

Media release

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2011 nine-month results

SWISS posts CHF 159 million profit for third-quarter period

Swiss International Air Lines increased its total income from operating activities to CHF 3 707 million for the first nine months of 2011, a 5% improvement on the prior-year period. Thanks to strong demand and high fleet utilisation, SWISS also posted a CHF 159 million profit for the third-quarter period. As a result, operating profit for the first nine months of 2011 amounted to CHF 288 million, 24% up on the same period last year.

Swiss International Air Lines (Group) achieved total income from operating activities of CHF 3 707 million for the first nine months of 2011, an increase of 5% on the CHF 3 530 million of January-to-September 2010. Operating profit for the period was also improved, from CHF 232 million to CHF 288 million. A profit of CHF 159 million was recorded for the third-quarter period. "Given the market circumstances in which they were achieved, these results are in line with our expectations," says SWISS CEO Harry Hohmeister. "With the strong demand for our services and the high utilisation of our aircraft fleet, we were able to offset multiple negative influences on our business performance."

Higher nine-month profits despite a strong Swiss franc

SWISS increased its total income from operating activities to CHF 3 707 million for the first nine months of 2011, a 5% improvement on the same period last year. Nine-month operating profit was also increased, from CHF 232 million to CHF 288 million. Total capacity for the period was 9.3% up (10.1% in Europe and 8.8% on the intercontinental network). SWISS operated 112 915 flights in the first nine months of 2011, some 6.8% more than in the comparable period last year. The 11.56 million passengers carried in the first nine months of 2011 were also a 9.5% improvement on the 10.56 million of January-to-September 2010.

The airfreight business of Swiss WorldCargo saw satisfactory developments. With capacity for the period increased by 4.9%, cargo load factor (by volume) amounted to 78.2%, down 2.2 percentage points.

Nine-month seat load factor on European services stood at 74.9%, an increase of 1.2 percentage points. Seat load factor for the intercontinental network slipped 0.9 percentage points to 85.9%. Systemwide seat load factor for the first nine months of 2011 amounted to 82.1%.

The strength of the Swiss franc is making it particularly difficult for SWISS to compete both within Europe and in its home Swiss market. The airline's competitors who are working from a euro cost base are putting downward pressure on fares in Switzerland. The further increases in fuel prices compared to last year are additionally eroding profit levels.

Favourable third-quarter results

SWISS generated an operating profit of CHF 159 million for the 2011 third-quarter period – somewhat short of the record CHF 171 million it achieved for the same period last year. Third-quarter available-seat-kilometre capacity was 4.3% higher than for the prior-year period: up 7.7% in Europe and up 2.6% for intercontinental routes. The strong demand experienced in July and August was offset by disappointing developments in terms of yields. “Any consequences of the upheavals on the financial markets will continue to be countered with our flexibility, our product and service quality and our consistent cost management,” confirms Chief Financial Officer Marcel Klaus.

Some 4.2 million travellers flew SWISS in the third quarter of 2011, 7.1% more than the 3.92 million of the prior-year period. Systemwide seat load factor stood at a record 87.0%, up 0.8 percentage points. Despite the high traffic volumes, SWISS again delivered a strong performance in punctuality terms, with 83.6% of flights leaving within the tolerated 15 minutes of scheduled time of departure (compared to 82.4% for the third quarter of 2010). Swiss WorldCargo reported a 1% increase in revenues for the period. Third-quarter cargo load factor declined 1.7 percentage points to 76.2%.

Key figures from the income statement

in CHF million	1st to 3rd quarter			3rd quarter		
	2011	2010		2011	2010	
Total income from operating activities	3 707	3 530	+5%	1 301	1 285	+1.2%
Operating result	288	232	+24%	159	171	-7%

Traffic figures

	1st to 3rd quarter			3rd quarter		
	2011	2010		2011	2010	
Seat load factor for European services	74.9%	73.7%	+1.2 points	80.6%	78.9%	+1.7 points
Seat load factor for intercontinental services	85.9%	86.8%	-0.9 points	90.3%	90.0%	+0.3 points
Seat load factor systemwide	82.1%	82.3%	-0.2 points	87.0%	86.2%	+0.8 points

SWISS wins Gold Travel Star as “Best Network Airline (Short & Medium Haul)”

In a mass-market business such as air transport, a strong and clear brand positioning is more vital than ever. With its new logo, claim and advertising campaign, SWISS is further underlining its profile and credentials as “The Airline of Switzerland”. SWISS stands for closeness to the customer and high product and service quality. Since September, SWISS has been able to offer its advanced new Business Class throughout its long-haul fleet, and has also been the only European carrier to provide a three-class product of Economy, Business and First Class travel on all its intercontinental flights. In earning the Gold Travel Star as “Best Network Airline (Short & Medium Haul)” in the 2011 Travel Star Awards of the Swiss travel trade sector, SWISS has further confirmed its thrust and alignment as a premium carrier. SWISS also earned its first-ever podium place in the “Best Non-Stop Long-Haul Airline” category in this year’s Travel Star Awards.

Fleet expansion and new destinations

SWISS will continue to invest in its aircraft fleet in 2012. January will see the delivery of an eleventh Airbus A330-300, with two further A330-300s due to arrive in February and October. Two new Airbus A320s will also join the fleet in spring. SWISS will be adding its 25th intercontinental destination in February with the start of Zurich-Beijing flights. A new service will also be offered on the Geneva-Nice route, while frequencies will be additionally increased to London, Moscow and Madrid.

Outlook

With the markets still suffering from overcapacities, yields remain under pressure. SWISS will be reacting to this in its winter schedules by tailoring capacity to demand on certain routes. "We will continue to carefully monitor all developments and respond swiftly as and when required," says CEO Harry Hohmeister. "With the present market volatilities, predictions are difficult to make," he continues. "But we expect to achieve our projected results for the year, which should be in line with those of 2010."

Swiss International Air Lines is the airline of Switzerland, with a fleet of 89 aircraft and a workforce of some 7 500 employees. SWISS performs over 400 flights every day, transporting some 15 million passengers a year to 72 destinations in 38 countries. As Switzerland's national airline, SWISS stands for its home country's traditional values. SWISS is a member of the Lufthansa Group and of Star Alliance, the world's biggest multi-airline network.

Further information is available at

www.swiss.com > About SWISS > Financial information

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