

Interim report as of 30 June 2005





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The Interim Report is available in German and English. The German version is binding.



Contents

2	Key data
3	Interim report
8	Consolidated income statement
9	Consolidated balance sheet
10	Consolidated statement of changes in equity
10	Consolidated cash flow statement
11	Consolidated balance sheet – changes in non-current assets
11	Accounting principles and notes (unaudited)

Key data, 1st half-year 2005

Key financial data ¹⁾

(All amounts in accordance with International Financial Reporting Standards [IFRS])

(CHF million)	2005 Jan.–June	2004 Jan.–June	Change in %
Total revenue	317.3	305.7	+3.8%
of which revenue from aviation operations	175.7	172.2	+2.0%
of which revenue from non-aviation operations	141.6	133.5	+6.0%
Operating costs	162.2	160.0	+1.4%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	155.1	145.7	+6.4%
EBITDA margin	48.9%	47.7%	
Net profit	3.8	4.1	-7.9%
<i>thereof attributable to shareholders of Unique (Flughafen Zürich AG)</i>	<i>3.8</i>	<i>4.0</i>	<i>-4.6%</i>
<i>thereof attributable to minority interests</i>	<i>0.0</i>	<i>0.1</i>	<i>n/a</i>
Investments	65.3	99.7	-34.5%
Cash flow ²⁾	95.2	89.1	+6.9%
Capital employed	2,810	2,876	-2.3%
Shareholders' equity as of 30 June	766.7	762.1	+0.6%
<i>thereof attributable to shareholders of Unique (Flughafen Zürich AG)</i>	<i>766.7</i>	<i>755.7</i>	<i>+1.4%</i>
<i>thereof attributable to minority interests</i>	<i>0.0</i>	<i>6.4</i>	<i>n/a</i>
Equity ratio	24.0%	23.3%	
Interest-bearing liabilities (net, according to IFRS)	1,942	2,034	-4.5%
Interest-bearing liabilities (net, nominal)	1,981	2,095	-5.5%
Interest-bearing liabilities (net, nominal)/EBITDA	6.39x	7.19x	
Key operational data	2005 Jan.–June	2004 Jan.–June	Change in %
Number of passengers	8,465,759	8,119,261	+4.3%
Number of flight movements	132,600	129,541	+2.4%
Freight in tonnes	184,912	179,412	+3.1%
Number of full-time positions as of 30 June	1,258	1,197	+5.1%
Number of employees	1,455	1,355	+7.4%
Key data for shareholders	2005 Jan.–June	2004 Jan.–June	Change in %
Number of issued shares	4,912,300	4,912,300	
Earnings per share (in Swiss francs)	0.77	0.86	-10.5%
Share price as of 30 June (in Swiss francs)	190.00	108.00	+75.9%
Market capitalisation as of 30 June	933.3	530.5	+75.9%

¹⁾All key financial data presented here are unaudited. Based on changes in the applicable accounting principles (see page 12), some prior-year values have been restated (operating costs, EBITDA, net profit, shareholders' equity).

²⁾Net profit plus depreciation and amortisation and change in non-current provisions.

Interim report for first half-year 2005

Dear Shareholders,

Unique (Flughafen Zürich AG) reported a net profit of 3.8 million Swiss francs for the first half of 2005. This result fell short of expectations, mainly because earnings in the duty-free segment were lower than anticipated. Nonetheless, Unique (Flughafen Zürich AG) succeeded in generating a positive free cash flow (29.9 million Swiss francs) for the first time since the airport became an independent entity.

Trend in traffic volume

In the first half of 2005, Zurich Airport was used by a total of 8,465,759 passengers (plus 4.3 percent). This increase versus the previous year was primarily attributable to growth in the volume of transfer passengers, which rose to 2.527 million (plus 10.6 percent) to bring the proportion of transfer passengers up to 29.9 percent. The volume of local passengers increased to 5.880 million (plus 1.9 percent). This sharp growth in the volume of transfer passengers is partly attributable to partnerships of Swiss, and partly to adjusted capacities of shuttle flights to and from Zurich Airport. This in turn resulted in good capacity utilisation on intercontinental flights. At the same time, flight movements increased by 2.4 percent. The average number of passengers per flight was 79.1 (an increase of 4.4 percent). Following a decrease in the previous year, the freight volume rose again in the first half of 2005 by 3.1 percent.

Trend in total revenue

Turnover rose by 3.8 percent versus the same period last year, from 305.7 million to 317.3 million Swiss francs.

Revenue from aviation operations increased to 175.7 million Swiss francs (plus 2.0 percent). Despite the higher volume of flight movements, landing charges remained at the same level as last year due to the fact that airlines again used smaller aircraft. The higher proportion of transfer passengers meant that the increase in revenue from passenger charges was disproportionately low (charges for transfer passengers are lower than those for local passengers).

At 141.6 million Swiss francs, **non-aviation revenue** was 6.0 percent higher versus the same period last year. This increase was largely attributable to higher commercial revenue from food and beverage and retail operations. Business at the new Airside Center is progressing satisfactorily, but the high expectations of Unique (Flughafen Zürich AG) have not yet been met in all segments. This was especially the case with respect to duty-free business, and here a variety of measures were introduced aimed at promoting sales.

Key operating data and results

Operating costs rose by 1.4 percent versus the previous year to 162.2 million Swiss francs (plus 1.4 percent).

At 68.8 million Swiss francs, the largest cost block was personnel expenses (plus 3.0 percent), and the next largest was security costs, which increased by 9.9 percent to 38.8 million Swiss francs. Operating costs include approximately 6.13 million Swiss francs from the repayment of accrued costs associated with the Bangalore project (extraordinary income, booked in "Other expenses/income, net"). In the past, these project costs were charged directly to the income statement. Following the successful conclusion of the project, they are now flowing back to the company as income. If "Other expenses/income, net" are not taken into account, the operating costs would have risen by 5.3 percent versus the previous year. This increase reflects the higher costs associated with the additional infrastructure that was put into operation upon completion of expansion stage 5.

For the first six months of the year, **earnings before interest, taxes, depreciation and amortisation (EBITDA)** amounted to 155.1 million Swiss francs (plus 6.4 percent), while the EBITDA margin rose from 47.7 to 48.9 percent.

Earnings before interest and taxes (EBIT) rose from 53.0 million Swiss francs to 61.9 million (plus 16.8 percent).

The result in the **non-aviation segment** rose sharply by 39.1 percent to 72.3 million Swiss francs. By contrast, an operating loss of 10.4 million Swiss francs was reported in the **aviation segment**, compared with an operating profit of 1.0 million in the same period last year.

At 57.3 million Swiss francs, the **financial result** was 18.8 percent higher than last year. However, it should be noted that the net financial result is strongly influenced by the change in fair value of the interest rate swap:

(CHF million)	Jan.–June 2005	Jan.–June 2004
Financing costs	55.9	54.3
Changes in fair value of interest rate swap	1.4	(6.1)
Financial result, net	57.3	48.2

At 3.8 million Swiss francs, **the profit for the first six months** was slightly below last year's figure (4.1 million Swiss francs). If we eliminate the two main extraordinary factors, the result is slightly better than in the same period last year.

(CHF million)	Jan.–June 2005	Jan.–June 2004
Reported net profit	3.8	4.1
Elimination of effect of interest rate swap	1.4	(6.1)
Elimination of income from Bangalore	(6.1)	0.0
"Adjusted" result	(0.9)	(2.0)

Investments and net debt

In the first half of 2005, **investments** amounted to 65.3 million Swiss francs. This is well below the investment volume of 99.7 million that was reported last year, which was mainly associated with investments relating to expansion stage 5.

All investments were financed via the generated **cash flow** (net profit plus depreciation and changes in non-current provisions) amounting to 95.2 million Swiss francs (plus 6.9 percent).

Nominal net debt fell to 1.981 billion Swiss francs in the first half of the year (minus 56 million Swiss francs). For the calculation of nominal net debt the current debt is shown at effective value in Swiss francs, thus taking into consideration the fact that the currency risk has been hedged:

(CHF million)	30.6.2005	31.12.2004	31.12.2003
Financial liabilities, nominal	2,082	2,065	2,162
./. Cash & cash equivalents	(101)	(28)	(95)
Net debt, nominal	1,981	2,037	2,067
Decrease	(56)	(30)	

Swiss

In March 2005, Lufthansa announced that it had concluded a take-over deal with Swiss. Unique (Flughafen Zürich AG) regards the incorporation of Swiss into the world's leading alliance as an opportunity to secure stable international connections for Switzerland. However, membership of Swiss in the Star Alliance will also alter competition for Unique (Flughafen Zürich AG) with the existing alliance hub airports, in particular Frankfurt and Munich. In order for Zurich Airport to also operate successfully in this competitive environment, comparable conditions to those of its competitors are essential. At present Zurich Airport faces major competitive disadvantages in the form of restrictions arising from the unilateral ordinance issued by Germany (delays) and with respect to safety and compensation costs.

Modified user concept/Schengen

A new user concept was introduced as of the beginning of the 2005 summer flight plan. All intercontinental flights are now handled at Dock E. Passengers greatly welcomed this clearer concept.

The acceptance by the electorate of Switzerland's signature of the Schengen/Dublin treaty means that preparatory work for the implementation of the treaty in 2007 has been intensified. If the EU member states ratify Switzerland's accession, it will be necessary to separate passenger flows at Zurich Airport, and this will call for major structural modifications as well as a further amendment of the user concept.

Punctuality

In the first half of 2005, the level of punctuality was increased by around 1.5 percent thanks to significant operational improvements. The adverse weather conditions in February and March, coupled with the further tightening of restrictions on flights over southern German airspace (elimination of the two main holding zones), prevented a further improvement in punctuality.

International activities

In **Bangalore**, the project stage of the new international airport was successfully completed in June 2005 with the financial close. Construction work commenced on 2 July, and the new airport will be ready for operation at the beginning of 2008. With the financial close, the project costs invested by Unique (Flughafen Zürich AG) amounting to approximately 6.13 million Swiss francs will flow back to the company as income. The proprietor and operator of the new airport is Bangalore International Airports Ltd. (BIAL), in which Unique (Flughafen Zürich AG) holds a 17 percent stake (equivalent to approximately 16 million Swiss francs). Unique (Flughafen Zürich AG) is to provide the top management and is further supporting BIAL in the construction and operation of the airport on the basis of an operation, management and service level agreement.

The airports in South America in which Unique (Flughafen Zürich AG) holds an interest are reporting pleasing trends in passenger volumes:

Passenger volumes, Latin America	Jan.–June 2005	Jan.–June 2004	Change in %
Chile (Puerto Montt, La Serena, La Calama)	242,232	229,671	5.5%
Venezuela (Porlamar – Isla de Margarita)	778,346	674,420	15.4%
Total	1,020,578	904,091	12.9%

The airport on Isla de Margarita in **Venezuela** that was taken over by the IDC/Unique consortium in March 2004 is making positive progress. A variety of activities aimed at modernising this airport were initiated in the first half of 2005. These developments were overshadowed by the fact that the new governor of the province of Nueva Esparta, who only recently took office, announced at the end of May 2005 that the licence agreement concluded between his predecessor and the consortium is not valid, though the reasons for this pronouncement remain obscure. In July 2005, the Higher Administrative Court of North Venezuela heard our appeal against this decision and subsequently ruled that the action on the part of the new governor was not founded on any legal basis, and reinstated the full rights of the IDC/Unique consortium with immediate effect.

In **Chile**, arbitration proceedings concerning the operating licence for La Serena Airport were concluded after two years of negotiation. The outcome was that the duration of the operating licence was extended and the charges were increased.

New airport hotel

In June 2005 the initial contracts were signed for a new hotel at Zurich Airport and the applications for the necessary building permits were submitted to the authorities. The Radisson SAS Airport Hotel plans to open its doors in the course of 2008. The four-star hotel will be equipped with a conference centre and 329 rooms. Unique (Flughafen Zürich AG) is the real estate owner and building lease grantor, and a German investment company is acting as investor and building lease beneficiary.

Call for return of payment from Swissair liquidation

In May 2005, the administrator in charge of the Swissair liquidation challenged a payment made by former Swissair to Unique (Flughafen Zürich AG) in October 2001 in the amount of 21.8 million Swiss francs and demanded its return, arguing that the payment represented preferential treatment of Unique (Flughafen Zürich AG) versus other creditors. Unique (Flughafen Zürich AG) regards this payment as lawful and legitimate based on current knowledge. However, the claim will be brought to the relevant courts of law.

Civil Aviation Infrastructure Plan (SIL)

In view of the fact that the mediation process failed to get off the ground, the federal government reinstated the co-ordination procedure for the Zurich Airport section of the SIL. Extensive specialised work was initiated in March 2005. As soon as the necessary technical documentation is available, a political evaluation will take place during which co-ordination aspects will be discussed and a catalogue of requirements will be drawn up. The Federal Council is responsible for formal approval of the SIL.

Unique (Flughafen Zürich AG) regards the SIL process as an opportunity to co-ordinate the planning of residential zones and the development of the airport in a comprehensive manner, and thus to create legal and planning security for both the airport and the local population.



Temporary operating regulations

At the end of 2003, Unique (Flughafen Zürich AG) submitted its application to the Federal Office for Civil Aviation (FOCA) for approval of its temporary operating regulations. On 29 March 2005, the FOCA partially approved the application, and at the same time called for an amendment to the structure of Swiss air space. Several dozen objections against the two rulings by the FOCA were lodged with the Appeals Commission for Infrastructure and Environment (REKO INUM), and Unique (Flughafen Zürich AG) lodged an objection of its own against conditions attached to the approval of the operating regulations.

The more stringent regulations governing the use of air space over southern Germany entered into effect on 14 April 2005, and this meant that the transfer of holding zones, together with the required adjustment of flight paths to and from Zurich Airport, had to be implemented as of that date.

IFRS accounting principles

A variety of new IFRS accounting standards have been applied in this interim report (see page 12).

Other events in the first half of the year

With a total of **63 snow removal operations**, a record was set in the 2004/2005 winter. The airport did not have to be closed at all due to snow removal, but the quantity of de-icing agents that were used was approximately three times greater than the ten-year average.

Zurich Airport wins construction award. The Swiss Institute of Steel Construction awarded its 2005 "Prix Acier" to Zurich Airport for its new Airside Center and bus terminal.

Result of initial quality surveys at Zurich Airport. National and international market research organisations have graded the quality and performance of Zurich Airport after the completion of expansion stage 5 as very good. Construction work on the instrument landing system for runway 28 (**approach from the east**) was continued during the first half of 2005. However, its handover for operation has been postponed until autumn 2006 due to an objection on the part of the municipality of Kloten and the required training time for Skyguide air traffic controllers.

At the end of 2004, Unique (Flughafen Zürich AG) submitted its application to the Federal Office for Civil Aviation (FOCA) for approval of the proposed **alternative approach path along the northern border of Switzerland**, with visual final approach, and at the end of February it submitted the required safety certification. The FOCA has meanwhile confirmed that the application has been submitted together with all required documentation, and it will be carrying out trials to assess the suitability of the proposed approach path.

Outlook

If no unforeseen events should occur, the volume of passengers at Zurich Airport for the full year is expected to reach approximately 18 million. The second half of the year is expected to yield a better result than the first half, mainly due to the seasonal nature of civil aviation, falling capital costs thanks to repayments of liabilities, and a slightly upward trend in commercial business.

Unique (Flughafen Zürich AG) expects to close the 2005 financial year with a higher profit than in 2004. Based on developments to date, however, the targeted 50 percent increase in profit must be regarded as overly ambitious.

Zurich Airport, 15 August 2005



Andreas Schmid
Chairman of the Board of Directors



Josef Felder
Chief Executive Officer

Consolidated income statement ¹⁾
(according to IFRS)

(CHF million)	Notes	2005	2004	2004
		Jan.–June	Jan.–June	Jan.–Dec.
Revenue from goods and services				
- Revenue from aviation operations		175.7	172.2	362.1
- Revenue from non-aviation operations		141.6	133.5	275.2
Total revenue		317.3	305.7	637.3
Depreciation and amortisation		(93.2)	(92.8)	(190.1)
Personnel expenses ²⁾		(68.8)	(66.8)	(132.3)
Police and security		(38.8)	(35.3)	(73.2)
Maintenance and material		(24.7)	(22.5)	(45.5)
Sales, marketing, administration		(13.6)	(13.0)	(31.8)
Energy and waste		(11.3)	(10.5)	(19.9)
Other operating expenses		(10.7)	(11.4)	(21.3)
Other expenses/income, net		5.7	(0.5)	(4.5)
Profit from operations		61.9	53.0	118.7
Financial result, net	(1)	(57.3)	(48.2)	(106.6)
Income from associates		0.3	0.2	0.4
Profit before tax		4.9	4.9	12.5
Income taxes		(1.1)	(0.8)	3.8
Net profit		3.8	4.1	16.3
Net profit attributable to				
Unique (Flughafen Zürich AG)		3.8	4.0	16.4
Minority interests		0.0	0.1	(0.1)
Earnings per share in CHF ^{2) + 3)}		0.77	0.86	3.44

¹⁾ All financial information presented above is unaudited with the exception of figures for the period from January to December 2004.

²⁾ Personnel expenses include effects from introduction of IFRS 2, "Share-based Payment", amounting to CHF 0.2 million in the first half of 2005 (first-half 2004: CHF 0.4 million) and CHF 0.9 million for the whole of 2004. Net profit and earnings per share for 2004 were also restated according to IFRS 2.

³⁾ There are no shares that could potentially give rise to a dilution. Earnings per share are calculated on the basis of the net profit attributable to the shareholders of Unique (Flughafen Zürich AG).

Note:

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

Consolidated balance sheet ¹⁾
(according to IFRS)

(CHF million)	Notes	30.6.2005	30.6.2004	31.12.2004
Assets				
Land		112.2	112.3	112.3
Buildings, engineering structures		2,567.6	2,342.2	2,594.4
Facilities in leasing		77.3	82.3	80.2
Projects in progress		43.4	328.2	65.5
Projects in progress in leasing		0.4	0.4	0.2
Movables		94.0	86.7	90.0
Total property, plant and equipment		2,895.0	2,952.1	2,942.6
Intangible assets		25.8	30.7	27.7
Other financial assets		17.4	1.0	16.0
Investments in associates		4.3	0.0	0.4
Non-current assets		2,942.5	2,983.8	2,986.6
Inventories		2.9	2.9	3.7
Trade receivables		116.8	107.1	87.2
Other receivables and prepaid expenses		27.0	27.6	28.8
Cash and cash equivalents		102.2	148.1	45.8
Current assets		248.9	285.8	165.5
Total assets		3,191.3	3,269.6	3,152.1
Equity, minority interests and liabilities				
Share capital		245.6	245.6	245.6
Own shares		(2.2)	(4.1)	(2.3)
Capital reserves		337.9	336.4	337.8
Retained earnings		301.1	285.3	297.3
Hedging reserves, net		(115.3)	(106.3)	(107.6)
Translation reserve		(0.4)	(1.2)	(0.9)
Equity attributable to shareholders of Unique (Flughafen Zürich AG)		766.7	755.7	769.9
Minority interests		0.0	6.4	6.3
Equity		766.7	762.1	776.3
Debentures and non-current loans	(2)	1,605.6	1,802.3	1,596.3
Lease liabilities	(2)	74.8	78.9	77.0
Airport of Zurich Noise Fund	(2)(3)	142.2	101.4	118.3
Deferred tax liabilities	(4)	36.4	43.1	38.2
Retirement benefit plans		1.6	4.0	1.4
Other non-current financial liabilities	(2)	0.0	0.6	0.6
Non-current liabilities		1,860.6	2,030.2	1,831.8
Trade payables		42.7	28.0	28.3
Current financial liabilities	(2)	220.7	131.3	124.7
Other current debt, accruals and deferrals		300.6	317.8	386.8
Current tax liabilities		0.0	0.2	4.2
Current liabilities		564.0	477.3	544.0
Total liabilities		2,424.6	2,507.5	2,375.8
Total equity, minority interests and liabilities		3,191.3	3,269.6	3,152.1

¹⁾ All financial information presented above is unaudited with the exception of figures valid as of 31 December 2004.

Consolidated statement of changes in equity ¹⁾
(according to IFRS)

(CHF million)	Share capital	Own shares	Capital reserves	Retained earnings	Hedging reserves, net	Translation reserve	Equity attributable to shareholders of Unique (Flughafen Zürich AG)	Minority interests	Equity
Balance at 31.12.2003	245.6	(25.0)	335.3	281.2	(78.4)	(0.3)	758.4	6.1	764.5
Adjustment of cross currency swaps to fair value ²⁾					(31.4)		(31.4)		(31.4)
Cross currency swaps – transfer to income statement ²⁾					3.5		3.5		3.5
Foreign exchange differences						(0.8)	(0.8)	0.3	(0.5)
Net income recognised directly in equity	0.0	0.0	0.0	0.0	(27.9)	(0.8)	(28.7)	0.3	(28.4)
Net profit, 1 st half-year 2004				4.5			4.5		4.5
Effect of initial adoption of IFRS 2			0.4	(0.4)			0.0		0.0
Total recognised income and expense for the period	0.0	0.0	0.4	4.1	(27.9)	(0.8)	(24.3)	0.3	(23.9)
Purchase of own shares		(10.9)					(10.9)		(10.9)
Sale of own shares		31.1	1.4				32.5		32.5
Distribution of own shares		0.8	(0.8)				0.0		0.0
Balance at 30.6.2004	245.6	(4.1)	336.4	285.3	(106.3)	(1.2)	755.7	6.4	762.1
Balance at 31.12.2004	245.6	(2.3)	337.0	298.2	(107.6)	(0.9)	769.9	6.3	776.3
Effect of initial adoption of IFRS 2			0.9	(0.9)			0.0		0.0
Balance at 1.1.2005	245.6	(2.3)	337.8	297.3	(107.6)	(0.9)	769.9	6.3	776.3
Adjustment of cross currency swaps to fair value ²⁾					78.3		78.3		78.3
Cross currency swaps – transfer to income statement ²⁾					(85.9)		(85.9)		(85.9)
Net income recognised directly in equity	0.0	0.0	0.0	0.0	(7.6)	(0.0)	(7.6)	0.0	(7.6)
Net profit, 1 st half-year 2005				3.8			3.8		3.8
Total recognised income and expense for the period	0.0	0.0	0.0	3.8	(7.6)	(0.0)	(3.8)	0.0	(3.8)
Change in consolidation structure ³⁾						0.5	0.5	(6.3)	(5.9)
Purchase of own shares		(8.0)					(8.0)		(8.0)
Sale of own shares		7.3	0.6				7.9		7.9
Share-based payments		0.8	(0.6)				0.2		0.2
Balance at 30.6.2005	245.6	(2.2)	337.9	301.1	(115.3)	(0.4)	766.7	0.0	766.7

¹⁾ All financial information presented above is unaudited with the exception of figures valid as of 31 December 2003 and 31 December 2004.

²⁾ See note 1, "Financial result, net", note 2, "Financial liabilities" and "Accounting principles and notes".

³⁾ See page 12, Accounting principles and notes, section III, "Changes in the consolidation structure".

Consolidated cash flow statement ¹⁾
(according to IFRS)

(CHF million)	2005 Jan.–June	2004 Jan.–June	2004 Jan.–Dec.
Cash flow from operations	162.6	132.1	307.5
Cash flow from investing activities	(64.8)	(98.1)	(195.6)
Cash flow from financing activities	(41.4)	(26.7)	(206.9)
Increase in cash and cash equivalents	56.4	7.3	(95.0)
Balance at beginning of period	45.8	140.8	140.8
Balance at end of period	102.2	148.1	45.8

¹⁾ All financial information presented above is unaudited with the exception of figures for the period from January to December 2004.

Consolidated balance sheet – changes in non-current assets ¹⁾ (according to IFRS)

(CHF million)	Land	Engineering structures	Buildings	Facilities in leasing	Projects in progress	Projects in progress in leasing	Movables	Total property, plant and equipment	Intangible assets	Goodwill	Other financial assets	Investments in associates	Total
Cost													
Closing balance sheet as of 31.12.2004	112.3	1,224.7	3,524.3	87.4	65.6	0.2	203.6	5,218.0	61.2	31.0	16.0	0.4	5,326.7
Effect of initial adoption of IFRS 3								0.0		(28.8)			(28.8)
Opening balance on 1.1.2005	112.3	1,224.7	3,524.3	87.4	65.6	0.2	203.6	5,218.0	61.2	2.2	16.0	0.4	5,297.9
Change in consolidation structure			(16.2)	(0.6)			(0.2)	(17.0)	(0.1)	(2.2)	(1.0)		(20.2)
Additions					58.3	0.5	0.0	58.9		0.2	2.4	3.9	65.3
Disposals	(1.3)	(2.1)	(28.3)				(6.8)	(38.4)					(38.4)
Transfers	1.3	15.5	46.1	0.3	(80.5)	(0.3)	11.9	(5.7)	5.7				0.0
Closing balance sheet as of 30.6.2005	112.2	1,238.2	3,526.0	87.1	43.4	0.4	208.6	5,215.8	66.9	0.2	17.4	4.3	5,304.6
Depreciation/amortisation and impairment losses													
Closing balance sheet as of 31.12.2004	0.0	479.9	1,661.6	7.2	0.1	0.0	113.6	2,262.5	35.8	28.8	0.0	0.0	2,327.1
Effect of initial adoption of IFRS 3								0.0		(28.8)			(28.8)
Opening balance on 1.1.2005	0.0	479.9	1,661.6	7.2	0.1	0.0	113.6	2,262.5	35.8	0.0	0.0	0.0	2,298.2
Change in consolidation structure			(8.3)				(0.1)	(8.5)		(0.0)			(8.5)
Additions		18.7	60.6	2.6			7.8	89.6	5.4				95.0
Disposals		(1.1)	(26.1)				(6.6)	(33.8)					(33.8)
Closing balance sheet as of 30.6.2005	0.0	497.5	1,687.8	9.8	0.1	0.0	114.7	2,309.8	41.2	0.0	0.0	0.0	2,351.0
Government subsidies and grants													
Closing balance sheet as of 31.12.2004	0.0	0.6	12.4	0.0	0.0	0.0	0.0	13.0	0.0	0.0	0.0	0.0	13.0
Disposals		(0.1)	(1.7)					(1.8)					(1.8)
Closing balance sheet as of 30.6.2005	0.0	0.5	10.7	0.0	0.0	0.0	0.0	11.2	0.0	0.0	0.0	0.0	11.2
Net book value as of 30.6.2005	112.2	740.2	1,827.5	77.3	43.4	0.4	94.0	2,895.0	25.6	0.2	17.4	4.3	2,942.5
Net book value as of 31.12.2004	112.3	744.2	1,850.2	80.2	65.5	0.2	90.0	2,942.6	25.5	2.2	16.0	0.4	2,986.6

¹⁾ All financial information presented above is unaudited with the exception of figures valid as of 31 December 2004.

Accounting principles and notes (unaudited)

I. Valuation and balance-sheet principles

The unaudited report for the first half of 2005 was prepared in accordance with International Accounting Standard 34 (IAS 34) governing interim reporting. With the exception of the modifications cited under "Change in accounting principles", the applied accounting principles correspond to those used for the 2004 consolidated financial statements.

II. Change in accounting principles

In 2003, the International Accounting Standards Board (IASB) published a revised version of IAS 32, "Financial Instruments: Disclosure and Presentation", a revised version of IAS 39, "Financial Instruments: Recognition and Measurement", and a general revision of its International Accounting Standards including 13 existing standards. In 2004 the IASB published IFRS 2, "Share-based Payment", IFRS 3, "Business Combinations", IFRS 4, "Insurance Contracts", IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations", revised versions of IAS 36, "Impairment of Assets" and IAS 38, "Intangible Assets", plus various additions to IAS 39. All cited standards must be applied for the first time in the 2005 Annual Report. With the exception of those listed below, the cited standards do not have a direct effect on the financial position, the results of operations or the cash flows of Unique (Flughafen Zürich AG).

IFRS 2: Share-based Payment

IFRS 2 must be applied for all share-based payments. Unique (Flughafen Zürich AG) is affected by this standard in that it issues shares to employees within the scope of its bonus programme. Share-based payments are now reported as expenses distributed over the period of service, and valuation is made as of the date the shares are granted. Up to 31 December 2004, the equivalent value of shares issued within the scope of the bonus programme was charged at cost to the capital reserves and therefore did not affect the income statement. All shares granted prior to 1 January 2005 were already vested as of this date and are therefore not governed by IFRS 2. The restatement of 2004 was made on a voluntary basis for comparison purposes. Personnel expenses reflect the effects of the introduction of IFRS 2 amounting to 0.2 million Swiss francs in the first half of 2005 (first-half 2004: 0.4 million), and 0.9 million Swiss francs for the whole of 2004.

IFRS 3: Business Combinations

One of the requirements of IFRS 3 is that, as of 1 January 2005, scheduled amortisation of goodwill according to the straight-line method is no longer applicable. The value retention of goodwill positions is verified annually by means of an impairment test. IFRS 3 is to be used prospectively, which means that no more goodwill can be amortised after 1 January 2005 (the goodwill arising from the privatisation of Zurich Airport as of 1 January 2000 [acquisition value 24.8 million Swiss francs; accumulated amortisation, 24.8 million Swiss francs] was fully amortised as of 31 December 2004 – see page 11, "Changes in non-current assets").

IAS 1 (revised): Presentation of Financial Statements

One of the altered requirements of this standard is that minority interests in the net assets of a subsidiary have to be reported as part of the consolidated equity capital and not as a separate category in the balance sheet. It also requires that minority interests in the results of a subsidiary have to be reported as part of the consolidated result in the income statement. The revised standard requires retrospective application.

III. Changes in the consolidation structure

On 31 December 2004, Unique (Flughafen Zürich AG) signed a term sheet reducing its holding in Unique Chile S.A. from 100 to 48 percent, and consequently effecting a proportionate reduction of its holdings in the other group companies in Chile. The necessary approval of this transaction by the government of Chile had not yet been received as of 31 December 2004, but has meanwhile been given. In view of its relatively minor nature, after 1 January 2005 this company is now included in the consolidated financial statements in accordance with the equity method. The deconsolidation of the companies in Chile as of 1 January 2005 has the following impacts on the group's assets and liabilities:

(CHF thousand)	Disinvestments
Assets without cash and cash equivalents	(13,311)
Cash and cash equivalents	(850)
Liabilities	6,084
Minority interests	6,320
Disposals of net assets	(1,757)
Reclassification of financial assets and participations ¹⁾	2,219
Disposals of cash and cash equivalents	850
Foreign currency effect	(462)
Outflow of funds from disposals	850

¹⁾ The purchase price of CHF 1.2 million (book profit from disposals before foreign currency effect, CHF 0.3 million) was financed by means of a loan.

IV. Seasonal factors

Given the nature of the civil aviation sector and based on the 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.

V. Segment reporting

a) 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 2004 Annual Report.

[CHF million]		Aviation	Non-Aviation	Elimination	Total
Revenue from third parties	2004 Jan.–Dec.	362.1	275.2		637.3
	2004 Jan.–June	172.2	133.5		305.7
	2005 Jan.–June	175.7	141.6		317.3
Inter-segment revenue	2004 Jan.–Dec.	10.0	124.1	(134.1)	0.0
	2004 Jan.–June	5.4	60.2	(65.6)	0.0
	2005 Jan.–June	5.4	68.3	(73.7)	0.0
Total revenue	2004 Jan.–Dec.	372.2	399.2	(134.1)	637.3
	2004 Jan.–June	177.6	193.8	(65.6)	305.7
	2005 Jan.–June	181.1	209.9	(73.7)	317.3
Segment result	2004 Jan.–Dec.	8.5	110.2		118.7
	2004 Jan.–June	1.0	52.0		53.0
	2005 Jan.–June	(10.4)	72.3		61.9
Total non-current assets (gross) excluding projects in progress	2004 31.12.	1,574.8	3,686.1		5,260.9
	2004 30.6.	1,553.8	3,345.9		4,899.7
	2005 30.6.	1,557.7	3,703.1		5,260.8
Projects in progress	2004 31.12.	33.5	32.3		65.8
	2004 30.6.	25.9	302.7		328.6
	2005 30.6.	23.2	20.6		43.8
Total non-current assets (gross)	2004 31.12.	1,608.3	3,718.4		5,326.7
	2004 30.6.	1,579.7	3,648.6		5,228.3
	2005 30.6.	1,580.9	3,723.7		5,304.6
Depreciation and amortisation	2004 31.12.	620.1	1,707.0		2,327.1
	2004 30.6.	592.9	1,636.4		2,229.2
	2005 30.6.	621.8	1,729.2		2,351.0
Government subsidies and grants (prior to 1989)	2004 31.12.	0.0	13.0		13.0
	2004 30.6.	0.0	15.2		15.2
	2005 30.6.	0.0	11.2		11.2
Depreciation/amortisation including offsetting of dissolution of government subsidies and grants	2004 31.12.	620.1	1,720.0		2,340.1
	2004 30.6.	592.9	1,651.6		2,244.5
	2005 30.6.	621.8	1,740.4		2,362.2
Total non-current assets (net)	2004 31.12.	988.2	1,998.4		2,986.6
	2004 30.6.	986.8	1,997.0		2,983.8
	2005 30.6.	959.1	1,983.3		2,942.4
Total investments	2004 31.12.	28.5	171.6		200.1
	2004 30.6.	1.7	97.9		99.7
	2005 30.6.	12.8	52.5		65.3
Number of employees (full-time positions)	2004 31.12.	559.2	687.0		1,246.2
	2004 30.6.	548.5	648.4		1,196.9
	2005 30.6.	568.0	689.7		1,257.7

b) Secondary segment reporting

Unique (Flughafen Zürich AG) provides practically all its services within Switzerland. During the first half of 2005, it provided external consulting services worth 0.2 million Swiss francs (same as previous year). The Aviation segment reported above also includes turnover of 3.0 million Swiss francs for the previous year resulting from our business activities in Chile. As engagements abroad were negligible, a breakdown by geographical region was not undertaken.

Notes

1) Financial result, net

(CHF million)	2005 Jan.–June	2004 Jan.–June	2004 Jan.–Dec.
Interest expenses on debentures and long-term loans	44.1	46.4	91.4
less capitalised interest on borrowings for buildings under construction	[0.3]	[4.9]	[7.2]
Net interest expenses on debentures and long-term loans	43.8	41.5	84.2
Interest difference related to interest rate swap	5.6	6.6	12.9
Other interest expenses	3.5	2.4	5.0
Changes in fair value of interest rate swap	1.4	0.0	0.0
Other financial expenses	1.3	1.4	2.3
Effective interest expenses	1.2	1.3	2.5
Interest expense on finance lease payments	0.9	0.8	1.7
Interest expenses on bank loans	0.0	0.5	0.9
Valuation adjustments of financial assets	0.0	0.0	0.1
Financial expenses	57.7	54.5	109.6
Interest income on postal cheque accounts and bank deposits/loans	[0.3]	[0.2]	[0.4]
Net foreign exchange gains, interest on arrears	[0.1]	0.0	[0.1]
Changes in fair value of interest rate swap	0.0	[6.1]	[2.5]
Financial income	[0.4]	[6.3]	[3.0]
Total financial result, net	57.3	48.2	106.6

Capitalised interest on borrowings for buildings under construction was calculated using an average interest rate of 5.62 percent in 2005 and 5.45 percent in 2004.

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 (plus 1.4 million Swiss francs; 2004, minus 6.1 million) are recognised in the income statement.

2) Financial liabilities

(CHF million)	30.6.2005	30.6.2004	31.12.2004
Japanese private placement	420.8	423.4	400.7
Debentures	201.9	373.2	291.6
Non-current liabilities towards banks arising from US car park lease	336.7	367.8	296.9
US private placement	346.2	334.7	303.8
Non-current loan from Canton of Zurich	300.0	300.0	300.0
Airport of Zurich Noise Fund ¹⁾	142.2	101.4	118.3
Lease liabilities	74.8	78.8	77.0
Non-current liabilities towards banks	0.0	3.2	3.2
Other non-current financial liabilities	0.0	0.6	0.6
Non-current financial liabilities	1,822.6	1,983.1	1,792.2
Debenture; repayment 5.7.2005/12.4.2006	171.9	124.9	81.9
Current liabilities towards banks arising from US car park lease	44.4	0.0	37.0
Current lease liabilities	4.5	4.5	4.4
Current liabilities towards banks	0.0	1.9	1.3
Current financial liabilities	220.7	131.3	124.7
Total financial liabilities	2,043.3	2,114.4	1,916.9

¹⁾ See note 3, "Airport of Zurich Noise Fund".

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 2005, page 9) and foreign currency fluctuations have been recognised in equity (hedging reserves) (equity reduction by 7.6 million Swiss francs; see also "Consolidated statement of changes in equity", page 10).

3) Airport of Zurich Noise Fund

(CHF million)	30.6.2005	30.6.2004	31.12.2004
Airport of Zurich Noise Fund as of 1 January (liability)	118.3	79.7	79.7
Total revenue from noise-emission charges	23.8	23.4	49.6
Total costs for sound insulation and other measures	(1.6)	(2.7)	(13.1)
Net result before operating costs	140.4	100.4	116.2
Operating costs	(1.7)	(1.5)	(3.3)
Interest payments, Airport of Zurich Noise Fund	3.5	2.5	5.4
Airport of Zurich Noise Fund (liability)	142.2	101.4	118.3
- of which non-earmarked portion	128.7	84.9	106.3
- of which earmarked portion for sound insulation measures in subsequent year	13.5	16.5	12.0

4) Deferred tax liabilities

(CHF million)	30.6.2005	30.6.2004	31.12.2004
Opening balance at beginning of period	38.2	50.8	50.8
Change in taxation rate, booked in retained earnings	0.0	0.0	0.4
Change in taxation rate, booked in hedging reserves	0.0	0.0	2.0
Change in taxation rate, booked to income statement	0.0	0.0	(6.8)
Other effects	0.0	0.0	(0.2)
Deferred tax on changes in fair value of interest rate swap booked in income statement	0.0	1.4	0.0
Deferred tax on changes in fair value of cross currency swaps booked in equity (hedging reserves)	20.8	(9.4)	(26.7)
Deferred tax on cross currency swaps – transferred to income statement	(22.8)	1.0	19.5
Change according to income statement	(0.1)	(0.7)	(0.8)
Change in the consolidation structure	0.3	0.0	0.0
At end of period	36.4	43.1	38.2

Deferred tax is calculated at the anticipated income tax rate (currently 21 percent; previous year, 23 percent).

Further details

1. Capital commitments

As of the balance sheet date (30 June 2005), the group approved investments in non-current assets amounting to 2.00 billion Swiss francs (previous year, 2.03 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 1.96 billion had already been spent and charged to capital.

Within the scope of the airport participation in Venezuela, the syndicate, in which Unique (Flughafen Zürich AG) holds a 49.5 percent stake, has entered into an agreement with the local government to implement an investment programme worth a total of 34 million US dollars over the next 20 years. The investments in question will only be made if certain basic conditions are fulfilled and will be largely financed from the expected operational cash flows.

On 27 June 2005, the bank financing the construction project for a new intercontinental airport in Bangalore, India, declared that all the preconditions for providing the corresponding credits had been met (financial close) allowing construction to commence in July 2005. Unique (Flughafen Zürich AG) has a 17 percent stake (16 million Swiss francs) in Bangalore International Airport Ltd. (BIAL), which is managing the project and will be constructing and operating the new airport. BIAL is a public/private partnership in which private investors have a 74 percent stake and the Indian government and the local state of Karnataka each hold a 13 percent interest. This is the first project of its kind in India. The biggest shareholders are Siemens (40 percent) and Indian construction group Larsen&Toubro Ltd. (17 percent).

Unique (Flughafen Zürich AG) is supporting BIAL with the planning, construction and operation of the airport on the basis of an operation, management and service level agreement that has been concluded for a period of ten years.

2. Contingent liabilities

Contingent liabilities have changed as follows since 31 December 2004:

On 4 October 2001, Swissair Schweizerische Luftverkehr AG (Swissair) paid the amount of 21.8 million Swiss francs to Unique (Flughafen Zürich AG) for airport charges for the month of July 2001. On 2 October 2001, Swissair discontinued all flight operations due to insufficient liquidity. It went on to request formal suspension of debt, which was granted on 5 October 2001. On 23 May 2005, the administrator of Swissair Schweizerische Luftverkehr AG (in debt-restructuring liquidation) challenged the cited payment and demanded its return, arguing that the payment represented preferential treatment of Unique (Flughafen Zürich AG) versus other creditors. Unique (Flughafen Zürich AG) regards this payment as lawful and legitimate based on current knowledge. However, the claim will be brought to the relevant courts of law. The amount concerned is recognised in this interim report as a contingent liability.

3. Events occurring after the balance sheet date

The Audit and Finance Committee authorised this interim report for issue on 15 August 2005. No events occurred between 30 June 2005 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.

