

Skyguide in 2015: operating result maintained at prior-year levels; traffic growth offsets currency-related revenue losses

Geneva, 22 March 2016. Skyguide continued its encouraging performance of the past few years in 2015, reporting an operating result that was broadly in line with its prior-year level. Switzerland's air navigation services provider also maintained its operational performance in Europe's most complex airspace at the highest levels. The company's safety system shows a high degree of maturity, and its safety management is confirmed to be among the best in Europe by both EASA and Eurocontrol. Skyguide also further raised its already-high punctuality last year, with 96.8% of flights handled without delays. Annual earnings before interest and taxes (EBIT) amounted to CHF 28.15 million, compared to CHF 28.08 million in 2014.

Lower oil prices and Eurozone recovery boost traffic volumes

Skyguide saw a 1.8% increase in the amount of traffic it handled last year, giving a total traffic volume of some 1.18 million flights. Total operating revenue was raised 0.2%, from the CHF 449.72 million of 2014 to CHF 450.65 million. The Swiss National Bank's abolition of its previous minimum euro exchange rate in January 2015 prompted currency-related revenue erosion; but this was more than offset by the increased traffic volumes. Despite more difficult conditions, skyguide also reduced both its route charges and its Zurich and Geneva approach charges by a further 2%. Total operating expense stood at CHF 422.50 million, a 0.2% increase on the CHF 421.64 million of the previous year. The operating result (EBIT) for the year amounted to a surplus of CHF 28.15 million, a 0.2% improvement on the CHF 28.08 million operating surplus of 2014.

"We are satisfied with our 2015 results," says Walter T. Vogel, Chairman of the Skyguide Board of Directors. "Our operational performance is outstanding. And to ensure that it remains so, we continue to put a firm focus on progressive training, sustainable capacity growth and forward-looking technologies, in which we invest some CHF 50 million every year. The steep and unexpected strengthening of the Swiss franc against the euro did have a tangibly negative impact on our revenues, though; and it is only thanks to the higher traffic volumes and – above all – to our rigorous cost discipline that we are able to post a further solid annual EBIT result."

Outlook for 2016: positive traffic trends; solution for regional airports

Results for the first months of 2016 show a continuation of last year's positive traffic trends. But currency exchange-rate developments remain a skyguide concern.

CEO Daniel Weder is putting a particular emphasis this year on resolving the future financing of the services that skyguide provides at Switzerland's regional airports. With the cross-subsidies of the past prohibited since the beginning of 2016, these airports now face a funding problem.

“We have already signed a memorandum of understanding with the Swiss Aerodromes Association,” Weder explains, “and we are very keen to work with them to develop solutions here that are genuinely sustainable in financial, operational and technological terms. For our part, we can state already that we will continue to reduce our costs. And in doing so we will be making our own substantial contribution to easing the pressures on the airports concerned.”

The 2015 Skyguide Annual Report is available online at:

<http://www.skyguide.ch/en/company/publications/publications/>

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Skyguide provides air navigation services for Switzerland and certain adjacent parts of neighbouring countries. With its 1,500 employees at 14 locations in Switzerland, the company guides some 1.2 million civil and military flights a year safely and efficiently through Europe’s busiest airspace.

Skyguide is well integrated into the international air navigation services community and, with its innovative and customer-minded solutions, helps enhance Switzerland’s appeal as a place to live, work and do business. The company is majority-owned by the Swiss Confederation, and is headquartered in Geneva.
