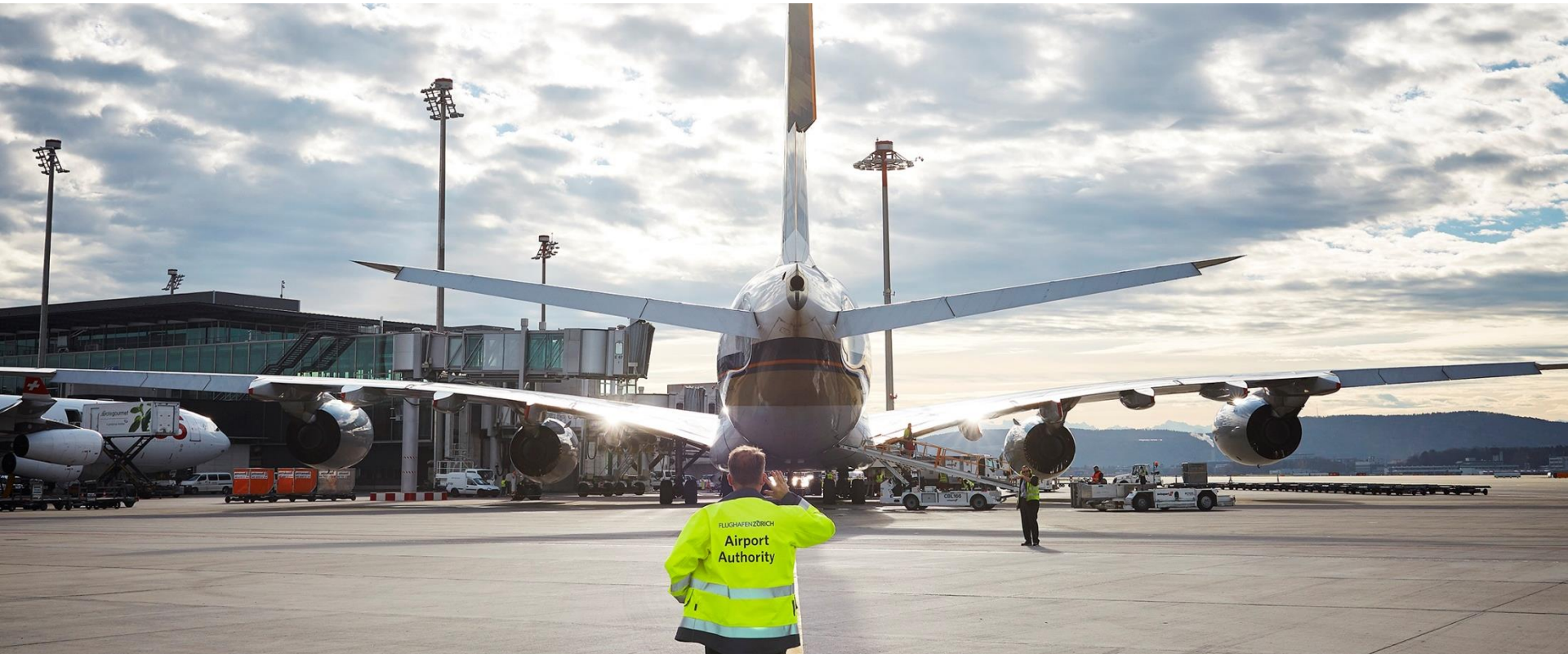


# 2016 FULL YEAR FINANCIAL RESULTS PRESENTATION TO INVESTORS & ANALYSTS



**Stephan Widrig**  
Chief Executive Officer

**Lukas Brosi**  
Chief Financial Officer

# SCHEDULE

1. Business Update
2. Financial performance FY2016
3. Outlook
4. Q&A



# 1. BUSINESS UPDATE



# REVIEW FINANCIAL YEAR 2016

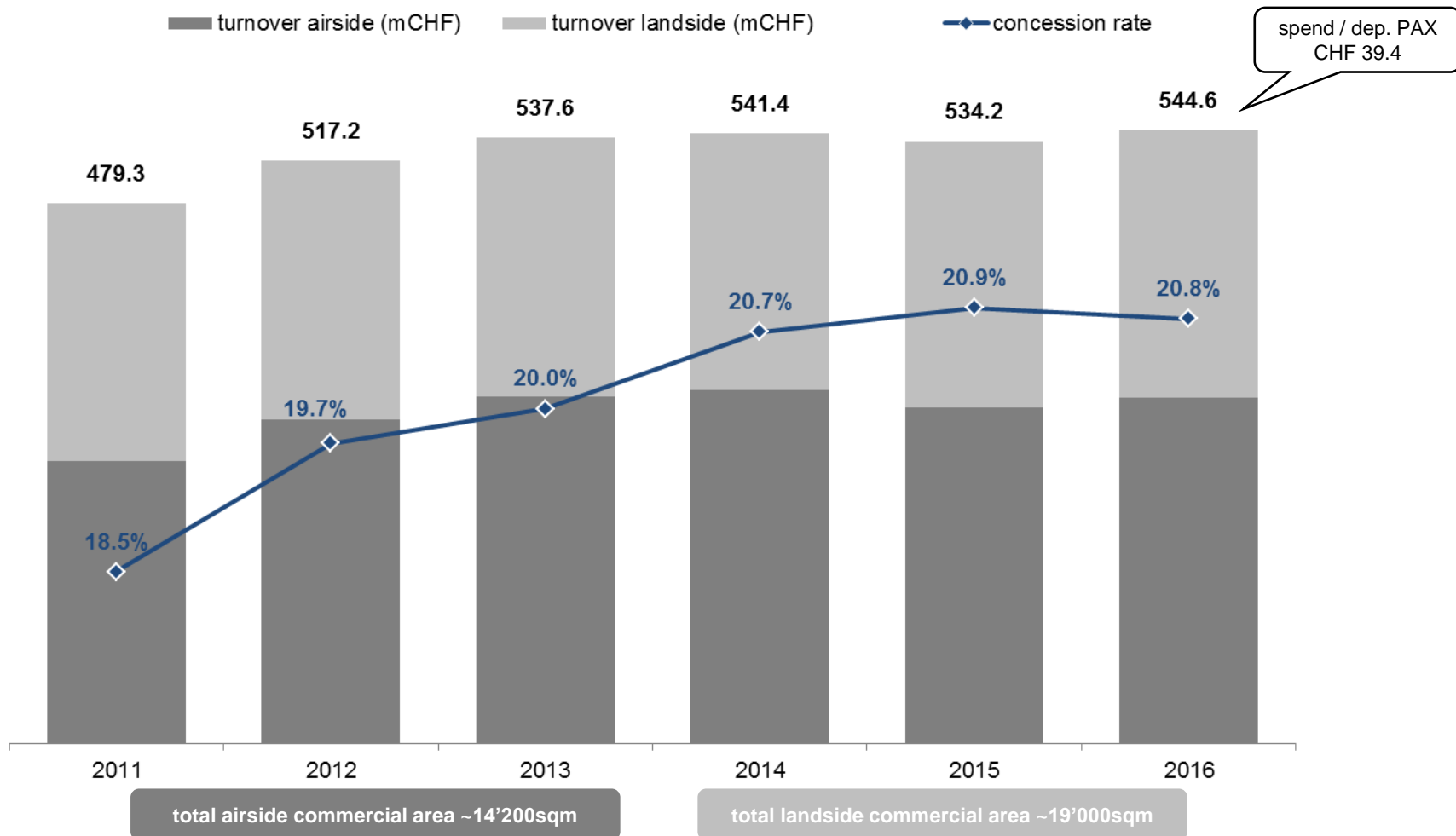
- solid business parameters
  - >27 million PAX
  - CHF >1 billion revenue
- favorable decision of the Swiss Federal Court on noise-related compensation principles
- divestment BIAL
- new duty free contract with Dufry AG
- implementation of new charges
- new anchor tenants for «The Circle»



# FY2016 TRAFFIC FIGURES

in million	Jan-Dec 2016	Jan-Dec 2015	Δ (in %)
Local passengers	20.0	18.7	+ 6.5%
Transfer passengers	7.6	7.5	+ 2.3%
<i>Transfer share (in %)</i>	27.6	28.5	
<b>Total passengers</b>	<b>27.7</b>	<b>26.3</b>	<b>+ 5.3%</b>
<b>Movements (in 1'000)</b>	<b>269.2</b>	<b>265.1</b>	<b>+ 1.5%</b>
whereof line & charter movements	235.9	231.1	+ 2.1%
<b>Cargo (in 1'000 tons)</b>	<b>433.6</b>	<b>411.8</b>	<b>+ 5.3%</b>

# KEY FIGURES COMMERCIAL BUSINESS





# PRIVATE TRANSPORTATION

## Curbside lanes

- quality improvement through new transport and product concepts, by enhanced appearance and new, spacious roof for the drop off zones
- opening: June 2016



## Expansion parking 6

- 3,500 additional parking spaces (total 7,500) in a central location to cover the currently scarce capacity at peak times
- opening: December 2016



## New off-site parking

- 3,000 peripheral parking spaces, linked to public transportation
- long-stay car parking
- approval process under way



# «THE CIRCLE» ON TRACK





## NEW BOARD MEMBERS TO BE APPOINTED



**Josef Felder**



**Stephan Gemkow**

## 2. FINANCIAL PERFORMANCE FY2016



# FINANCIAL KEY FIGURES INCLUDING NOISE

in million CHF	Jan-Dec 2016*	Jan-Dec 2016	Jan-Dec 2015*	Δ (in %)
Aviation revenue	620.4	620.4	597.4	+ 3.9%
Non-aviation revenue	392.4	392.4	391.6	+ 0.2%
<b>Revenue</b>	<b>1'012.8</b>	<b>1'012.8</b>	<b>989.0</b>	<b>+ 2.4%</b>
<b>EBITDA</b>	<b>568.1</b>	<b>578.8</b>	<b>547.5</b>	<b>+ 3.8%</b>
<i>EBITDA margin (in %)</i>	56.1	57.1	55.4	
<b>EBIT</b>	<b>326.6</b>	<b>337.4</b>	<b>319.3</b>	<b>+ 2.3%</b>
<i>EBIT margin (in %)</i>	32.2	33.3	32.3	
Finance result (net)	-17.4	-17.4	-37.4	-53.4%
<b>Profit</b>	<b>239.5</b>	<b>248.0</b>	<b>215.3</b>	<b>+ 11.2%</b>
Interest-bearing liabilities (net)	102.0	102.0	174.7	-41.6%
Cash flow from operating activities	471.9	471.9	456.2	+ 3.4%
CAPEX (incl. Circle)	220.7	220.7	199.7	+ 10.5%
EpS (in CHF)	7.8	8.1	7.0	+ 11.2%

\* excluding one-off effects

2015: establishment co-ownership structure «The Circle» + CHF 34.6m, extended sound insulation program - CHF 97.1m, adjustments pension plan + CHF 17.9m

2016: additional purchase price payment «The Circle» + CHF 7.3m, Swissair liquidation dividend + CHF 3.5m



# FINANCIAL KEY FIGURES EXCLUDING NOISE

in million CHF	Jan-Dec 2016*	Jan-Dec 2016	Jan-Dec 2015*	Δ (in %)
Aviation revenue	608.7	608.7	586.6	+ 3.8%
Non-aviation revenue	392.4	392.4	391.6	+ 0.2%
<b>Revenue</b>	<b>1'001.1</b>	<b>1'001.1</b>	<b>978.2</b>	<b>+ 2.3%</b>
<b>EBITDA</b>	<b>559.9</b>	<b>570.7</b>	<b>539.8</b>	<b>+ 3.7%</b>
<i>EBITDA margin (in %)</i>	55.9	57.0	55.2	
<b>EBIT</b>	<b>324.1</b>	<b>334.8</b>	<b>317.4</b>	<b>+ 2.1%</b>
<i>EBIT margin (in %)</i>	32.4	33.4	32.4	
Finance result (net)	-18.9	-18.9	-21.7	-12.7%
<b>Profit</b>	<b>236.8</b>	<b>245.4</b>	<b>227.5</b>	<b>+ 4.1%</b>
Interest-bearing liabilities (net)	566.4	566.4	651.2	-13.0%
Cash flow from operating activities	484.3	484.3	472.5	+ 2.5%
CAPEX (incl. Circle)	220.7	220.7	199.7	+ 10.5%
EpS (in CHF)	7.7	8.0	7.4	+ 4.1%

\* excluding one-off effects

2015: establishment co-ownership structure «The Circle» + CHF 34.6m, adjustments pension plan + CHF 17.9m

2016: additional purchase price payment «The Circle» + CHF 7.3m, Swissair liquidation dividend + CHF 3.5m

# AVIATION



# AVIATION SEGMENT REVENUE BREAKDOWN

in million CHF	Jan-Dec 2016	Jan-Dec 2015	Δ (in %)
① Passenger related operations charges	421.9	411.4	+ 2.6%
② Landing charges	91.0	89.4	+ 1.7%
Aircraft-related noise charges	11.7	10.8	+ 8.4%
Emission charges	3.7	3.3	+ 11.1%
② Parking charges	13.2	6.7	n/a
Freight revenue	7.7	7.4	+ 4.1%
<b>Total flight operations charges</b>	<b>549.1</b>	<b>528.9</b>	<b>+ 3.8%</b>
Baggage sorting and handling system	35.3	31.4	+ 12.3%
Aircraft energy supply system	10.9	13.6	-20.2%
De-icing	5.5	2.7	n/a
Other fees	16.1	17.2	-6.1%
<b>Total aviation fees</b>	<b>67.8</b>	<b>64.9</b>	<b>+ 4.5%</b>
<b>Total other aviation revenue</b>	<b>3.5</b>	<b>3.5</b>	<b>-1.7%</b>
<b>Total aviation revenue</b>	<b>620.4</b>	<b>597.4</b>	<b>+ 3.9%</b>
Ø landing charge per movement (in CHF)	676.0	674.6	+ 0.2%

1 increase in PAX related charges despite tariff reduction

2 changes in charging model; positive impact from volume effects

3 introduction of new user fees; positive impact from volume effects



# NON-AVIATION



# NON-AVIATION SEGMENT REVENUE BREAKDOWN

in million CHF	Jan-Dec 2016	Jan-Dec 2015	Δ (in %)
1 Retail, tax & duty free	96.5	95.4	+ 1.1%
Food & beverage operations	16.7	16.1	+ 3.7%
Revenue from multi-storey car parks	75.4	74.3	+ 1.4%
Other commercial revenue	32.2	31.0	+ 4.0%
<b>Total commercial revenue</b>	<b>220.7</b>	<b>216.8</b>	<b>+ 1.8%</b>
2 Revenue from rental and leasing agreements	89.0	87.7	+ 1.5%
Energy and utility cost allocation	22.0	24.5	-10.1%
Cleaning and other service revenue	12.4	10.2	+ 22.1%
<b>Revenue from facility management</b>	<b>123.4</b>	<b>122.4</b>	<b>+ 0.9%</b>
3 Revenue from services	48.3	52.5	-8.0%
<b>Total non-aviation revenue</b>	<b>392.4</b>	<b>391.6</b>	<b>+ 0.2%</b>
Ø revenue retail, tax & duty free, F&B per departing PAX (in CHF)	8.2	8.5	-3.6%

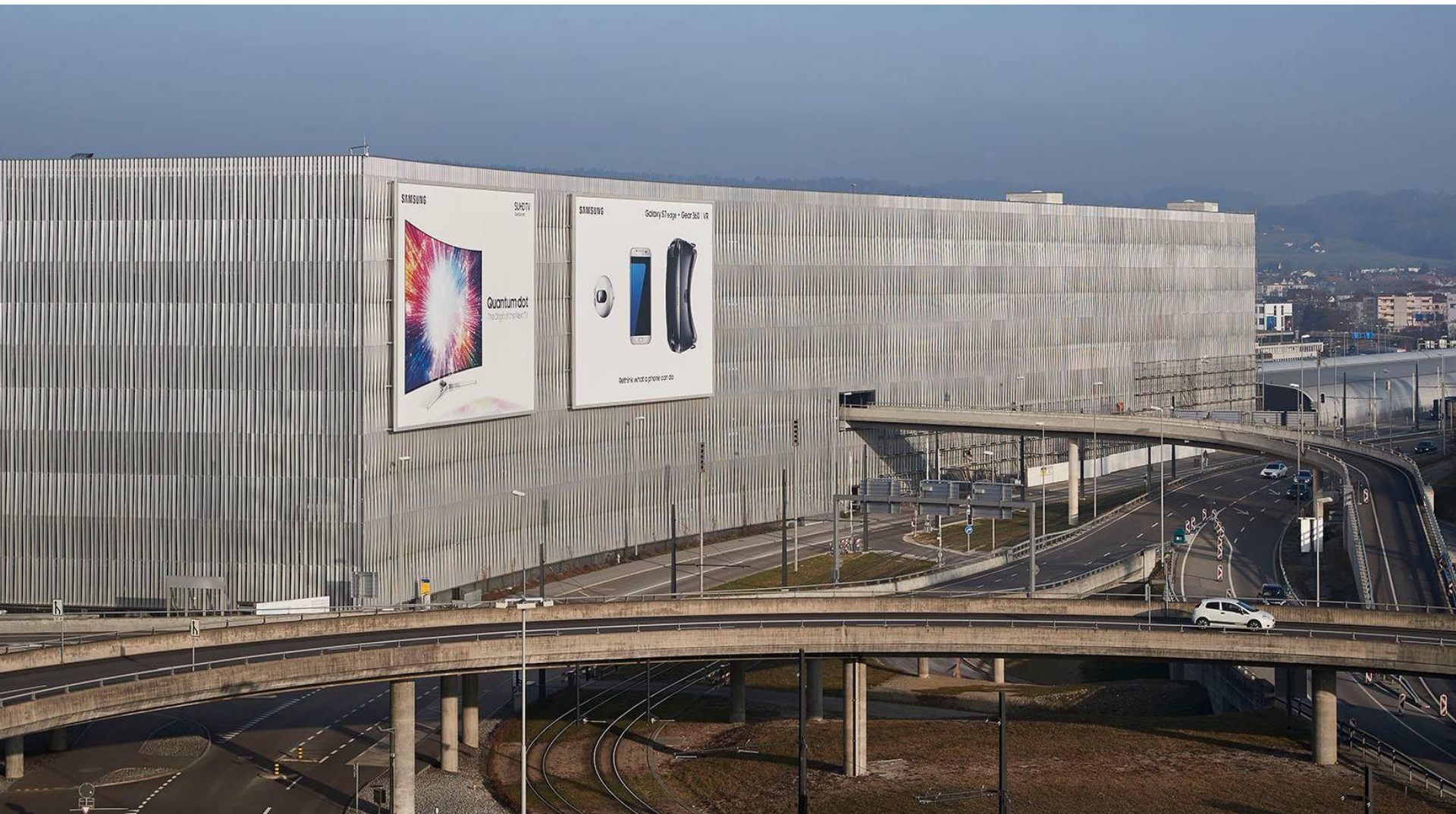
1 solid growth in commercial revenues despite challenging environment

2 higher revenue from rental and leasing agreements due to new Swiss lounge (Dock E)

3 decrease in revenues from services due to lower consulting revenues



# OPEX & OTHER KEY FIGURES





# OPERATING EXPENSES

in million CHF	Jan-Dec 2016*	Jan-Dec 2016	Jan-Dec 2015*	Δ (in %)	
1 Personnel expenses	196.6	196.6	185.7		+ 5.9%
2 Police and security	118.3	118.3	118.6	-0.3%	
3 Energy and waste	18.5	18.5	21.9	-15.6%	
1 Maintenance and material	35.2	35.2	40.8	-13.8%	
Other operating expenses	51.0	51.0	51.2	-0.5%	
Sales, marketing, administration	34.8	34.8	35.0	-0.5%	
4 Capitalized expenditure & other income/expenses	-9.6	-20.3	-11.7	-18.2%	
<b>Total operating expenses</b>	<b>444.7</b>	<b>434.0</b>	<b>441.5</b>		<b>+ 0.7%</b>

\* excluding one-off effects

2015: establishment co-ownership structure «The Circle» + CHF 34.6m, extended sound insulation program - CHF 97.1m, adjustments pension plan + CHF 17.9m

2016: additional purchase price payment «The Circle» + CHF 7.3m, Swissair liquidation dividend + CHF 3.5m

1 insourcing of the operational management of Skymetro (16.5 FTE)

2 stable police and security costs despite 6.5% more local PAX

3 lower supply prices on the electricity market combined with lower gas prices have a positive impact on energy costs

4 one-offs reflected in “other income/expenses”

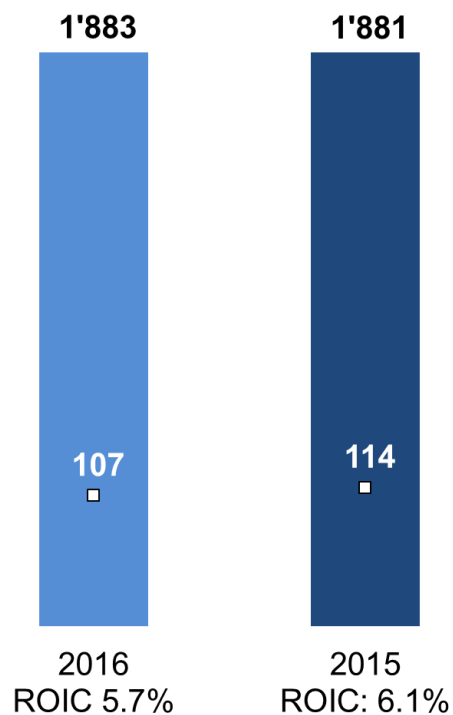
## KEY FIGURES

	incl. noise		excl. noise	
	Jan-Dec 2016*	Jan-Dec 2015*	Jan-Dec 2016*	Jan-Dec 2015*
in million CHF				
<b>EBITDA</b>	<b>568.1</b>	<b>547.5</b>	<b>559.9</b>	<b>539.8</b>
<i>EBITDA margin (in %)</i>	56.1	55.4	55.9	55.2
Depreciation and amortization	-241.5	-228.2	-235.9	-222.4
<b>EBIT</b>	<b>326.6</b>	<b>319.3</b>	<b>324.1</b>	<b>317.4</b>
<i>EBIT margin (in %)</i>	32.2	32.3	32.4	32.4
Finance result (net)	-17.4	-37.4	-18.9	-21.7
Associated companies	-5.3	-3.9	-5.3	-3.9
Income tax expense	-64.4	-62.6	-63.0	-64.3
<b>Profit</b>	<b>239.5</b>	<b>215.3</b>	<b>236.8</b>	<b>227.5</b>
Net financial debt / EBITDA	0.18x	0.32x	1.01x	1.21x
Net financial debt	102.0	174.7	566.4	651.2
<i>ROIC (in %)</i>	8.1	7.9	8.5	8.4
<i>Return on equity (in %)</i>	10.7	9.9	11.3	11.4
<i>Equity ratio (in %)</i>	55.6	54.7	61.5	61.3
Cashflow from operating activities	471.9	456.2	484.3	472.5
Investments in property	187.2	224.5	187.2	224.5
Free cashflow	284.7	231.7	297.1	248.1

\* excluding one-off effects

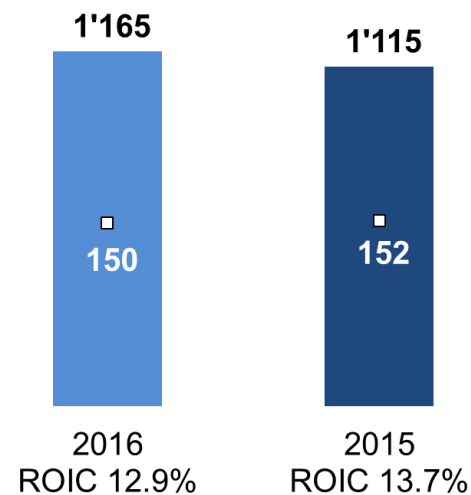
# SEGMENT REPORT ACCORDING TO IFRS

## regulated business



## non-regulated business

(excl. one-offs)



■ Ø invested capital (in CHF million)

□ NOPLAT (in CHF million)



# INVESTMENTS

## Investments per December 31, 2016 (in million CHF)

1	«The Circle» (51%)	46.6
2	Upgrade terminal 2	36.7
3	Expansion parking	33.5
4	Redesign curbside lanes	15.2
5	Extension Delta stands	9.3
6	Arresting system on runway 28	8.2
	Other investments	71.2
<b>Total investments *</b>		<b>220.7</b>

\* based on output, incl. capitalized expenditure

## 2017 planned investment costs for largest projects



**«The Circle»**  
CHF ~130 million



**Additional stands**  
CHF ~40 million



**Upgrade Zone A**  
CHF ~30 million



**Off-site parking P10**  
CHF ~20 million

## 3. OUTLOOK



# TIMETABLE HIGHLIGHTS

## current winter timetable 2016/2017 (since October 30, 2016)

	Berlin Schönefeld, Amsterdam, Lisbon	↗	daily service to Berlin, 3-times weekly to Amsterdam and Lisbon
	Amsterdam	↗	Amsterdam 3-times weekly (since February 16, 2017)
	various leisure destinations	↗	a total of 9 European leisure destinations were added to the Germania network



expected in Summer 2017:  
A350 operating from Zurich to Doha 4-times weekly

## upcoming summer timetable 2017 (as of March 26, 2017)

	Beijing	↗	4 weekly flights (starting from June 7, 2017)
	Cancun, San Jose, San Diego	↗	2 weekly flights, currently not served from ZRH
	Prague, Palma de Mallorca	↗	3-times weekly
	Naples, Nice, Venice	↗	year-round service to Nice and Venice, seasonal service to Naples with up to 4 weekly flights
	Bergen, Cork, Westerland, Figari, Nis	↗	up to 2 weekly flights
	Jerez de la Frontera, Marsa Alam, Rostock, Nis, Ankara	↗	up to 2-weekly flights



# REDESIGN DUTY FREE LOCATIONS



# GUIDANCE 2017

Guidance is based on the consolidated income statement 2016 excl. one-off effects.

PAX <i>local</i> <i>transfer</i>	approx. 4% higher <i>disproportionately lower growth</i> <i>disproportionately higher growth</i>
revenue <i>aviation</i> <i>non-aviation</i>	slightly higher <i>slightly higher</i> <i>slightly higher</i>
OPEX	slightly higher
EBITDA	<i>stable</i>
depreciation & amortization	approx. CHF 240 million
profit incl. noise	slightly higher
CAPEX	approx. CHF 300 million, whereof CHF 130 million for «The Circle» (51%)

# CAPITAL MARKET TRANSACTION IN 2017

- **CHF 250 million mature in May 2017**
  - successful acquisition in Brasil would increase funding need
  - favorable interest environment for refinancing
  - tenor 10y+
- **lower cash reserves**
  - reducing financing costs and avoiding negative interest
  - flexibility (i.e. for M&A or unpredictable events) secured with committed credit lines

**Flughafen Zurich AG**

**FLUGHAFEN ZÜRICH**

2.25%  
CHF 250,000,000

 Zürcher  
Kantonalbank

 CREDIT SUISSE

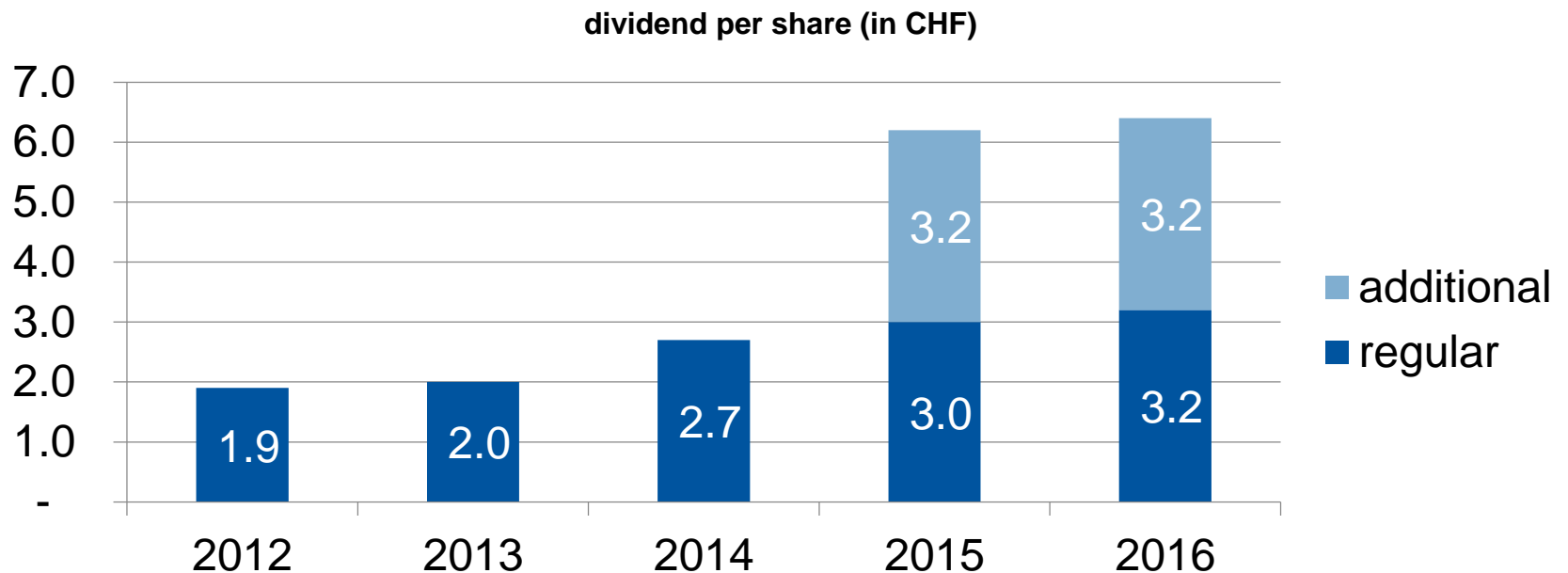
 UBS

2011 - 2017



# SHAREHOLDER REMUNERATION

## DIVIDEND YIELD >3%



- maintain existing dividend policy  
(payout ratio of 35-45% of profit excl. noise and one-offs)
- continuation of additional dividend program  
(CHF 100 million p.a.)

## 4. Q&A



Roadshow Frankfurt (Main First)	Friday, March 17, 2017
Roadshow London (Royal Bank of Canada)	Tuesday, March 21, 2017
Swiss Seminar Zurich (Kepler Cheuvreux)	Tuesday, March 28, 2017
Summer Conference (Vontobel)	Thursday, June 8, 2017
Roadshow US (Santander)	July 10-14, 2017
Publication half year results 2017	Tuesday, August 29, 2017

# IR CONTACTS



**Lukas Brosi**

Chief Financial Officer

[investor.relations@zurich-airport.com](mailto:investor.relations@zurich-airport.com)



**Stefan Weber**

Head Investor Relations

+41 (0)43 816 27 15

[investor.relations@zurich-airport.com](mailto:investor.relations@zurich-airport.com)



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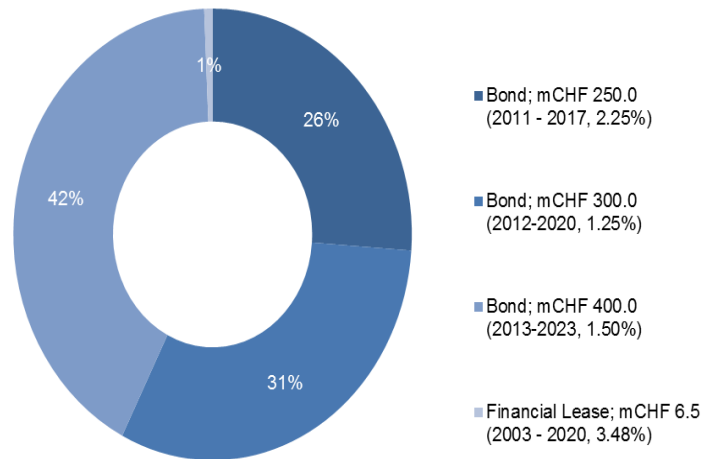
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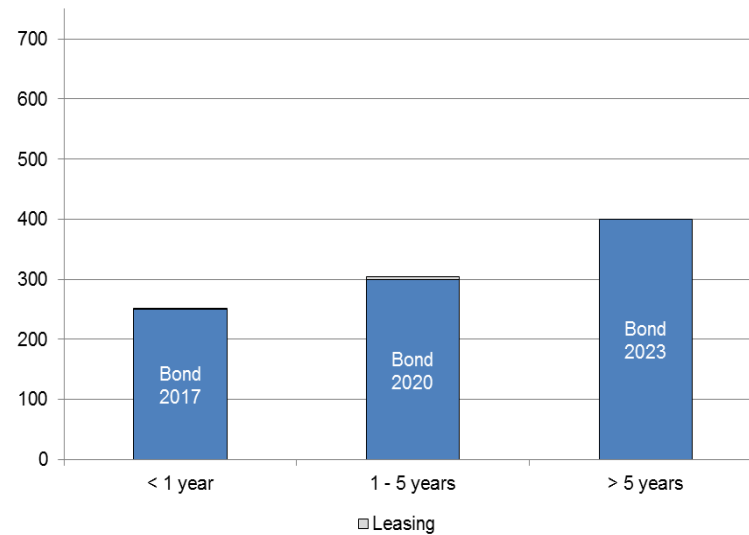
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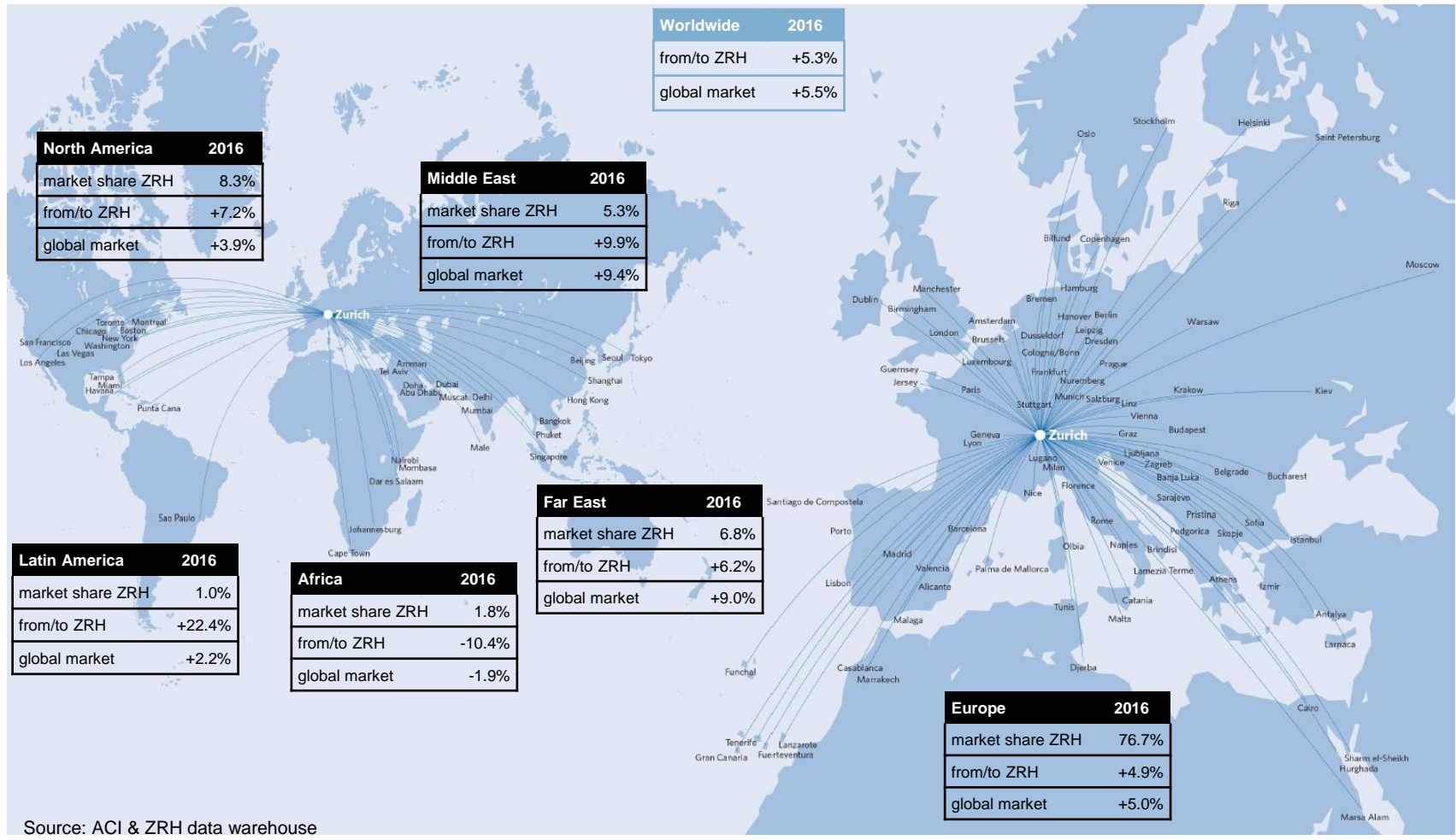
# FINANCIAL LIABILITIES (PER DECEMBER 31, 2016)



weighted average: 1.63%, duration 3.8 years

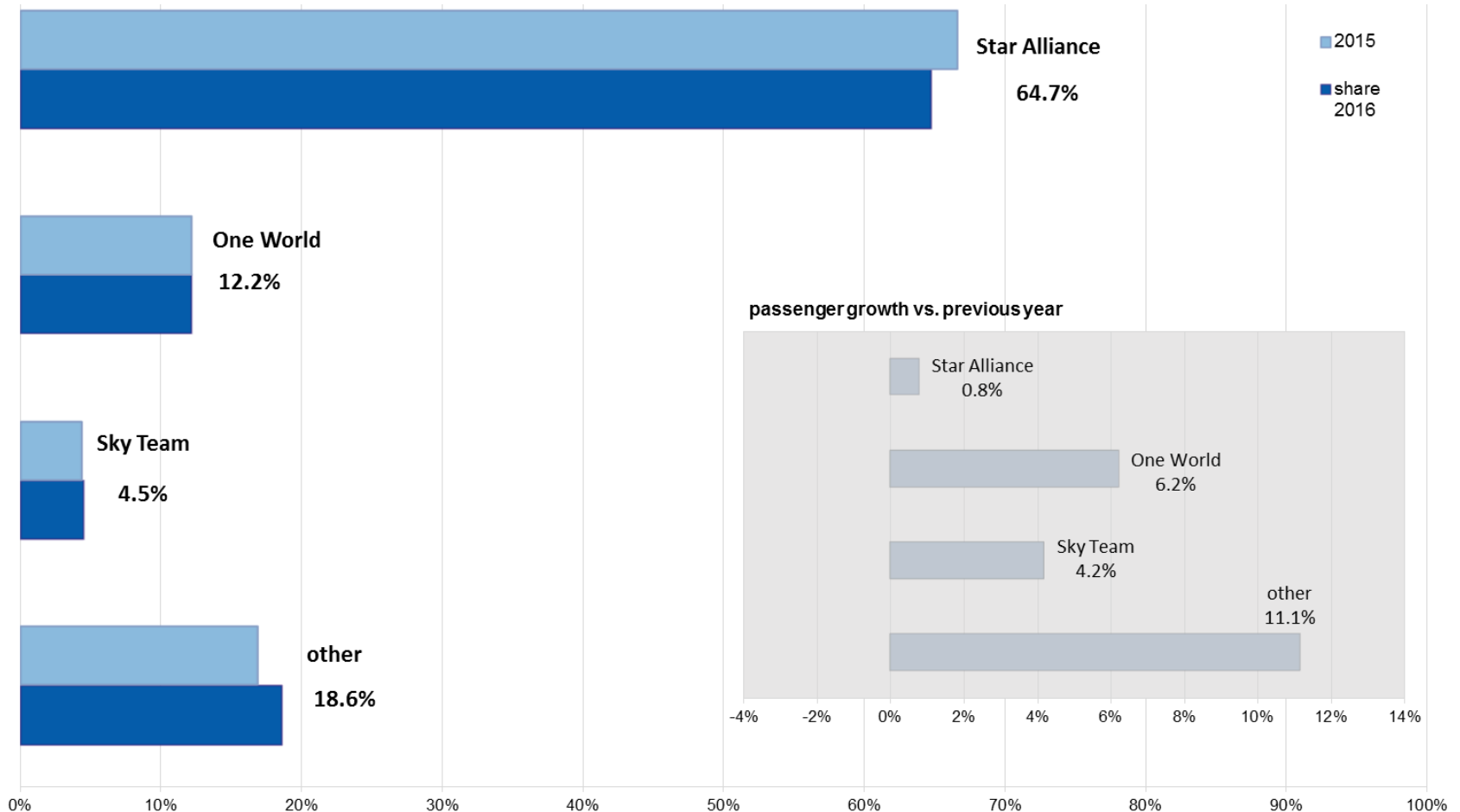


# PASSENGER DEVELOPMENT



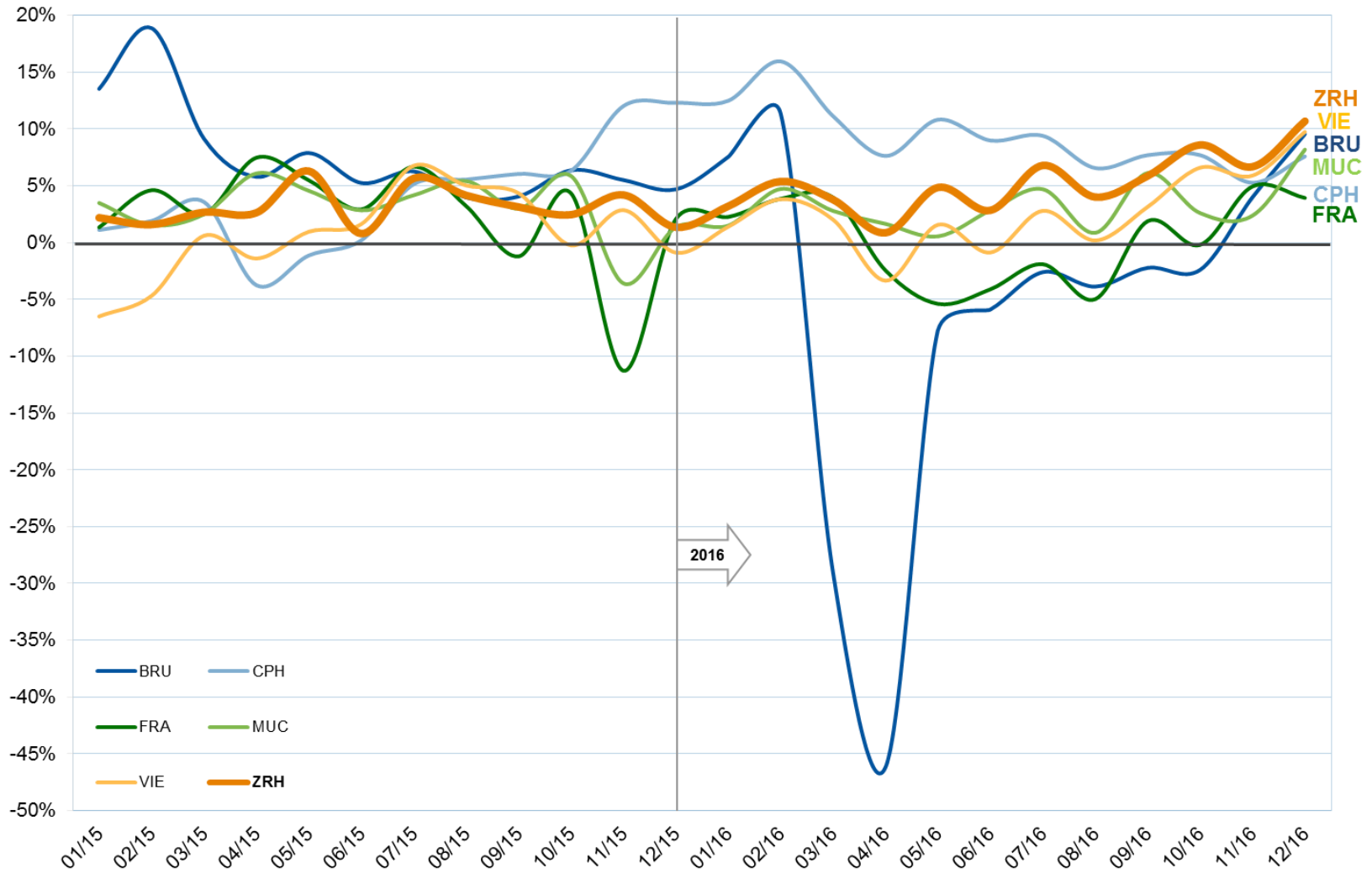


# ALLIANCE SHARES ZRH 2016 (OF SCHEDULED FLIGHTS ONLY)



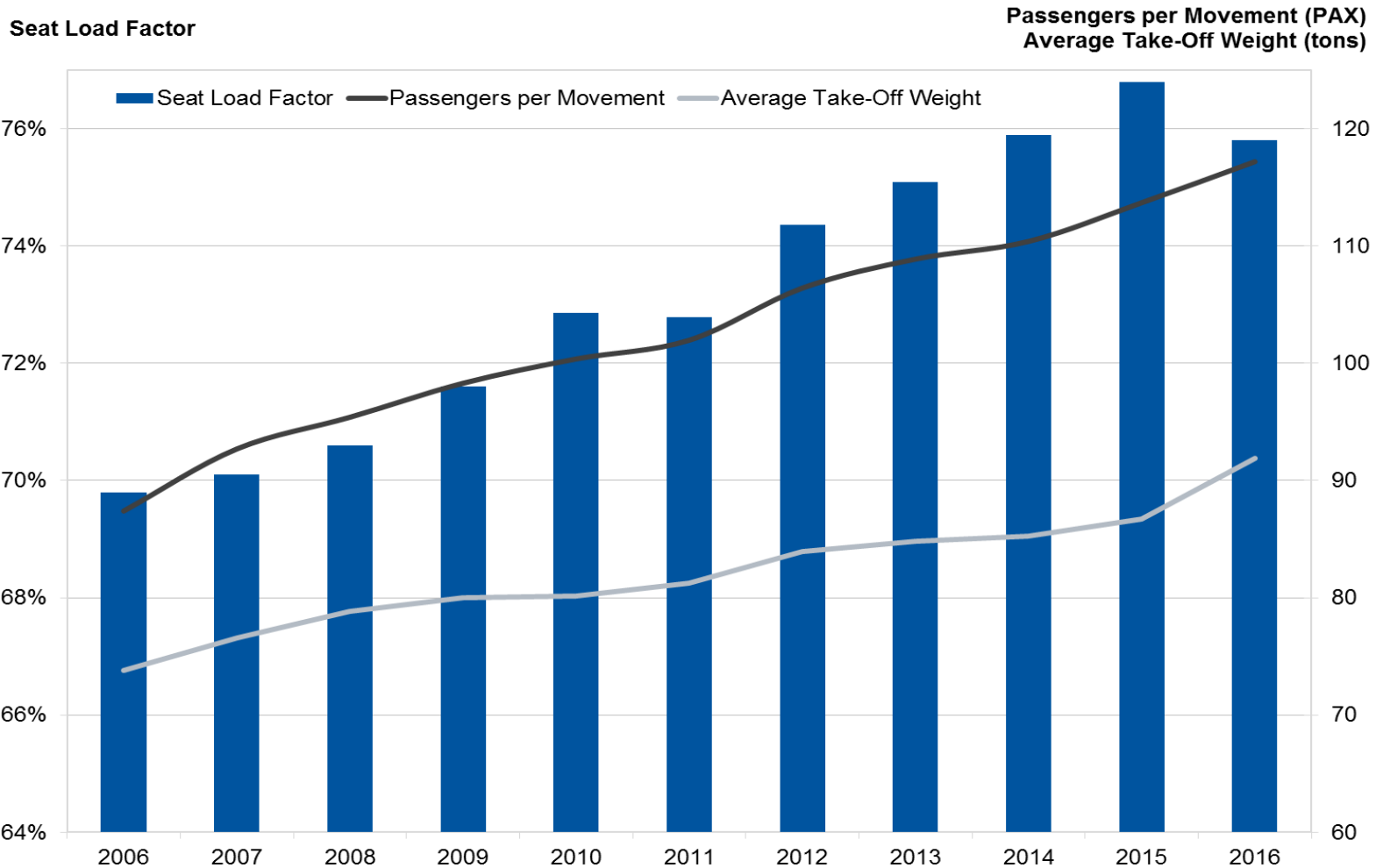
Source: Zurich Airport, data warehouse, 2016

# STAR ALLIANCE HUBS (JAN 2016 – DEC 2016)



Source: ACI, Rapid Report, YTD2016

# KEY INDICATORS



Source: Zurich Airport, data warehouse, 2017