Interim report as of 30 June 2004

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The changes in the following financial liabilities are attributable to foreign currency fluctuations on the borrowed amounts:
• Japanese private placement
• Liabilities towards banks arising from US car park lease
• US private placement
Both the interest rate and the currency risk have been hedged (in the form of a cross currency swap) for all transactions. The hedging transactions are classified as cash flow hedges. Both the change in fair value (see also Consolidated balance sheet as of 30 June 2004, page 7) and foreign currency fluctuations have been recognised in equity (hedging reserves, net). (Equity reduction by 27.9 million Swiss francs; see "Consolidated statement of changes in equity", page 8).

3) Airport of Zurich Noise Fund (AZNF)

(CHF million)	30.6.2004	30.6.2003	31.12.2003
Airport of Zurich Noise Fund as of 1 January (liability)	79.7	52.3	52.3
Total revenue from noise-emission charges	23.4	18.2	42.6
Total costs for sound insulation and other measures	(2.7)	(10.8)	(16.2)
Net result before operating costs	**100.4**	**59.7**	**78.7**
Operating costs	(1.5)	(1.2)	(2.5)
Interest payments, Airport of Zurich Noise Fund	2.5	1.5	3.5
Airport of Zurich Noise Fund (liability)	**101.4**	**60.0**	**79.7**

4) Deferred tax liabilities

(CHF million)	30.6.2004	30.6.2003	31.12.2003
Opening balance on 1 January 2004	50.8	68.9	68.9
Deferred taxes on changes in fair value of interest rate swap, booked in income statement	1.4	0.0	0.0
Deferred taxes on changes in fair value of interest rate swap, booked in equity (hedging reserves)	0.0	0.2	0.0
Deferred tax relating discontinuance of hedge accounting for interest rate swap – transferred to income statement	0.0	0.0	6.3
Deferred tax on cross currency swaps – transferred to income statement	1.0	3.3	7.4
Deferred taxes on changes in fair value of cross currency swaps, booked in equity (hedging reserves), net	(9.4)	(4.1)	(30.8)
Change according to income statement	(0.7)	4.4	(0.9)
Other effects/changes in the consolidation structure	0.0	0.0	(0.1)
At end of period	**43.1**	**72.7**	**50.8**

Deferred taxes are calculated at the anticipated income tax rate (currently 23 percent).

Further details

1. Investments
As of the balance sheet date (30 June 2004), the group approved investments in non-current assets amounting to 2.03 billion Swiss francs (prior year, 2.2 billion). These were mainly associated with expansion stage 5, i.e. the new Airside Center, Check-in 3, a multi-storey car park and Dock E. Of this amount, 1.99 billion Swiss francs had been allocated, of which 1.88 billion had already been spent.

2. Events occurring after the balance sheet date
The Audit and Finance Committee authorised this interim report for issue on 16 August 2004. No events occurred between 30 June 2004 and the date on which the consolidated financial statements were authorised for issue by the Audit and Finance Committee which would require the modification of any of the carrying amounts concerning the assets and liabilities of the group or which would have to be reported here.

Contents

Key data, 1st half-year 2004

Key financial data

CHF million, all amounts in accordance with International Financial Reporting Standards (IFRS)

	1–6/04	1–6/03	Change in percent
Total revenue	305.7	258.1	+18.5%
of which revenue from aviation operations	172.2	133.4	+29.1%
of which revenue from non-aviation operations	133.5	124.7	+7.1%
Operating costs	159.6	161.3	–1.1%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	146.1	96.8	+51.0%
EBITDA margin	47.8 %	37.5%	
Net profit	4.5	0.7	n/a
Investments	99.7	174.6	–42.9%
Cash flow [a]	89.5	80.4	+11.3%
Capital employed	2,876	3,294	–12.7%
Shareholders' equity as of 30 June	755.7	812,9	–7.0%
Equity ratio	23.1%	22,6%	
Interest-bearing liabilities (net)	2,034	1,927	+5.6%
Interest-bearing liabilities/EBITDA	6.96x	9.95x	

Key operational data

	1–6/04	1–6/03	Change in percent
Number of passengers	8,348,932	8,150,431	+2.4%
Number of flight movements	129,541	135,313	–4.3%
Freight in tonnes	179,412	201,846	–11.1%
Number of full-time positions as of 30 June	1,239	1,295	–4.3%
Number of employees as of 30 June	1,397	1,467	–4.8%

Key data for shareholders

	1–6/04	1–6/03	Change in percent
Number of issued shares	4,912,300	4,912,300	
Earnings per share (in Swiss francs)	1.83	0.14	n/a
Share price as of 30 June (in Swiss francs)	108.00	32.95	n/a
Market capitalisation as of 30 June	530.5	161.9	n/a

a) Net profit plus depreciation and amortisation and change in non-current provisions

Interim report for first half-year 2004

Dear Shareholders,

With total revenue of approximately 306 million Swiss francs (+18.5 percent versus the prior year), slightly lower operating costs and higher write-offs and financial expenses, Unique (Flughafen Zürich AG) posted a net profit of 4.5 million Swiss francs.

Trend in traffic volume

	January to June 2004	January to June 2003	Change in percent
Number of passengers (in millions)	8.35	8.15	+2.4%
Number of flight movements (in thousand ATMs)	129.54	135.30	–4.3%
Freight in thousand tonnes	179.41	201.94	–11.2%

In the first half of 2004, **Zurich Airport** served as point of departure or arrival for a total of 8,119,261 passengers. The proportion of local passengers rose to 71.1 percent of the overall volume (+17.3 percent), while the proportion of transfer passengers fell by 22.3 percent and is now only 28.2 percent of the overall volume, which was the lowest recorded level in the past 25 years. The number of flights was 4.3 percent lower than in the same period last year. The average number of passengers per flight was 62.7 versus 58.6 in the prior year (an increase by 7.0 percent). The sharp decline in the cargo volume (-11.2 percent) was primarily attributable to the reduction by the home carrier of its long-distance fleet.
The three **Chilean airports** (over which we have control through our holdings in the Chilean operating companies) were used by a combined total of 229,671 passengers.
The overall passenger volume rose by 2.4 percent versus the prior year.

Trend in total revenue

Turnover rose by 18.5 percent versus the same period last year, from 258.1 million to 305.7 million Swiss francs. Thanks to the slightly higher traffic volume and the increase in passenger fees, **aviation income** rose by 29.1 percent from 133.4 million to 172.2 million Swiss francs, approximately 30.0 million of which was attributable to the higher passenger charges. By contrast with the first half of 2003, the new passenger fees were charged for the entire period under review.
At 133.5 million Swiss francs, **non-aviation revenue** also rose versus the prior year (+7.1 percent). The higher revenue from car parks and utilities (electricity and heating charges, etc.) was the main contributing factor here. Commercial revenue (landside and airside) was slightly higher thanks to the additional commercial space and despite provisional arrangements and disruptions associated with expansion stage 5.

Key operating data and results

Thanks to the various cost-cutting measures that were carried out in the course of last year and adherence to stringent cost management, operating costs fell slightly versus the prior year from 161.3 million to 159.6 million Swiss francs (-1.1 percent). **Personnel expenses** were cut by 4.4 percent, and the number of jobs fell by 4.3 percent. Due to the significantly expanded infrastructure (new multi-storey car park 3, the opening of Dock E on 1 September 2003, expansion of the landside shopping centre) resulting from expansion stage 5, the costs associated with infrastructure management were 3.9 million Swiss francs (+20.8 percent) higher than in 2003.
Costs relating to **sales, marketing and administration** fell by approximately 15 percent. **Earnings before interest, taxes, depreciation and amortisation (EBITDA)** rose by 51.0 percent in the first six months of 2004, from 96.8 million in the prior year to 146.1 million Swiss francs. At 47.8 percent, the EBITDA margin is 10.3 percentage points higher than the prior-year level of 37.5 percent.
Earnings before interest and taxes (EBIT) rose by 32.6 million Swiss francs to 53.4 million (prior year, 20.8 million). If we divide the operating results into segments, **Aviation** posted a positive result of 1.2 million Swiss francs and **Non-Aviation** was in positive territory with a positive result of 52.2 million Swiss francs.
At 48.1 million Swiss francs, the **financial result** was significantly higher than the prior-year figure of 15.6 million. The financial result for both the prior year and the current year is influenced by special factors:

CHF million	January to June 2004	January to June 2003	Change in percent
Consolidated financial result, net	48.1	15.6	n/a
Adjustment in fair value of interest rate swap	6.1	0.0	n/a
Gain on early redemption of debentures	0.0	30.8	n/a
"Ordinary" financial result, net	**54.2**	**46.4**	**+16.8%**

The situation outlined above resulted in a **profit for the first six months** of 4.5 million Swiss francs.

Investments

In the first half of 2004, investments amounted to approximately 100 million Swiss francs (prior year, 175 million), most of which (72 million Swiss francs) was required for expansion stage 5. 89.8 percent (prior year, 46.0) of these investments were covered from cash flow (net profit plus depreciation and amortisation and change in noncurrent provisions). Interestbearing liabilities (net) rose slightly to 2,034 million Swiss francs versus 1,927 million as of 30 June 2003, and 2,010 million versus 31 December 2003.

Expansion stage 5

The expansion of the airport infrastructure has been proceeding according to schedule and is close to completion. The final component – Airside Center – will be officially handed over for operation on 15 September 2004. A special event (open days) is to be held from 10 to 12 September 2004 during which the general public will be able to inspect Zurich Airport's new infrastructure. The programme will include a broad variety of activities.

Airside Center is designed as a hub for all departing and transferring passengers. It will be much more convenient for everyone and will shorten the distance passengers have to cover to reach Dock E. The commercial centre with more than 60 new shops, bars and restaurants will be able to suit just about everybody's taste.

The range of services at Zurich Airport was extended in the first half of 2004 following the opening of the **Travel Market** adjoining Check-in 3 and the **coach terminal** next to multistorey car park 2. Other attractive additions include the new **rail travel centre** that was handed over for operation at the end of May, and the expansion of the landside **Airport Shopping,** which was completed during the spring. Following the completion of the expansion and renovation work at the end of July 2004, visitors to the Airport Shopping now have roughly twice the number of shops and restaurants at their disposal. When the new **bus terminal** with its expansive roofing is handed over for operation at the beginning of September 2004, this will mark the conclusion of the landside expansion project. A number of bars and restaurants in the already existing areas have undergone a facelift, and work recently commenced on the **connection between customs halls 1 and 2.** These new links will be opened for operation in spring 2005.

Operating regulations/unilateral ordinances issued by Germany

At the end of 2003, Unique (Flughafen Zürich AG) submitted its application to the relevant federal authority for approval of its temporary operating regulations. Numerous objections were lodged against the proposed regulations. The approval procedure is still in progress at the Swiss Federal Office for Civil Aviation. A variety of appeal proceedings relating to the proposed temporary operating regulations dated May 2001 as well as to the later amendments, are still pending. On 22 April 2004, the federal government approved the application submitted by Unique (Flughafen Zürich AG) for permission to install an instrument landing system (ILS) on runway 28. However, it has not been possible to commence work on this project since a number of objections have been lodged with the authorities.

On 30 April 2004 a further intensification of the minimum visibility regulations entered into effect for approaches from the north during the extended curfews imposed by Germany. In order to secure safe and uninterrupted operations, and in accordance with the protocol signed by Federal Councillor Leuenberger and German transport minister Stolpe on 26 June 2003, as of 30. April 2004 the instrument landing system localiser had to be put into operation on runway 34 by Skyguide and the landing procedure for aircraft approaching from the south had to be modified. The handover for operation of the instrument landing system glide path for runway 34 as called for in the above protocol is scheduled for the end of October 2004.

Civil Aviation Infrastructure Plan (SIL)/ cantonal guidelines/mediation procedure

At the initiative of the head of the Federal Department of the Environment, Transport, Energy and Communications (DETEC), in autumn 2003 preparations were made for the initiation of a broadbased mediation procedure for all interest groups concerning the disputed issues relating to flight operations at Zurich Airport. The canton of Zurich and Unique (Flughafen Zürich AG) placed hopes in such a move and cofinanced the preparatory tasks together with the federal government. Unique (Flughafen Zürich AG) regrets that the mediation procedure failed to materialise. According to the federal government, the suspended tasks relating to the Civil Aviation

Infrastructure Plan (SIL) have now been reinstated, and this presumably applies to the transport segment of the cantonal guideline regarding the development of settlement and other zones (kantonaler Richtplan).
The "Relief" experts group set up by the civil engineering authorities of the canton of Zurich (Baudirektion des Kantons Zürich) prepared comprehensive background material and formulated proposals for the coordinated planning of the development of settlement (and other) zones and the development of the airport. The resulting documentation can now flow into the discussions concerning the Civil Aviation Infrastructure Plan and the cantonal guideline regarding the development of settlement and other zones.

Noise compensation
Several hundred compensation claims associated with excessive aircraft noise (formal expropriations) are still pending with the Federal Valuation Commission (Eidgenössische Schätzungskommission). In August 2004 the Swiss Federal Court pronounced its ruling on the applicability of the statute of limitations for the municipality of Opfikon. This ruling will not have any influence on cost estimates for noise compensation, which as before amount to between 0.8 and 1.2 billion Swiss francs.

Other events in the first half of the year
A framework agreement was concluded with Octagon (Switzerland) AG concerning the development and marketing of the former finger dock B – which was temporarily closed in September 2003.
A cooperation agreement was concluded with "Switzerland Tourism" concerning the marketing of Switzerland as a tourist destination at Zurich Airport as well as abroad.
43 percent of passengers and visitors use public transport to reach Zurich Airport. This represents an increase by 26 percent versus 1994. One of the stipulations laid down in the building permit for Dock E was that the **"modal split"**, i.e. the proportion of people travelling to the airport by public transport, was to be increased to 42 percent by the time expansion stage 5 was completed. With a proportion of 43 percent today, this requirement has already been met ahead of time.
In March, Unique (Flughafen Zürich AG) initiated the due diligence procedure relating to the takeover of the operation of the airport on the popular tourist destination of **Isla Margarita** in Venezuela. The final decision regarding the takeover is to be announced in autumn 2004.
The first **LPG (gas) filling station** at Zurich Airport was opened in 2004, and at the same time Unique (Flughafen Zürich AG) added a number of gasfuelled vehicles to its fleet.
The Indian government awarded **Bangalore International Airport** (BIAL) the necessary licence for the construction and operation of the new international airport in Bangalore, in which Unique (Flughafen Zürich AG) holds a 17 percent stake.

Outlook
On the basis of the current traffic data, Unique (Flughafen Zürich AG) estimates that approximately 48 percent of the total traffic volume for the year was handled in the first six months of 2004. If no unforeseen events should occur, the volume of passengers at Zurich Airport for the full year is expected to reach approximately 17.1 to 17.3 million. Our dependency on the home carrier decreased further as a consequence of the sharp decline in the proportion of transfer passengers. Although such decreased dependency, the development of our business activities still considerable depends on the operational and financial development of Swiss.
The opening of new shops in Airside Center as of mid September 2004 should promote turnover growth for the second half of the year.
Unique (Flughafen Zürich AG) expects to close the 2004 financial year with a profit.

Zurich Airport, 16 August 2004

Andreas Schmid
Chairman of the Board of Directors

Josef Felder
Chief Executive Officer

Consolidated income statement
(according to IFRS)

(CHF million)	**Notes**	**2004 Jan. to June**	**2003 Jan.–June**	**2003 Jan.–Dec.**
Revenue from goods and services				
– Revenue from aviation operations		172.2	133.4	304.5
– Revenue from non-aviation operations		133.5	124.7	257.1
Total revenue		**305.7**	**258.1**	**561.6**
Depreciation and amortisation		(92.8)	(76.0)	(173.9)
Personnel expenses		(66.4)	(69.5)	(136.5)
Police and security		(35.3)	(35.0)	(71.7)
Maintenance and material		(22.5)	(18.6)	(38.2)
Sales, marketing, administration		(13.0)	(15.3)	(31.6)
Other operating expenses		(11.4)	(10.5)	(20.6)
Energy and waste		(10.5)	(10.6)	(20.1)
Other expenses/income, net		(0.5)	(1.8)	14.8
Profit from operations		**53.4**	**20.8**	**83.8**
Financial result, net	(1)	(48.1)	(15.6)	(80.8)
Profit before tax		**5.3**	**5.2**	**3.0**
Income taxes		(0.8)	(4.4)	0.7
Profit after tax		**4.5**	**0.8**	**3.7**
Minority interests		(0.0)	(0.1)	0.1
Net profit		**4.5**	**0.7**	**3.8**
Earnings per share in CHF		1.83	0.14	0.80

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

Consolidated balance sheet (according to IFRS)

(CHF million)	Notes	30.6.2004	30.6.2003	31.12.2003
Assets				
Movables		86.7	69.9	86.5
Buildings, engineering structures		2,342.2	2,238.5	2,339.2
Facilities in leasing		82.3	0.6	83.0
Land		112.3	112.3	112.3
Projects in progress		328.2	407.8	323.6
Projects in progress in leasing		0.4	83.8	1.9
Total property, plant and equipment		**2,952.1**	**2,912.8**	**2,946.4**
Intangible assets		30.7	37.4	30.8
Financial assets		1.0	0.9	1.0
Non-current assets		**2,983.8**	**2,951.0**	**2,978.2**
Inventories		2.9	1.9	3.0
Receivables arising from sales of goods and services		107.1	67.9	69.3
Other receivables and prepaid expenses		27.6	34.8	41.9
Cash and cash equivalents [a)]		148.1	548.0	140.8
Current assets		**285.8**	**652.7**	**255.0**
Total assets		**3,269.6**	**3,603.7**	**3,233.3**
Equity, minority interests and liabilities				
Share capital		245.6	245.6	245.6
Own shares		(4.1)	(25.6)	(25.0)
Capital reserves		335.9	338.8	335.3
Retained earnings		285.7	278.1	281.2
Hedging reserves, net		(106.3)	(22.8)	(78.4)
Translation reserve		(1.2)	(1.1)	(0.3)
Equity		**755.7**	**812.9**	**758.4**
Minority interests		**6.4**	**6.3**	**6.1**
Debentures and non-current loans	(2)	1,802.3	2,322.0	1,807.2
Airport of Zurich Noise Fund	(2)(3)	101.4	60.0	79.7
Lease liabilities	(2)	78.9	70.1	80.5
Deferred tax liabilities	(4)	43.1	72.7	50.8
Retirement benefit plans		4.0	5.4	4.0
Other non-current borrowings	(2)	0.6	0.5	0.5
Non-current liabilities		**2,030.2**	**2,530.7**	**2,022.8**
Other current debt, accruals and deferrals [b)]		317.8	188.7	271.9
Current financial liabilities	(2)	131.3	22.4	136.8
Liabilities arising from purchases of goods and services		28.0	42.5	37.0
Current tax liabilities		0.2	0.1	0.3
Current liabilities		**477.3**	**253.8**	**446.0**
Total liabilities		**2,507.5**	**2,784.5**	**2,468.8**
Total equity, minority interests and liabilities		**3,269.6**	**3,603.7**	**3,233.3**

a) 30 June 2003: including extraordinary liquid funds from the conclusion of three financial transactions
b) Including fair value of interest and foreign currency hedges; see "Consolidated statement of changes in equity" and note 2, "Financial liabilities"

Consolidated statement of changes in equity (according to IFRS)

(CHF million)	Share-capital	Own shares	Capital-reserve	Retained-earnings	Hedging reserves, net [c]	Translation reserves	Total equity
Balance at 31.12.2002	**245.6**	**(25.0)**	**343.0**	**277.5**	**(20.9)**	**(1.0)**	**819.1**
Purchase of own shares		(4.8)					(4.8)
Distribution of own shares		4.2	(4.2)				0.0
Adjustment of interest rate swap to fair value					0.8		0.8
Adjustment of cross currency swaps to fair value					(3.6)		(3.6)
Cross currency swaps – transfer to income statement					0.9		0.9
Foreign exchange differences						(0.1)	(0.1)
Net profit, 1st half-year 2003				0.7			0.7
Balance at 30.6.2003	**245.6**	**(25.6)**	**338.8**	**278.1**	**(22.8)**	**(1.1)**	**812.9**
Balance at 31.12.2003	**245.6**	**(25.0)**	**335.3**	**281.2**	**(78.4)**	**(0.3)**	**758.4**
Purchase of own shares		(10.9)					(10.9)
Sale of own shares [a]		31.1	1.4				32.5
Distribution of own shares [b]		0.8	(0.8)				0.0
Adjustment of cross currency swaps to fair value					(31.4)		(31.4)
Cross currency swaps – transfer to income statement					3.5		3.5
Foreign exchange differences						(0.8)	(0.8)
Net profit, 1st half-year 2004				4.5			4.5
Balance at 30.6.2004	**245.6**	**(4.1)**	**335.9**	**285.7**	**(106.3)** [c]	**(1.2)**	**755.7**

a) The sale of own shares to third parties was carried out at market prices.
b) 8,585 shares were distributed within the scope of the bonus programme.
c) The group has hedged both the interest rates and the currency risk (cross currency swap) for the three financial transactions: Japanese private placement, liabilities towards banks arising from US car park lease, and the US private placement. These hedging transactions meet the requirements of a cash flow hedge. Both the changes in fair value as well as the currency fluctuations have been recognised in equity (Hedging reserves, net) (see note 2, "Financial liabilities").

Consolidated cash flow statement (according to IFRS)

(CHF million)	2004 Jan.-June	2003 Jan.-June	2003 Jan.-Dec.
Cash flow from operations	**132.1**	**129.4**	**207.0**
Cash flow from investing activities	**(98.1)**	**(151.6)**	**(275.4)**
Cash flow from financing activities	**(26.7)**	**550.8**	**189.7**
Increase in cash and cash equivalents	**7.3**	**528.5**	**121.3**
Balance at beginning of period	140.8	19.5	19.5
Balance at end of period	**148.1**	**548.0**	**140.8**

Consolidated balance sheet – changes in non-current assets (according to IFRS)

(CHF million)	Land	Engineering structures	Buildings	Facilities in leasing	Projects in progress in leasing	Projects in progress	Movables	Total property, plant and equipment	Intangible assets	Goodwill	Financial assets	Total
Cost												
Closing balance sheet as of 31.12.2003	112.3	1,178.8	3,165.4	85.1	1.9	323.6	187.0	5,054.1	48.6	31.0	1.0	5,134.7
Additions					0.4	99.0		99.4			0.3	99.7
Disposals		(0.7)	(2.2)				(2.0)	(4.9)			(0.3)	(5.2)
Transfers		29.3	49.8	1.8	(1.8)	(94.4)	7.5	(7.8)	7.8			0.0
Foreign exchange differences			(0.6)					(0.6)		(0.2)		(0.8)
Closing balance sheet as of 30.6.2004	**112.3**	**1,207.4**	**3,212.4**	**86.9**	**0.4**	**328.2**	**192.5**	**5,140.2**	**56.4**	**30.8**	**1.0**	**5,228.4**
Depreciation/amortisation and impairment losses												
Closing balance sheet as of 31.12.2003	0.0	444.6	1,543.1	2.1	0.0	0.0	100.5	2,090.3	26.1	22.8	0.0	2,139.1
Additions		18.7	59.0	2.5			7.2	87.4	4.7	2.9		95.0
Disposals		(0.6)	(1.9)				(1.9)	(4.4)				(4.4)
Foreign exchange differences			(0.3)					(0.3)				(0.3)
Closing balance sheet as of 30.6.2004	**0.0**	**462.7**	**1,599.8**	**4.6**	**0.0**	**0.0**	**105.8**	**2,172.9**	**30.8**	**25.7**	**0.0**	**2,229.3**
Government subsidies and grants												
Closing balance sheet as of 31.12.2003	0.0	0.8	16.7	0.0	0.0	0.0	0.0	17.4	0.0	0.0	0.0	17.4
Disposals		(0.1)	(2.1)					(2.2)				(2.2)
Closing balance sheet as of 30.6.2004	**0.0**	**0.7**	**14.6**	**0.0**	**0.0**	**0.0**	**0.0**	**15.2**	**0.0**	**0.0**	**0.0**	**15.2**
Net book value as of 30.6.2004	**112.3**	**744.1**	**1,598.1**	**82.3**	**0.4**	**328.2**	**86.7**	**2,952.1**	**25.6**	**5.1**	**1.0**	**2,983.8**
Net book value as of 30.6.2003	**112.3**	**686.5**	**1,552.0**	**0.6**	**83.8**	**407.8**	**69.8**	**2,912.8**	**24.5**	**12.8**	**0.9**	**2,951.0**
Net book value as of 31.12.2003	**112.3**	**733.5**	**1,605.7**	**83.0**	**1.9**	**323.6**	**86.5**	**2,946.4**	**22.6**	**8.2**	**1.0**	**2,978.2**

Accounting principles and notes

The accounting principles applied in the 2004 Interim Report correspond to those described in detail in the 2003 Annual Report. The 2004 half-year results have been reported in accordance with IAS 34.

Seasonal factors

Given the nature of the civil aviation sector and in view of statistics recorded in previous years, both the traffic volume (flights and passengers) and turnover are always greater in the second half of the year than in the first half.

Segment reporting
Primary segment reporting
The method of segment reporting used in the present report corresponds to internal reporting segments as defined by IAS 14. The presentation of the results is in line with the principles that were applied in the 2003 Annual Report.

(CHF million)		Aviation	Non-Aviation	Elimination	Total
Revenue from third parties	2003 Jan.-Dec.	304.5	257.1		561.6
	2003 Jan.-June	133.4	124.7		258.1
	2004 Jan.-June	172.2	133.5		305.7
Inter-segment revenue	2003 Jan.-Dec.	11.6	95.6	(107.2)	0.0
	2003 Jan.-June	5.7	42.7	(48.3)	0.0
	2004 Jan.-June	5.4	60.2	(65.6)	0.0
Total revenue	**2003 Jan.-Dec.**	**316.1**	**352.7**	**(107.2)**	**561.6**
	2003 Jan.-June	**139.1**	**167.4**	**(48.3)**	**258.1**
	2004 Jan.-June	**177.6**	**193.8**	**(65.6)**	**305.7**
Segment result	**2003 Jan.-Dec.**	**(3.8)**	**87.6**		**83.8**
	2003 Jan.-June	**(21.5)**	**42.3**		**20.8**
	2004 Jan.-June	**1.2**	**52.2**		**53.4**
Total non-current assets (gross)	2003 31.12.	1,239.9	3,571.2		4,811.1
excluding projects in progress	2003 30.6.	1,326.0	3,281.6		4,607.6
	2004 30.6.	1,553.8	3,345.9		4,899.7
Projects in progress	2003 31.12.	33.9	289.7		323.6
	2003 30.6.	39.4	368.3		407.8
	2004 30.6.	25.9	302.7		328.6
Total non-current	**2003 31.12.**	**1,273.9**	**3,860.9**		**5,134.7**
assets (gross)	**2003 30.6.**	**1,365.4**	**3,649.9**		**5,015.4**
	2004 30.6.	**1,579.7**	**3,648.6**		**5,228.4**
Depreciation and amortisation	2003 31.12.	558.7	1,580.4		2,139.1
	2003 30.6.	540.9	1,503.8		2,044.7
	2004 30.6.	592.9	1,636.4		2,229.3
Government subsidies	2003 31.12.	0.0	17.4		17.4
and grants (prior to 1989)	2003 30.6.	0.0	19.6		19.6
	2004 30.6.	0.0	15.2		15.2
Depreciation/amortisation					
including offsetting of	**2003 31.12.**	**558.7**	**1,597.8**		**2,156.5**
dissolution	**2003 30.6.**	**540.9**	**1,523.4**		**2,064.3**
of government subsidies	**2004 30.6.**	**592.9**	**1,651.6**		**2,244.5**
Total non-current	**2003 31.12.**	**715.1**	**2,263.1**		**2,978.2**
assets (net)	**2003 30.6.**	**824.6**	**2,126.5**		**2,951.0**
	2004 30.6.	**986.8**	**1,997.0**		**2,983.8**
Total investments	**2003 31.12.**	**77.9**	**225.6**		**303.5**
	2003 30.6.	**51.7**	**122.9**		**174.6**
	2004 30.6.	**1.7**	**97.9**		**99.7**
Number of employees	**2003 31.12.**	**599.4**	**661.0**		**1,260.4**
(full-time positions)	**2003 30.6.**	**600.5**	**694.6**		**1,295.1**
	2004 30.6.	**590.5**	**648.4**		**1,238.9**

Secondary segment reporting
Unique (Flughafen Zürich AG) provides practically all its services within Switzerland. During the first half of 2004, it provided external consulting services worth 0.2 million Swiss francs (prior year, 0.8 million). The Aviation segment reported above also includes revenue of 3.0 million Swiss francs (prior-year figure, 2.2 million) resulting from our business activities in Chile. As engagements abroad were negligible, a breakdown by geographical region was not undertaken.

1) Financial result, net

(CHF million)	2004 Jan. - June	2003 Jan. - June	2003 Jan. - Dec.
Interest expenses on debentures and long-term loans	46.4	37.2	86.5
less capitalised interest on borrowings for buildings under construction	(4.9)	(6.3)	(10.6)
Net interest expenses on debentures and long-term loans	**41.5**	**30.9**	**75.9**
Interest difference related to interest rate swap	6.6	6.3	12.6
Other interest expenses	2.4	2.5	5.9
Other financial expenses	1.4	0.9	2.5
Effective interest expenses	1.3	2.9	5.3
Interest expense on finance lease payments	0.8	0.0	0.7
Interest expenses on bank loans	0.5	3.2	4.1
Effect of discontinued hedge accounting on interest rate swap	0.0	0.0	27.2
Financial expenses	**54.5**	**46.7**	**134.2**
Adjustment in fair value of interest rate swap	(6.1)	0.0	(9.2)
Interest income on postal cheque accounts and bank deposits	(0.3)	0.0	(0.3)
Gain on early redemption of debentures	0.0	(30.8)	(43.4)
Net foreign exchange gains, interest on arrears	0.0	(0.3)	(0.5)
Financial income	**(6.4)**	**(31.1)**	**(53.4)**
Total financial result, net	**48.1**	**15.6**	**80.8**

Capitalised interest on borrowings for buildings under construction was calculated using an average interest rate of 5.45 percent in 2004 and 5.34 percent in 2003.
The group holds an interest rate swap to the value of 300 million Swiss francs. This swap does not meet the requirements of a cash flow hedge, and for this reason the changes in fair value of the interest rate swap (+6.1 million Swiss francs) are recognised in the income statement.

2) Financial liabilities

(CHF million)	30.6.2004	30.6.2003	31.12.2003
Japanese private placement	423.4	409.9	423.0
Debentures	373.2	856.1	372.9
Liabilities towards banks arising from US car park lease	367.8	389.8	370.4
US private placement	334.7	361.6	336.7
Non-current loan from Canton of Zurich	300.0	300.0	300.0
Airport of Zurich Noise Fund	101.4	60.0	79.7
Lease liabilities	78.9	70.1	80.5
Non-current liabilities towards banks	3.2	4.6	4.3
Other non-current financial liabilities	0.6	0.5	0.5
Non-current financial liabilities	**1,983.1**	**2,452.6**	**1,968.0**
Debenture; repayment 14.9.2004	124.9	0.0	124.8
Current lease liabilities	4.5	14.9	4.6
Current liabilities towards banks	1.9	1.6	1.9
Loan from unique staff pension fund	0.0	5.5	5.5
Current account with unique staff pension fund	0.0	0.4	0.0
Current financial liabilities	**131.3**	**22.4**	**136.8**
Total financial liabilities	**2,114.4**	**2,475.0**	**2,104.8**

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