

ZURICH AIRPORT: OPTIMISTIC DESPITE NET PROFIT DECLINE



The net profit of Zurich Airport declined sharply by 87% to 10.1 million Swiss Francs in the first half of 2013 owing to a one-off factor. The airport managers, however, look confidently ahead to the second half of the year.

Despite a 2.7% turnover increase to CHF 469.4 million, operating profits (EBIT) were stable at CHF 134.3 million compared to the previous reporting year.

On the whole, CEO Thomas Kern and Chief Financial Officer Daniel Schmucki announced to the media, at the presentation of the half-year results, that they are optimistic about the second half-year results.

The drop in profits was due to a one-off payment for the restructuring of long-term financial liabilities. This burdened the result by CHF73.3 million (USD 79.8 million) as Schmucki explained. Without the restructuring, earnings would have increased by 4%.

According to Schmucki, a Japanese loan taken out in 2003 – after the grounding of Swissair – was repaid early. This means interest costs could be sustainably and substantially reduced. Early repayment is a "good investment in the future."

Operating costs were higher in 2012, rising by 4.3% to CHF 224.1 million (USD 243.8 million). This was due to higher savings and recapitalisation contributions to the BVK pension fund, and also to the exceptionally harsh winter which increased operating costs, causing operating profit to decline despite higher sales.

How much airport taxes, which have been in effect since 2003, will be raised next year is still open. The negotiations between Zurich Airport and airport users failed.

The airport will now submit a "fair and proper" fee proposal to the Federal Office for Civil Aviation (BAZL/FOCA), Kern said. The BAZL/ FOCA decision is not expected before October.

Disagreement on fees between users and operators was due to the system, Kern said. However, the airport needed the additional charges to be able to invest in important aviation infrastructure. Kern is also aware that Zurich airport is "not cheap".

The 21 Swiss Francs currently calculated for each passenger flying to or from Zurich are obviously not a hindrance. From January to July, the number of passengers increased by 0.2% to 14.31 million. The number of aircraft movements at the same time decreased by 3.3%. The trend towards larger and heavier machines will continue, Kern said.

Zurich airport expects moderate growth in passenger traffic in 2013. Operating results are expected to be slightly higher than in the previous year, ruling out unexpected factors.

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