

Swiss International Air Lines (Group), Basel
Consolidated income statement for the first half-year, unaudited

in CHF million	1 st half 2005	1 st half 2004
Revenue from scheduled services	1 390	1 440
Revenue from cargo services	228	217
Revenue from charter services	38	39
Revenue from other operations	22	22
Total revenue	1 678	1 718
Gain on disposal of fixed and intangible assets	6	0
Other operating income	85	50
Total income from operating activities	1 769	1 768
Cost of materials	-520	-496
Cost of services	-581	-606
Personnel expenses	-362	-398
Depreciation and amortisation	-133	-148
Loss on disposal of fixed and intangible assets	-3	0
Other operating expenses	-179	-139
Loss from operating activities (EBIT) before restructuring costs	-9	-19
Restructuring costs	-6	0
Loss from operating activities (EBIT) after restructuring costs	-15	-19
Income from associates	1	1
Financial expenses	-80	-27
Financial income	6	13
Loss before tax (EBT)	-88	-32
Income taxes	-1	-1
Net loss for the period	-89	-33
Attributable to:		
Equity holders of the parent	-89	-33
Minority interests	0	0
in CHF		
Earnings per share (basic)	-1.66	-0.62
Earnings per share (fully diluted)	-1.66	-0.62

This half-yearly report incorporates for the first time the adoption of new IFRS accounting standards that became effective on January 1, 2005. In the income statement, following the classification of minority interests in accordance with the so-called "entity theory", the net result stated now includes minority interests. In compliance with the new IFRS standards, the net result is now also shown in a breakdown of those proportions of it attributable to equity holders of the parent and to minority interests.

Swiss International Air Lines (Group), Basel
Consolidated income statement for the second quarter, unaudited

in CHF million	2 nd quarter 2005	2 nd quarter 2004
Revenue from scheduled services	736	752
Revenue from cargo services	119	108
Revenue from charter services	25	27
Revenue from other operations	11	12
Total revenue	891	899
Gain on disposal of fixed and intangible assets	2	0
Other operating income	23	23
Total income from operating activities	916	922
Cost of materials	-285	-262
Cost of services	-296	-301
Personnel expenses	-182	-196
Depreciation and amortisation	-64	-76
Loss on disposal of fixed and intangible assets	-1	0
Other operating expenses	-87	-37
Profit from operating activities (EBIT) before restructuring costs	1	50
Restructuring costs	0	0
Profit from operating activities (EBIT) after restructuring costs	1	50
Income from associates	0	1
Financial expenses	-50	-14
Financial income	4	8
Profit/(loss) before tax (EBT)	-45	45
Income taxes	0	0
Net profit/(loss) for the period	-45	45
Attributable to:		
Equity holders of the parent	-45	45
Minority interests	0	0
in CHF		
Earnings per share (basic)	-0.84	0.86
Earnings per share (fully diluted)	-0.84	0.84

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Swiss International Air Lines (Group), Basel
Consolidated balance sheet, unaudited

in CHF million	June 30, 2005	December 31, 2004 ¹
Cash and cash equivalents	497	481
Fixed-term deposits (3-12 months)	1	4
Derivative assets	70	11
Trade receivables	327	233
Other receivables	32	21
Inventories	29	29
Prepaid expenses and accrued income	24	29
Current assets	980	808
Aircraft fleet	1 789	1 927
Property, plant and equipment	179	193
Intangible assets	15	18
Investments in associates	6	5
Loans and other investments	133	171
Deferred tax assets	1	1
Non-current assets	2 123	2 315
Total assets	3 103	3 123
Trade payables	227	245
Interest-bearing liabilities	149	244
Derivative liabilities	42	22
Other payables	55	33
Unearned transportation revenue	496	385
Accrued expenses and prepaid income	322	296
Current liabilities	1 291	1 225
Interest-bearing liabilities	792	831
Employee benefit obligations	12	11
Provisions	189	204
Deferred tax liabilities	0	0
Non-current liabilities	993	1 046
Total liabilities	2 284	2 271
Share capital	961	948
Treasury shares	0	0
Reserves	-145	-100
Minority interest	3	4
Total shareholders' equity	819	852
Total shareholders' equity and liabilities	3 103	3 123

¹ This half-yearly report incorporates for the first time the adoption of new IFRS accounting standards that became effective on January 1, 2005. In the balance sheet, minority interests are now included in shareholders' equity in accordance with the so-called "entity theory".

In order to provide a basis of comparison, the 2004 pro forma statements reflect these changes as if they had already been in effect in 2004.

Swiss International Air Lines (Group), Basel
Consolidated cash flow statement, unaudited and condensed

in CHF million	1 st half 2005	1 st half 2004 ¹
Net loss for the period	-89	-33
Adjustments for income and expenses not involving the movement of funds	114	102
Changes in net working capital (other than cash and cash equivalents)	88	-66
Cash flow from operating activities	113	3
Cash flow from investing activities	87	-37
Cash flow from financing activities	-190	-124
Increase/(decrease) in cash and cash equivalents	10	-158
Effect of exchange-rate differences	6	8
Cash and cash equivalents as of January 1	481	503
Cash and cash equivalents as of June 30	497	353

Cash and cash equivalents comprise cash on hand, postal and bank accounts and short-term deposits with an original maturity of not more than 90 days.

¹ The presentation of certain items in cash flow from operating activities was changed from a net to a gross perspective with effect from December 31, 2004. The modification has no impact on the figures stated, i.e. on cash flow from operating activities.

In order to provide a basis of comparison, the pro forma statements for the first six months of 2004 reflect these changes as if they had already been in effect.