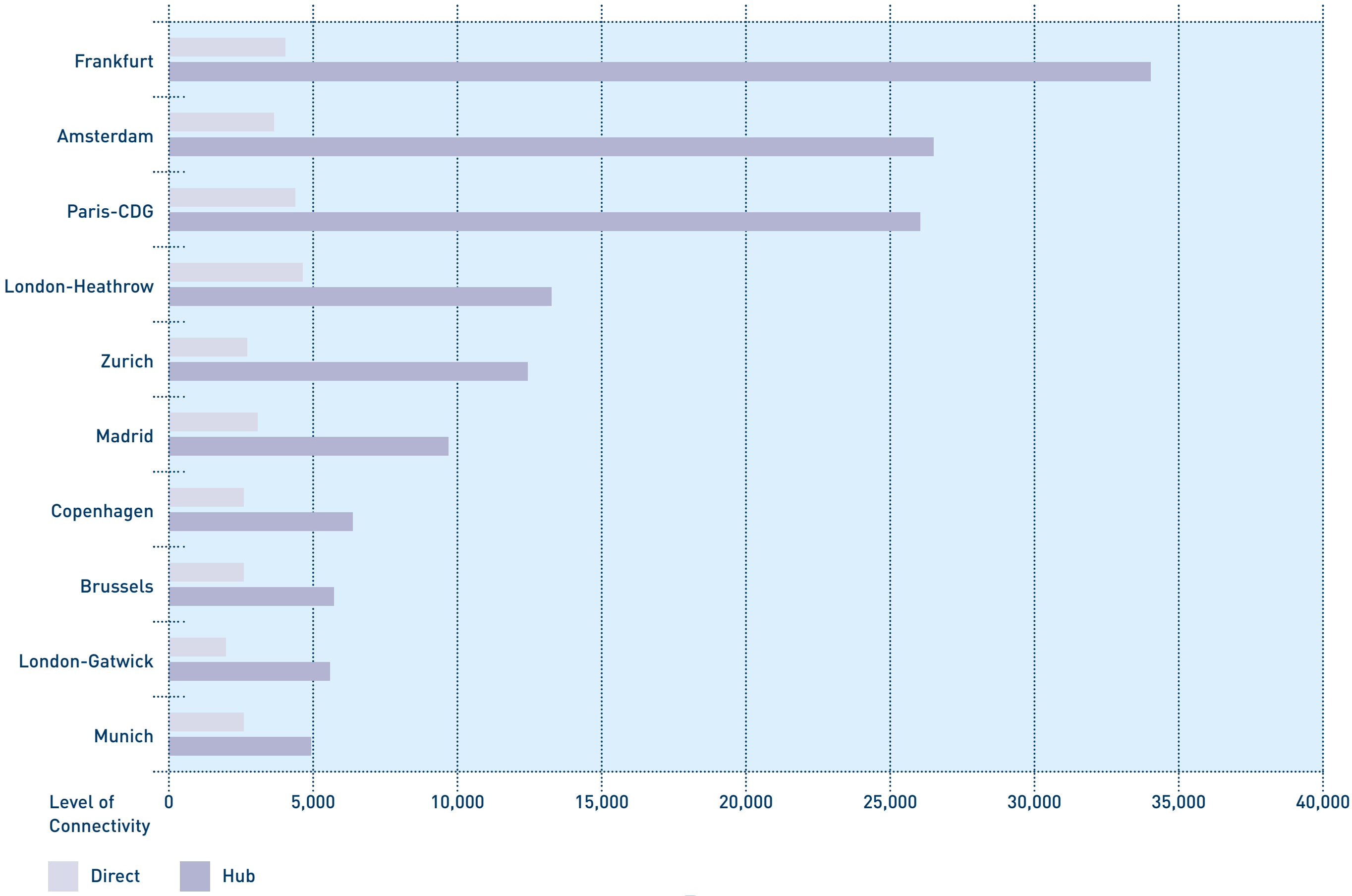
Passengers in millions



Number of connections 1999*) (connectivity)

	No. of hub connections**) (hub)	No. of direct connections (direct)
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 *) Figures for 2000 and 2001 not yet available **) = connections involving transfers



Flight frequencies at the intercontinental airport of Zurich, 1950 to 2001

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
2001	18,916,434	2,054,307	42,130	21,012,871

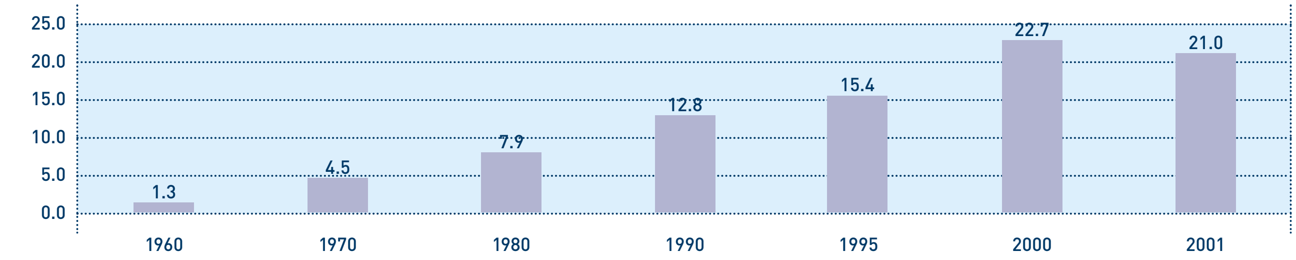
Aircraft movements

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
2001	256,244	17,810	35,176	309,230

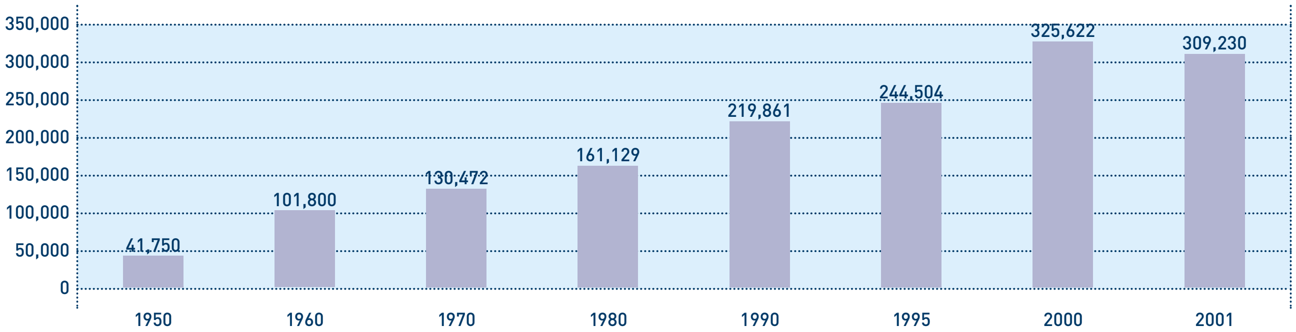
Freight

Year	Air freight	Road freight	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
2001	352,607	140,265	492,872

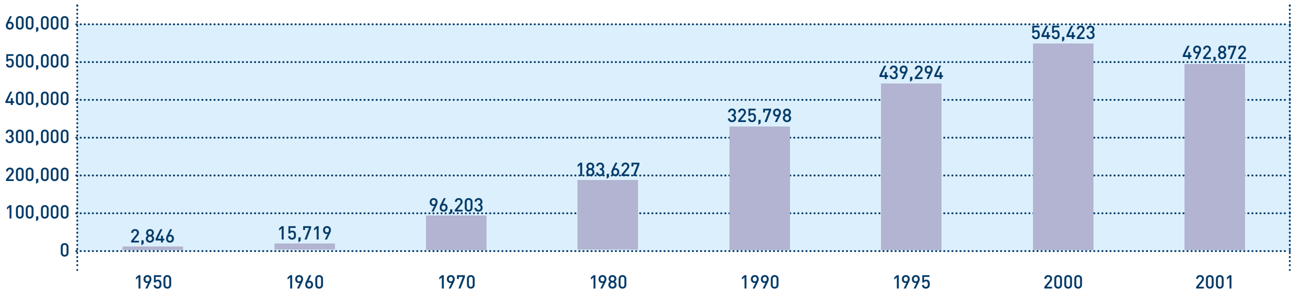
Passengers in millions



Movements in thousands



Freight in tonnes



destinations

Direct services from Zurich, 2001

Scheduled flights, summer 2001

Europe

Alicante
Amsterdam
Antwerp*
Athens
Barcelona
Basle
Belgrade
Bergamo*
Berlin (Tegel)
Bilbao
Billund*
Birmingham
Bologna*
Bremen
Brussels
Bucharest
Budapest
Catania*
Cologne
Copenhagen
Cracow
Dortmund
Dresden
Dublin
Duesseldorf
Edinburgh*
Eindhoven*
Florence
Frankfurt
Geneva
Genoa*
Gothenburg
Graz
Guernsey
Hamburg
Hanover
Helsinki
Innsbruck
Istanbul
Jersey
Katowice*
Keflavik*
Kiev
Klagenfurt
La Mole (St. Tropez) *
Larnaca
Leipzig
Linz
Lisbon
Ljubljana
London (Heathrow)
London (Gatwick)
London (City)
London (Luton)
London (Stansted)
Lugano
Luxembourg
Lyons
Madrid
Malaga
Malta
Manchester
Marina di Campo (Elba)*
Marseilles*
Milan
Moscow
Muenster
Munich
Nice
Nuremberg
Ohrid
Olbia*
Oslo
Paderborn*
Palma de Mallorca
Paphos*
Paris (CDG)
Paris (ORY)*
Porto
Prague
Pristina
Rome
Rotterdam*
Salzburg
Santiago de Compostela
Sarajevo
Shannon*
Sion
Skopje
Sofia
Split*
Stockholm
St. Petersburg*
Stuttgart
Thessaloniki
Tirana
Toulouse
Turin*
Valencia
Venice
Vienna
Warsaw
Zagreb

Africa

Abidjan*
Accra
Benghazi
Cairo
Dar es Salaam
Djerba
Douala
Hurghada
Johannesburg
Lagos*
Libreville
Luxor
Mahe
Malabo*
Marrakesh
Mauritius
Nairobi*
Sal (Cap Verdi Islands)*
Sharm el Sheikh
Tozeur*
Tripoli
Tunis
Yaounde

Asia

Abu Dhabi
Adana*
Amman
Ankara
Baku*
Bangkok
Beijing
Beirut*
Bombay
Colombo
Delhi
Dubai
Erivan*
Hong Kong
Izmir*
Jeddah
Karachi
Kuala Lumpur
Male*
Manila
Muscat
Osaka*
Saigon (Ho Chi Min City)*
Seoul*
Shanghai*
Singapore
Taipei*
Teheran
Tel Aviv
Tiflis*
Tokyo

Central and South America

Buenos Aires
Cancun*
Ciego de Avala*
Holguin*
Puerto Plata
Punta Cana*
Rio de Janeiro
Santiago de Chile
São Paulo
Varadero*

North America

Atlanta
Boston
Chicago
Dallas
Los Angeles
Miami
Montreal
New York
Newark
San Francisco*
Toronto
Washington

*Destinations no longer served as of the end of 2001 (in some cases this is largely attributable to seasonal factors)

Destination airports and countries

	Cities	Countries
Europe	103	34
Africa	23	15
Asia	31	23
North America	12	2
Central and South America	10	6
Total	179	80

financial report

Group financial statements according to IAS

Group profit and loss statement for 2001 and 2000 (according to IAS)

(CHF thousand)

	Notes	2001	2000
Income from sales of products and services		538,644	522,783
Bad debt write-offs		(918)	(292)
Total income	**(1)**	**537,726**	**522,491**
Personnel expenses	(2)	(127,856)	(112,121)
Ordinary depreciation and amortisation	(8)	(128,856)	(109,611)
Depreciation and amortisation (impairment)	(8)	(49,601)	0
Police and security		(72,497)	(69,735)
Bad debt write-offs (SAirGroup crisis)	(3)	(42,450)	0
Maintenance and materials		(34,935)	(31,961)
Sales, marketing, administration		(30,997)	(23,575)
Energy and waste		(22,481)	(16,931)
Other operating expenses	(4)	(20,421)	(16,796)
Other expenses/income	(5)	42	(430)
Profit before interest and taxes		**7,674**	**141,331**
Financial result	(6)	(47,958)	(30,175)
Profit/(loss) before taxes		**(40,284)**	**111,156**
Income taxes	(7)	4,039	(21,374)
Profit/(loss) after taxes		**(36,245)**	**89,782**
Earnings/(loss) per share	CHF	(7.48)	18.29

Group balance sheet as of 31 December 2001 and 31 December 2000 (according to IAS)

(CHF thousand)

	Notes	31.12.01	31.12.00
Assets			
Movables	(8)	74,704	50,316
Buildings, engineering structures	(8)	1,265,817	1,130,746
Land	(8)	111,164	110,511
Projects in progress	(8)	982,078	691,068
Total fixed assets (net)	**(8)**	**2,433,763**	**1,982,641**
Intangible assets	(8)	27,443	21,863
Financial assets	(9)	30,477	4,175
Non-current assets		**2,491,683**	**2,008,679**
Inventories		2,347	2,247
Receivables arising from sales of goods and services	(10)	80,152	67,197
Other receivables and prepaid expenses	(11)	59,021	69,440
Cash and cash equivalents		10,970	4,091
Current assets		**152,490**	**142,975**
Total assets		**2,644,173**	**2,151,654**
Liabilities			
Share capital	(12)	245,615	245,615
Capital reserves	(12)	343,590	344,674
Own shares	(12)	(25,430)	(4,858)
Retained earnings		269,342	346,057
Shareholders' equity	**(12)**	**833,117**	**931,488**
Debentures [1]	(13)	1,116,406	619,176
Long-term leasing liabilities	(13)	30,486	0
Deferred tax liabilities	(15)	77,296	85,641
Airport of Zurich Noise Fund	(13/14)	24,772	(2,720)
Retirement benefit plans	(16)	5,718	6,089
Other long-term borrowings		224	0
Long-term debt		**1,254,902**	**708,186**
Liabilities arising from purchases of goods and services		39,747	53,612
Short-term financial liabilities	(13)	405,057	376,845
Other short-term debt, accruals and deferrals	(17)	111,195	57,770
Current tax liabilities		155	23,753
Short-term debt		**556,154**	**511,980**
Total debt		**1,811,056**	**1,220,166**
Total liabilities		**2,644,173**	**2,151,654**

[1] Debentures now shown net after deduction of issuing costs (year 2000 figures restated)

Change in group equity (according to IAS)

(CHF thousand)

	Share capital	Own shares	Capital reserves	Retained earnings	Shareholders' equity
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)
Distribution of own shares		359	(359)		0
Change in tax rate				(8,144)	(8,144)
Group profit, 2000				89,782	89,782
Balance sheet at 31.12.2000	**245,615**	**(4,858)**	**344,674**	**346,057**	**931,488**
Effect of initial application of IAS 39				(13,551)	(13,551)
Balance sheet at 1.1.2001	**245,615**	**(4,858)**	**344,674**	**332,506**	**917,937**
Dividend payment, 2000				(26,919)	(26,919)
Purchase of own shares		(21,657)			(21,657)
Distribution of own shares		1,085	(1,085)		0
Group loss, 2001				(36,245)	(36,245)
Balance sheet at 31.12.2001	**245,615**	**(25,430)**	**343,590**	**269,342**	**833,117**

Group cash flow statement (according to IAS)

(CHF thousand)

	2001	2000
Profit before interest and taxes	7,674	143,461
Depreciation and amortisation of		
Buildings and engineering structures	161,334	100,496
Movables	10,946	9,846
Intangible assets	11,683	4,864
Dissolution of government subsidies		
Buildings and engineering structures	(5,496)	(5,589)
Movables	(6)	(6)
Valuation adjustments of financial assets	1,713	0
Earnings from disposal of fixed assets (net)	(1,343)	0
Increase (–)/decrease (+) in current assets, excluding cash & cash equivalents	(2,331)	(49,825)
Increase (+)/decrease (–) in short-term debt excluding short-term financial liabilities	7,233	2,809
Increase (+)/decrease (–) in Airport of Zurich Noise Fund	26,981	(2,660)
Increase (+)/decrease (–) in provisions for retirement benefits	(371)	1,253
Increase (+)/decrease (–) in other long-term borrowings	224	0
Capitalised borrowing costs	14,482	4,818
Cash flow from taxes	(23,861)	(2,935)
Cash flow from business activities	**208,862**	**206,532**
Investments in fixed assets		
Land	(653)	(10,511)
Buildings under construction	(564,164)	(477,401)
Movables	(29,382)	(2,704)
Intangible assets	(8,709)	(3,820)
Disposals of fixed assets		
Buildings and engineering structures	4,604	0
Movables	77	0
Acquisition of holdings	(71)	0
Investments in financial assets	(30,327)	(2,000)
Interest income	1,543	219
Cash flow from investments	**(627,082)**	**(496,217)**
Change in short-term financial liabilities (excluding debentures)	175,900	47,100
Issue of debenture	495,652	300,000
Redemption of debenture	(150,000)	0
Repayment of debt to Canton of Zurich	0	(9,663)
Repayment of other long-term debts	0	(237)
Issuing charge from increase in share capital	0	(10,674)
Dividend payment for previous year	(26,919)	(7,700)
Acquisition of own shares	(21,657)	(5,217)
Interest paid	(47,877)	(27,428)
Cash flow from financing activities	**425,099**	**286,181**
Increase (reduction) in cash & cash equivalents	**6,879**	**(3,504)**
Balance at beginning of financial year	4,091	7,595
Increase (reduction) in cash & cash equivalents	6,879	(3,504)
Balance at end of financial year	**10,970**	**4,091**
Composition of cash & cash equivalents		
Cash on hand, at banks and in postal cheque accounts	10,821	3,680
Short-term cash deposits maturing within 90 days	149	411
Balance at end of financial year	**10,970**	**4,091**

Comments on group accounting principles

General remarks

Flughafen Zürich AG did not publish a group annual report for 2000 since it was still classified as an individual company then. Following the take-over and establishment of subsidiaries in the course of 2001, it is now presenting consolidated group accounts for the first time. Therefore all figures shown in the 2001 group accounts and accompanying explanatory notes concern consolidated data, whereas the prior-year figures refer to the individual financial statements of Flughafen Zürich AG.
The group accounts have been compiled in accordance with the International Accounting Standards (IAS) as approved by the International Accounting Standards Board, and comply with the provisions of Swiss law.
Consolidation has been based on the audited individual financial statements of the group's subsidiaries which have been compiled in accordance with uniform guidelines. Cut-off date for all financial statements is 31 December.

Change in accounting principles

In accordance with IAS 39 (financial instruments) which came into effect on 1 January 2001, derivatives are now shown in the balance sheet at fair value. The adjustment of the interest rate swap held by the company to fair value was booked under retained earnings as of 1 January 2001 after deduction of deferred taxes. Subsequent changes to the fair value have to be reflected in the current result unless hedge accounting is applied. Otherwise the introduction of IAS 39 had no effects on the group result or shareholders' equity.
IAS 40 (investment property) also came into effect on 1 January 2001. This standard applies to properties that are held for the purpose of earning rentals or for capital appreciation. The real estate owned by Flughafen Zürich AG is not classified as investment property in the sense of IAS 40. Therefore this standard does not have any effect on the group result or shareholders' equity.

Scope and methods of consolidation

The group accounts encompass Flughafen Zürich AG and its wholly-owned subsidiaries, namely APT Airport Technologies AG, Unique Betriebssysteme AG and Unique Airports Worldwide AG.
These companies have been fully consolidated. Their entire assets and liabilities have been adopted together with their income and expenditure in accordance with the principles of full consolidation. All internal transactions within the group, as well as earnings on internal transactions and holdings, have been eliminated. Capital consolidation has been carried out according to the purchase method. This means that the assets and liabilities of each acquired subsidiary have been charged at fair value in accordance with uniform group principles. The difference between purchase price and the resulting shareholders' equity is capitalised as goodwill after revaluation, and amortised over the estimated service life using the straight-line method.
Subsidiaries that are acquired or disposed of in the course of the year are consolidated, respectively eliminated from the consolidated accounts, with effect from the date of acquisition or disposal.

Cash and cash equivalents

Cash and cash equivalents encompass cash on hand, in postal cheque accounts and at banks, and short-term cash deposits maturing within the next 90 days.

Receivables

Receivables are reported at their nominal value less the necessary adjustments for non-collectible receivables. Besides individual valuation adjustments for specific recognised risks, general valuation adjustments are also made based on past experience.

Inventories

These mainly encompass fuel inventories and parts used for the maintenance and repair of fixed assets. Inventories are shown at purchase price or, if lower, at net realisable value.

Movables, buildings and engineering structures

Fixed assets are shown at acquisition or construction cost, less economically required depreciation and amortisation. The purchase costs include the borrowing costs arising during the construction stage, which are capitalised up to the point of use or completion of the object in question. Internally incurred expenditure on construction projects is also capitalised, when it is clearly

identifiable and can be assigned to the object concerned. The fixed assets contributed by the Canton of Zurich on 31 December 1999 contain no such capitalised expenditure, since restatement would entail a disproportionate amount of time and cost for the group (see "IAS Framework for the Preparation and Presentation of Financial Statements": Paragraph 44 – "Balance between Benefits and Costs"). Since 1 January 2000, the pro rata borrowing costs and capitalised expenditure is applied to all buildings under construction.
Regular maintenance and renovation expenses are charged to the profit and loss statement, other than those that have the effect of increasing value, which are capitalised and depreciated over their remaining service life.
Objects that are financed via long-term leasing agreements are shown at the cash value at the minimum leasing rates or, if lower, the market value. On the liabilities side, the corresponding financial leasing obligations are shown as commitments.

The leased items are allocated over their estimated service life or over the term of the lease, whichever is shorter. The service life for each category is as follows:

Buildings	up to a maximum of 30 years
Engineering structures	up to a maximum of 30 years
Equipment and vehicles	3 to 20 years

Government subsidies and grants

Grants related to investments are allocated over the same service life as subsidised investments. They are reported in the profit and loss statement as adjustment items under depreciation.
All government subsidies take the form of "à fonds perdu" grants and do not have to be repaid by the company. The reported government subsidies concern those that were paid out prior to 1989.

Projects in progress

The item "Projects in progress" encompasses investments in projects that have not yet been completed, most of which concern construction projects. Once a given project has been completed, it is then assigned to the relevant category of fixed assets. Projects or buildings that are already in use and which are reported under "Projects in progress", will be depreciated from the time at which their use commenced.

Land

The entire airport site of 8,150,100 square metres is divided into individual plots of land on the basis of an internal grid. Each plot is valued separately. The overall value of these plots of land is shown in the balance sheet as 100 million Swiss francs. In addition to various criteria specific to the airport, e.g. potential utilisation density, the development of land prices in the region has also been taken into account for valuation purposes. Land that has already been developed or is classified as developable and is comparable to industrial real estate constitutes the highest category, followed by areas required for actual flight operations (runways, taxiways, aprons, etc.). A third category includes undeveloped agricultural land and the extended nature conservation area. On the basis of the internal grid, land values range from 675 Swiss francs per square metre for plots available for intensive use, down to 2 Swiss francs per square metre for plots reserved for nature conservation. Other land purchased in addition to the plots on the existing airport site is shown at purchase price or market value.

Intangible assets and computer software

Goodwill arising from mergers is capitalised and amortised using the straight-line method over the estimated service life of the assets (maximum 20 years).
Costs associated with the development and implementation of computer software are normally charged to the profit and loss statement in the year in which they are incurred. 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 depreciation using the straight-line method.

Financial assets

Financial assets mainly include loans that are shown at nominal value less any necessary adjustments. The latter are shown at market value, and adjustments thereto are reflected in the result.

Debentures

Debentures are initially reported at issue price less transaction costs. The difference between the nominal value and the book value is amortised over the duration of the debentures in accordance with the net present value method.

Provisions

Provisions are formed on the basis of probable liabilities concerning events prior to the balance sheet date. The associated outflow of resources reflects a high degree of probability and can therefore be estimated reliably.

Future commitments associated with sound insulation measures and official expropriations – Airport of Zurich Noise Fund (AZNF)

In December 2000, the Federal Tribunal declared the existing maximum permissible noise levels as unacceptable. As a result, the Federal Council re-issued new noise thresholds in May 2001. As expected, the new thresholds are lower than those originally specified. In view of the more stringent noise thresholds that are binding for commercial airports since 1 June 2001, Unique has to anticipate higher costs associated with sound insulation measures and official expropriations in comparison with 2000. The refinancing of these future costs associated with sound insulation measures (Article 20, Federal Environmental Protection Act) and official expropriations (Articles 679 and 684 of the Swiss Civil Code), which have to be borne by Unique, is secured via a noise-related landing fee and a special surcharge on passenger fees.

Unique is to submit a variety of operating options to the general public in connection with the formulation of its new operating regulations. The costs associated with protection against noise are expected to range from 140 to 360 million Swiss francs, depending on operating option, while those for official expropriations will range from 0.6 to 1.3 billion Swiss francs. Investments for infrastructure modifications may range from close to 100 million to more than 600 million Swiss francs.

As of 1 January 2000, the costs associated with protection against noise and with official expropriations, plus internal operating costs arising in connection with the problem of noise, as well as all corresponding earnings, have been processed via the Airport of Zurich Noise Fund (AZNF). This is not an independent legal entity, but rather takes the form of a special fund within Flughafen Zürich AG. Noise-related costs and revenues therefore do not affect the company's profit and loss statement. In accordance with the regulations, any surplus resulting from the dissolution of the AZNF must be refunded. The balance of the accumulated income and expenses is reported in the balance sheet. Any surplus cash or cash equivalents are freely available to the company and are handled within the normal cash management process. The status of the AZNF as of 31 December 2001 is described in Note 14.

Taxes

Taxes include income tax on current taxable earnings as well as deferred taxes. Current income taxes are based on the taxable profit for the period under review. Deferred taxes are calculated using the Balance Sheet Liability method 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.

Leases

Financial lease: Leasing agreements are reported in the balance sheet if most of the risks and benefits of ownership pass to the Company when the lease is signed. Leasing payments are divided into interest expense and repayment amount, using the annuity method. Leased items are depreciated over their estimated service life or over the term of the lease, whichever is shorter.
Operational lease: Income and expenses associated with operational lease are reported in the profit and loss statement.

Foreign currencies

Transactions in foreign currency are converted into Swiss francs at the exchange rate in effect on the day of the transaction. Price differences that arise from the settlement or revaluation of foreign currency positions as of the balance sheet date are reported in the profit and loss statement. There were no relevant transactions in foreign currencies in 2000 and 2001.

All companies within the group are domiciled in Switzerland and compile their annual accounts in Swiss francs. Therefore no conversion differences arise from the consolidation of their individual financial statements.

Retirement benefits plan

Since 1 January 2000, the entire workforce of Flughafen Zürich AG has been affiliated to the "Beamtenversicherungskasse des Kantons Zürich" (BVK) pension fund. Staff currently employed and pensioners of the former Flughafen Direktion Zürich have been members of this pension fund, whilst those employees taken over by Flughafen Zürich AG from Flughafen-Immobilien-Gesellschaft transferred to the BVK on 1 January 2000.

BVK is a pension fund for approximately 36,000 employees of the Canton of Zurich, as well as a number of other employees of public corporations, municipalities and non-profit organisations. Its pension plan may be interpreted as a defined benefits plan in accordance with the International Accounting Standards (IAS). However, for reasons beyond the control of Flughafen Zürich AG, neither access to nor the extraction of data in a form necessary for calculation in accordance with IAS 19 are possible in the case of this joint form of pension plan. Flughafen Zürich AG therefore treats the BVK pension plan as a defined contributions plan in accordance with IAS 19, Paragraph 30. This means that pension contributions paid into the BVK by Flughafen Zürich AG are shown in full under expenses ("Pension costs").

The actuarial balance sheet of BVK shows a level of funding of 100% as of the end of 2000 (with a reduction of the financial assets by a fluctuation reserve of 2.9 billion Swiss francs) and of 118.2% (without reduction by the fluctuation reserve). The calculation of the funded status was based on actuarial tables VZ/EVK 2000 and thus on methods other than the one called for by IAS 19 (namely the projected unit credit method). It is impossible for us to estimate whether this funded status will have any impact on future contributions, and if so, to what extent.

Derivative financial instruments

Flughafen Zürich AG currently holds an interest-rate swap for hedging the risk of changes in interest rates on its interest-bearing borrowings. The company does not use hedge accounting. The interest-rate swap is reported at market value, and non-realised gains and losses are shown in the financial result.

Impairment of value

The value retention of the group's assets is assessed at least once a year. If any sign pointing to a sustained loss in value should be detected, a calculation of the realisable value (impairment test) is carried out. In the event that the book value of a given asset should exceed the realisable value, an adjustment is made in the current financial result.

Explanatory notes on group financial statements

Changes in the consolidation structure

In the year under review, Flughafen Zürich AG established two subsidiaries, namely Unique Betriebssysteme AG and Unique Airports Worldwide AG, on 17 October and 11 December respectively. The purpose of the former is to operate the infrastructure of relevance to Zurich Airport, while the latter is responsible for advising, operating or owning airports and/or airport-related companies throughout the world.

On 30 September 2001, Flughafen Zürich AG acquired the remaining 75% of the shares in APT Airport Technologies AG, in addition to its already existing 25% stake. The purpose of APT is to provide technical, operational and commercial design, planning, implementation and operation of communication and strategic management systems at airports. During the period from 30 September to 31 December 2001, APT posted a loss of 125,000 Swiss francs.

The impacts of the acquisition of APT on the group's assets and liabilities were as follows:

CHF thousand	
Cash & cash equivalents	4
Receivables and prepaid expenses	305
Movables	2,788
Liabilities arising from purchases of goods and services	(710)
Loans	(2,287)
Acquired net assets	**100**
Previously held stake	(25)
Acquired cash and cash equivalents	(4)
Outflow of funds from acquisition	**71**

Segment reporting

Primary segment reporting

The method of segment reporting used in the present annual report corresponds to internal reporting segments as defined by IAS 14. Since segment reporting was not used in 2000, there are no corresponding figures for that year.
The basis for the reported figures is the former organisational structure that was valid until 31 December 2001. In order to secure the comparability of future segment reports, the figures have already been presented on the basis of the new organisational structure that came into effect on 1 January 2002 (see Comments on the financial statements).
Most of the inter-segment earnings comprise offset rental costs from the "Non-Aviation" segment for premises required for activities in the "Aviation" segment. The assets for other properties (including terminals) have primarily been allocated to the "Non-Aviation" segment. The offsetting of costs for the use of premises is based on actual cost (including interest paid on invested capital). Inter-segment earnings simultaneously represent inter-segment expenses in the segment results of the divisions using the facilities.
Full-time employees have been divided among both segments.

CHF million		**Aviation**	**Non-Aviation**	Transition	Total
Earnings from third parties	2000	274.6	247.9	0	522.5
	2001	279.7	258.0	0	537.7
Inter-segment earnings	2000	n.a.	n.a.		n.a.
	2001	9.5	113.3	(122.8)	0
Total income	**2000**	**n.a.**	**n.a.**		
	2001	**289.2**	**371.3.**	**(122.8)**	**537.7**
Segment results	**2000**	**n.a.**	**n.a.**		**n.a.**
	2001	**(69.7)**	**77.3**		**7.6**
Non-current assets (gross)	2000	**n.a.**	**n.a.**		
excluding projects in progress	2001	817.5	2,607.9		3,425.4
Projects in progress	2000	**n.a.**	**n.a.**		
	2001	405.1	576.9		982.0
Total non-current assets (gross)	**2000**	**n.a.**	**n.a.**		
	2001	**1,222.6**	**3,184.8**		**4,407.4**
Accumulated valuation adjustments	**2000**	**n.a.**	**n.a.**		
	2001	**444.9**	**1,444.1**		**1,889.0**
Government subsidies (net)	**2000**	**n.a.**	**n.a.**		
	2001	**0**	**26.8**		**26.8**
Total non-current assets (net)	**2000**	**n.a.**	**n.a.**		
	2001	**777.7**	**1,713.9**		**2,491.6**
Total investments	**2000**	**n.a.**	**n.a.**		
	2001	**196.1**	**469.9**		**666.0**
Employees as of 31 December	**2000**	**n.a.**	**n.a.**		**1,084**
	2001	**632**	**583**		**1,215**

Secondary segment reporting

Unique provides practically all its services within Switzerland. During 2001, it had provided external consulting services worth 0.8 million Swiss francs. Therefore, there is no need for reporting by geographical segment.

Group profit and loss statement

1) Income [1]

CHF thousand		2001		2000
Landing fees	91,184		97,050	
Passenger fees	157,702		145,703	
Issuing fees	4,427		4,974	
Parking fees	4,100		3,480	
Freight revenue	8,251		8,615	
Fuel charges	7,927		8,292	
Other earnings	6,601		6,523	
Bad debt write-offs (aviation)	(453)		(0)	
Total income from Aviation segment		**279,738**		**274,637**
Car parking fees	46,919		45,199	
Retail outlets and duty-free shops	47,436		51,073	
Catering operations	7,277		5,719	
Advertising media and promotion	7,364		5,561	
Other licence revenue (car rentals, taxis, banks etc.)	11,728		9,184	
Total commercial income		**120,724**		**116,736**
Revenue from rental and leasing agreements	80,626		83,705	
Energy and incidental cost allocation	20,103		18,521	
Cleaning	4,468		3,861	
Other services revenue	6,947		4,625	
Total income from real estate management		**112,144**		**110,712**
Communication services	3,544		2,515	
Airport Conference Center	3,753		3,659	
Capitalised expenditure [2]	8,105		4,461	
Other services and miscellaneous	7,636		7,993	
Airport of Zurich Noise Fund	2,546		2,070	
Bad debt write-offs (Non-Aviation segment)	(464)		(293)	
Total income from services		**25,120**		**20,405**
Total income from Non-Aviation segment		**257,988**		**247,854**
Total income from both segments		**537,726**		**522,491**

1) The division of income from sales of products and services into Aviation and Non-Aviation segments was carried out in line with the principles of segment reporting that were applied for the first time in 2001. Prior-year figures were correspondingly restated.

2) 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. Capitalised expenditures in the Aviation segment have been booked under other income (Aviation) and account for 1.667 million Swiss francs (2001) and 0.918 million Swiss francs (2000).

2) Personnel expenses

CHF thousand	2001	2000
Wages and salaries	100,334	90,288
Pension costs for defined benefit plans	(317)	0
Pension costs for defined contribution plans	6,992	6,014
Social security contributions	11,084	8,789
Other personnel expenses	9,763	7,030
Total personnel expenses	**127,856**	**112,121**
Average number of employees (jobs)[1]	**1,173**	**1,072**
Number of employees as of 31 Dec. (jobs)	**1,215**	**1,111**
Average personnel expenses per job	**109**	**105**

1) Including adjustments for part-time employees

In 2001, those employees who completed their first year of service received one free share. In 2000, one free share was distributed to all employees (and in some cases, employees received more than one).
Members of the Management Board and middle management also received 3,877 shares within the scope of the bonus programme, which were paid as a variable component of their remuneration based on the results of the 2000 financial year. These shares are blocked for a period of 4 years (see notes on share capital and reserves).

3) Bad debt write-offs due to SAirGroup crisis

CHF thousand	2001	2000
Bad debt write-offs (SAirGroup crisis), net	42,450	0
Total bad debt write-offs (SAirGroup crisis), net	**42,450**	**0**

Outstanding receivables due from SAirGroup and its subsidiaries amounting to 42.45 million Swiss francs were written off in their entirety.

4) Other operating expenses

CHF thousand	2001	2000
Rental and land leases	8,329	7,599
Property insurance	2,466	2,213
Passenger services	2,364	1,650
Communication costs	2,362	2,174
Cleaning by external contractors	2,597	1,596
Additional operating costs	2,303	1,564
Total other operating expenses	**20,421**	**16,796**

5) Other expenses/income

CHF thousand	2001	2000
Other income	4,813	6,440
Other expenses	(4,771)	(6,870)
Total other expenses/income	**42**	**(430)**

Other income includes a 3.5 million Swiss francs book profit from the refinancing of ARA Kloten. Other expenses include a 2.2 million Swiss francs book loss from assets disposals, and 1.5 million Swiss francs for costs in association with the SAirGroup crisis.

6) Financial result

CHF thousand		2001		2000
Interest expenses on debentures	40,996		28,901	
less capitalised interest on borrowings for buildings under construction [1]	(14,482)		(4,818)	
Net interest expenses on debentures		26,514		24,083
Interest expenses on bank loans		12,585		4,150
Interest hedging		4,508		0
Valuation adjustments of financial assets		1,713		0
Premium depreciation		1,618		1,159
Other financial expenses		1,603		0
Other interest expenses		885		1,122
Financial expenses		**49,426**		**30,514**
Interest income on postal cheque account and bank deposits		(1,079)		(323)
Price gains, interest on arrears		(389)		(14)
Dividend income on securities		0		(2)
Financial income		**(1,468)**		**(339)**
Total financial result		**47,958**		**30,175**

1) The capitalised interest on borrowings was calculated using an average interest rate of 4.38% in 2001 and of 4.26% in 2000.

7) Income taxes

CHF thousand	2001	2000
Current taxes	258	23,746
Deferred taxes	(4,297)	(2,372)
Total income taxes	**(4,039)**	**21,374**

The tax expenses are calculated as follows:

CHF thousand	2001	2000
Profit/(loss)before taxes	(40,284)	111,156
Tax income/(expense) at anticipated tax rate	(9,265)	23,701
Waiver of capitalisation of deferred taxes on losses	7,463	0
Tax effect on write-offs of own shares	(2,396)	0
Tax expenses from previous years	159	0
Tax effect on issuing costs	0	(2,327)
Total income taxes	**(4,039)**	**21,374**

Group balance sheet

8) Changes in non-current assets

CHF million	Land	Engineering structures	Buildings	Projects in progress in leasing[2]	Projects in progress	Movables	Total fixed assets	Intangible assets	Financial assets	Total
At cost										
Closing balance sheet as of 31.12.2000	110.5	565.4	2,301.2	0	691.1	148.5	3,816.7	27.0	4.2	3,847.9
Reclassifications						(5.2)	(5.2)	5.2		0
Adjustment of assets from FIG take-over [1]					(2.8)		(2.8)	2.8		0
Opening balance sheet as of 1.1.2001	**110.5**	**565.4**	**2,301.2**	**0**	**688.2**	**143.3**	**3,808.7**	**35.0**	**4.2**	**3,847.9**
Change in consolidation structure						4.1	4.1		(2.3)	1.8
Additions	0.7			32.8	564.1	29.4	627.0	8.7	30.3	666.0
Disposals		(6.9)	(93.2)			(7.8)	(107.9)	(0.4)		(108.3)
Transfers		67.7	225.6		(303.1)	5.8	(3.9)	3.9		0
Closing balance sheet as of 31.12.2001	**111.2**	**626.3**	**2,433.6**	**32.8**	**949.3**	**174.8**	**4,327.9**	**47.3**	**32.2**	**4,407.4**
Valuation adjustments										
Closing balance sheet as of 31.12.2000	0	422.5	1,281.0	0	0	98.1	1,801.6	5.1	0	1806.7
Reclassifications						(3.3)	(3.3)	3.3		0
Opening balance sheet as of 1.1. 2001	**0**	**422.5**	**1,281.0**	**0**	**0**	**94.9**	**1,798.3**	**8.4**	**0**	**1,806.8**
Change in consolidation structure						1.3	1.3			1.3
Additions		13.3	98.5			10.9	122.7	11.7	1.7	136.1
Disposals		(5.7)	(91.8)			(7.0)	(104.5)	(0.3)		(104.9)
Impairment[3]			49.6				49.6			49.6
Closing balance sheet as of 31.12.2001	**0**	**430.1**	**1,337.2**	**0**	**0**	**100.1**	**1,867.4**	**19.9**	**1.7**	**1,889.0**
Government subsidies and grants										
Opening balance sheet as of 1.1.2001	0	1.5	30.9	0	0	0	32.4	0	0	32.4
Disposals		(0.3)	(5.3)				(5.6)			(5.6)
Closing balance sheet as of 31.12. 2001	**0**	**1.2**	**25.6**	**0**	**0**	**0**	**26.8**	**0**	**0**	**26.8**
Net book value as of 31.12.2001	**111.2**	**195.0**	**1,070.8**	**32.8**	**949.3**	**74.7**	**2,433.7**	**27.4**	**30.5**	**2,491.6**

Note: when adding up rounded-up or rounded-down sums, it is possible that minor discrepancies may occur.

1) Within the scope of the reverse take-over, the buildings under construction that were acquired from FIG were booked in the balance sheet at an estimated fair value of 353.8 million Swiss francs. In summer 2001 it became apparent that this figure had been overestimated by 2.8 million Swiss francs. This resulted in a goodwill figure that was too low by the same amount. The book values of projects in progress and goodwill have been adjusted accordingly in the 2001 accounts.
The goodwill arising from the reverse take-over as of 1 January 2000 is included in intangible assets, and its net book value as of 31 December 2001 was 14.9 million Swiss francs (acquisition price, 24.8 million Swiss francs; accumulated valuation adjustment, 9.9 million Swiss francs).

2) In December 2001, Flughafen Zürich AG concluded a skeleton leasing agreement for financing the baggage sorting and handling systems and aircraft fuelling equipment that had previously been operated by subsidiaries of the SAirGroup. These systems were replaced as part of expansion stage 5, and are currently in the process of expansion. Flughafen Zürich AG has been operating these systems since 1 January 2002 on its own account. At the time the present annual report was being prepared, negotiations were being held regarding the conclusion of definitive leasing agreements. In terms of form and content, the framework leasing agreement may be regarded as a financial leasing instrument and has therefore been capitalised.

3) In the wake of the SAirGroup crisis and in view of the progress of construction work on the new Airside Center, it was decided to carry out a detailed review of the reported book values of selected objects classified as fixed assets (impairment test). Special write-offs were subsequently carried out on the following buildings: Freight East (24 million Swiss francs); structural substance of terminals A and B (18 million Swiss francs); catering facilities, terminals A and B (2.3 million Swiss francs) and Bus Gate South (5.3 million Swiss francs).
The ensuing reductions in book values correspond to the anticipated useful values, and a discount rate of 8% was applied. In the segment reporting, these special write-offs were booked on a "user pays" basis.

9) Financial assets

CHF thousand		31.12.2001	31.12.2000
NOVO Business Consultants AG, Berne	Equity share 15%, nom. share capital CHF 1.0 million	150	150
APT Airport Technologies AG, Zurich Airport	Equity share 25%, nom. share capital CHF 0.1 million	0	25
APT Airport Technologies AG, Zurich Airport	Investment-style loan [1]	0	4,000
Gestión y Ingeniería IDC S.A. ("Chile")	Loan	5,327	0
SR Technics AG, Zurich Airport	Loan guaranteed by Canton of Zurich	25,000	0
Total financial assets		**30,477**	**4,175**

[1] Entirely subject to subordination

NOVO Business Consultants AG provides consulting and IT services.

APT Airport Technologies AG became a wholly-owned subsidiary of Flughafen Zürich AG as of 30 September 2001 (see notes on changes in consolidation structure).

The loan to Gestión y Ingeniería IDC S.A. (Chile) was granted in December 2001. It is to be used for buying shares from Unique in Unique Airport Latin America (UALA), which is currently under establishment. The deal will be concluded at the end of April 2002. Shares of IDC S.A. have been pledged as collateral for the loan.

As part of the solution to the problem of securing certain airside activities, Flughafen Zürich AG granted a loan to SR Technics amounts to 25 million Swiss francs, which has been covered in the form of a default guarantee by the Canton of Zurich (see "Further details", section 7 "Events occurring after the balance sheet date").

10) Receivables arising from sales of goods and services

CHF thousand	31.12.2001	31.12.2000
Receivables arising from sales of goods and services (gross)	130,533	67,926
Valuation adjustment	(50,381)	(729)
Total receivables arising from sales of goods and services	**80,152**	**67,197**

The 13 million Swiss francs increase in receivables from the sales of goods and service as of the end of 2001 is attributable to late payment of outstanding invoices for fees by handling agents due to the SAirGroup crisis. By the time the annual report was in preparation, the outstanding amounts had been paid.
The valuation adjustment includes the net sum of 42.45 million Swiss francs that was written off against receivables due from SAirGroup and its subsidiaries, plus air traffic control fees billed on behalf of Skyguide to the tune of 7.278 million Swiss francs and other unpaid debts (see section 3, "Bad debt write-offs due to SAirGroup crisis"). Any effective losses arising from outstanding debts due to Skyguide would have to be borne by Skyguide itself.

11) Other receivables and prepaid expenses

CHF thousand	31.12.2001	31.12.2000[1]
Prepaid expenses and accruals	31,486	37,341
Taxes receivable (VAT/withholding tax)	24,812	28,448
Advance payments to suppliers	2,608	2,892
Other receivables	115	759
Total other receivables and prepaid expenses	**59,021**	**69,440**

[1] Issuing costs of debentures have been reclassified and are now deducted from the debentures.

12) Shareholders' equity and reserves

Shareholders' equity (nominal value CHF 50)

Number of shares	Issued registered shares	Own shares	Shares in circulation
Balance as of 1 January 2001	**4,912,300**	**17,974**	4,894,326
Acquisition of own shares	0	110,975	4,783,351
Shares distributed to employees and third parties	0	(4,066)	4,787,417
Balance as of 31 December 2001	**4,912,300**	**124,883**	**4,787,417**

Own shares

The distribution of own shares to employees and third parties takes place within the scope of the bonus programme and as part of the implementation of our strategy of encouraging all our staff to think like entrepreneurs. The equivalent value was charged to the capital reserves and therefore does not affect the current accounts (see section 2, "Personnel expenses" and "Further details", section 5, "Associated parties"). The holdings of own shares are used for these distribution programmes and as treasury stock.

Reserves

In accordance with the provisions of commercial law, the reserves are subject to a distribution limit of 148.2 million Swiss francs.

Earnings/(loss) per share

The loss per share has been calculated from the net profit/(loss) of the group and the weighted average of the number of outstanding shares (issued shares less own shares).

CHF	2001	2000
Net profit/(loss) to be allocated to shareholders	(36,245,279)	89,781,279
Weighted average number of outstanding shares	4,847,256	4,909,444
Earnings/(loss) per share	(7.48)	18.29

Major shareholders and shareholder structure

The shareholder structure as of 31 December was as follows:

	2001	2000
Public sector	54.26%	57.90%
Private individuals	4.43%	3.19%
Companies	6.92%	4.15%
Pension funds	6.69%	6.14%
Financial institutions	5.25%	4.72%
Balance available and non-registered shareholders	22.45%	23.89%
Number of shareholders	3.407	2.931

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

	2001	2000
Canton of Zurich (including BVK pension fund)	49.00%	52.65%
City of Zurich (including pension fund of the City of Zurich)	5.38%	5.36%

13) Financial liabilities

CHF thousand	31.12.2001	31.12.2000
Debentures	1,116,406	619,176
Long-term leasing liabilities	30,486	0
Airport of Zurich Noise Fund [1]	24,772	(2,720)
Long-term financial liabilities	**1,171,664**	**616,456**
Short-term liabilities towards banks	296,600	196,200
Loan from Canton of Zurich	100,000	0
Loan from unique zurich airport staff pension fund	5,500	0
Short-term leasing liabilities	2,318	0
Current account with unique zurich airport staff pension fund	639	645
Redemption of debentures, 16 March 2001	0	150,000
Short-term advance, Conzzetta Holding	0	30,000
Short-term financial liabilities	**405,057**	**376,845**
Total financial liabilities	**1,576,721**	**993,301**

[1] See note 14.

Long-term liabilities are fixed interest-bearing borrowings. For details concerning outstanding debentures, please refer to the table below.

Short-term liabilities towards banks relate to short-term credit facilities with various maturities and fixed interest rates for each tranche ranging between 3.25% and 4.65% as of 31 December 2001 (3.90% to 3.98% as of 31 December 2000). Unique is in compliance with various conditions set out in the loan agreements.

For information concerning the loan from the Canton of Zurich, please refer to "Further details", section 5, "Associated parties".

In order to hedge interest rate risk, the group concluded a "forward interest rate swap" contract in the amount of 300 million Swiss francs (nominal) and for the period from 16 March 2001 to 16 March 2009. Flughafen Zürich AG appears as a fixed-rate payer, and the interest rate was fixed at 4.68%. The variable interest rate is based on the CHF LIBOR. In accordance with the provisions of IAS 39 (financial instruments) which came into effect on 1 January 2001, the market value of the swap as of the first year (2001) was booked via retained earnings after deduction of deferred taxes. Hedge accounting is not used within the group. Changes in market value have been reported in the financial result.

Details concerning debentures:

Nominal amount in CHF	Book value in CHF	Duration	Interest rate	Premature termination	Interest payment date
150,000,000	148,852,633	1995 – 2007	5.000%	No	28 September
175,000,000	173,795,507	1996 – 2006	4.625%	No	12 April
300,000,000	297,730,028	2000 – 2005	4.625%	No	5 July
300,000,000	298,407,593	2001 – 2004	4.00%	No	14 April
200,000,000	197,620,564	2001 – 2009	4.25%	No	26 March
1,125,000,000	**1,116,406,325**	**Total**			

Maturity of financial liabilities:

CHF thousand	31.12. 2001	31.12. 2000
Within 1 year	405,057	375,845
Between 2 and 5 years	781,683	294,364
Longer than 5 years	389,981	322,092
Total financial liabilities	**1,576,721**	**993,301**

Leasing liabilities:

CHF thousand	31.12. 2001	31.12. 2000
Future minimum leasing payments		
due within 1 year	3,360	0
due within 2 to 5 years	16,130	0
due after 5 years	20,998	0
Total future minimum leasing payments	**40,488**	**0**
Future interest payments	7,685	0
Cash value of leasing liabilities	**32,804**	**0**
of which due within 1 year	2,319	0
of which due within 2 to 5 years	11,749	0
of which due after 5 years	18,737	0

The applicable interest rate for leasing liabilities is 4.3%.

14) Airport of Zurich Noise Fund (AZNF)

Notes concerning the Airport of Zurich Noise Fund are included in the group accounting principles under the heading, **"Future commitments associated with sound insulation measures and official expropriations".**

CHF thousand	31.12.2001	31.12.2000
Balance of Airport of Zurich Noise Fund as of 1 Jan. 1)	**(2,720)**	0
Total revenue from noise-emission charges	40,091	11,594
Total costs for sound insulation and other measures	(10,564)	(12,183)
Net result before operating costs 2)	**26,807**	**(589)**
Operating costs 2)	(2,546)	(2,070)
Interest payments, Airport of Zurich Noise Fund	511	(60)
Credit/(debit) balance of Airport of Zurich Noise Fund as of 31 December (due from/to the group)	**24,772**	**(2,720)**

1) The Airport of Zurich Noise Fund was established in 2000.
2) Changes relating to the AZNF are shown in the cash flow statement, net without interest, under cash flow from business activities.

15) Deferred tax liabilities

The balance of deferred taxes evolved as follows:

CHF thousand	**31.12.2001**	**31.12.2000**
Opening balance on 1 January	85,641	79,869
Change in tax rate, taken into account via profit reserves	0	8,144
Effect of initial application of IAS 39, taken into account via profit reserves	(4,048)	0
Change according to profit and loss statement	(4,297)	(2,372)
At end of year	**77,296**	**85,641**

Deferred taxes are assigned to the following balance sheet items:

CHF thousand		**31.12.2001**		**31.12.2000**
	Assets	**Liabilities**	**Assets**	**Liabilities**
Valuation adjustment of buildings and movables		60,808		67,916
Renovation fund		18,423		17,158
Net premium after issuing costs		1,977		1,339
Interest rate swap	4,257			
Miscellaneous items		345	772	
Deferred taxes (gross)	**4,257**	**81,553**	**772**	**86,413**
Offsetting of assets and liabilities	(4,257)	4,257	(772)	772
Deferred taxes (net)	**0**	**77,296**	**0**	**85,641**

As of 31 December 2001, Flughafen Zürich AG and its subsidiaries have total losses brought forward of 32.648 million Swiss francs to be offset against taxes. We completely waived the capitalisation of deferred taxes on these transferred losses. Of the total amount cited above, 0.125 million Swiss francs expires in 2007 and 32.523 million Swiss francs in 2008.

16) Retirement benefit plans

Since 1 January 2000, the entire workforce of Flughafen Zürich AG has been affiliated to the "Beamtenversicherungskasse des Kantons Zürich" (BVK) pension fund. The BVK pension plan is treated as a defined contributions plan in accordance with IAS 19. For further information, please refer to the group accounting principles.

The reported retirement benefit commitments encompass two special sub-plans: one is for pensioners from the former FIG (this group of beneficiaries did not transfer to the BVK), and the other is a special plan for compensation for early retirement.

The non-capitalised surplus mainly concerns the prepaid employer contributions in the unique zurich airport staff pension fund (former pension fund of Flughafen Immobilien Gesellschaft). The main purpose of the fund is to provide voluntary supplementary benefits, namely to finance the inflation adjustment on pensions to former FIG employees who are not affiliated to the BVK. Since Flughafen Zürich AG does not intend to use the surplus to pay employer's contributions, either now or in the future, the prepaid employer contribution has not been capitalised.

The impacts of the defined benefits plan on the group balance sheet and profit and loss statement were as follows:

Balance sheet

CHF thousand	31.12.2001	31.12.2000
Provision for retirement benefits, cash value	35,804	36,198
Pension assets, market value	(36,856)	(38,691)
Excess cover	**(1,052)**	**(2,493)**
Technical profits not reported	845	2,657
Subtotal	**(207)**	**164**
Amounts not reported as assets (non-capitalised surplus)	5,925	5,925
Liability on balance sheet	**5,718**	**6,089**

Profit and loss statement

CHF thousand	2001	2000
Costs, current service year	0	0
Interest expenses	1,402	1,430
Anticipated revenue from pension assets	(1,773)	(1,890)
Employee contributions	0	0
Change in amounts not reportable as assets	0	1,713
Total amounts reported in profit and loss statement	**(371)**	**1,253**

The amounts are included under the following items:

CHF thousand	2001	2000
Personnel expenses (see note 2)	(371)	0
Other expenses	0	1,253

Change in provisions for retirement benefits in the balance sheet:

CHF thousand	31.12.2001	31.12.2000
Opening balance	6,089	4,836
Total costs, see above	(371)	1,253
Benefits paid in directly by employer	(131)	0
Changes in non-reported technical profits	131	0
Closing balance	**5,718**	**6,089**

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

	2001	2000
Discount rate	4.0%	4.0%
Anticipated yield on pension assets	5.0%	5.0%
Anticipated future pension increases	1.0%	1.0%

17) Other short-term debt, accruals and deferrals

CHF thousand	**31.12.2001**	**31.12.2000**
Deferred income and accruals	69,273	47,354
Interest hedging [1]	27,247	0
Deposits and payments in advance by customers	3,979	449
Amounts due to personnel (13th monthly wage/holidays and overtime)	7,597	7,120
Social security contributions	1,672	1,572
Other liabilities	1,427	1,275
Total other short-term debt, accruals and deferrals	**111,195**	**57'770**

1) See note 13, "Financial liabilities".

Further details

1. Financial instruments

Off-balance-sheet transactions: With the exception of the interest rate swap described in the "Notes on the group financial statements", the group does not use any derivative financial instruments.
Currency risk: Virtually all the group's transactions are in Swiss francs.
Credit risks: In the case of receivables arising from sales of goods and services, credit risk is limited since the clientele consists of a broad range of customers. As a consequence of the events that took place in autumn 2001 leading to the collapse of SAirGroup, measures were taken in association with the airline's successors with the aim of additionally minimising the risk.
Interest rate risk: The risk of interest rate changes is limited since the rate is fixed for most of the interest-bearing borrowings. Flughafen Zürich AG also holds an interest rate swap for the purpose of hedging short-term financial liabilities (see note 13, "Financial liabilities").
Fair values: The figures shown in the balance sheet concerning cash and cash equivalents, receivables from the sale of goods and services, other receivables, liabilities arising from purchase of goods and services and short-term financial liabilities closely correspond to "fair values" as defined by IAS.

2. Operational lease

The following non-cancellable leasing liabilities exist:

CHF thousand	**2001**	**2000**
Within 1 year	0	2,700
Between 1 and 5 years	0	10,125

During 2001, these payments (including variable proportions) amounted to 2.7 million Swiss francs (2000: 2.626 million Swiss francs). They concern rental of fuel supply systems that the group acquired as of 1 January 2002 for the purpose of securing airside operations. In addition, a non-cancellable agreement relating to freight operations is effective until 31 December 2004. This exclusively generates volume-related costs. During the 2001 financial year, these costs amounted to 4.267 million Swiss francs (2000: 4.264 million Swiss francs). As part of the efforts to find solutions to the problems pertaining to airside operations, the possibility of terminating this agreement prematurely is being considered (see note 7, "Events occurring after the balance sheet date").

The tenancy agreements concluded by the group in its capacity as landlord are terminable within one year.

3. Investments

As of the end of 2001, the group approved investments in fixed assets amounting to approximately 2.4 billion Swiss francs (2000: 2.3 billion Swiss francs). The increase was due to the take-over of the baggage handling system. These were mainly associated with expansion stage 5, i.e. Midfield Dock, Airside Centre, the railway check-in centre and a multi-storey car park. Of this amount, 1.8 billion Swiss francs had been allocated as of 31 December 2001 (2000: 1.2 billion Swiss francs), of which 1.1 billion Swiss francs (2000: 0.6 billion Swiss francs) had already been spent.

The assets that are specific to the airport and are to be taken over from the Canton of Zurich in accordance with the provisions of the reverse take-over agreement, include properties and land belonging to the "Cantonal Aircraft Noise Fund". In order to allow these assets to be transferred to the group, it was necessary for the Cantonal Council of Zurich to dissolve this fund. At its meeting on 12 March 2001, the Cantonal Council approved the dissolution of the Cantonal Aircraft Noise Fund and therefore cleared the way for the group to aquire the properties concerned. The take-over price is not to exceed 65 million Swiss francs, and the deal is scheduled for conclusion on 1 January 2003.

4. Contingent liabilities

Contingent liabilities arising from contractors' liens amount to 0.1 million Swiss francs. These concern third-party claims against subsidiaries of the SAirGroup that are currently undergoing insolvency proceedings. Reserves have been provided to cover the entire amount.

Otherwise there are no contingent liabilities of any significance.

5. Associated parties

Associated parties are:
- The Canton of Zurich
- Members of the Board of Directors
- Members of the Management Board

The Canton of Zurich has granted the group a loan with a ceiling of 873 million Swiss francs, of which 100 million Swiss francs had been drawn as of balance sheet date (see note 13, "Financial liabilities").

During the 2001 financial year, the following amounts were paid to associated parties in the form of remuneration:

CHF thousand	**2001**	**2000**
Board of Directors and Management Board (including social security benefits) (18 people in both years)	4,128	3,294
Canton of Zurich (cantonal police at market conditions as per service agreement)	65,390	60,984

The increase versus the previous year is attributable to the variable salary component paid to members of the Management Board for the first time in 2001 on the basis of the 2000 business result.

Furthermore, 2,024 free shares were issued to 10 members of the Management Board within the scope of the bonus system (see note 12, "Shareholders' equity and reserves"). These shares are blocked for a period of 4 years.

6. Composition of the group

The group currently comprises the following companies:

Name	Domicile	Share capital in CHF thousand	Stake held in %
Flughafen Zürich AG	Kloten	245,615	parent company
Unique Betriebssysteme AG	Kloten	100	100
Unique Airports Worldwide AG	Kloten	100	100
APT Airport Technologies AG	Kloten	100	100

7. Events occurring after the balance sheet date

The Board of Directors approved the 2001 group financial statements on 28 February 2002. No event occurred between 31 December 2001 and 28 February 2002 which would require a change of any of the book values concerning the assets and liabilities of the group.

On 13 January 2002, the electorate of the Canton of Zurich formally approved the default guarantee of 100 million Swiss francs in favour of Flughafen Zürich AG. The purpose of this guarantee is to enable Zurich Airport to take suitable measures to secure its airside operations.

On 14 February 2002, Unique postponed the opening of Midfield Dock by 12 to 24 months, which had been scheduled for opening in October 2002, due to the currently low passenger volume. This decision will enable Unique to make considerable savings in operating costs, and thus to improve its operating result. Unique is of the opinion that this postponement will not negatively affect the value retention of the various systems and that at this time (approximately 10 months before the completion of Midfield Dock) no additional depreciation will need to be charged to projects in progress.

In the middle of February 2002, a term sheet was signed with former SAirGroup subsidiaries Cargologic and Swisscargo, respectively with their administrators. This is intended to adjust and redefine the overall ownership and rental situation in the area of freight operations. The obligations assumed by Unique within the scope of this term sheet were included in the present financial statements and taken as special write-offs on Freight East buildings.

Group 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 financial statements (group accounting principles, profit and loss statement, balance sheet, statement of equity, cash flow statement and notes; pages 59 to 81) of Flughafen Zürich AG for the year ended 31 December 2001.

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 and the International Standards on Auditing of the International Federation of Accountants (IFAC), 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 group financial statements. We have also assessed the accounting principles used, significant estimates made and the overall group financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the group 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.

We recommend that the General Meeting of Shareholders approve the submitted group financial statements.

KPMG Fides Peat

Rudolf Züger
Swiss Certified Accountant

Roger Neininger
Swiss Certified Accountant

Auditors in charge

Zurich, 28 February 2002

Financial Statements of Flughafen Zürich AG pursuant to the provisions of the Swiss Code of Obligations (OR)

Profit and loss statement for 2001 and 2000
Financial statement according to the provisions of commercial law (Flughafen Zürich AG)
(CHF thousand)

	Notes	**2001**	**2000**
Income from sales of products and services		538,292	522,704
Bad debt write-offs		(917)	37
Total income		**537,375**	**522,741**
Personnel expenses		(129,260)	(113,052)
Ordinary depreciation and amortisation		(112,068)	(92,174)
Depreciation and amortisation (impairment)		(35,884)	0
Police and security		(72,497)	(69,735)
Maintenance		(26,023)	(23,939)
Sales, marketing, administration		(29,051)	(20,513)
Energy and waste		(22,481)	(16,931)
Other operating expenses		(20,413)	(16,796)
Cost of materials used		(8,838)	(8,022)
Deposits into renovation fund		(5,500)	(5,500)
Ordinary profit before interest and taxes		**75,360**	**156,079**
Financial result	(1)	(63,893)	(42,927)
Extraordinary result	(2)	(1,515)	(5,648)
Extraordinary result, SAirGroup crisis	(3)	(42,450)	0
Non-operating result	(4)	2,199	145
Profit/(loss) before taxes		**(30,299)**	**107,649**
Taxes		(2,148)	(25,816)
Annual profit/(loss) after taxes		**(32,447)**	**81,833**

Balance sheet as of 31 December 2001 and 31 December 2000
Financial statement according to the provisions of commercial law (Flughafen Zürich AG)
(CHF thousand)

Assets	Notes	31.12.2001	31.12.2000
Movables		48,752	47,663
Buildings, engineering structures		1,018,189	856,393
Land		111,164	110,511
Projects in progress		949,204	691,068
Total fixed assets (net)		**2,127,309**	**1,705,635**
Intangible assets		12,083	3,583
Financial assets	(5)	31,674	4,175
Non-current assets	(6)	**2,171,066**	**1,713,393**
Inventories		2,347	2,247
Receivables arising from sales of goods and services		79,956	67,197
Other receivables, accruals and deferrals		59,654	69,440
Cash and cash equivalents, securities	(7)	21,926	8,949
Current assets		**163,883**	**147,833**
Total assets		**2,334,949**	**1,861,226**
Liabilities			
Share capital		245,615	245,615
Legal reserves			
Premium		269,254	269,254
General reserves		19,060	19,060
Reserves for own shares	(7)	25,430	4,858
Free reserves		55,428	23,742
Balance sheet profit/(loss)			
Profit brought forward		3,070	414
Annual profit/(loss) after taxes		(32,447)	81,833
Shareholders' equity		**585,410**	**644,776**
Debentures	(8)	1,125,000	625,000
Renovation fund		80,102	74,602
Airport of Zurich Noise Fund		24,772	(2,720)
Long-term provisions	(9)	7,442	7,588
Long-term debt		**1,237,316**	**704,470**
Liabilities arising from purchases of goods and services		39,085	53,612
Short-term financial liabilities	(10)	377,739	376,845
Other short-term debt, accruals and deferrals		86,447	49,550
Short-term provisions	(11)	8,952	31,973
Short-term debt		**512,223**	**511,980**
Total debt		**1,749,539**	**1,216,450**
Total liabilities		**2,334,949**	**1,861,226**

Accounting principles

1. General remarks

The presentations and explanations below refer to the individual financial statements pursuant to the provisions of Swiss commercial law (Swiss Code of Obligations). These individual financial statements also serve for tax purposes and form the basis for the statutory business of the Annual Meeting of Shareholders.

2. Valuation principles

Unless stated otherwise, the same principles apply as those used in the group financial statements in accordance with IAS.

Fixed assets
By contrast with the group financial statements according to IAS, the influence of the reverse take-over is irrelevant (revaluation of the FIG fixed assets as of 1 January 2000, including deferred taxes).

Goodwill
The goodwill amounting to 24.8 million Swiss francs arising as a result of the reverse take-over is not relevant in the financial statements according to commercial law.

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

Own shares
By contrast with the group financial statements in accordance with IAS, holdings of own shares as of 31 December 2001 are reported under securities. Under the heading "Shareholders' equity", these are reported as prescribed by the provisions of the Code of Obligations. Furthermore, the provision of free shares to employees and the book loss on holdings as of 31 December 2001 were charged to the profit and loss statement.

Costs associated with the issue of debentures
In the financial statements compiled according to commercial law, these costs are charged directly to the profit and loss statement. However, these costs are capitalised and amortised over the duration of the debenture using the net present method in the financial statements compiled in accordance with IAS.

Finance Lease
In the IAS financial statements, these figures are reported on the balance sheet, while in the commercial law accounts they are treated as off-balance-sheet transactions and disclosed in the notes ("Further details").

Notes on the financial statements of Flughafen Zürich AG
Profit and loss statement

1) Financial result

CHF thousand		2001		2000
Interest expenses on debentures	40,996		28,901	
less capitalised interest on borrowings for projects in progress[1]	(14,482)		(4,818)	
Net interest expenses on debentures		26,514		24,083
Issuing costs		4,388		13,911
Interest expenses on bank loans		12,471		4,150
Valuation adjustments of financial assets		15,904		0
Interest hedging		3,599		0
Other interest expenses		810		1,122
Other financial expenses		1,598		0
Financial expenses		**65,284**		**43,266**
Interest income on postal cheque account and bank deposits		(1,002)		(323)
Dividend income on securities		0		(2)
Price gains, interest on arrears		(389)		(14)
Financial income		**(1,391)**		**(339)**
Total financial result		**63,893**		**42,927**

1) Capitalised interest on borrowings was calculated using an average interest rate of 4.38% in 2001 and 4.26% in 2000.

2) Extraordinary result

CHF thousand	2001	2000
Extraordinary income	1,346	6,196
Extraordinary expenses	(2,861)	(11,844)
Extraordinary result	**(1,515)**	**(5,648)**

Extraordinary income includes various earnings not related to a specific period.
Extraordinary expenses include a 1.32 million Swiss francs book loss from asset disposals, and 1.5 million Swiss francs costs associated with the SAirGroup crisis.

3) Extraordinary result, SAirGroup crisis

CHF thousand	2001	2000
Bad debt write-offs (SAirGroup crisis), net	42,450	0
Total bad debt write-offs (SAirGroup crisis), net	**42,450**	**0**

Outstanding receivables due from SAirGroup and its subsidiaries amounting to 42.45 million Swiss francs were written off in their entirety.

4) Non-operating result

CHF thousand	2001	2000
Non-operating income	3,467	244
Non-operating expenses	(1,268)	(99)
Non-operating result	**2,199**	**145**

This includes all income and expenses not directly associated with the company's business activity.

Balance sheet

5) Financial assets

CHF thousand		31.12.2001	31.12.2000
NOVO Business Consultants AG, Berne	Equity share 15%, nom. share capital CHF 1.0 million	150	150
APT Airport Technologies AG, Zurich Airport	Equity share 100%, nom. share capital CHF 0.1 million	100	25
APT Airport Technologies AG, Zurich Airport	Investment-style loan [1]	2,287	4,000
Unique Betriebssysteme AG, Zurich Airport	Equity share 100%, nom. share capital CHF 0.1 million	100	0
Unique Betriebssysteme AG, Zurich Airport	Loan	23,610	0
Unique Airports Worldwide AG, Zurich Airport	Equity share 100%, nom. share capital CHF 0.1 million	100	0
Unique Airports Worldwide AG, Zurich Airport	Loan	5,327	0
Total financial assets		**31,674**	**4,175**

[1] Entirely subject to subordination

NOVO Business Consultants AG provides consulting and IT services.
The purpose of APT Airport Technologies AG is to provide technical, operational and commercial design, planning, project, implementation and operation of communication and strategic management systems for airports. The loan to APT Airport Technologies AG bears interest at normal market rates.
In the year 2001, Flughafen Zürich AG established two subsidiaries, namely Unique Betriebssysteme AG and Unique Airports Worldwide AG, on 17 October and 11 December respectively. The purpose of the former is to operate the infrastructure of relevance to Zurich Airport, while the latter is responsible for advising, operating or owning airports and/or airport-related companies throughout the world.

6) Fire insurance values

CHF thousand	31.12.2001	31.12.2000
Buildings incl. loading bridges	2,260,427	2,303,144
Movables	297,842	255,606

The figures shown above do not include engineering structures since these cannot be insured via the Building Insurance of the Canton of Zurich (GVZ). Buildings under construction (which are included in projects in progress) are covered by a construction period insurance with GVZ. These figures are therefore also not included in this statement. After completion of the buildings concerned they will be insured on the basis of estimates by GVZ.

7) Cash and cash equivalents, securities

CHF thousand	31.12.2001	31.12.2000
Cash and cash equivalents	10,687	4,091
Own shares	11,239	4,858
Total cash and cash equivalents, securities	**21,926**	**8,949**

Reserves for own shares are reported separately under shareholders' equity.

Number of shares	31.12.2001	31.12.2000
Holdings at beginning of financial year	**17,974**	**0**
Acquisitions (at applicable market price)	110,975	19,300
Free distribution of shares	(4,066)	(1,326)
Holdings at end of financial year	**124,883**	**17,974**

8) Debentures

The following debentures are currently outstanding:

Amount in CHF	Duration	Interest rate	Premature termination	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
300,000,000	2001 – 2004	4.00%	No	14 April
200,000,000	2001 – 2009	4.25%	No	26 March
1,125,000,000	**Total**			

9) Long-term provisions

CHF thousand	31.12.2001	31.12.2000
Pension liabilities	5,718	6,088
Provisional tenancy agreements	1,500	1,500
Long-service benefits (employees)	224	0
Total long-term provisions	**7,442**	**7,588**

10) Short-term financial liabilities

These include the following items (in accordance with IAS group financial statements, note 13, "Financial liabilities"):

CHF thousand	31.12.2001	31.12.2000
Loan from unique zurich airport staff pension fund[1]	5,500	0
Current account with unique zurich airport staff pension fund	639	645

[1] Until 2000, this was referred to as the "Retirement benefit foundation"
The loan and current account bear interest at normal market rates.

11) Short-term provisions

CHF thousand	31.12.2001	31.12.2000
Amounts due to personnel (13th monthly wage/holidays and overtime)	7,597	7,120
Other liabilities	1,200	1,100
Tax liabilities	155	23,753
Total short-term provisions	**8,952**	**31,973**

Further details

Major shareholders

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

	2001	2000
Canton of Zurich (including BVK pension fund)	49.00%	52.65%
City of Zurich (including pension fund of the City of Zurich)	5.38%	5.36%

Miscellaneous

CHF thousand	2001	2000
Sureties, guarantees and pledges in favour of third parties: these concern third-party claims against subsidiaries of SAirGroup that are undergoing insolvency proceedings (provisions have been established to cover the entire amount)	100	0
Pledged and assigned assets, and assets subject to reservation of title	none	none
Financial leasing liabilities not reported in the balance sheet [1]	32,804	0
Significant dissolution of hidden reserves	none	none
Revaluation of assets	none	none

[1] See accounting principles in individual financial statements, section 2, "Valuation principles".

Proposal by the Board of Directors concerning the distribution of retained earnings for 2001

The annual loss including balance brought forward resulted in a balance sheet loss of CHF 29,376,929. The Board of Directors proposes to the General Meeting of Shareholders that this amount should be carried forward to next year's financial statements.

Individual financial statements according to commercial law

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

As statutory auditors, we have audited the accounting records and financial statements (profit and loss statement, balance sheet and notes; pages 84 to 90) of Flughafen Zürich AG for the year ending 31 December 2001.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on them based on the findings obtained from our audit. We confirm that we meet the legal requirements concerning professional qualifications 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

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

We recommend that the financial statements submitted to the General Meeting of Shareholders should be approved.

KPMG Fides Peat

Rudolf Züger
Swiss Certified Accountant

Roger Neininger
Swiss Certified Accountant

Auditors in charge

Zurich, 28 February 2002