Media release

Zurich Airport, 13 March 2014

2013 financial results and launch of SWISS Choice

SWISS raises annual operating profit to CHF 264 million and introduces new individualized service offers

Swiss International Air Lines generated total income from operating activities of CHF 5,167 million in 2013, a 3% increase on the previous year. Despite a difficult market environment, substantial efforts on the cost front helped engineer a 24% improvement in operating profit for the year, which amounted to CHF 264 million. Results for the fourth quarter were particularly strong: the operating profit of CHF 55 million was double that of the prior-year period.

Swiss International Air Lines (SWISS) generated total income from operating activities of CHF 5,167 million for 2013, a 3% improvement on the CHF 5,033 million of the previous year. Annual operating profit was raised 24%, from the CHF 212 million of 2012 to CHF 264 million. Fourth-quarter operating profit amounted to CHF 55 million, a CHF 28 million improvement on the CHF 27 million of the prior-year period.

Overcapacities and the resulting intensified competition, adverse currency exchange rates and the high price of jet fuel continued to create challenging market conditions throughout 2013. “That our results for the year are such an improvement on 2012 is due to the sizeable efforts we have made over the past few years within the SCORE earnings enhancement programme,” explains SWISS CEO Harry Hohmeister. “And we’re especially pleased here that, having achieved an operating margin of over five per cent, we can enable all our employees to share in our financial success.”

On the revenue front, SWISS was compelled once again to counter the strongly adverse impact of currency exchange rate trends. Some of this was offset through beneficial effects in cost terms. But the net impact of currency movements remained negative for the year. In addition to a slight economic recovery (especially in the fourth quarter), the actions taken under the SCORE programme to effect long-term structural improvements throughout the Lufthansa Group had an increasingly positive effect. Having improved earnings by CHF 49 million in 2012, SCORE added further CHF 105 million to SWISS’s 2013 bottom-line results. Some 230 projects are currently under way at SWISS under the SCORE programme. And the company is confident of achieving a further high-double-digit million-franc improvement in its 2014 earnings through additional SCORE initiatives.
A redesigned swiss.com and an expanded product and service range
In its constant endeavours to serve as a quality air carrier, SWISS will be further expanding and refining its range of products and services throughout 2014. These actions include a total relaunch of its swiss.com website that will make SWISS one of the first airlines in the world to boast a fully responsive website, i.e. one that adjusts its display and content automatically to the user’s device. The new website will also feature several new functions offering personalized online travel advice.

SWISS will be using its redesigned website to respond even more closely to customer needs and further expand its product and service range over the next few months. In a first step here, every customer will be able – for a fee – to reserve their preferred seat(s) up to eleven months in advance, or to order on-board “surprises” such as champagne or chocolate cake for those special occasions. The present free-of-charge seat selection option within 23 hours of departure will continue to be provided. Further offers will also be added to the new “SWISS Choice” range of extra products and services in the course of 2014.

Fourth-quarter earnings up on prior year
Total income from operating activities for the fourth quarter of 2013 amounted to CHF 1,262 million, up 3.5% from the CHF 1,219 million of the prior-year period. Operating profit for the quarter was CHF 55 million, a 102% improvement on the CHF 27 million of Q4 2012.

Overall fourth-quarter capacity was 4.13% up on the prior-year period (down 0.41% in Europe and up 6.3% on the intercontinental network). SWISS operated a total of 35,605 flights in the period, 3% fewer than a year before. Passenger numbers rose 0.3%, from 3.76 million to 3.77 million. Systemwide fourth-quarter seat load factor amounted to 81.5%, an improvement of 0.3 percentage points. Seat load factor was virtually unchanged for the European network at 72.6% (Q4 2012: 72.5%) and saw a slight 0.2-point increase to 85.6% for intercontinental routes. Capacity at Swiss WorldCargo was raised 4% for the quarter. Cargo load factor (by volume) stood at 81.7%, an improvement of 0.8 percentage points.

Further slight increases in annual passenger volume and seat load factor
SWISS transported 15,968,833 passengers systemwide in 2013, a 0.9% increase on the previous year (2012: 15,819,558). Total available-seat-kilometre (ASK) capacity for the year was raised 3.7%; and the increase was fully absorbed by the growth in traffic volume, which was up 4.7% in revenue-passenger-kilometre (RPK) terms. Systemwide
seat load factor improved accordingly, from the 82.9% of 2012 to 83.7%. Total flights operated amounted to 146,436, a further 2.9% decline.

Annual seat load factor on intercontinental services amounted to 87.3%, a 0.2-percentage-point improvement on 2012. Intercontinental ASK capacity was raised 6.1%, while RPK traffic volume was 6.3% above its prior-year level.

ASK capacity on SWISS’s European network was 1.1% below its 2012 equivalent, while RPK traffic volume rose 0.9%. Seat load factor stood at 76.2%, compared to 74.7% for the previous year.

Annual cargo load factor (by volume) for the airfreight business of Swiss WorldCargo slipped 0.4 percentage points, from the 79.3% of 2012 to 78.9%. But total cargo sales were a 3.2% improvement year-on-year.

### Key figures from the income statement

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<th>Full year</th>
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<th>4th quarter</th>
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<td></td>
<td>2013</td>
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<td>2013</td>
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<tr>
<td>Total income from operating activities</td>
<td>5,167</td>
<td>5,033</td>
<td>+ 3%</td>
<td>1,262</td>
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<tr>
<td>Operating profit</td>
<td>264</td>
<td>212</td>
<td>+ 24%</td>
<td>55</td>
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### Traffic figures

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<tr>
<td></td>
<td>2013</td>
<td>2012</td>
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<tr>
<td>Seat load factor for European services</td>
<td>76.2%</td>
<td>74.7%</td>
<td>+ 1.5 points</td>
<td>72.6%</td>
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<tr>
<td>Seat load factor for intercontinental services</td>
<td>87.3%</td>
<td>87.1%</td>
<td>+ 0.2 points</td>
<td>85.6%</td>
</tr>
<tr>
<td>Seat load factor systemwide</td>
<td>83.7%</td>
<td>82.9%</td>
<td>+ 0.8 points</td>
<td>81.5%</td>
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### Workforce further enlarged

A total of 8,250 persons were employed by SWISS at the end of 2013 (compared to 8,067 at the end of 2012), or 6,956 in full-time-equivalent terms (2012: 6,790 FTEs). SWISS thus created around 170 new full-time positions and recruited some 200 new employees in the course of 2013. The company will continue to make securing jobs one of its prime priorities.
Outlook

SWISS’s management expects to see a slight improvement in annual operating profit for 2014. But exchange rate developments and global political events and economic trends all pose particular uncertainties here. Changes to depreciation practices throughout the Lufthansa Group will, however, add significantly to the bottom-line results.

Swiss International Air Lines (SWISS) is Switzerland’s national airline, serving 84 destinations in 40 countries from Zurich, Basel and Geneva and carrying some 16 million passengers a year with its 91-aircraft fleet. The company’s Swiss WorldCargo division provides a comprehensive range of airport-to-airport airfreight services for high-value and care-intensive consignments to over 120 destinations in more than 80 countries.

As the airline of Switzerland, SWISS embodies the country’s traditional values, and is committed to delivering the highest product and service quality. With its workforce of 8,250 personnel, SWISS generated total operating income of CHF 5.17 billion in 2013. SWISS is part of the Lufthansa Group, and is also a member of Star Alliance, the world’s biggest airline network.

For further information see:
www.swiss.com > About SWISS > Financial information > Video message

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