Annual Report 2012

Fraport

Fraport at a Glance

Group Financial Figures

€ million	2012	2011	Change
Revenue	2,442.0	2,371.2	3.0%
Total revenue	2,549.2	2,452.8	3.9%
EBITDA	850.7	802.3	6.0%
EBIT	498.0	496.6	0.3%
EBT	366.1	347.3	5.4%
Group result	251.6	250.8	0.3%
Profit attributable to shareholders of Fraport AG	238.3	240.4	–0.9%
Year-end closing price of the Fraport share (€)	43.94	38.00	15.6%
Earnings per share (basic) (€)	2.59	2.62	–1.1%
Dividend per share (€)	1.25 [1]	1.25	0.0%
Dividend yield on December 31 (%)	2.8 [1]	3.3	–0.5 PP [4]
Operating cash flow	553.0	618.8	–10.6%
Free cash flow	–162.4	–350.1	–
Capital expenditure	1,059.7	1,440.2	–26.4%
Total assets	9,640.6	9,224.4	4.5%
Shareholders' equity	2,945.5	2,850.8	3.3%
Shareholders' equity without non-controlling interests and profit earmarked for distribution	2,794.3	2,706.0	3.3%
Group liquidity [2]	1,663.1	1,606.9	3.5%
Net financial debt [2]	2,934.5	2,647.0	10.9%
Capital employed [2]	5,728.8	5,353.0	7.0%
Fraport assets	5,152.3	4,447.3	15.9%
Return on revenue (%)	15.0	14.6	0.4 PP [4]
Return on shareholders' equity (%)	8.5	8.9	–0.4 PP [4]
EBITDA margin (%)	34.8	33.8	1.0 PP [4]
EBIT margin (%)	20.4	20.9	–0.5 PP [4]
ROCE [2] (%)	8.7	9.3	–0.6 PP [4]
ROFRA (%)	9.7	11.2	–1.5 PP [4]
Gearing ratio [2] (%)	105.0	97.8	7.2 PP [4]

Table 1

Traffic Figures

	2012	2011	Change
Passengers: Fraport Group [3] (million)	188.2	180.8	4.1%
thereof in Frankfurt (million)	57.5	56.4	1.9%
Cargo volume: Fraport Group [3] (thousand metric tons)	3,392.4	3,573.1	–5.0%
thereof in Frankfurt (thousand metric tons)	2,066.4	2,215.2	–6.7%
Aircraft movements: Fraport Group [3] (thousand)	1,676.5	1,636.9	2.4%
thereof in Frankfurt (thousand)	482.2	487.2	–1.0%

Table 2

Employees

	2012	2011	Change
Average number of employees	20,963	20,595	1.8%
thereof in Germany	18,939	18,391	3.0%
Personnel expenses (€ million)	947.8	906.3	4.6%

Table 3

[1] Proposed dividend (2012).
[2] Liquidity adjusted for accrued interest income, previous year figures adjusted.
[3] Without traffic figures for the airports in Riyadh and Jeddah (management contracts) as well as Dakar (management/consulting contract until end of July 2012. Fraport in addition holds a 60% share in the new Dakar airport, which is currently under construction). Those figures were not available until the editorial deadline.
[4] Percentage points.

Fraport Segments

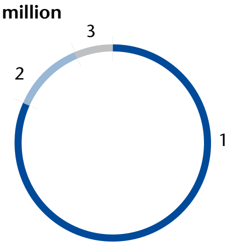
Aviation

€ million	2012	2011	Change
Revenue	823.4	774.9	6.3 %
Personnel expenses	278.9	263.9	5.7 %
EBITDA	199.9	187.8	6.4 %
EBITDA margin	24.3 %	24.2 %	0.1 PP [1]
EBIT	77.6	96.1	–19.3 %
Average number of employees	6,298	6,088	3.4 %

Table 4

Revenue split 2012

€ million



1	Airport charges	673.6
2	Security services	98.3
3	Others	51.5

Graphic 1

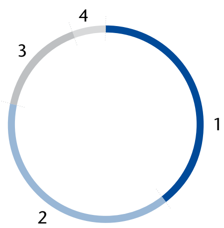
Retail & Real Estate

€ million	2012	2011	Change
Revenue	452.9	444.7	1.8 %
Personnel expenses	46.6	42.6	9.4 %
EBITDA	333.9	305.3	9.4 %
EBITDA margin	73.7 %	68.7 %	5.0 PP [1]
EBIT	251.5	232.1	8.4 %
Average number of employees	629	596	5.5 %

Table 5

Revenue split 2012

€ million



1	Retail	179.8
2	Real Estate	175.2
3	Parking	73.5
4	Others	24.4

Graphic 2

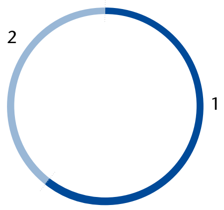
Ground Handling

€ million	2012	2011	Change
Revenue	649.3	655.5	–0.9 %
Personnel expenses	403.3	390.8	3.2 %
EBITDA	43.6	54.5	–20.0 %
EBITDA margin	6.7 %	8.3 %	–1.6 PP [1]
EBIT	4.7	20.3	–76.8 %
Average number of employees	8,924	8,899	0.3 %

Table 6

Revenue split 2012

€ million



1	Ground handling services	393.3
2	Infrastructure charges	256.0
3	Others	0.0

Graphic 3

External Activities & Services

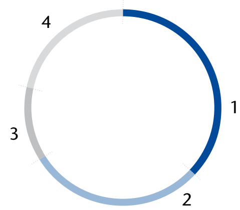
€ million	2012	2011	Change
Revenue	516.4	496.1	4.1 %
Personnel expenses	219.0	209.0	4.8 %
EBITDA	273.3	254.7	7.3 %
EBITDA margin	52.9 %	51.3 %	1.6 PP [1]
EBIT	164.2	148.1	10.9 %
Average number of employees	5,112	5,012	2.0 %

[1] Percentage points.

Table 7

Revenue split 2012

€ million



1	Lima	191.3
2	Antalya	150.5
3	Twin Star	63.3
4	Others	111.3

Graphic 4

Contents

"A plus for our passengers"

"Added value for our customers"

"An increase in terminal capacity in Frankfurt"

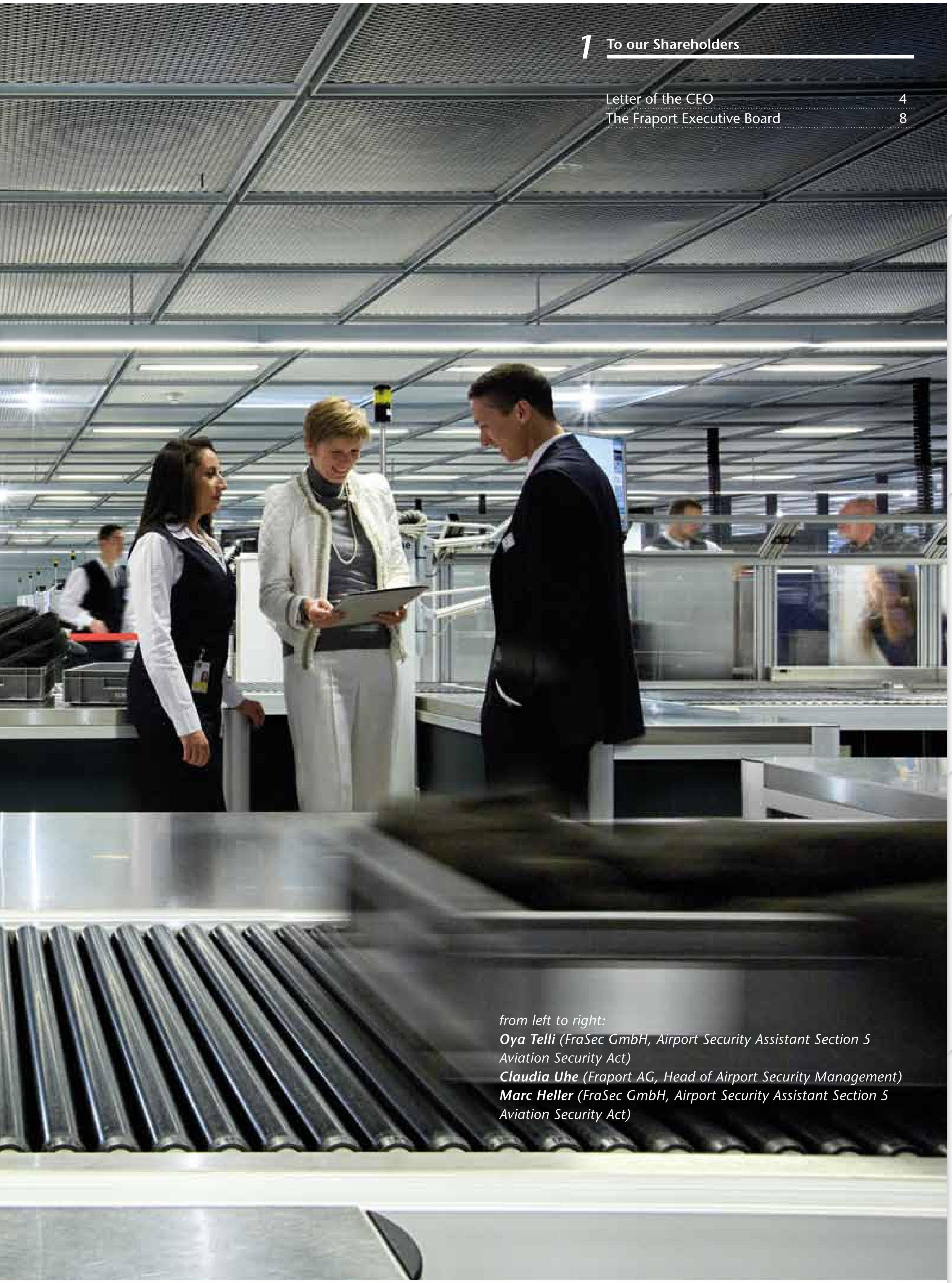
"An increase in shopping opportunities"

"A step into the future" or simply:

"The new Pier A-Plus."

On October 10, 2012, after a construction period of approximately 4 years, Fraport took Pier A-Plus at Frankfurt Airport into operation. The almost 800-meter long pier increases the annual terminal capacity of the airport by around 6 million passengers and offers additional terminal positions for 7 wide-body aircraft which can also be flexibly utilized for up to 11 smaller aircraft. With its newly created retail spaces, the pier will significantly contribute to increase the net retail revenue per passenger at Frankfurt Airport from currently € 3.32 in the direction of € 4 in fiscal year 2013. The construction costs of the pier came to approximately € 700 million.

Aviation With the inauguration of Pier A-Plus, the terminal capacity in Frankfurt increased from around 58 million passengers annually to approximately 64 million. Fraport is thus taking into account the expected growth in the aviation market. In order to ensure smooth processes, along with Pier A-Plus Fraport created space for more than 40 new security control lanes. In addition, fast lanes and an innovative route guidance guarantee fast boarding and transfer processes. As a part of the "Great to have you here!" passenger service initiative, children's play areas, a modern lighting concept and high-quality sanitary installations provide the highest level of travel comfort.



1 To our Shareholders

from left to right:
Oya Telli *(FraSec GmbH, Airport Security Assistant Section 5 Aviation Security Act)*
Claudia Uhe *(Fraport AG, Head of Airport Security Management)*
Marc Heller *(FraSec GmbH, Airport Security Assistant Section 5 Aviation Security Act)*

Letter of the CEO

Dr. Stefan Schulte

Chairman of the Executive Board Fraport AG

Dear Shareholders,

On the occasion of the presentation of this year's Annual Report, I would like to warmly welcome you to our new Pier A-Plus at Frankfurt Airport! This pier, which we opened in October, last year, sets new standards in product quality and functionality. This is already reflected by the highly positive reception of the Pier A-Plus by the airlines and our passengers, whether they are departing from, passing through or arriving in Frankfurt. With a capacity of approximately six million passengers, the pier can accommodate as many passengers annually as, for instance, our entire affiliate airport in Hanover. It also has approximately 12,000 square meters of retail space, a space that is available exclusively for shopping and food and beverages, which is larger than a football field. This, on the one side, is doubling our previously available shopping space in Frankfurt on the airside and, on the other side, offers our passengers a world of shopping never available before, offering new brands and concepts. The pier is also a trendsetter from an ecological point of view, among others, due to its modern façade technology. This reduces the CO_2 emissions of the building by some 40 percent compared to traditional construction methods and makes an important contribution to protecting the environment – whilst at the same time saving costs for us and your company.

Although the pier only started operations gradually in the last quarter of the past fiscal year, our Retail & Real Estate segment in particular achieved first positive effects from its inauguration. We increased the key figure "Net retail revenue per passenger" by almost five percent to 3.32 Euros compared to the previous year. Just looking at the fourth quarter, we recorded growth of more than ten percent compared to the quarter of the previous year.

However, dear shareholders, your company made good progress in more than just this aspect in the past 2012 fiscal year. In a difficult environment, Frankfurt Airport achieved a clear increase in passenger numbers compared to many other German and European airports of just under two percent. Throughout the Group, the number of passengers increased by around three percent to almost 100 million at those airports in which we have a share of at least 50 percent. The reason for this slightly higher growth was in particular our investment in Lima Airport, which continued to record strong growth in air traffic due to the economic prosperity of Peru.

Despite the growth in passenger numbers and the before-mentioned positive development on the retail side, Group revenue increased slightly lower than our forecast of over 2.5 billion Euros, by three percent to 2.44 billion Euros. The sole reason for this difference is, however, an accounting effect that had no effect on profits. The operating result before interest, taxes, depreciation and amortization, in other words, EBITDA, in contrast increased substantially by six percent to a good 850 million Euros. We thus fully met our guidance of improving the operating result by at least five percent. The Group result of some 252 million Euros was also consistent with our forecast of a stable development. This result also gives us, dear share-holders, the reason to again propose to you a dividend of 1.25 Euros per share at this year's Annual General Meeting.

At this point, also on behalf of my colleagues on the Executive Board, I would like to thank all our employees who made this result possible with their commitment in the past year.

Looking forward, the situation of the European air traffic industry in fiscal year 2013 is still characterized by economic and structural challenges. The macroeconomic environment will also remain challenging in 2013. The industry-specific burdens from the further on planned emissions trading scheme for airlines within the European Union and the German air traffic tax have dampening effects on air traffic demand. Consequently, airlines are taking capacities out of the market and a number of airports occasionally are expecting significant declines in passenger numbers. For Frankfurt Airport, in contrast, we are nevertheless expecting a largely stable passenger number this fiscal year.

In view of this environment, we will keep on managing business from a very cost-conscious point of view this year, and at the same time ensure that the high quality of operational processes and level of passenger satisfaction achieved are retained. In order to ensure that we achieve this, we have put important wheels into motion with our "Great to have you here!" service initiative. The continuously increasing customer satisfaction figures attest to this.

Air traffic has time and again gone through challenging phases in previous decades. The subsequent years were then usually characterized by significant increases in passenger numbers. This is also being confirmed by current air traffic forecasts – despite the current challenges. In the medium- to long-term, the average increase in European passenger numbers is expected to be between 2.5 and over four percent per year, depending on the study. It is, however, also true that stronger growth is expected outside of Europe.

We are correctly positioned here with our international airport investments, which we have bundled into the "External Activities & Services" segment. This segment is already today responsible for approximately one third of our operating result. We plan to continue to develop our international activities by creating value, even though we were not awarded the contracts in Brazil and Portugal in the past fiscal year. New projects are already currently being reviewed.

I wish to extend my sincere gratitude to you for the trust that you have placed in us in the past year. I look forward to your continued loyalty, as does our share.

Sincerely yours,

Stefan Schulte

The Fraport Executive Board

The strategic and operational responsibility of the Fraport Group is borne by the Executive Board, comprised of Dr. Stefan Schulte (Chairman), Anke Giesen (since January 1, 2013), Michael Müller (since October 1, 2012), Peter Schmitz and Dr. Matthias Zieschang. The Supervisory Board of the company is responsible for appointing the Executive Board and the Annual General Meeting formally approves its actions.

Dr. Matthias Zieschang
Executive Director Controlling and Finance
Born in 1961
Appointed until March 31, 2017

Peter Schmitz
Executive Director Operations
Born in 1950
Appointed until August 31, 2014

Anke Giesen
Executive Director Ground Handling
Born in 1963
Appointed until December 31, 2017

Dr. Stefan Schulte
Chairman of the Executive Board
Born in 1960
Appointed until August 31, 2014

Michael Müller
Executive Director Labor Relations
Born in 1957
Appointed until September 30, 2017

Retail & Real Estate *On approximately 12,000 square meters of retail space, the new Pier A-Plus offers not only more than 60 food and shopping areas, but also space for rest, orientation and relaxing breaks. The multi functional construction concept includes shopping and lounge areas on several levels for arriving, departing and transferring passengers. The new market places offer shopping and excitement 365 days a year.*

2 Corporate Governance

from left to right:
Nadine Brauckmann *(Gebr. Heinemann Frankfurt, Head of Sales Team)*
Volker Moser *(Gebr. Heinemann Frankfurt, Retail Manager)*
Ute Pohl *(Fraport AG, Retail and Properties – Head of Retailing)*
Christian Sültemeyer *(Fraport AG, Retail and Properties – Head of Category Management Duty Free)*

Report of the Supervisory Board

Karlheinz Weimar

Chairman of the Supervisory Board Fraport AG

Dear shareholders,

The Supervisory Board performed all the tasks incumbent on it under law, the company statutes and rules of internal procedure and continuously monitored the management of the company in fiscal year 2012. The Supervisory Board obtained regular, timely and comprehensive information from the Executive Board, in writing and orally, on the proposed business policies, fundamental questions concerning future management and corporate planning, the situation and development of the company and the Group as well as significant business transactions, and consulted with the Executive Board on these matters. Deviations in the development of business from the planning were explained in detail to the Supervisory Board. Based on the reports of the Executive Board, the Supervisory Board has extensively discussed the business transactions of significance to the company. The Supervisory Board harmonized the strategic alignment of the company with the Executive Board. In addition, the Chairman of the Executive Board maintained regular contact with the Chairman of the Supervisory Board and informed him about the current developments concerning the business situation as well as significant business transactions. The Supervisory Board was directly involved in all the decisions that were of fundamental importance to the company. Where required by law, the company statutes or rules of internal procedure, the Supervisory Board voted on the relevant proposals made by the Executive Board after having thoroughly examined and consulted on those matters.

During the reporting period, the Supervisory Board convened four ordinary meetings, one strategy session and one special meeting. On average of all of the meetings 92.5 % of the members took part in the meetings. No member of the Supervisory Board took part in less than half of the meetings of the Board.

Focal points of the discussion of the Supervisory Board

The business development of the Fraport Group and its investments, with a particular emphasis on the traffic and earnings development at Frankfurt Airport, were the subject of regular discussions by the Supervisory Board. The European economic crisis and its effects on air traffic played an increasingly important role during the course of the year.

Besides this regular reporting, the following topics were extensively discussed in particular:

> After the inauguration of the new runway at Frankfurt Airport at the end of 2011, the topic of “Noise disturbances in the surrounding areas” became more of a focal point of discussion than before. The Supervisory Board obtained extensive information on various measures and initiatives to improve the active and passive noise abatement. A key area was the “Together for the Region – Alliance for Noise Abatement 2012” agreement, which was concluded on February 29, 2012 with the participation of the state of Hesse, Deutsche Lufthansa, the Forum Flughafen und Region, Deutsche Flugsicherung, the Board of Airline Representatives in Germany (BARIG) and Fraport AG and which provides among others for the allocation of funds in particular by the state of Hesse and Fraport AG. The total amount of the “Passive noise abatement” program of the Alliance for Noise Abatement amounts to 335 million Euros.
> In addition, information was received on a regular basis about the modification and expansion of the existing terminals as well as the plans for Terminal 3 on the south side of Frankfurt Airport.
> An additional issue concerning the Frankfurt location was the wage disputes in the areas of apron control (Vorfeldkontrolle), traffic control (Verkehrszentrale), and apron supervision (Vorfeldaufsicht) as well as the appropriate handling of the strike initiated by the air traffic controllers’ trade union (Gewerkschaft der Flugsicherung [GdF]) at the beginning of 2012.
> As a continuation of the internationalization strategy of the Group, the Supervisory Board agreed to the participation in the tender process for the airport concession company, ANA S.A., Lisbon, at its special meeting held on December 10, 2012.
> With respect to the investment in Manila, the Supervisory Board continued to support the efforts in and out of court in reaching an appropriate compensation agreement with the Philippine government for the investments made in connection with the construction of Terminal 3 at the Manila Airport. Particular focus here was on the filing and prosecution of actions of the new ICSID request for arbitration, which became possible subsequent to the annulment of the ICSID arbitration award from 2007 (which was not in favor of Fraport) by the ICSID ad hoc committee in Washington on December 23, 2010.

> Furthermore, the Supervisory Board dealt with the financial statements and management reports of the company and the Group as at December 31, 2011, the agenda and the resolution proposals for the Annual General Meeting (AGM) on May 11, 2012, as well as the 2011 Annual Report. Furthermore, the Supervisory Board has decided to propose to the AGM that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as the auditor for fiscal year 2012. In order to implement the cyclical foreseen change in auditors, the Supervisory Board intends to propose to the AGM a change to PricewaterhouseCoopers AG, Frankfurt am Main, for fiscal year 2013.
> In addition, the Supervisory Board agreed to increase the issue limit for bid and performance guarantees at the subsidiary Air-Transport IT Services Inc. and approved
- a further capital increase for use by Fraport Malta Ltd. for granting loans to Fraport's majority and minority holdings through Fraport Malta Business Services Ltd.,
- an additional reserve for flexible loan assumption in 2013
- and the 2013 Business Plan.
> The Supervisory Board also agreed to some individual measures, including the signing of a Memorandum of Understanding (MoU Cargo) with Deutsche Lufthansa AG and Lufthansa Cargo AG for the further development of Frankfurt as a cargo location.
> In its strategy session, the Supervisory Board also dealt in more detail with the opportunities and perspectives arising from the changing aviation market across all locations.

Work of the committees

The Supervisory Board continued its successful work with the committees it had formed to increase the efficiency of its work and to prepare for the Supervisory Board meetings. In individual cases and in accordance with law, decision-making powers of the Supervisory Board were granted to the committees. The chairmen of the committees provided regular reports at the next Supervisory Board meeting to the plenum of the Supervisory Board on the work of the committees. The composition of the individual committees can be found in the section "Statement on Corporate Governance and Corporate Governance Report" as well as on the Group's website www.fraport.com under the section The Fraport Group.

The **finance and audit committee** met seven times during the reporting period and discussed significant business transactions, the annual and consolidated financial statements, the management reports and the profit utilization proposal to the AGM, respectively, the amount of dividends. The meetings of the finance and audit committee took regularly place in the presence of representatives from the auditors. The finance and audit committees prepared the determination of the focal points of the 2012 audit for the Supervisory Board. The half-year financial report and the other quarterly reports were discussed in detail prior to their publication. Comments were also made on the 2013 Business Plan of Fraport AG (prepared in accordance with the German Commercial Code, HGB) and the 2013 Group Plan (prepared in accordance with IFRS). Furthermore, the finance and audit committee dealt with the issuance of awarding the audit mandate to the auditor and made a proposal to the plenum for the election of the auditor for fiscal year 2012. In this context, the auditor's confirmation of independence pursuant to Section 7.2.1 of the German Corporate Governance Code (GCGC) was obtained, the qualification of the auditor monitored and the remuneration of same discussed. Furthermore, the issue of orders for non-audit-related services to the auditor was discussed. In addition, the decision for a proposal to the AGM for a change of auditor in 2013 was prepared.

Further discussion points related to the topic of risk and asset management. In addition, the committee discussed in detail the examination of the risk management system, the internal control system, the internal audit system as well as the compliance management system and ensured that the Supervisory Board was appropriately informed.

In its four meetings, the focal points of the discussions of the **investment and capital expenditure committee** in fiscal year 2012 were again the further business development of the investment business and the area of capital expenditure. With respect to the investments, the committee made, among others, resolution recommendations to the Supervisory Board on the issues of “Increase in the limit for bid and performance guarantees at the subsidiary Air Transport IT Services” and “MoU Cargo”. In addition, the already existing investments were regularly the center of attention, whereas the planned expansions to Lima Airport were discussed by several Supervisory Board members in the context of a personal site visit in spring 2012, meeting among others the Peruvian Prime Minister Mr. Oscar Valdes, the Minister for Foreign Trade and Tourism, Mr. Jose Luis Silva as well as the Deputy Minister for Transport, Mr. Alejandro Chang. New investment opportunities were also evaluated and discussed. Furthermore, the committee assisted with the capital expenditure at the Frankfurt am Main site and commented on the investment plan in the context of the 2013 Business Plan.

The **human resources committee** met four times in fiscal year 2012 and again was regularly involved with the staffing situation within the Group. Further issues discussed were health management, management remuneration within the Group, the results of an age structure analysis and child support facilities at Fraport and in the region. Other discussion focal points were the counteractions supported by the entire Supervisory Board to the planned European Union (EU) directive on the further liberalization of ground handling services and the transfer of undertakings in the areas of apron control, traffic control, and apron supervision as a result of the strike organized by the trade union, GdF.

The **executive committee** met four times during the reporting period. It dealt with Executive Board matters arising in fiscal year 2012 and, in particular, the determination of the performance-related remuneration components. In addition, the executive committee prepared the resolutions of the Supervisory Board on the appointment of the new Executive Board members, Ms. Anke Giesen and Mr. Michael Müller.

The **nomination committee** formed for preparing for the new election of shareholder representatives met twice in fiscal year 2012, to prepare for the changes in the Supervisory Board after the resignation of Dr. Manfred Bischoff, Ms. Jutta Ebeling and Prof. Klaus-Dieter Scheurle. The nomination committee initially recommended to the plenum of the Supervisory Board that Prof. Dr.-Ing. Katja Windt should be proposed to the AGM 2012 as the successor to Dr. Manfred Bischoff. In addition, the committee recommended to the plenum of the Supervisory Board after the AGM 2012, that the Lord Mayor of the city of Frankfurt am Main, Mr. Peter Feldmann, and the State Secretary Mr. Michael Odenwald be court appointed by the Frankfurt am Main local court to replace the members who had resigned.

It was not necessary to convene the **mediation committee** in accordance with the German Co-Determination Act in fiscal year 2012.

Corporate governance and statements of compliance

The Executive Board and the Supervisory Board have addressed in detail the further developments of the GCGC, that was presented by the Government Commission on May 15, 2012. Based on the new recommendation of the nomination of concrete targets for the composition of the Supervisory Board in Section 5.4.1 of the GCGC, the Supervisory Board decided in its meeting on December 14, 2012 that the committee must comprise at least three independent shareholder representatives within the meaning of Section 5.4.2 of the GCGC. The current composition of the Supervisory Board complies with this request with the result that, pursuant to Section 5.4.2 of the GCGC the Supervisory Board now, in its estimation, has an appropriate number of independent members. As the new version of Section 5.4.6 (2) of the GCGC in addition no longer provides for a recommendation of the introduction of performance-related remuneration for Supervisory Board members, it was established that Fraport AG now complies with the recommendations of the current GCGC without any deviations.

The Supervisory Board has reviewed the efficiency of its activities in fiscal year 2012 with external assistance. As a result, the Supervisory Board made a number of decisions, among others, to regularly review the rules of internal procedures, to organize the monitoring of the effectiveness of the compliance management system, to evaluate the auditors and to guide the annual strategy session in terms of thematic focus.

Further details on corporate governance as well as the text of the current statement of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) made by the Executive Board and Supervisory Board on December 14, 2012 can be found in the section "Statement on Corporate Governance and Corporate Governance Report" starting on page 18. The Fraport code and the current and past statements of compliance can also be found on the Group's website www.fraport.com under the section The Fraport Group.

Conflicts of interest and their treatment

In order to avoid any potential conflicts of interest, Mr. Stefan H. Lauer did not participate in the discussions and voting of the "Signing of a Memorandum of Understanding (MoU) with Deutsche Lufthansa AG and Lufthansa Cargo AG for the further development of Frankfurt as a cargo location" (December 14, 2012) against the background of his Executive Board activity for Deutsche Lufthansa AG.

Annual and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements of Fraport AG and the consolidated financial statements as at December 31, 2012 as well as the management report and Group management report and issued unqualified audit reports. The Supervisory Board issued the audit mandate on November 21, 2012 in accordance with the resolution passed by the AGM on May 11, 2012.

The annual financial statements and the management report were prepared and audited by the auditor in accordance with the regulations of the HGB applicable to large capital companies, the consolidated financial statements and the Group management report in accordance with IFRS as they apply in the EU. The consolidated financial statements and the Group management report meet the conditions for exemption from the preparation of consolidated financial statements in accordance with German law. The auditor established that an early risk warning system that meets the legal requirements and which makes it possible to identify at an early stage developments that may put the continued existence of the Company at risk was in place.

The documents mentioned as well as the proposal by the Executive Board for the utilization of profits have been sent to the Supervisory Board by the Executive Board without delay. The finance and audit committee of the Supervisory Board examined these documents extensively and the Supervisory Board reviewed them also personally. The audit reports of KPMG AG Wirtschaftsprüfungsgesellschaft and the financial statement documentation were available to all the members of the Supervisory Board, and were comprehensively dealt with in the accounting meeting of the Supervisory Board in the presence of the auditors who reported on significant results of their audit, and were available to respond to additional questions and provide further information. The chairman of the audit committee provided a comprehensive report on the treatment of the annual financial statements and the consolidated financial statements in the finance and audit committee. The Supervisory Board approved the results of the annual audit. After the completion of the audit by the finance and audit committees and its own review, the Supervisory Board did not raise any objections. The Supervisory Board approved the annual financial statements prepared by the Executive Board; the annual financial statements were thus adopted.

The Supervisory Board approved the proposal by the Executive Board to use the profit earmarked for distribution to pay a dividend of 1.25 Euro per no-par value share with dividend entitlement.

The report prepared by the Executive Board on the relationships of Fraport AG with affiliated companies pursuant to Section 312 of the AktG was submitted to the Supervisory Board. The report concludes with the following statement by the Executive Board, which is also included in the management report:

"The Executive Board declares that Fraport AG received an appropriate consideration for every legal transaction in accordance with the circumstances known to us at the time that the legal transactions were undertaken. During the reporting year, measures were neither taken nor omitted at the request of or in the interests of the state of Hesse and the city of Frankfurt am Main and their affiliated companies."

The auditor reviewed the report on the relationships with affiliated companies and issued the following opinion:

"Based on our audit and the conclusions reached, we confirm that
1. the disclosures made in the report are correct,
2. the consideration paid by the company for the legal transactions referred to in the report was not unreasonably high."

The auditor participated in the discussions with the Supervisory Board on March 22, 2013 on the report regarding the relationships with affiliated companies and was available to the Supervisory Board to provide any additional information. After conducting its own review, the Supervisory Board agreed with the assessment by the auditor and raised no objections to the statement by the Executive Board regarding the relationships with affiliated companies provided at the end of the report and included in the management report.

Personal particulars

The AGM elected Prof. Dr.-Ing. Katja Windt as a new member of the Supervisory Board on May 11, 2012. The professor for global production logistics in Bremen replaced Dr. Manfred Bischoff, who resigned his mandate on the Supervisory Board with the conclusion of the 2012 AGM.

In addition, the competent trade registry court of the city of Frankfurt am Main appointed the Lord Mayor of the city of Frankfurt, Mr. Peter Feldmann, to the Supervisory Board on September 3, 2012. Mr. Feldmann assumes the mandate of Ms. Jutta Ebeling, who left the Supervisory Board on August 31, 2012. Likewise, State Secretary Mr. Michael Odenwald was appointed by the court to replace Prof. Klaus-Dieter Scheurle, who resigned his mandate on November 30, 2012.

As regards employees, Ms. Petra Rossbrey, as representative for Senior Managers, resigned her mandate on the Supervisory Board on July 31, 2012. Dr. Roland Krieg took her place on August 1, 2012. Furthermore, Mr. Mario A. Bach on October 5, 2012 succeeded Mr. Peter Wichtel, who left the Supervisory Board on October 4, 2012, and on February 1, 2013, Mr. Detlev Draths replaced Ms. Gabriele Rieken, who left on January 31, 2013.

On June 19, 2012, the Supervisory Board also decided to appoint Ms. Anke Giesen and Mr. Michael Müller as members of the Executive Board.

In view of the successful 2012 fiscal year – despite an increasingly difficult environment – the Supervisory Board thanks the Executive Board and the company's employees for their dedicated commitment in the interests of the company.

Frankfurt am Main, March 22, 2013

Karlheinz Weimar
(Chairman of the Supervisory Board)

Statement on Corporate Governance and Corporate Governance Report

In the following statement on corporate governance, pursuant to Section 289a of the German Commercial Code (HGB) and corporate governance report pursuant to Section 3.10 of the German Corporate Governance Code (GCGC), the Executive Board – and simultaneously for the Supervisory Board in summary (see also Section 3.10 of the GCGC) – reports on the company's management and the corporate governance of Fraport.

The term "corporate governance" at Fraport means responsible corporate management and control, the objective of which is sustainable value creation. Good corporate governance has highest priority at Fraport. In this context, efficient collaboration between the Executive Board and the Supervisory Board is as important as protecting shareholders' interests and maintaining open and transparent corporate communications. Fraport follows the national and international developments in this area and regularly modifies its own corporate code to the new regulations of the GCGC.

In accordance with Section 317 (2) of the HGB, the following disclosures under Section 289a of the HGB were not included in the audit by the auditor.

Statement of compliance pursuant to Section 161 of the AktG

On December 14, 2012, the Executive Board and the Supervisory Board of Fraport AG issued the following statement of compliance for the year 2012 in accordance with Section 161 of the AktG:

"The last statement of compliance was made on December 12, 2011. Since then, Fraport AG has complied with the recommendations made by the Government Commission German Corporate Governance Code (GCGC) as amended on May 26, 2010 with the following exception:

'The remuneration of members of the Supervisory Board does not provide for a performance-related variable component (Code Section 5.4.6 [2] as amended on May 26, 2010).'

In accordance with Section 12 of the Company Statutes, the members of the Supervisory Board receive a fixed remuneration and an attendance fee for meetings. In view of the intensive supervision activity of the Supervisory Board, the company considers this to be appropriate. This opinion was confirmed by the revision of Section 5.4.6 (2) (elimination of the recommendation of performance-related remuneration for members of the Supervisory Board) in the new version of the Code presented by the Government Commission German Corporate Governance Code on May 15, 2012 and published in the Federal Gazette (Bundesanzeiger) on June 15, 2012.

Fraport AG also complied with the recommendations of the new version of the Code dated May 15, 2012, with the exception of the revised Section 5.4.1.

On the basis of the revised recommendation for the statement of specific goals for the composition of the Supervisory Board in Section 5.4.1, the Supervisory Board adopted a resolution at its meeting on December 14, 2012 stating that a minimum of 3 independent representatives of the shareholders within the meaning of Section 5.4.2 GCGC should be members of the Supervisory Board.

Since the new version of Section 5.4.6 (2) GCGC no longer contains a recommendation with respect to the introduction of a performance-related component of remuneration for members of supervisory boards, Fraport AG is now in compliance with the current recommendations of the GCGC without exception and will continue to be in compliance in the future."

The statement of compliance was promptly made permanently available to the shareholders on the company's homepage at www.fraport.com under the section The Fraport Group.

GCGC recommendations

Fraport AG also voluntarily complies with the recommendations of the GCGC, solely with the following exceptions:

Transmission of the Annual General Meeting via modern communication media (Section 2.3.4 GCGC).

Primarily for security reasons, Fraport published only the welcoming speeches of the Chairman of the Supervisory Board and the Chairman of the Executive Board at the 2012 Annual General Meeting on the Internet.

Availability of a proxy exercising shareholder's voting rights during the Annual General Meeting (Section 2.3.3 sentence 2 GCGC).

Shareholders who did not take part directly in the Annual General Meeting were able to appoint a proxy up until the evening before the 2012 Annual General Meeting. Since the transmission of the meeting on the Internet ended following the speeches of the Chairmen of the Supervisory and Executive Boards, it was not necessary for the proxies to be available for these shareholders during the Annual General Meeting. For shareholders who took part in the Annual General Meeting, the proxy was also available during the meeting.

First-time appointment of members of the Executive Board (Section 5.1.2 [2] GCGC).

All Executive Board members were initially appointed for a term of 5 years, indicating the company's willingness to enter into a long-term arrangement. Furthermore, an initial term of 5 years represents the common practice among experienced professionals and is therefore in line with the expectations of many potential Executive Board members.

Objectives for the composition of the Supervisory Board

Pursuant to Section 5.4.1, the Supervisory Board has set the following unchanged objective for its composition in fiscal year 2010:

"Fraport AG is committed to forward-looking, equal opportunity cooperation across genders. It will continue to promote the employment of women according to qualification and skill at all levels and areas of responsibility in a targeted manner. This also applies to the Supervisory Board that aims to achieve a gender ratio in the coming years that reflects the gender ratio within the overall workforce."

The ratio of female employees to the total number of employees at Fraport AG (single entity) is approximately 19 %. The Supervisory Board of Fraport AG comprises 20 members, with the number of female members currently at 3. The reduction from recently 5 to currently 3 female members resulted from the fact that, since the last Annual General Meeting 2 female members, Ms. Jutta Ebeling and Ms. Petra Rossbrey, resigned from the Supervisory Board and were replaced by Messrs. Lord Mayor Peter Feldmann and Dr. Roland Krieg. With a view to the pending elections to the Supervisory Board in 2013, the aim, however, is to increase the ratio of women on the board to again reach at least the target level.

In addition, there is an adequate number of members on the Supervisory Board who have international experience. When proposing candidates, the nomination committee and the Supervisory Board will continue to take the international experience of Supervisory Board candidates appropriately into account.

Furthermore, based on the new provision in Section 5.4.1 of the GCGC, the Supervisory Board decided in its meeting on December 14, 2012 that at least 3 independent shareholder representatives within the meaning of Section 5.4.2 of the GCGC should be members of the board.

With Ms. Dr. Margarete Haase, Mr. Christian Strenger and Ms. Prof. Dr.-Ing. Katja Windt, there are already at least 3 independent shareholder representatives on the Supervisory Board.

Notes on corporate governance practices

Beyond the statutory provisions, Fraport AG utilizes the following corporate governance practices:

Own corporate governance code

The Supervisory Board of Fraport AG has adopted its own corporate governance principles for the company. The Fraport Corporate Governance Code describes the fundamental principles for the management and control of the company as well as the responsible corporate governance that the company has undertaken to uphold. Furthermore, it clarifies the material rights of shareholders.

The Fraport Corporate Governance Code is closely modeled after the GCGC and is regularly monitored and adapted where necessary in light of new legal regulations as well as revised national and international standards (last amended on December 14, 2012). It can be downloaded from the company website www.fraport.com in the section The Fraport Group.

Values-based compliance management system

In order to secure and promote integrity in business conduct, Fraport AG introduced a values management system in 2003. The system focuses on strict compliance with the law on the part of employees, integrity in dealing with gifts and benefits and loyalty to corporate interests. The guiding light is the code of conduct, which is binding on all employees and has been an integral component of employment contracts since 2005. In addition, Fraport AG expects initiatives promoting the highest standards of business practice from its business partners. Fraport AG makes the signing of integrity declarations a prerequisite for suppliers as a component of contractual relationships. The effectiveness of values management is monitored and improved through regular online surveys.

In January 2009, an electronic whistleblower system was introduced by Fraport AG as an additional channel of information about compliance violations. Employees and business partners can report bad behavior via this online-based system. The system protects the anonymity of the whistleblower and permits the filing of reports that cannot be linked to a particular time and place. Besides the Frankfurt site, the whistleblower system is in place at all foreign companies of the Fraport Group with a shareholding of more than 50%. In conjunction with the further development of the values-based compliance process, Fraport AG supplemented the function of the existing internal contact point for confidential information with the addition of an external ombudsperson. Annette Parsch, an attorney specializing in criminal law, has served in this function for Fraport AG since December 2011. The central task of the ombudsperson is to confidentially receive and legally examine tips on serious legal violations such as corruption, misappropriation or fraud within Fraport AG. She is available as a confidential contact person to all employees of the Fraport Group as well as persons outside the Group.

Since October 2012, Fraport AG has bundled the values management system and compliance areas into the central unit “Compliance, Risk and Values Management” and, since the beginning of fiscal year 2013, has trained 3,500 employees on value-based compliance via e-learning. For the remaining employees, the e-learning training is available for information purposes.

In February 2013, Fraport AG additionally adopted 2 new codes of conduct in the area of compliance. The new code of conduct for employees covers the areas of compliance, working conditions and human rights. It also includes the values and responsibility of Fraport AG. The new code of conduct for suppliers addresses the topics of compliance, working conditions, human rights and environment along the supply chain. Both codes are being gradually implemented within the Fraport Group.

Application of internationally accepted standards

In the spirit of responsible corporate governance at all Group locations, Fraport has obligated itself to comply with the most important, internationally recognized standards of conduct – the principles of the UN Global Compact, the OECD Guidelines and the ILO core labor standards. Based on these guidelines, Fraport developed the aforementioned codes of conduct for employees and suppliers in 2012, which are gradually implemented in the Fraport Group in 2013. Further information on corporate governance practices can be accessed on the company website at www.fraport.com in the section Sustainability.

Structure and functioning of the management and control bodies

For Fraport AG, a responsible, transparent corporate governance and control structure is the central foundation for creating value and trust. In accordance with the provisions of law, Fraport AG is subject to a "dual governance system", which is achieved through strict separation of the personnel in the management and control bodies (two-tier board). While the Executive Board manages the company, the Supervisory Board supervises the Executive Board. The members of the Executive Board and the Supervisory Board work closely together in the interests of the company.

The structure of the management and control bodies at Fraport AG is a follows:

Executive Board

The Executive Board of Fraport AG has comprised 5 members since January 1, 2013: the Chairman Dr. Stefan Schulte, Ms. Anke Giesen as well as Messrs. Michael Müller, Peter Schmitz and Dr. Matthias Zieschang. As a management body, it conducts the business of the company. Within the framework of the stock corporation law, the Executive Board is bound by the company's interests and corporate socio-political principles. Beyond this, the rules of procedure, which the Executive Board established for itself and presented to the Supervisory Board for approval, form the basis of its work. The schedule of responsibilities for the Executive Board, which governs the allocation of responsibilities, is also attached to the rules of procedure as an annex.

On this basis, the Executive Board reports to the Supervisory Board in a regular, timely and comprehensive manner concerning all relevant matters of business development, corporate strategy and possible risks. In addition, the Executive Board must have the prior approval of the Supervisory Board for several matters, particularly for the assumption of obligations above a value of € 5 million to the extent such is not provided for in a business plan approved by the Supervisory Board. The length of the appointment of Executive Board members is oriented toward the long-term and – as already mentioned – is as a rule 5 years. Remuneration of the Executive Board comprises fixed and performance-related components. A detailed schedule of the remuneration is provided in the remuneration report in the Group notes (see note 52).

The Executive Board usually meets weekly and constitutes a quorum if at least half of its members participate in the meeting. Resolutions are adopted by a simple majority of all the participating members of the Executive Board. In the case of a tie vote, the vote of the chairman is deciding.

Supervisory Board

The Supervisory Board of Fraport AG supervises the activities of the Executive Board. It is composed of an equal number of representatives of shareholders and employees and comprises 20 members. The 10 shareholder representatives are elected by the Annual General Meeting and the 10 representatives of the employees are elected for 5 years by the employees in accordance with the provisions of the German Co-Determination Act (MitbestG). The Supervisory Board has created rules of procedure, under which it has a quorum if – on the basis of a proper notice of meeting – at least half of its members participate in the voting in person or through submission of written votes. Resolutions are adopted with a simple majority unless otherwise mandated by law. In the event of a tie vote, the chairman of the Supervisory Board, who must be from among the shareholder representatives, is entitled to a second vote. The rules of procedure also regulate, in particular, the appointment and powers of committees of the Supervisory Board.

As a rule, the Supervisory Board meets 4 times a year (2012: 6 times) and monitors the efficiency of its activities on a regular basis with respect to both their effectiveness and their appropriateness in view of new challenges. In its Report of the Supervisory Board, the Supervisory Board reviews its activities in the past fiscal year.

A detailed schedule of its remuneration is included in the remuneration report in the Group notes (see note 52).

At the time of the adoption of the annual financial statements, the Supervisory Board was comprised as follows:

Composition of the Supervisory Board

Representatives of the shareholders	Representatives of the employees
Former State Minister Karlheinz Weimar (Chairman)	Gerold Schaub (Vice Chairman)
Lord Mayor Peter Feldmann	Ismail Aydin
Dr. Margarete Haase	Mario A. Bach
State Minister Jörg-Uwe Hahn	Detlev Draths
Former State Minister Lothar Klemm	Erdal Kina
Stefan H. Lauer	Dr. Roland Krieg
State Secretary Michael Odenwald	Arno Prangenberg
Dr. h. c. Petra Roth	Hans-Jürgen Schmidt
Christian Strenger	Werner Schmidt
Prof. Dr.-Ing. Katja Windt	Edgar Stejskal

Table 8

Committees of the Supervisory Board

On the basis of statutory provisions and the provisions of its rules of procedure, the Supervisory Board has formed the following committees:

Committees of the Supervisory Board

Committee	Functions	Number of regular meetings	Meetings 2012	Number of regular members	Members
Finance and audit committee	> Preparation of Supervisory Board resolutions in the area of finance and audit-related resolutions > Monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the accounts – particularly the independence of the external auditor and the auxiliary services rendered by the external auditor > Statement of opinion on the business and development plan, the annual and consolidated financial statements, the proposal of the Executive Board for the appropriation of profits and the audit report of the external auditor and other auditors	4	7	8	Christian Strenger (Chairman) Dr. Margarete Haase Lothar Klemm Dr. Roland Krieg Arno Prangenberg Hans-Jürgen Schmidt Edgar Stejskal Prof. Dr.-Ing. Katja Windt
Investment and capital expenditure committee	> Preparation of resolutions relating to capital expenditure, resolutions or decisions concerning the founding, acquisition and sale of associated companies and ongoing monitoring of the economic development of existing associated companies > Final decision to the extent the obligation or entitlement of Fraport AG arises from an investment-related action that is between € 5,000,000.01 and € 10,000,000 > Statement of opinion on the capital expenditure plan and on capital expenditure reporting	4	4	8	Jörg-Uwe Hahn (Chairman) Detlev Draths Lothar Klemm Dr. h. c. Petra Roth Gerold Schaub Werner Schmidt Edgar Stejskal Christian Strenger
Human resources committee	> Preparation of resolutions in the area of human resources > Statement of opinion, in particular, on the development of the number of workforce, fundamental issues relating to collective bargaining law, payment systems, employee investment plan, matters concerning company retirement plan	4	4	8	Jörg-Uwe Hahn (Vice Chairman) Ismail Aydin Mario A. Bach Detlev Draths Erdal Kina Lothar Klemm Michael Odenwald Dr. h. c. Petra Roth The chair of the committee is currently vacant; the vice chairman therefore is currently responsible for heading it.

Table 9

Committees of the Supervisory Board

Committee	Functions	Number of regular meetings	Meetings 2012	Number of regular members	Members
Executive committee	> Preparations for the appointment of members of the Executive Board and the conditions of employment contracts, including remuneration > Final decision concerning outside activities of members of the Executive Board which require the approval of the Supervisory Board	As needed	4	6	Chairman of the Supervisory Board Karlheinz Weimar (ex officio) Vice Chairman of the Supervisory Board Gerold Schaub (ex officio) Dr. Margarete Haase Dr. h. c. Petra Roth Edgar Stejskal N. N.
Mediation committee in accordance with Section 27 MitbestG	> Preparation of a recommendation for the appointment or dismissal of members of the Executive Board, if the entire Supervisory Board does not conclude such decision	As needed	0	4	Chairman of the Supervisory Board Karlheinz Weimar (ex officio) Vice Chairman of the Supervisory Board Gerold Schaub (ex officio) Dr. h. c. Petra Roth The successor of the departed Peter Wichtel will be elected in the next meeting of the Supervisory Board.
Nomination committee	> Recommendation of suitable candidates to the Supervisory Board for its recommendations to the Annual General Meeting	As needed	2	4	Karlheinz Weimar (ex officio) Dr. Margarete Haase Dr. h. c. Petra Roth

Table 9

Shareholders and the Annual General Meeting

The shareholders of Fraport AG exercise their rights in the company at the Annual General Meeting and exercise their right to speak and to vote there. With sufficient time prior to the meeting, the shareholders are informed of business developments in the past year and the company's forecasts for the following 2 years through the management report. During the year, the shareholders are provided with comprehensive and timely information about current business developments through interim reports and other company publications on its website. The Annual General Meeting of Fraport AG is held each year in the first 6 months of the fiscal year and makes decisions concerning the tasks assigned to it by law, such as the appropriation of profits, elections and approving of the actions of the members of the Supervisory and the Executive Boards, the selection of the independent auditor, amendments to the Company Statutes, and other tasks. The shareholders can exercise their right to vote in person or can authorize third parties to exercise their right to vote.

Remuneration of the Executive Board and Supervisory Board

The disclosures on the essential features of the remuneration system as well as the disclosures on the remuneration of the Executive Board and the Supervisory Board can be found in a separate remuneration report. In compliance with Section 4.2.5 and Section 5.4.6 (3) GCGC, this is part of the Group notes (see note 52) and simultaneously the Group management report.

Acquisition or disposal of shares of the company

Pursuant to Section 15a of the WpHG, management and persons closely related thereto are obliged by law to disclose the acquisition or disposal of shares of Fraport AG or any financial instruments related thereto, if the value of the transactions undertaken exceeds the sum of € 5,000 within one calendar year. The notifications in this respect are disclosed by Fraport AG without delay.

Shareholdings of the bodies

The total shareholdings of all members of the Executive Board and Supervisory Board are less than 1 % of the total number of shares issued by Fraport.

Ground Handling *6 million additional passengers a year present new organizational, technical and logistics challenges: The new baggage conveyor system can sort an additional 5,000 pieces of baggage per hour, which are transported to their destination at a speed of up to 5 meters per second. At more than 7 kilometers in length this state-of-the-art expansion of the existing system improves transport volume, organization and reliability.*

3 Group Management Report

from left to right:
***Stefan Weist** (Fraport AG, Corporate Infrastructure Management – Project Management Modernization and Airport Expansion)*
***Holger Jentsch** (Fraport AG, Ground Services – Project Coordination Baggage Conveyor System Maintenance)*

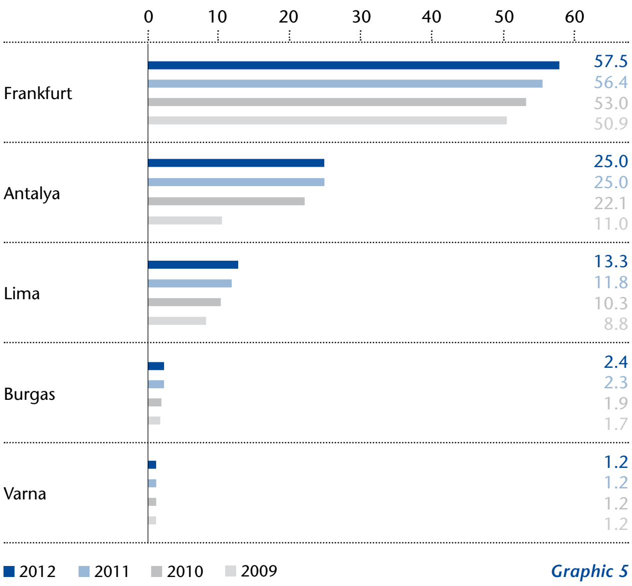
Group Management Report for the Fiscal Year 2012

The following graphics and notes provide an overview of the situation of the Group in the fiscal year 2012 as well as a comparison with the previous years. For more detailed information, please see the further chapters of the management report and the Group notes.

Overview of the Situation of the Fraport Group

Passenger development at Group airports in which an interest of at least 50 % is held

in millions

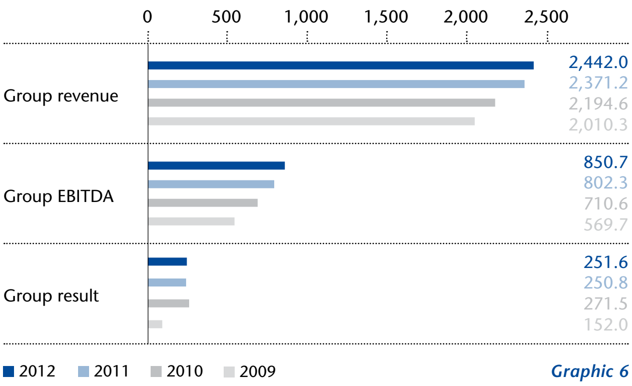


Graphic 5

- Growth in Frankfurt especially in intercontinental and transfer traffic
- Passenger figure in Antalya at the level of the previous year despite high comparison basis
- Continuing economic growth in Peru causes passenger figures to increase significantly again
- Solid passenger development in Burgas and Varna

Development of Group revenue, Group EBITDA and Group result

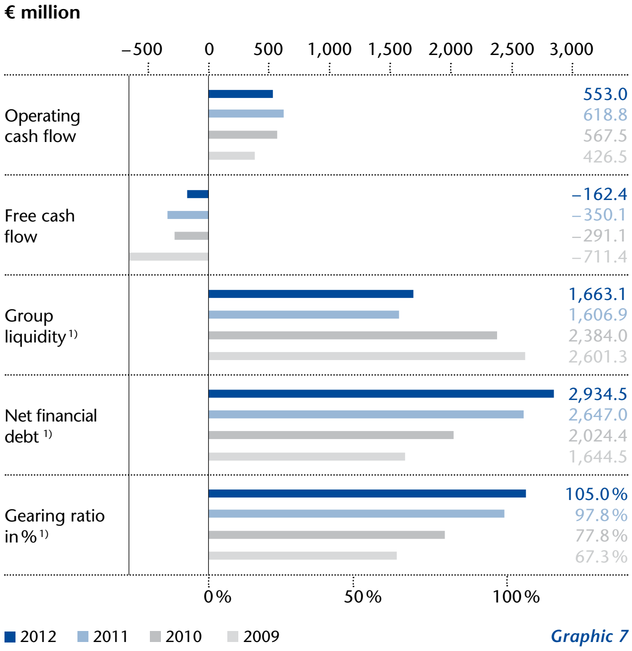
€ million



Graphic 6

- Increase in Group revenue resulting from positive business development in Germany and abroad
- Group EBITDA at all-time high mainly due to good development of operational revenue
- Group result at level of the previous year also as a result of higher tax ratio

Development of key figures of the Group cash flow statement and Group financial position



Graphic 7

- Operating cash flow at € 553.0 million
- Free cash flow again negative due to further capital expenditure in Frankfurt
- Slight increase in Group liquidity as a result of additional borrowing
- Higher net financial debt as a result of continuing high cash outflows
- Gearing ratio at 105.0%.

[1] Group liquidity adjusted for accrued interest income; for reasons of comparison, Group liquidity, net financial debt and gearing ratio of fiscal year 2011 were adjusted.

Target/actual comparison of major forecasts for 2012

Fraport Group		Outlook 2012		Target attainment
Passengers in Frankfurt	→	Growth lower than 4%	→	1.9% passenger growth
Revenue	→	Increase above € 2.5 billion	→	Group revenue at € 2.44 billion
Group EBITDA	→	Increase of at least 5%	→	€ 850.7 million (+6.0%)
Group result	→	About level of the previous year	→	€ 251.6 million (+0.3%)
Dividend per share	→	Stable dividend	→	Unchanged dividend recommendation of € 1.25 per share

Graphic 8

- Outlook for 2012 essentially met
- Revenue below forecast due to lower revenue in the context of IFRIC 12, but without effect on earnings
- Unchanged dividend recommendation to the Annual General Meeting (AGM)

Major forecasts for 2013

Fraport Group		Actual 2012		Forecast 2013
Passengers in Frankfurt	→	57.5 million passengers	→	At about level of the previous year
Revenue	→	€ 2.44 billion	→	Increase up to 5%
Group EBITDA	→	€ 850.7 million	→	Between € 870 million and € 890 million
Group result	→	€ 251.6 million	→	Decrease
Dividend per share	→	€ 1.25 [1]	→	Stable dividend recommendation

[1] 2012: Recommendation to the AGM.

Graphic 9

- Macroeconomic uncertainties influence the accuracy of the forecast
- EBITDA growing to between € 870 million and € 890 million
- Group result forecast essentially below the level of 2012 due to higher depreciation and amortization and worsening interest result
- Unchanged dividend recommendation forecasted

The Fraport Group

Operating Activities and Organization

A leading international Airport Group

With its international portfolio of airport investments, the Fraport Group (hereinafter also referred to as: Fraport) is among the leading global airport operators. The spectrum of services of the Group comprises all aspects of flight and terminal operation, as well as the further development of airports as integrated mobility, event and real estate locations.

The Frankfurt Airport, one of the largest passenger and cargo airports in the world, is Fraport's main location and key driver of revenue and earnings. In contrast to concession models that will expire, the Group parent company, Fraport AG Frankfurt Airport Services Worldwide (short: Fraport AG), owns and operates the Frankfurt Airport independently and with no time limits. It directly or indirectly holds the interests in the Group companies (companies pursuant to Section 313 of the German Commercial Code [HGB]) and is its largest operating company. Fraport AG is headquartered in Frankfurt am Main. In addition to the Frankfurt Airport, the Group is involved in 12 other airports on four continents through majority or minority holdings and management contracts.

Strategic and operative responsibility at the Executive Board

The strategic and operative responsibility of the Group lies with the Executive Board of Fraport AG. In 2012, the Executive Board was composed of the members Dr. Stefan Schulte (Chairman), Herbert Mai (until September 30, 2012), Michael Müller (since October 1, 2012), Peter Schmitz and Dr. Matthias Zieschang. Since January 1, 2013, the Executive Board has been expanded by the addition of Anke Giesen. It thus is made up of the 5 members Dr. Stefan Schulte (Chairman), Anke Giesen (Executive Director Ground Handling), Michael Müller (Executive Director Labor Relations), Peter Schmitz (Executive Director Operations) and Dr. Matthias Zieschang (Executive Director Controlling and Finance).

Division of the Group into 4 segments

For the purpose of reporting and managing the Group's results, the strategic business, service and central units have been divided into 4 segments: Aviation, Retail & Real Estate, Ground Handling and External Activities & Services.

The **Aviation** segment incorporates the strategic business units "Airside and Terminal Management, Corporate Safety and Security" and "Airport Security Management" at the Frankfurt site. The strategic business unit "Retail and Properties," which mainly handles retailing activities, parking facility management, as well as leasing and marketing of real estate at the Frankfurt site, is assigned to the **Retail & Real Estate** segment. The **Ground Handling** segment comprises the strategic business unit "Ground Services" and the Group companies involved in these activities at the Frankfurt site. The "Global Investments and Management" central unit, which is mainly responsible for airport services and airport management for Group companies that are not integrated into the business processes at the Frankfurt site, is assigned to the **External Activities & Services** segment, as are also the service units "Facility Management", "Information and Telecommunications" and "Corporate Infrastructure Management", including the Group companies of all of the above.

Segments of the Fraport Group

	Fraport Group			
Segment	Aviation	Retail & Real Estate	Ground Handling	External Activties & Services
Business units	Airside and Terminal Management, Corporate Safety and Security Airport Security Management	Retail and Properties	Ground Services	Global Investments and Management Information and Telecommunications Facility Management Corporate Infrastructure Management

Graphic 10

In addition, 12 central units render among others Group-wide services that span departments, such as “Corporate Compliance, Risk and Values Management”, “Central Purchasing, Construction Contracts”, “Human Resources”, “Corporate Development and Sustainibility Management”, or “Finance and Investor Relations”.

Changes on the Supervisory Board

The following changes with respect to the Supervisory Board took place:

- Prof. Dr.-Ing. Katja Windt was elected by the 2012 AGM as a new member of the Supervisory Board. The professor of global production logistics from Bremen replaced Dr. Manfred Bischoff who resigned his mandate on the Supervisory Board with the conclusion of the 2012 AGM.
- On September 3, 2012, the competent trade registry court of the city of Frankfurt am Main appointed the Lord Mayor of the city of Frankfurt, Peter Feldmann, to the Supervisory Board. Peter Feldmann is assuming the mandate of Jutta Ebeling, who left the Supervisory Board as of August 31, 2012. The appointment of Peter Feldmann will initially apply until the end of the 2013 AGM.
- Petra Rossbrey resigned her position on the Supervisory Board as representative of the Senior Manager as of July 31, 2012. Dr. Roland Krieg, head of the “Information and Telecommunications” service unit, succeeded her as of August 1, 2012.
- In addition, Mario A. Bach, team leader of Group Idea Management, succeeded Peter Wichtel, who left the Board on October 4, 2012, as substitute member on October 5, 2012.
- Succeeding Prof. Klaus-Dieter Scheurle, who resigned his mandate on November 30, 2012, is State Secretary Michael Odenwald who was appointed by court effective December 11, 2012.
- Gabriel Rieken, who separated from the Supervisory Board on January 31, 2013, was replaced on February 1, 2013 by Mr. Detlev Draths.

Group Strategy

Despite short-term unfavorable conditions, the strategy has been directed toward long-term positive market development

The strategy of the Fraport Group is based on the forecasted long-term development of global air traffic and market trends. Following significant growth in passenger traffic in fiscal years 2010 and 2011, globally weakening economic growth and in particular the results of the European debt crisis, led to a perceptible weakening of growth in the course of the year 2012. In the area of air freight volume, a softness of demand has set in primarily due to economic factors since the middle of 2011. The aviation tax and the planned emissions trading scheme in the European Union (EU) also had a dampening effect on demand.

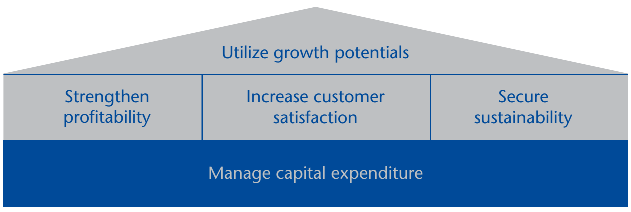
Despite these deteriorating short-term general conditions, leading aviation associations such as Airports Council International (ACI) and the major aircraft manufacturers Airbus and Boeing, continue to expect long-term stable growth rates in global air traffic. The Fraport Group at the Frankfurt site will profit from the future growth of the market in particular due to the additional capacity resulting from the Northwest Runway, Pier A-Plus and the planned Terminal 3. In harmony with the forecast growth in air traffic, Fraport also expects long-term positive traffic development for the airport investments outside of Frankfurt.

Strategic challenges summarized in Agenda 2015

Taking these anticipated developments in global air traffic into account, the Fraport Group has described the challenges it faces in Agenda 2015, which consists of 5 areas of activity:

- Manage capital expenditure
- Strengthen profitability
- Increase customer satisfaction
- Secure sustainability
- Utilize growth potentials

Agenda 2015



Graphic 11

Manage capital expenditure

The foundation for the future development of the Fraport Group and therefore the central element of Agenda 2015 is the expansion and modernization of the Frankfurt site. With the inauguration of the Northwest Runway in October 2011, the opening of the new Pier A-Plus last October and the completion of the remodeling of Pier B and of the CD-Pier, 4 key parts of the capital expenditure program have already been completed on time and as they were needed. The focus for the coming years will continue to be planning based on needs and the construction of the new Terminal 3 in the southern part of Frankfurt Airport.

Strengthen profitability

Additional expenses from depreciation and amortization and interest expense are being incurred as a result of the extensive and capital-intensive investment program of the Fraport Group. As a result, Fraport must face the challenge of continually improving efficiency and increasing its operating result. In this context, Fraport in past years has, e.g., driven the following areas forward:

- Sustained traffic growth through the inauguration of the Northwest Runway and Pier A-Plus
- Gradual increase of airport charges until 2015
- New ground handling services agreement with Deutsche Lufthansa until 2018
- Optimizing internal processes and structure (implementation of Corporate Infrastructure Management, remodeling of corporate business processes, conclusion of the Pact for the Future 2018)

Increase customer satisfaction

Fraport sees the sustained increase of customer satisfaction as a challenge for all Group units. The Frankfurt site as well as the entire Group will benefit from passengers considering Group airports as their airports of choice. This applies to departing and arriving passengers, as well as transfer passengers and those using our retail areas. Satisfied customers are a prerequisite for fully realizing the potential of the business. The results of customer surveys underscore that the quality improvements made at the Frankfurt site in the past years have been positively received by customers. To continue this trend in the coming years, Fraport is at the Frankfurt site continuing to intensively pursue the “Great to have you here!” program begun in 2010.

Secure sustainability

Fraport understands sustainability as responsibly developing the concept for its future through the consistent linking of economic, environmental and social targets with the company’s long-term interests. With its central unit “Corporate Development and Sustainability Management”, Fraport makes provision for a sustainable corporate policy. More detailed information on the topic of sustainability in the Fraport Group can be found in the chapter titled “Non-financial Performance Indicators” starting on page 53.

Utilize growth potentials

With the completion of the Northwest Runway, Pier A-Plus and the CD-Pier, Fraport was able to significantly increase its capacity at the Frankfurt site in the past years. To ensure quick and profitable utilization of its new capacities, Fraport has further intensified its sales activities. In addition, there are 3 essential growth drivers group-wide:

Growth driver 1: Retail business

The expansion and modernization of the shopping and food & beverages areas in the terminals are central elements of growth plans for retail business. Through the inauguration of in total about 12,000 m² of retail space in Pier A-Plus last year, Fraport created an essential foundation for further retail growth at the Frankfurt Airport. The company’s goal is to increase net retail revenue per passenger in the current fiscal year in the direction of € 4 (2012: average of € 3.32).

Growth driver 2: External business

In addition to the Frankfurt Airport, Fraport currently operates 4 other international airports with an interest of 50% or more. Fraport is also involved in 8 other airports as a minority shareholder or through management contracts. The expected positive development of the existing portfolio will continue to increase the profit contribution of external business to the Group result over the next several years. In addition, the company is focusing on further expanding its external business.

Growth driver 3: Airport City

Around the world, hub airports are developing into airport cities. Fraport recognized this trend at an early stage and identified sites that are worth consideration for real estate development. Depending on the project, Fraport decides if and to what extent the Group will participate in its development. Examples of the further development of Frankfurt Airport City are:

> Mönchhof site
> Gateway Gardens
> CargoCity South

Group Value Management

Fraport value added as performance and steering item

To sustainably increase the company's value, Fraport plans and manages the Group's development according to the principles of value management. At Fraport, the central figure used to guide this approach is the "Fraport value added" figure. This is calculated as the difference between the Group's EBIT and its capital costs (= Fraport assets x weighted average cost of capital):

Calculation of the Fraport value added

EBIT − $\underbrace{\text{Fraport assets} \times \text{Weighted average cost of capital}}_{\text{Cost of capital}}$ = Fraport value added

Graphic 12

Components of the value added calculation

Weighted average cost of capital

Fraport calculates the weighted average cost of capital (WACC) from the sum of the return on equity expected by investors and the interest expected by creditors on the share of interest-bearing debt in total capital according to the Capital Asset Pricing Model. Given the continuously changing economic environment, interest rate levels and/or Fraport's risk and financing structure, Fraport regularly reviews and, if needed, adjusts its WACC. Fraport's WACC before taxes was determined at 9.5% as of January 1, 2009 and based on regular reviews was kept at this level for 2012.

Fraport assets

Fraport's assets are defined as the average of the company's interest bearing capital required for operations, which is calculated as follows:

Calculation of the Fraport assets

	Goodwill
+	Other intangible assets at cost/2
+	Investments in airport operating projects at cost/2
+	Property, plant and equipment at cost/2
+	Inventories
+	Trade accounts receivable
–	Construction in progress at cost/2
–	Current trade accounts payable
=	Fraport assets

Graphic 13

To avoid value creation coming solely from depreciation and amortization in calculating its value-added figure, Fraport's depreciable assets are generally recognized at half of their historical acquisition/manufacturing costs (at cost/2) and not at residual carrying amounts. Goodwill is an exception in this context and is recognized at its carrying amount in accordance with IFRS. Contrary to the calculation of Fraport value added at the Group and segment level, calculating this figure for the External Activities & Service segment is expanded to include the results of associated and other Group companies assigned to the segment, as well as the Group companies' corresponding assets. This allows Fraport to also include its minority-owned investments in its value management.

Development of value added in 2012

€ million	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		External Activities & Services [1]	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
EBIT	498.0	496.6	77.6	96.1	251.5	232.1	4.7	20.3	174.7	158.1
Fraport assets	5,152.3	4,447.3	2,045.4	1,576.7	1,636.2	1,470.3	549.0	508.5	1,118.6	1,087.4
Cost of capital before taxes	489.5	422.5	194.3	149.8	155.4	139.7	52.2	48.3	106.3	103.3
Value added before taxes	8.5	74.1	–116.7	–53.7	96.1	92.4	–47.5	–28.0	68.4	54.8
ROFRA	9.7%	11.2%	3.8%	6.1%	15.4%	15.8%	0.9%	4.0%	15.6%	14.5%

[1] EBIT and Fraport assets are adjusted by the results from associated and other investments allocated to the segment. As a result of this adjustment on the segment level, there can be discrepancies with respect to addition for the Group level.

Table 10

Return on Fraport assets (ROFRA)

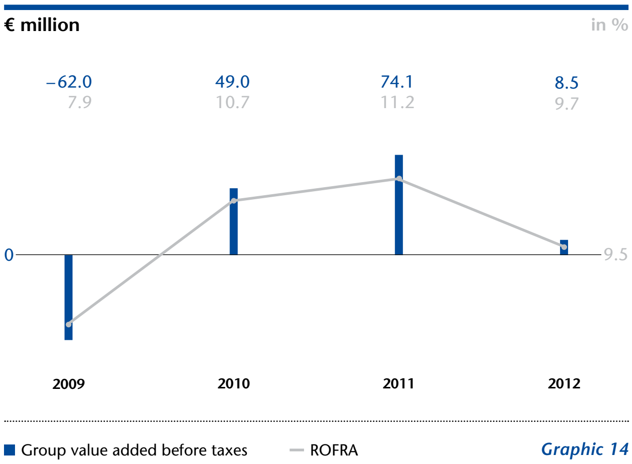
Fraport has expanded its Group and segment value added items with the Return on Fraport Assets (ROFRA) control factor, to allow comparisons between business units of varying size. ROFRA is determined from the ratio of EBIT to Fraport assets and shows whether the business units created value (ROFRA > WACC) or not (ROFRA < WACC).

Fraport created value in fiscal year 2012

The operating development in fiscal year 2012 resulted in a positive value added in the amount of € 8.5 million. This figure fell in comparison with 2011 by € 65.6 million. The development of value added in the Aviation segment decreased to € –116.7 million from € –53.7 million and that of the Ground Handling segment fell from € –28.0 million to € –47.5 million. The main cause of decline in value added in both segments was a decrease in EBIT development. In the aviation segment, the decline was also due to the significant rise in Fraport assets and thus in the cost of capital before taxes, which was attributable to the first-time full-year utilization of the Northwest Runway. The segments Retail & Real Estate (€ +3.7 million) and External Activities & Services (€ +13.6 million) were able to increase their value added. The reason for this was the disproportionately large EBIT development of the segments in relation to the cost of capital before taxes.

At 9.7%, the ROFRA of the Fraport Group was again higher than the Fraport WACC of 9.5%. Thus it was possible on a Group-wide basis to both service the cost of capital before taxes and reflect value creation for the past fiscal year. A detailed explanation of the course of business of the Fraport Group and of the Fraport segments can be found in the chapters "Results of Operations" and "Fraport Segments" beginning on page 42.

Group value added before taxes and ROFRA



Graphic 14

Finance Management

Principles: securing liquidity the main objective

Fraport's finance management encompasses the strategic goals of securing liquidity, limiting financial risks, profitability and flexibility, with securing liquidity being the top priority. Based on the Group's solid equity base, it is secured through both internal financing via operating cash flow and external financing measures in the form of debt. Within the context of securing liquidity, Fraport showed liquidity at December 31, 2012 composed of liquid funds and freely negotiable securities totaling € 1,663.1 million (2011: € 1,606.9 million, figure adjusted for accrued interest income). In the other direction, there were short-term and long-term financial liabilities in the amount of € 4,597.6 million (2011: € 4,253.9 million). As of the balance sheet date, additional credit lines totaling an amount of close to the mid three-digit-€-millions were available to Fraport.

Source of funds: broad portfolio of financing sources with mid- and long-term repayment profiles

In the context of external financing through borrowing, Fraport puts a high value on a balanced repayment profile. At the balance sheet date, the average remaining term of liabilities from banks and bonds was 6.5 years (2011: about 6.5 years). The key features of Fraport AG's financing instruments in terms of type, maturity, currency and interest rate structure are presented in the following table:

Including hedged interest, around 40 % of the interest in relation to gross debt of Fraport AG is floating and 60 % is fixed.

Financing in Group companies in which an interest of at least 50 % is held

For Group companies in which an interest of at least 50 % is held, there are mainly bank liabilities relating to project financing and a corporate bond issue. These amount to a total nominal volume of € 394.4 million. Liabilities of Group companies to banks (€ 273.8 million) are in each case denominated in € and are mainly subject to ongoing repayment during the term of the loans. Terms of loans are generally long term. Interest rates in most cases are based on the respective EURIBOR plus a commensurate margin for financing. A bond issue (US-$ 164.9 million) was issued by Lima Airport Partners (LAP) in 2007 with a term of 15 years. It is denominated in US-$, since 2012 subject to ongoing repayments during the term (balance as of December 31, 2012: US-$ 159.0 million) and the interest is charged with a fixed coupon at 6.88 % p.a.

Customary covenants

The contractual agreements for all financial liabilities of Fraport AG include 2 non-financial covenants consisting of a negative pledge and a pari passu clause. In addition, the public loans include commonly accepted credit clauses regarding, among other things, changes in shareholder structure and in the control of the company (so-called change-of-control clause). If these should have a proven negative effect on the borrowing capacity of Fraport AG, the creditors have – above a certain threshold – the right to call the loans due ahead of time.

Financial debt structure of Fraport AG

Type	Year of origin	Nominal volume in € million	Maturity	Repayment structure	Interest	Interest rate
Promissory note loans	2008	463	2015	end of term	floating	6-month-EURIBOR + margin
		257	2017	end of term	floating	6-month-EURIBOR + margin
	2009	86	2014	end of term	mainly floating	6-month-EURIBOR + margin
		14	2017	end of term	mainly floating	6-month-EURIBOR + margin
	2010	35	2020	end of term	floating	6-month-EURIBOR + margin
	2012	300	2020	end of term	mainly fixed	6-month-EURIBOR + margin
			2022			
			2030			
	2012	60	2020	end of term	fixed	2.74 % p. a.
			2022			3.06 % p. a.
Public loans EIB/WIBank	2009	980	2016 – 2019	ongoing repayment during the term of the loans	floating	6-month-EURIBOR + margin
Bond issue	2009	800	2019	end of term	fixed	5.25 % p. a.
Private placement	2009	150	2029	end of term	fixed	5.875 % p. a.
Bilateral loans	1993 – 2012	1,031.2 (mainly denominated in €)	2013 – 2028	mainly end of term	mainly floating	3/6/12-month-EURIBOR + margin

Table 11

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Consolidated Financial Statements
Further Information

Independent project financing arrangements of Group companies with an interest of at least 50% contain a series of credit clauses typical for this type of financing. These include, among other things, certain debt service coverage ratios and key figures for debt ratio and loan periods which must be complied with. Failure to comply with the agreed credit clauses may lead to restrictions on the distribution of dividends and/or to the financing being called due for repayment early or a request for an additional injection of equity. Compliance with these criteria is examined on an ongoing basis. As of the balance sheet date, they are complied with.

Liquidity: diversification and overweighting of corporates in the investment of money are continued

In the light of risk spreading and outflows at different times, Fraport Group's liquidity is invested broadly. For payments expected shortly, particularly in the framework of current outflows as a result of capital expenditure at the Frankfurt site, Fraport AG has time deposits, securities with short remaining terms and commercial paper available. The established strategy for broad diversification of investments in corporate bonds was continued in the reporting period. The mid-term and long-term investment horizon corresponds largely to the expected outflow of funds according to the five-year plan. The key characteristics of Fraport AG's investment instruments in terms of type, term to maturity and interest structure are presented in the table:

Financial asset structure of Fraport AG

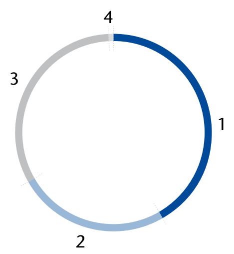
Investment type	Market value in € million [1]	Remaining term in years	Interest rate
Promissory note loans	32.5	2.06	floating
	46.3	1.18	fixed
Overnight deposits	39.0	–	floating
	200.0	–	fixed
Time deposits	345.0	0.29	fixed
Bonds	247.6	1.01	floating
	445.0	2.32	fixed
thereof government bonds	10.5	4.38	fixed
thereof financials	192.5	1.03	floating
	103.4	2.36	fixed
thereof industrials	55.2	0.96	floating
	331.0	2.26	fixed
Commercial paper	69.8	0.31	fixed

[1] As a result of roundings, there can be discrepancies when summing-up.

Table 12

Distribution of Fraport AG's liquidity by investment class (nominal value: € 1,399.0 million)

in %



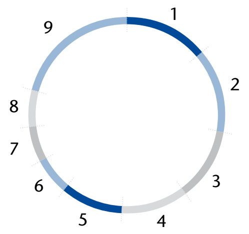
1	Time deposits	41.7
2	Fixed income – banks	25.1
3	Fixed income – industrials	32.5
4	Government bonds	0.7

Graphic 15

As of December 31, 2012, industrial bonds and industrial commercial papers are distributed across the following industry sectors (nominal value: € 454.6 million):

Distribution of industrial bonds and industrial commercial papers

in %



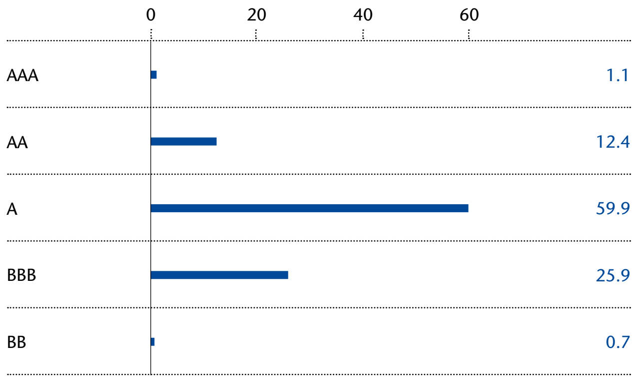
1	Automotives	14.1
2	Industrials	13.8
3	Food and beverages	11.9
4	Telecommunications	11.3
5	Chemicals	10.2
6	Infrastructure	6.0
7	Utilities	6.0
8	Transport and logistics	5.9
9	Remaining shares < 5 %	20.8

Graphic 16

Within the framework of diversification there is, alongside investments in industry bonds, a broad diversification of counterparties in the financial sector. With regard to the collaboration with banks in various business sectors, total limits are determined that are continuously monitored concerning, among other things, the development of the credit-worthiness of the banks. Initial investments within the framework of asset management is generally only permitted in the investment grade range. If the credit rating is downgraded to non-investment grade during the asset's holding period, a decision is made on a case-by-case basis on the further course of action with the asset taking into account its remaining term. In addition, internally adopted investment criteria are examined and evaluated prior to an investment decision. The ratings of all investment types are presented in the graphic. Commercial papers are assigned to the long-term rating equivalent of the issuers'. Since the beginning of 2013, however, investments without ratings have also been possible in individual cases.

Rating structure of financial assets

in %



Graphic 17

Fraport continues not to have an external rating

In light of Fraport's always very healthy liquidity supply combined with its comfortable portfolio of unused, approved credit lines, there has not been a need for an external rating to this point.

Statement on Corporate Governance pursuant to Section 289a of the HGB and Corporate Governance Report

Acting also for the Supervisory Board, the Executive Board prepares a Statement on Corporate Governance in accordance with Section 289a of the HGB and Section 3.10 of the German Corporate Governance Code (GCGC) for the Group. The Statement on Corporate Governance including the Corporate Governance Report is published in the separate section of the Annual Report and on the corporate website www.fraport.com under the section The Fraport Group.

Remuneration of the Executive Board and the Supervisory Board

Executive Board remuneration at Fraport is set by the Supervisory Board upon the recommendation of its executive committee. Since January 1, 2010, the remuneration of members of the Executive Board has been as follows:

> Non-performance-related components (fixed salary and compensation in kind)
> Performance-related components with short- and mid-term incentive effect (bonus)
> Performance-related components with long-term incentive effect (Long-Term Strategy Award and Long-Term Incentive Program)

In addition to these components, there are still stock options that have a long-term incentive effect within the scope of the still running stock options plan. These stock options were issued for the last time for the year 2009 (see Group notes, note 45). In addition, Executive Board members received contributions for pension benefit commitments.

Supervisory Board members receive fixed remuneration exclusively.

The detailed remuneration report for the Executive Board and the Supervisory Board is presented in Group notes, note 52 and is also a component of the management report.

Takeover-related disclosures in accordance with Section 315 (4) of the HGB

The capital stock of Fraport AG is € 922,117,560 (as of December 31, 2012). It is divided into 92,211,756 no-par-value bearer shares. The company holds treasury shares (77,365 shares) which are offset from capital stock on the balance sheet. The subscribed capital less treasury shares was recognized at € 921,343,910 (92,134,391 no-par-value shares) in the commercial balance sheet. There are no differing classes of shares.

The total voting rights in Fraport AG held by the state of Hesse and Stadtwerke Frankfurt am Main Holding GmbH calculated in accordance with Section 22 (2) of the German Securities Trading Act (WpHG) amounted to 51.45 % as of December 31, 2012. At that time, they were attributed as follows: state of Hesse 31.40 % and Stadtwerke Frankfurt am Main Holding GmbH 20.05 %. The voting rights in Fraport AG owned by the city of Frankfurt am Main are held indirectly via the subsidiary Stadtwerke Frankfurt am Main Holding GmbH. According to the last official report in accordance with the WpHG and disclosures by individual shareholders, the other voting rights in Fraport AG were attributable as follows (as of December 31, 2012): Deutsche Lufthansa AG 9.89 %, Lazard Asset Management LLC 3.16 % and RARE Infrastructure Limited 3.06 %. The relative ownership interests were adjusted to the current total number of shares as of the balance sheet day and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosures.

The appointment and dismissal of Executive Board members is carried out in compliance with the relevant provisions of the German Stock Corporation Act (AktG) (Sections 84 and 85). Pursuant to Section 179 (1) sentence 2 of the AktG in conjunction with Section 11 (3) of the company statutes, the Supervisory Board is entitled to amend the company statutes only with respect to the wording. Other amendments to the company statutes require a resolution of the AGM, which, according to Section 18 (1) of the company statutes, must be passed by a simple majority of the votes cast and the capital stock represented at the time of passage of the resolution. If, by way of exception, the law requires a higher capital majority (e.g., when changing the purpose of the company as stated in the company statutes, Section 179 (2) sentence 2 of the AktG; or when creating contingent capital, Section 193 (1) sentence 1 of the AktG), the resolution of the AGM has to be passed by a three-quarter majority of the represented capital stock.

Pursuant to Sections 202 et seq. of the AktG, the Executive Board is authorized by resolution of the AGM held on May 27, 2009 to increase the capital stock by up to € 5.5 million on one or more occasions until May 26, 2014 with the approval of the Supervisory Board. The statutory subscription rights of the shareholders can be excluded. In 2012, a total of € 542,390 of authorized capital was used for issuing shares within the scope of the employee investment plan. Thus authorized capital in the amount of € 3,986,230 remains as of December 31, 2012, which can be used for purposes of issuing shares to the employees of Fraport AG. In addition to the employees of Fraport AG, employees of 7 Group companies have the possibility of participating in the employee investment plan. For further details, see Group notes, note 31.

A contingent capital increase of € 13.9 million was approved under Sections 192 et seq. of the AktG at the AGM held on March 14, 2001. The purpose of the contingent capital was expanded at the AGM on June 1, 2005. The contingent capital increase also serves to fulfill subscription rights under the Fraport Management Stock Options Plan 2005 (MSOP 2005). The Executive Board and Supervisory Board were authorized to issue up to 1,515,000 stock options to beneficiaries entitled to subscribe until August 31, 2009, in accordance with more detailed provisions in this regard. Some of the shares issued to members of the Executive Board as part of performance-related remuneration before 2010 are subject to a holding period of 12 or 24 months.

Contingent capital totaled € 3.7 million as of December 31, 2012. In 2012, subscription rights in the amount of € 2,016,500 (201,650 options) were exercised under MSOP 2005.

Under a resolution of the 2010 AGM, the Executive Board is authorized to purchase treasury shares of up to 3 % of the capital stock available at the time of the 2010 AGM. The Executive Board may only use these treasury shares to service subscription rights under MSOP 2005, while the Supervisory Board may use them as a share-based portion of the Executive Board's remuneration. No treasury shares were purchased in 2012 based on these authorizations.

The provisions set under Section 315 (4) of the HGB are rules customarily applied by similar listed companies and are not intended to hinder any takeover attempts.

Report on the relationships with affiliated companies

Fraport AG is a public-controlled enterprise

Due to the interest of 31.40 % (2011: 31.49 %) held by the state of Hesse and 20.05 % held by Stadtwerke Frankfurt am Main Holding GmbH (2011: 20.11%) as well as the consortium agreement concluded between these shareholders on April 18/23, 2001, Fraport AG is a public-controlled enterprise. There are no control or profit transfer agreements.

The Executive Board of Fraport AG therefore compiles a report on the relationships with affiliated companies in accordance with Section 312 of the AktG. At the end of the report, the Executive Board made the following statement: “The Executive Board declares that under the circumstances known to us at the time, Fraport AG received fair and adequate compensation for each and every legal transaction conducted. No action was taken or not taken at the behest or in the interests of the state of Hesse and the city of Frankfurt am Main and companies affiliated with them in the year under review.”.

Business Development 2012

General statement of the Executive Board

Group targets attained despite difficult environment

In a difficult economic environment, Fraport mainly reached its forecast goals in the past fiscal year (see also 2011 Annual Report beginning on page 82). At the Frankfurt Airport, the increase in passenger figures, the adjustment of airport charges and the good retail development in particular contributed to increases in revenue and earnings. Beyond the Frankfurt site, the Group companies Lima and Antalya in particular contributed to the positive business development. As a result of continuing stable sources of liquidity, the financial position of the Fraport Group at the end of the past fiscal year can again be regarded as stable.

There were deviations from the forecast results for 2012 in particular in the area of Group revenue and in the results of the Aviation and Ground Handling segments. Contrary to original planning, lower capacity investments in the Group companies Twin Star and Lima in connection with the application of IFRIC 12 led to a lower increase in revenue. Due to the required recognition on the cost side, however, this effect did not have any impact on Group EBITDA. The creation of a provision in connection with noise abatement measures specifically hindered the planned increase in segment EBIT for Aviation, while in the Ground Handling segment, EBITDA and EBIT declined despite a release of provision in the personnel area of just under € 10 million. This was mainly due to the higher-than-expected collective wage agreement in the public sector, the decline in cargo volumes and lower maximum take-off weights.

Comparison of key 2012 forecasts with the actual business development

	Outlook for 2012	Actual development 2012
Passengers	Growth in Frankfurt below 4 %	Frankfurt: +1.9 %
	Growth in Group airports (interest of at least 50 %)	Antalya: 0.0 %, Lima: +13.0 %, Burgas: +5.6 %, Varna: +3.4 %
Group earnings	Revenue growth in excess of € 2.5 billion	€ 2.44 billion
	EBITDA growth of at least 5 %	€ 850.7 million (+6.0 %)
	EBIT growth	€ 498.0 million (+0.3 %)
	Group result at about previous year’s level	€ 251.6 million (+0.3 %)
	Positive value contribution, but below the previous year	€ 8.5 million (–88.5 %)
Fraport segments	Aviation: Increase in revenue, EBITDA, EBIT	Revenue: +6.3 %, EBITDA: +6.4 %, EBIT: –19.3 %
	Retail & Real Estate: Increase in revenue, EBITDA, EBIT	Revenue: +1.8 %, EBITDA: +9.4 %, EBIT: +8.4 %
	Ground Handling: Increase in revenue, EBITDA, EBIT	Revenue: –0.9 %, EBITDA: –20.0 %, EBIT: –76.8 %
	External Activities & Services: Increase in revenue, EBITDA, EBIT	Revenue: +4.1 %, EBITDA: +7.3 %, EBIT: +10.9 %
Net assets and financial position	Around € 700 million capital expenditure for property, plant and equipment	€ 602.9 million
	Free cash flow still negative	€ –162.4 million
	Gearing ratio exceeding 100 %	105.0 %

Table 13

Significant Events

"Together for the region" noise abatement package adopted

On February 29, 2012, a joint declaration entitled "Together for the region – Alliance for better noise abatement 2012" was signed by Fraport AG, the state of Hesse and representatives of the aviation industry. Within the framework of this declaration, additional active and passive noise abatement measures will be implemented or investigated. The package also includes the expansion of the Casa program. A regional fund of € 335 million was set up to finance additional passive noise abatement measures. Fraport AG will contribute a total of € 15 million to € 20 million to this fund, with payments graduated over a period of approximately 2 years. In addition, Fraport's voluntary Casa program for the acquisition of properties in Flörsheim, which experience very low-altitude fly-overs, is to be expanded. Extending the possibility of sale to the entire width of the Casa area doubles the program volume in terms of the number of residential properties affected. Fraport has allocated a total of more than € 100 million to the whole package of measures in the Casa program.

The effects of the noise abatement package on Group earnings have been taken into account in the financial statements for 2012 through the creation of appropriate provisions. The effects on Group assets and financial position arise through the actual utilization of the packet of measures.

Strikes cause flight cancellations at Frankfurt Airport

Due to strikes, there have been around 3,350 flight cancellations at Frankfurt Airport in the past fiscal year. The correlated number of passengers lost is estimated at around 370,000 which – taking into account the total number of passengers in Frankfurt – represents a negative effect of around a half percentage point. In February 2012, approximately 1,700 flights were canceled following a wage dispute between Fraport AG and the union of air traffic controllers (GdF – Gewerkschaft der Flugsicherung). In March 2012, a public sector strike led to 450 flight cancellations. In August and September 2012, the number of strike-related flight cancellations due to strikes of Deutsche Lufthansa cabin personnel was roughly 1,200. In the past fiscal year, the flight cancellations and the accompanying lower passenger figures had a negative effect on Group earnings in the middle to higher single digit million euro range.

German Federal Administrative High Court confirms zoning decision on airport expansion

With its appellate decision, issued on April 4, 2012, the German Federal Administrative High Court – as had the Hesse Administrative High Court before it – essentially confirmed that the zoning decision for the expansion of Frankfurt Airport complied with legal requirements. Thus the likelihood of the occurrence of a significant risk was reduced for the Fraport Group. Further information on the rulings of the Federal Administrative High Court and the effects of the judgment can be found in the "Opportunity and Risk Report" under the section "Risks in connection with airport expansion" beginning on page 63 of this report.

Pier A-Plus in Frankfurt opened

After about 4 years of construction work, Fraport opened Pier A-Plus at Frankfurt Airport on October 10, 2012. Pier A-Plus increases the airport's annual terminal capacity from around 58 million passengers to about 64 million. In total, the expansion of Terminal 1 has 7 handling positions for wide-body aircraft: 4 of these are designed for type A380 aircraft, while another 3 positions are available for aircraft up to the size of type B747-8 and A340. Alternatively for maximum flexibility, 11 narrow-body aircraft can be processed at the same time. Through its newly created terminal positions, the new pier significantly simplifies and speeds up transfer processes in Frankfurt.

Pier A-Plus also sets a new standard with its retail concept: A retail area of in total about 12,000 m^2 offers room for 60 shops and food service facilities which are primarily concentrated at 2 central market places. The inauguration of Pier A-Plus is an essential prerequisite for the possibility of further growth in Frankfurt in the coming years with respect to both passenger traffic and raising the net retail revenue per passenger at Frankfurt Airport from € 3.32 in the direction of € 4 in fiscal year 2013. In addition, the opening of new lounge areas within the pier will lead to an increase in revenue in the real estate sector.

New terminal and runway inaugurated in Xi'an

Following a construction period of around 3 years, the third passenger terminal at Xi'an Airport, China, was placed into service on May 3, 2012. At the same time, the airport's second runway was also opened. The third terminal has a planned capacity of around 21 million passengers per year and takes into account the vigorous traffic growth at the airport. The airport now has a total terminal capacity of up to 40 million passengers and a mid-term take-off and landing capacity of around 65 aircraft per hour. Fraport has held a 24.5 % share in Xi'an Airport since August 2008. Since the entry of Fraport, passenger traffic has increased from 11.9 million passengers in 2008 to 23.4 million in 2012. The facilities placed into operation during the past year will make it possible for the location to continue to participate in China's dynamic development of air traffic in the future.

Economic conditions

Slowdown in global conditions

With growth of about 3 %, the global economy was not able to fully meet expected development of about 3.5 % in the past year and lost momentum during the course of the year. The economic development in individual regions was very different. While the countries in the Euro zone as a whole suffered a drop in total economic performance of approximately 0.4 %, the Asian countries – essentially Japan, China and India – and the countries of Latin America and Africa developed significantly more strongly, but also lagged behind expectations.

The growth rate in global trade dropped to approximately 2.8 %. In particular, the European debt crisis and the continuing high price level on the raw materials markets, particularly for crude oil, had a negative effect on economic growth momentum in 2012 (average global market price per barrel in 2012 and 2011: about US-$107).

Gross domestic product (GDP)/world trade

Real changes compared to the previous year in %	2012	2011
Germany	0.7	3.0
Euro zone	–0.4	1.4
Great Britain	–0.1	0.9
USA	2.3	1.8
Japan	2.0	–0.6
Russia	3.8	4.3
China	7.7	9.3
India	4.8	7.9
World	3.0	3.9
World trade	**2.8**	5.9

Table 14

2012 figures based on: International Monetary Fund (IMF, January 2013), Organisation for Economic Co-operation and Development (OECD, November 2012), Deutsche Bank (February 2013), DekaBank (February 2013), German Federal Statistical Office (January 2013), www.tecson.de (oil prices). 2011 figures: International Monetary Fund (IMF, January 2013) and German Federal Statistical Office for GDP of Germany (January 2013).

Moderate growth in German GDP

With a plus of 0.7 %, the German economy showed only moderate growth in 2012, but still stood out clearly from the average growth rate in the Euro zone. After a good start (+ 1.7 % in the first quarter), the German economy increasingly lost momentum over the course of the year. The last quarter of the year actually closed with a slight minus, due among other things, to the lower number of working days due to the holidays. Drivers of the slightly positive result for the year were, in addition to exports, the state and private consumer demand which at 1.0 % and 0.8 %, respectively, made a slightly above-average contribution to the real growth in German GDP.

Global air traffic

Slackening economic momentum also impacts air traffic

The slowing economic development was also reflected in a slowing of momentum in global passenger traffic. While global passenger figures still increased perceptibly by 3.9 %, according to provisional values of the ACI for 2012 (February 7, 2013), the growth rate in the more economically unstable European area reached only 1.8 %. According to the figures of the German Airports Association (Arbeitsgemeinschaft Deutscher Verkehrsflughäfen, ADV), the increase in passenger volume at German airports in 2012 of 1.1 % was actually below this figure. The reasons for the greater decline in German passenger traffic were primarily supply management by German airlines, geared toward consolidation and the negative effects arising from the aviation tax. This was also reflected in a reduction in aircraft movements of 3.1 % at German airports.

At the end of the year, stabilization was perceptible in the – as in the previous year – slightly reduced global air freight volume (–0.2 %) but there was still no drastic trend reversal. Due to the crisis, air freight in European aviation fell by 3.0 %. At –2.2 %, cargo throughput at German airports came out only slightly better.

Group airports

Solid growth of the Fraport portfolio

The **Fraport Group's airports** (those in which an interest of 50 % or more is held) handled some 99.4 million passengers in 2012 – an increase of 2.9 %. Aircraft movements increased moderately by 0.4 % to approximately 819,000. Cargo throughput fell significantly at –5.8 % to just under 2.4 million metric tons. In total, about 188.2 million passengers (+ 4.1 %) used the **Fraport airports** (including minority-owned airports and the management contract at Cairo Airport).

Record number of passengers at Frankfurt Airport

At 57.5 million **passengers** in fiscal year 2012, never before were so many passengers transported by Frankfurt Airport. The previous year's value was exceeded by about 1.1 million passengers (+ 1.9 %). Strike- and weather-related flight cancellations prevented greater growth. Without these disruptive events, growth would have been at 2.5 % – adjusted for the leap-year effect.

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The primary growth driver was **intercontinental traffic** (+3.6%), which significantly increased for connections with Latin America (+10.1%), Africa (+7.3%) and the Middle East (+5.1%), above all. The high volume markets of Asia and North America with +2.4% and +1.3%, respectively, reflected comparatively lower growth. Strike- and weather-related flight cancellations as well as reductions in supply led to a slightly below average growth in **European traffic** (+1.7%). While traffic to and from Great Britain (+9.6%) benefited among others from hosting the Olympic Summer Games, in particular a few markets in the Balkans reflected high growth rates (among others: Serbia +16.6% and Croatia +12.0%). Falling passenger numbers were recorded among other places on routes into Switzerland (–3.6%), from and to Belgium (–2.6%) and Spain (–1.9%). **Domestic traffic**, affected particularly strongly by the strike- and weather-related cancellations, saw a –4.2% decrease in the number of passengers. Also reductions in supply had a negative effect on Hamburg traffic.

Based on passenger figures, Frankfurt Airport continues to hold third place within Europe behind London-Heathrow (70.0 million, +0.9%) and Paris-Charles de Gaulle (61.6 million, +1.1%).

Given its strong involvement in the global flow of commodities, Frankfurt Airport could not detach itself from the worldwide weakness in air freight. The night flight ban intensified this negative effect. **Cargo throughput** in Frankfurt (about 2.1 million metric tons) was down by 6.7%, which was largely attributable to a decline in European traffic (–17.6%) and Asian and North American traffic (–8.4% and –4.9%, respectively). While pure air freight handling fell by 6.9% to about 2 million metric tons, air mail volume at a good 80,000 metric tons was down 2.3% in comparison to the previous year.

Because of the flight cancellations and reductions in supply, the number of **aircraft movements** in 2012 fell by 1.0% to approximately 482,000. The **maximum take-off weights** slightly decreased disproportinately by 1.2% to 28,913 metric tons as a result of strongly reduced heavy freighter flights (–9.2%). The proportion of **transfer passengers** was about 55% (2011: about 54%).

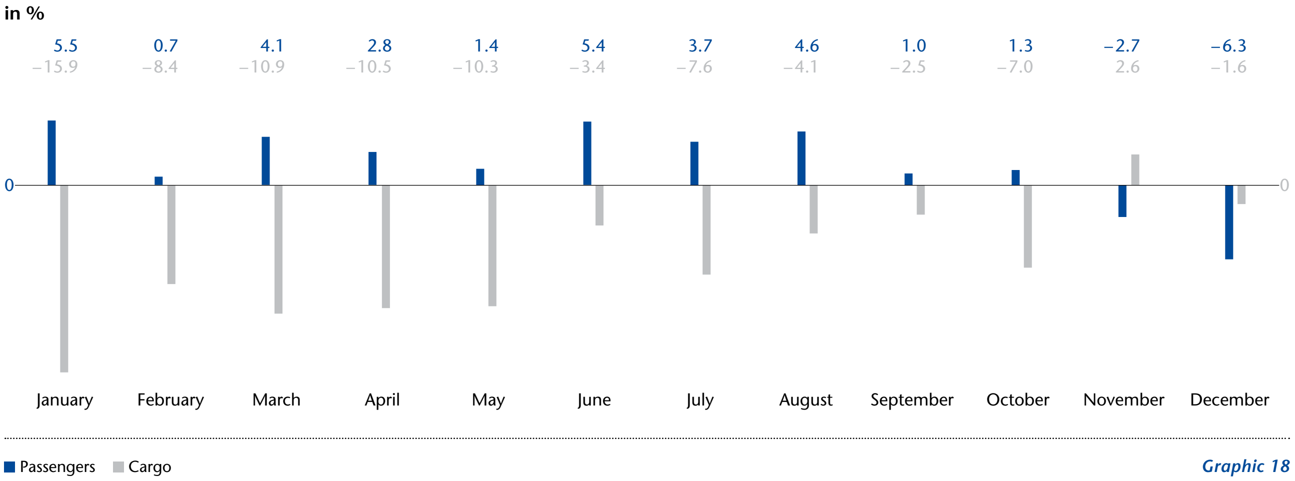
Fraport airports partly faced significant increases in passengers

At about 25.0 million passengers, passenger volume at the **Antalya** Airport was at the same level as that of the previous year. While there was a continuing positive trend in domestic Turkish traffic (+7.8% to 4.5 million passengers) the number of international passengers dropped by 1.6% to 20.4 million. In the previous year, the airport benefited from the switching of destinations from the politically instable North Africa and the Gulf region into Turkey. The switch back of traffic into these countries had the effect of reducing traffic in the reporting period.

At **Lima** Airport, passenger figures increased significantly by 13.0% to some 13.3 million in the past fiscal year. Both domestic and international traffic recorded positive development, rising by +16.4% and +9.5% respectively. Cargo throughput increased to more than 290,000 metric tons (+2.5%).

At **Burgas** Airport, passenger traffic grew in 2012 by 5.6% to almost 2.4 million passengers. The primary reasons for this were more travelers from Eastern Europe and Great Britain and the closing of the Varna Airport between October 2011 and the end of February 2012 due to a runway refurbishment. Despite the refurbishment, capacity utilization of the **Varna** Airport increased by 3.4% to more than 1.2 million passengers due to the good summer season.

2012 passenger and cargo development at Frankfurt Airport (% change over 2011)



Graphic 18

The **Delhi** Airport recorded a 2.3% drop in passenger traffic to 34.2 million passengers in the past fiscal year. While there continued to be growth in international traffic, lower domestic passenger figures led to the decline in 2012.

Xi'an Airport, whose passenger volume rose by 10.7% to more than 23.4 million in 2012, continued its positive development. Despite unfavorable macro-economic conditions, passenger growth thus again was significantly above the national average.

At 11.2 million travelers, the passenger traffic at the **St. Petersburg** Airport achieved an increase of 16.1% in 2012. There was significant growth of about 20%, particularly in international traffic – including the CIS.

With 5.3 million passengers handled, **Hanover** Airport recorded a slight 1.0% decline in passenger volume in comparison to the previous year. This was mainly due to a drop in the number of passengers served by Air Berlin. This drop, however, was partly offset by rising traffic developments of other airlines.

Airports with a Fraport share of at least 50%

		Passengers [1]		Cargo (air freight and air mail in m.t.)		Movements	
	Fraport share in %	2012	% change over 2011	2012	% change over 2011	2012	% change over 2011
Frankfurt	100.00	57,520,001	1.9	2,066,431	–6.7	482,242	–1.0
Antalya	51.00/50.00 [2]	24,954,422	0.0	n.a.	n.a.	159,253	–2.7
Lima	70.01	13,324,379	13.0	293,675	2.5	148,325	9.8
Burgas	60.00	2,380,536	5.6	2,281	–61.9	18,856	–1.9
Varna	60.00	1,221,468	3.4	33	–18.3	10,739	–4.7
Group		**99,400,806**	**2.9**	**2,362,420**	**–5.8**	**819,415**	**0.4**

[1] Commercial traffic only, in + out + transit.
[2] Proportionate consolidation, 51% voting rights and 50% equity share.

Table 15

Airports with minority share or under management contracts [2]

		Passengers [1]		Cargo (air freight and air mail in m.t.)		Movements	
	Fraport share in %	2012	% change over 2011	2012	% change over 2011	2012	% change over 2011
Delhi	10.00	34,211,608	–2.3	560,434	–5.6	305,249	–1.8
Xi'an	24.50	23,420,905	10.7	174,794	1.3	203,321	11.0
Cairo	0.00	14,711,500	13.0	278,877	–0.8	142,674	10.1
St. Petersburg	35.50	11,154,560	16.1	n.a.	n.a.	125,715	8.4
Hanover	30.00	5,288,327	–1.0	15,869	–6.4	80,139	–0.7
Total		**88,786,900**	**5.5**	**1,029,974**	**–3.2**	**857,098**	**4.5**

[1] Commercial traffic only, in + out + transit.
[2] Without traffic figures for the airports in Riyadh and Jeddah (management contracts) as well as Dakar (management/consulting contract until end of July 2012. Fraport in addition holds a 60% share in the new Dakar airport, which is currently under construction). Those figures were not available until the editorial deadline.

Table 16

Key revenue and earnings figures

€ million	2012	2011	Change	Change in %
Revenue	2,442.0	2,371.2	70.8	3.0
EBITDA	850.7	802.3	48.4	6.0
EBITDA margin	34.8 %	33.8 %	1.0 PP [1]	–
EBIT	498.0	496.6	1.4	0.3
EBT	366.1	347.3	18.8	5.4
Group result	251.6	250.8	0.8	0.3
Profit attributable to shareholders of Fraport AG	238.3	240.4	– 2.1	– 0.9
Basic earnings per share in €	2.59	2.62	– 0.03	– 1.1

[1] Percentage points.

Table 17

Results of Operations

For further details on the computation of the key figures of the net assets, financial position and earnings, see the glossary.

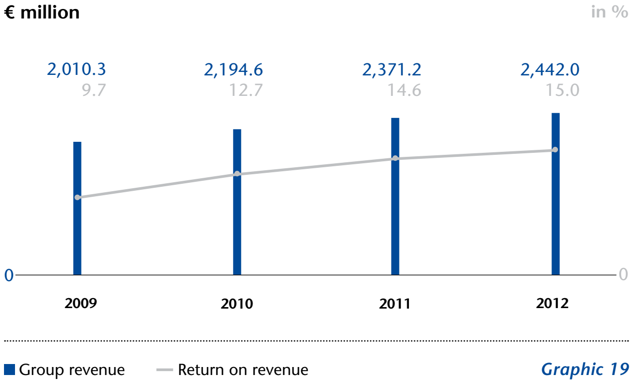
Increase in revenue through higher traffic volume and price effects

In the fiscal year 2012, the Fraport Group generated € 2,442.0 million in **revenue**. This represents a year-on-year increase of € 70.8 million or 3.0 %. Adjusted for the recognition of capacitive capital expenditure, neutral on earnings, in the Group companies Lima and Twin Star in connection with the application of IFRIC 12, revenue of € 2,413.3 million was higher than the corresponding value for fiscal year 2011 by € 74.5 million (+ 3.2 %).

While the segments Aviation (€ +48.5 million), External Activities & Services (€ + 20.3 million) and Retail & Real Estate (€ + 8.2 million) benefited from the increased passenger numbers, the segment Ground Handling recorded a decline in revenue (€ – 6.2 million). Alongside higher passenger figures and associated additional revenue from airport charges, the increase in airport charges as of January 1, 2012, together with base-year effects from increases in the previous year's airport charges had a revenue-increasing effect in the Aviation segment. In the segment Retail & Real Estate, there were positive effects on retail business resulting from the increased net retail revenue per passenger as well as increased revenue in real estate. Acting in the other direction was lower revenue from the proceeds of real estate sales on the Mönchhof site (revenue from the sale of land 2012: € 16.4 million, 2011: € 27.9 million). The revenue decline in the Ground Handling segment was principally a result of the continued significant downward trend in the cargo business as well as lower maximum take-off weights. The External Activities & Services segment, which mainly comprises Group companies outside Frankfurt, posted a revenue increase due in particular to the positive traffic development in Lima and the solid retail development in Antalya. Adjusted for the application of IFRIC 12, the segment's revenue rose above the level of the previous year by € 24.0 million. The sale of the Group company Fraport Ground Services Austria GmbH in December 2011, in particular, had a revenue-reducing effect (revenue 2011: € 15.3 million).

Other income grew in the past fiscal year by € 25.6 million to € 107.2 million (+ 31.4 %), mainly due to reversals of provisions, among others, in the Ground Handling segment. At € 2,549.2 million, **total revenue** was up 3.9 % over the previous year (€ + 96.4 million).

Group revenue and return on revenue



Graphic 19

Disproportionate development of operating expenses

Personnel expenses increased € 41.5 million to € 947.8 million (+4.6%) in the past fiscal year. The increase at the Frankfurt site was mainly a result of the collective wage agreement in the public sector and higher traffic-related staff demand. Total **non-staff costs** (material and other operating expenses) increased slightly by € 6.5 million to € 750.7 million (+0.9%). While higher traffic-related concession fees increased material costs in Lima, lower contributions to provisions in comparison with the previous year reduced other operating expenses. **Total operating expenses** increased from € 1,650.5 million to € 1,698.5 million (+2.9%).

EBITDA and EBIT increase based on revenue

Because of the positive revenue development, **Group EBITDA** rose € 48.4 million to € 850.7 million (+6.0%). The **EBITDA margin** rose by 1.0 percentage point to 34.8%. Adjusted for the revenue and expenses from long-term construction activities in connection with the application of IFRIC 12, the EBITDA margin rose from 34.3% to 35.3%. Despite the impairment losses posted in the previous year on land and buildings in the segments Aviation and Retail & Real Estate, **depreciation and amortization** rose by 15.4% to € 352.7 million (€ +47.0 million) in the reporting period, mainly due to the full-year use of the Northwest Runway. **Group EBIT** thus increased slightly by € 1.4 million to € 498.0 million (+0.3%).

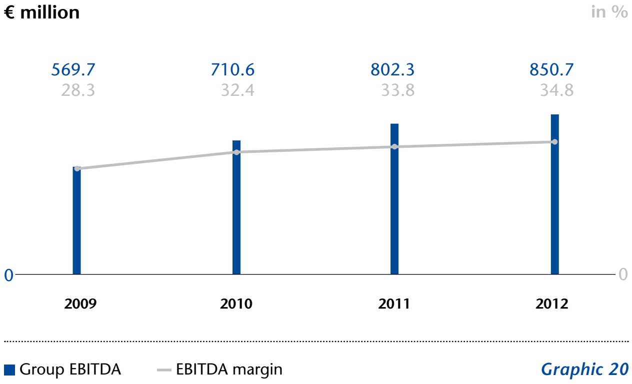
Improvement in other financial result

Within the **financial result**, the significant deterioration of the interest result – due primarily to lower capitalized interest expenses related to construction work (2012: € 28.2 million compared with 2011: € 63.3 million) – was offset by a significant improvement in other financial result. The reasons for the positive development of other financial result included proceeds from the disposal of investments as part of financial asset management, foreign currency effects and the market valuation of derivatives. Overall, the financial result improved during the past fiscal year from € –149.3 million to € –131.9 million (€ +17.4 million).

Group result and earnings per share at about previous year's level

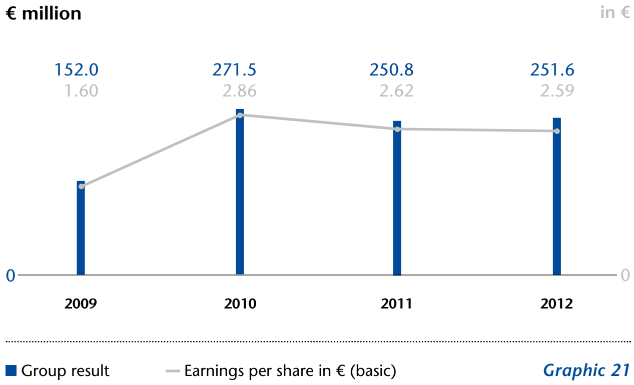
The positive operating development and the improvement of the financial result were expressed in a perceptible increase of the **EBT** from € 347.3 million to € 366.1 million (+5.4%). Due to a higher **tax rate**, – 31.3% compared to 27.8% in the previous year –, **Group result** increased only slightly in 2012 by € 0.8 million to € 251.6 million (+0.3%). The profit attributable to shareholders of Fraport AG fell slightly from € 240.4 million to € 238.3 million (–0.9%). Correspondingly, **basic earnings per share** declined slightly by € 0.03 to € 2.59.

Group EBITDA and EBITDA margin



Graphic 20

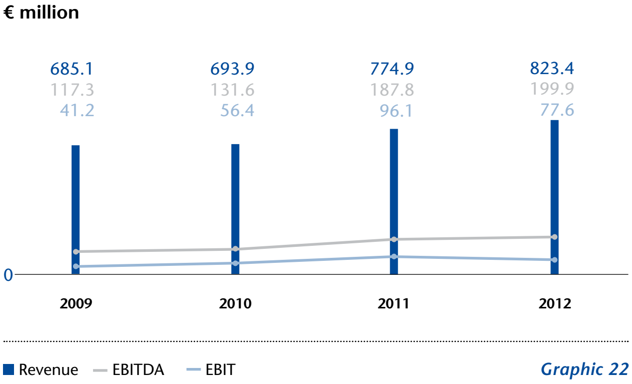
Group result and earnings per share



Graphic 21

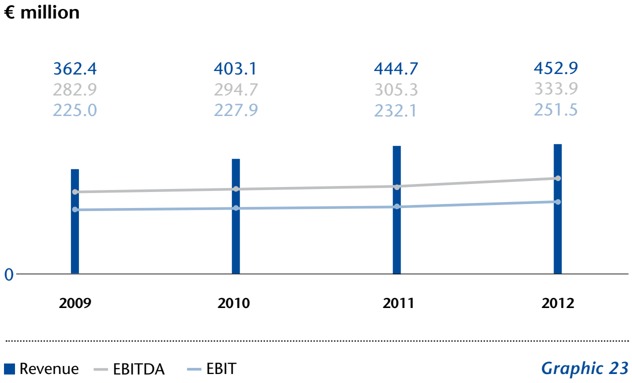
Fraport Segments

Aviation



Graphic 22

Retail & Real Estate



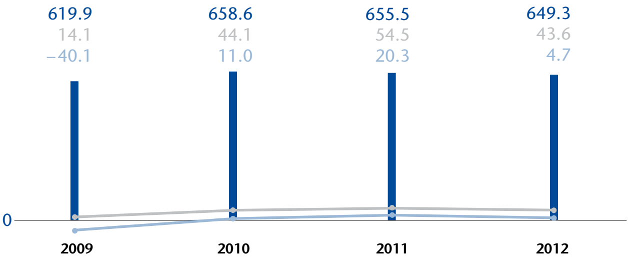
Graphic 23

The higher passenger figure and associated higher proceeds from airport charges led to an increase in revenue in fiscal year 2012 in the Aviation segment by € 48.5 million to € 823.4 million (+6.3 %). The increase in airport charges as of January 1, 2012, as well as base-year effects resulting from the adjustments of airport charges in the previous year, contributed substantially to revenue growth. Despite an increase in staff costs due to increased security services and higher other operating expenses attributable primarily to the creation of a € 10.5 million provision for noise abatement measures, EBITDA for the segment rose 6.4 % to € 199.9 million (€ +12.1 million). Due to significantly increased depreciation and amortization, which was attributable primarily to the full-year use of the Northwest Runway, segment EBIT fell by € 18.5 million to € 77.6 million (–19.3 %). In the previous year, an impairment on land in the amount of € 6.7 million led to an one-time charge.

Revenue in the segment Retail & Real Estate increased slightly in the past fiscal year from € 444.7 million to € 452.9 million (+1.8 %). Retail business and the real estate division in particular recorded higher revenue. Working in the other direction was lower revenue from the sale of land of the Mönchhof site (revenue from the sale of land 2012: € 16.4 million, 2011: € 27.9 million). Mainly thanks to higher shopping revenue, the key performance indicator "net retail revenue per passenger" improved from € 3.17 to € 3.32 (+4.7 %). Increased revenue in high-margin retail business alongside with, mainly, lower other operating expenses, essentially resulting from higher creations of provisions in 2011 in connection with the real estate purchase and compensation program, led to an improvement in segment EBITDA by € 28.6 million to € 333.9 million (+9.4 %). Despite increased depreciation and amortization in comparison with the previous year, segment EBIT rose by 8.4 % to € 251.5 million (€ +19.4 million). In the previous year, an impairment on land and buildings in the amount of € 6.1 million led to an one-time charge.

Ground Handling

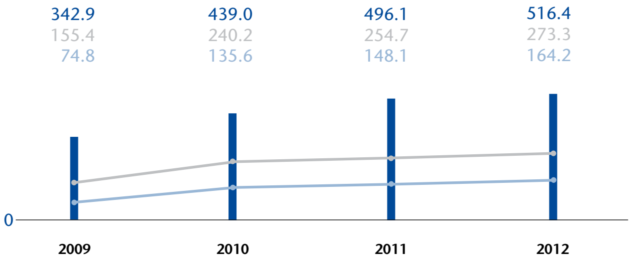
€ million



Graphic 24

External Activities & Services

€ million



Graphic 25

In the previous fiscal year, revenue in the Ground Handling segment declined slightly by € 6.2 million to € 649.3 million (– 0.9 %). The main reasons for this were the decrease in cargo volume and lower maximum take-off weights. Despite a released staff-related provision of just under € 10 million, the negative revenue development as well as increased personnel expenses – mainly due to the collective wage agreement in the public sector – led to a drop in the segment EBITDA by € 10.9 million to € 43.6 million (– 20.0 %). Also as a result of higher depreciation and amortization, segment EBIT fell by € 15.6 million to € 4.7 million (– 76.8 %).

In the past fiscal year, revenue in the segment External Activities & Services increased by € 20.3 million to € 516.4 million (+ 4.1 %). Drivers of revenue growth were the strong traffic growth in Lima and the solid retail growth in Antalya. Lower capacitative capital expenditure in the Group companies Lima and Twin Star in comparison with the previous year led as a result of the application of IFRIC 12 to a reduction in revenue. Adjusted for the application of IFRIC 12, segment revenue improved by € 24.0 million to € 487.7 million (+ 5.2 %) in the reporting period. The sale of the Group company Fraport Ground Services Austria GmbH in December 2011, in particular, had a revenue-reducing effect (revenue 2011: € 15.3 million), which due to its low margin, however, had only minor effects on the earnings development of the segment. Operating expenses rose mainly as a result of increased traffic-related concession fees in Lima. Primarily contributing to an increase in the segment EBITDA of € 18.6 million to € 273.3 million (+ 7.3 %) were the positive EBITDA contributions of the Group companies Lima, Antalya and Twin Star. As a result of the almost unchanged depreciation and amortization, segment EBIT improved significantly by 10.9 % to € 164.2 million (€ + 16.1 million).

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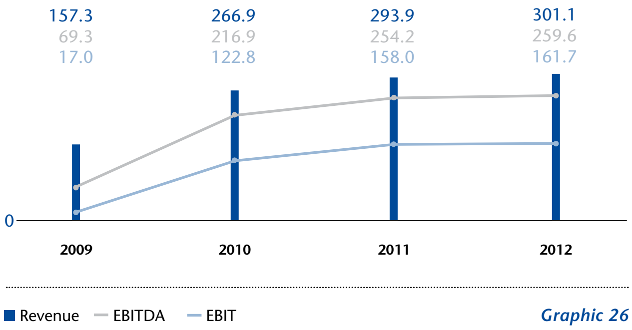
Development of the Fraport Group's Airports

The following shows the **pre-consolidation** business figures for the Fraport Group's key companies outside Frankfurt:

With high passenger figures at a level unchanged in comparison with the previous year, higher retail revenue in the Group company **Antalya** led mainly to the growth in revenue in the past fiscal year of 2.4 % to € 301.1 million. Correspondingly, the EBITDA and EBIT of the Group company grew by 2.1 % and 2.3 %, respectively and reflected an increase of € 5.4 million and € 3.7 million, respectively.

Antalya

€ million



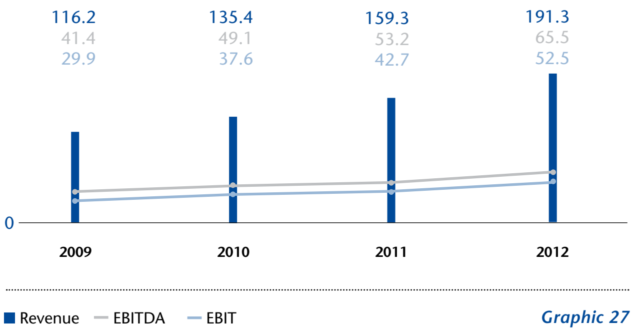
Graphic 26

Proportionate consolidation with 51 % voting interests and 50 % equity share; values correspond to 100 % figures before proportionate consolidation.
Revenue adjusted for IFRIC 12: Antalya 2012: € 301.1 million, 2011: € 293.9 million, 2010: € 258.3 million, 2009: € 94.4 million.

As a result of the significantly positive development in traffic, Group company **Lima** recorded strong growth in revenue to € 191.3 million (€ +32.0 million), a 20.1 % increase compared to the previous year. The EBITDA and EBIT also demonstrated strong increases and rose by 23.1 % and 23.0 %, respectively (€ +12.3 million and € +9.8 million, respectively).

Lima

€ million



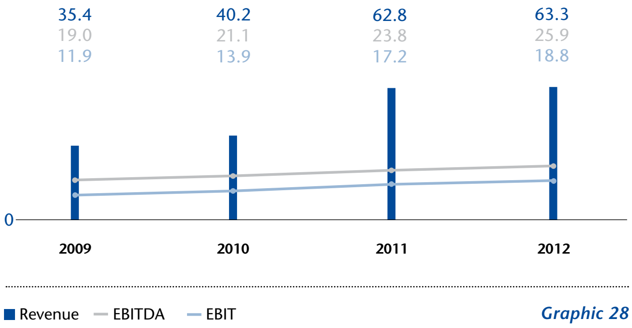
Graphic 27

Figures in accordance with IFRS; local GAAP figures may differ.
Revenue adjusted for IFRIC 12: Lima 2012: € 180.0 million, 2011: € 146.0 million, 2010: € 130.7 million, 2009: € 109.9 million.

In the 2012 fiscal year, revenue of the Group company **Twin Star** increased from € 62.8 million to € 63.3 million (+0.8 %). Adjusted for the application of IFRIC 12, revenue of the Group company improved by € 2.2 million to € 45.9 million (+5.0 %). EBITDA and EBIT increased in comparable amounts by € 2.1 million and € 1.6 million, respectively (+8.8 % and +9.3 %, respectively).

Twin Star

€ million



Graphic 28

Revenue adjusted for IFRIC 12: Twin Star 2012: € 45.9 million, 2011: € 43.7 million, 2010: € 38.0 million, 2009: € 35.4 million.

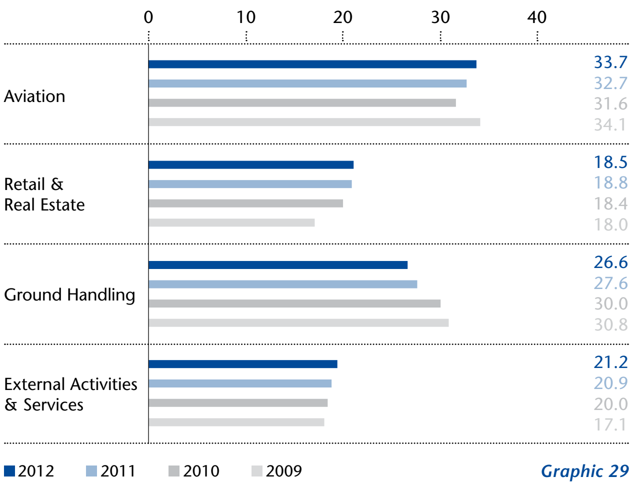
Segment share in Group revenue and Group EBITDA

The clearly positive revenue development in the segments Aviation and External Activities & Services was also manifested in the past fiscal year in their higher shares of Group revenue. While the Aviation segment recorded an increase in share of 1 percentage point to 33.7 %, the External Activities & Services segment contributed 21.2 % to Group revenue (+0.3 percentage points). Despite higher revenue, the relative share of the Retail & Real Estate segment in Group revenue dropped slightly by 0.3 percentage points to 18.5 %. The reason for this was the relatively higher sales growth in the Aviation and External Activities & Services segments. As a result of its decline in revenue, the share of the Ground Handling segment in Group revenue fell by 1 percentage point to 26.6 %.

With a share of 39.3 %, the Retail & Real Estate segment was again the driver of the Group-wide EBITDA development in the past fiscal year (+ 1.2 percentage points). At 32.1 % and 23.5 %, the segments External Activities & Services and Aviation were also able to increase their impact on Group EBITDA in 2012 (+ 0.4 percentage points and + 0.1 percentage points, respectively). Only the Ground Handling segment, due to its EBITDA decline, recorded a smaller share in the Group EBITDA (– 1.7 percentage points).

Segment share in Group revenue

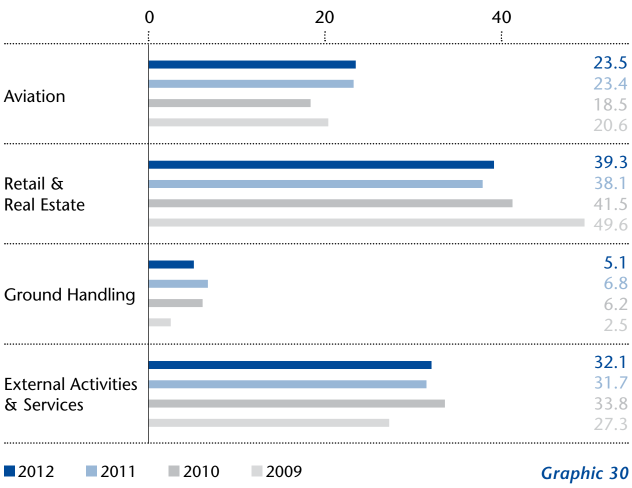
in %



Graphic 29

Segment share in Group EBITDA

in %



Graphic 30

Net Assets and Financial Position

Capital expenditure

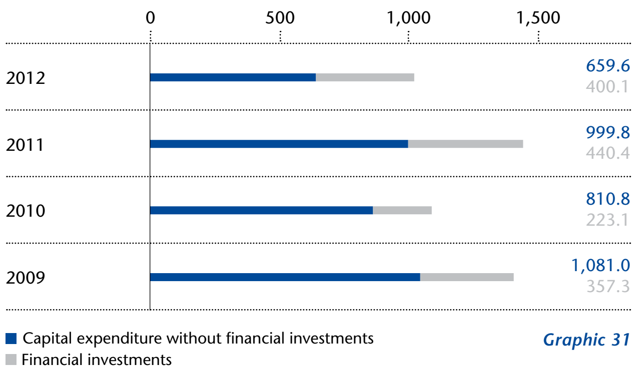
Reduced capital expenditure at the Frankfurt site and in financial assets

In fiscal year 2012, the Fraport Group made capital expenditure in the amount of € 1,059.7 million (2011: € 1,440.2 million). This included € 602.9 million of additions to property, plant and equipment (2011: € 876.1 million), € 400.1 million of financial assets (2011: € 440.4 million), € 44.5 million of intangible assets and airport operating projects (2011: € 61.1 million) and € 12.2 million in investment property (2011: € 62.6 million). Capitalized interest expenses related to construction work amounted to € 28.2 million (2011: € 63.3 million).

The capacity expansion of the Frankfurt Airport, Pier A-Plus and the modernization of the terminals and taxiways were the major emphasis in capital expenditure in property, plant and equipment. Investments in financial assets were mainly focused on securities and the associated companies.

Split of capital expenditure

€ million



Graphic 31

Net asset and capital structure

Increase in total assets, shareholder equity and net debt

The Fraport Group's **total assets** as of December 31, 2012 increased € 416.2 million to € 9,640.6 million (+4.5 %) compared to the 2011 balance sheet date, mainly due to an increase in non-current assets and non-current liabilities.

Non-current assets increased in particular due to capital investments at the Frankfurt site (item "Property, plant and equipment") from € 7,765.6 million to € 8,140.8 million (+4.8 %). In addition, the increase in the item "Other financial assets" relating to investments as part of financial asset management also added to the increase. Reclassifications within non-current assets resulted mainly in a reduction of "Investment property" (reclassification to "Property, plant and equipment") and an increase in the item "Other receivables and financial assets" (reclassification from "Property, plant and equipment"). **Current assets** increased by 2.8 % to € 1,499.8 million. While the cash flow used in investing activities resulted in a decrease in cash and cash equivalents, the reclassification of non-current financial assets to current financial assets due to their scheduled maturity and an increase in trade accounts receivable, mainly due to the reporting date, caused an increase in current assets.

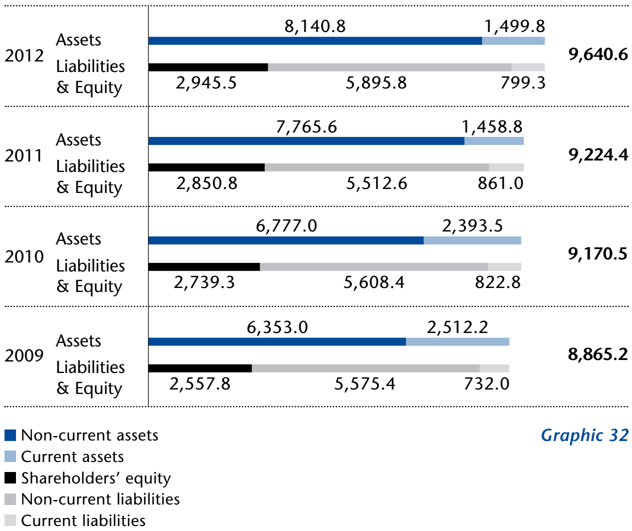
Shareholders' equity increased in comparison with the balance sheet date for 2011 by € 94.7 million to € 2,945.5 million (+3.3 %). The **equity ratio** (shareholders' capital less non-controlling interests and profit earmarked for distribution) at 29.0 % was almost at the level of the previous year (December 31, 2011: 29.3 %).

The increase in non-current financial liabilities, which resulted from additional borrowings and an increase in provisions for income taxes led to an increase in **non-current liabilities** from € 5,512.6 million to € 5,895.8 million (+7.0 %). **Current liabilities** fell by € 61.7 million to € 799.3 million (–7.2 %). Major causes for the drop were lower current financial liabilities, reduced other liabilities and a reduction in trade accounts payable due to the reporting date.

As of December 31, 2012, **gross financial debt** stood at € 4,597.6 million, an increase of € 343.7 million over the level on December 31, 2011 (+8.1 %). After subtracting **Group liquidity** of € 1,663.1 million (December 31, 2011: € 1,606.9 million, figure adjusted for accrued interest income), **net financial debt** was € 2,934.5 million, an increase in comparison with the 2011 balance sheet date of 10.9 % (previous year value of net financial debt adjusted, because accrued interest income was adjusted from Group liquidity). The **gearing ratio** reached a value of 105.0 % (December 31, 2011: 97.8 %, amount adjusted in agreement with the new Group liquidity and net financial debt, respectively).

Structure of financial position

€ million



Graphic 32

Statement of cash flows

Operating cash flow below previous year, free cash flow improved

Cash flow from operating activities (operating cash flow) of € 553.0 million in the fiscal year 2012 resulted from cash inflows of € 809.8 million from operational activities. In the other direction were higher cash outflows of € 135.5 million from financing activities and € 121.3 million for income taxes paid. Compared with the previous year, operating cash flow thus declined by € 65.8 million (–10.6 %).

Cash flow used in investing activities without investments in cash deposits and securities totaled € 736.2 million, a decrease of € 333.0 million (– 31.1 %) from the previous year. The causes for the reduction were primarily lower investments in property, plant and equipment, which in fiscal year 2011 were primarily attributable to the completion of the Northwest Runway and lower investments in "Investment property" and "Associated companies". Higher financial investments in securities and promissory note loans, higher proceeds from the disposal of securities and promissory note loans and a decline in returns from cash and cash equivalents with maturities of more than 3 months resulted in the past fiscal year in overall **cash flow used in investing activities** of € 779.2 million. In the previous year, high returns from cash and cash equivalents with a term of more than 3 months resulted in a value of € 309.8 million, which is lower than the current one by € 469.4 million.

As a result of ongoing expansion and modernization investments, in particular at Frankfurt Airport, **free cash flow** was in the past year at € – 162.4 million (2011: € – 350.1 million).

Cash flow from financing activities reached a value of € 218.2 million (2011: cash outflow of € – 274.6 million). The reasons for positive flow of funds were primarily additional borrowings and lower repayments of non-current financial liabilities in comparison with the previous year.

In connection with the financing for the portion of the Antalya concession attributable to Fraport, bank deposits in the amount of € 110.8 million were subject to drawing restrictions as of December 31, 2012. Compared with the previous year value, **cash and cash equivalents** of the Fraport Group as of December 31, 2012 fell slightly from € 132.8 million to € 127.1 million (– 4.3 %).

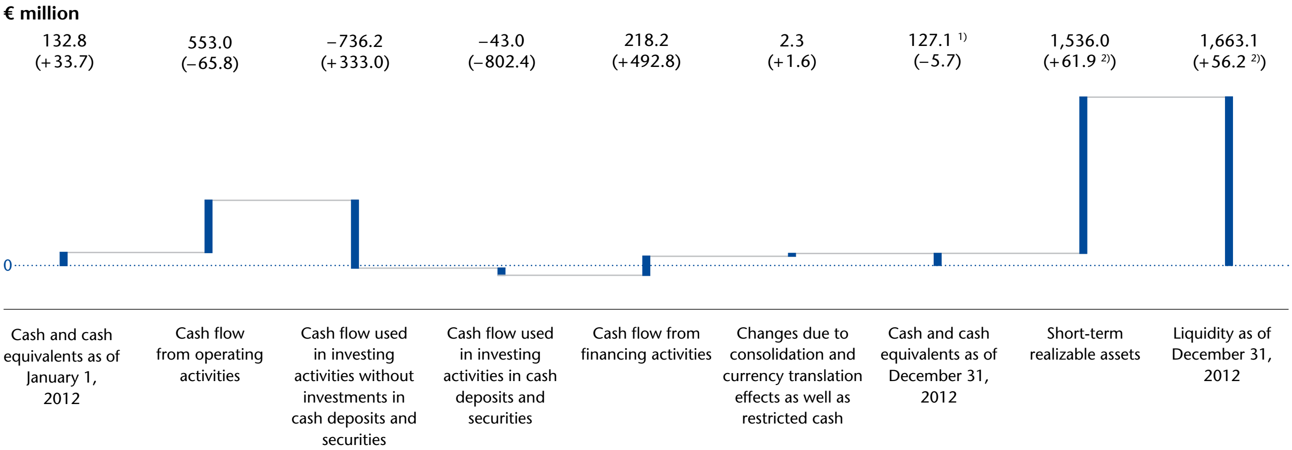
The following table shows a reconciliation to cash and cash equivalents as shown in the Group financial position:

Reconciliation to the cash and cash equivalents as of the financial position

€ million	December 31, 2012	December 31, 2011
Cash and cash equivalents as of the statement of cash flows	127.1	132.8
Cash and cash equivalents with a duration of more than 3 months	584.0	680.0
Restricted cash	110.8	114.3
Cash and cash equivalents as of the financial position	**821.9**	**927.1**

Table 18

Summary of the cash flow statement and reconciliation to the Group liquidity (changes to the previous year)



[1] The difference to cash and cash equivalents as of the financial position is due to the change of the cash and cash equivalents with a duration of more than 3 months and restricted cash.
[2] Short-term realizable assets and Group liquidity 2011 adjusted for purposes of comparability.

Graphic 33

The Fraport Share and Investor Relations

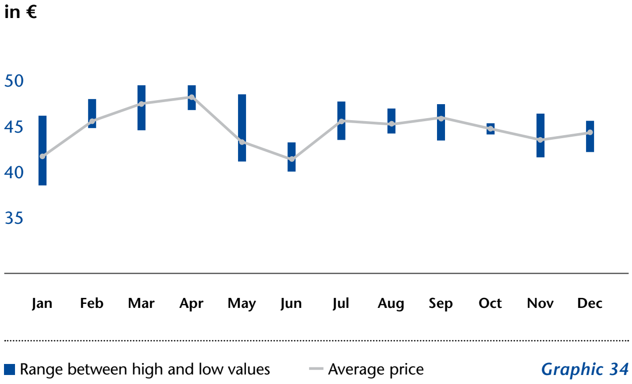
The Fraport share 2012

Positive share development, trade volume below the previous year

At a price of € 43.94, the Fraport share ended the past fiscal year at 15.6 % above the previous year's closing price of € 38.00. During the first quarter of 2012 the share recorded a strong price increase of 23.6 % to € 46.95, but fell by 9.6 % in the second quarter to € 42.42. The reasons for the overall positive development in the first half year were, among other things, the Group-wide growth in traffic and the positive development of Group EBITDA. The weaker share price development in the second quarter of 2012 was attributable, in particular, to the intensifying Euro crisis. A more favorable overall economic environment caused the share to rise again in the third quarter. With a closing share price of € 45.01, the third quarter closed up 6.1 % above the closing price for the half year. In the fourth quarter, lower traffic volume at the Frankfurt site, mainly attributable to reduced service by Deutsche Lufthansa in the winter flight schedule, was the primary influence on the year-end closing price.

With an average daily trading volume of 156,604 shares, the trading volume of the Fraport share in the past fiscal year was 17.9 % below the previous year's level of 190,671 and reflected the general weakness in sales in the share market. The market capitalization of Fraport AG in terms of the closing share price was approximately € 4.1 billion (2011: € 3.5 billion). Thus, based on market capitalization, the Fraport share ranked 12th among the 50 stocks of the MDAX (2011: 9th place). Measured by traded stock exchange volume (XETRA trade), the Fraport share as in the previous year ranked 31st.

Monthly development of the Fraport share in fiscal year 2012

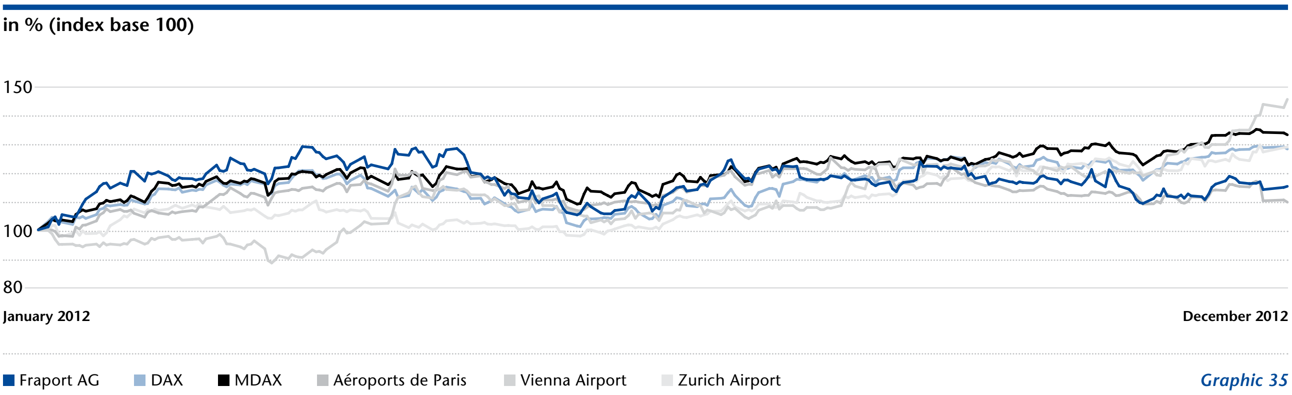


Graphic 34

Benchmark indices and European competitors also gaining value

The DAX and MDAX benchmark indices also recorded perceptible increases in 2012, closing the fiscal year 29.1 % and 33.9 %, respectively, above the previous year's levels. The shares of Fraport's European competitors showed the following development in 2012: Aéroports de Paris + 10.1 %, Vienna Airport + 46.2 % and Zurich Airport + 29.7 %.

Development of the Fraport share compared to the market and European competitors



Graphic 35

Source: Bloomberg

The following table shows the key information about the share of Fraport AG in the 2012 fiscal year:

Fraport share key figures and data

		2012	2011
Fraport AG capital stock	€ million	922.1	919.6
Total number of shares on December 31	number	92,211,756	91,955,867
Number of floating shares on December 31 [1]	number	92,134,391	91,878,502
Number of floating shares (weigthed average of period under review)	number	92,012,909	91,858,474
Absolute share of capital stock	per share, €	10.00	10.00
Year-end closing price	€	43.94	38.00
Highest price [2]	€	49.37	58.10
Lowest price [3]	€	38.41	37.60
Annual performance (including dividend)	%	18.9	–16.8
Beta relative to the MDAX		0.95	0.88
Market capitalization on December 31	€ million	4,052	3,494
Average trading volume per day (XETRA)	number	156,604	190,671
Earnings per share (basic)	€	2.59	2.62
Earnings per share (diluted)	€	2.58	2.60
Price-earnings ratio		17.0	14.5
Dividend per share [4]	€	1.25	1.25
Profit earmarked for distribution	€ million	115.5	115.4
Dividend yield on December 31 [4]	%	2.8	3.3

ISIN	DE 000 577 330 3
Security identification number (WKN)	577330
Reuters ticker code	FRAG.DE
Bloomberg ticker code	FRA GR

[1] Total number of shares on the balance sheet date less treasury shares.
[2] Closing price on March 16, 2012, and July 8, 2011 respectively.
[3] Closing price on January 2, 2012, and December 21, 2011 respectively.
[4] Proposed dividend (2012).

Table 19

Development in shareholder structure

In the past fiscal year, the following changes in shareholder structure were reported to Fraport AG:

Development in shareholder structure

Holder of voting rights	Date of change	Type of change	New percentage of voting rights
Artio Global Investors Inc. [1]	February 29, 2012	Dropped below the 5% threshold	4.90%
Lazard Asset Management [2]	May 30, 2012	Exceeded the 3% threshold	3.17%
Artio Global Investors Inc. [3]	July 2, 2012	Dropped below the 3% threshold	2.94%
RARE Infrastructure Limited [4]	November 28, 2012	Exceeded the 3% threshold	3.06%

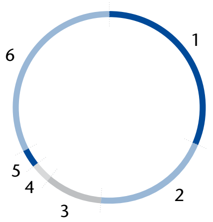
[1] Of which 4.90% of the voting rights were attributable to Artio Global Investors Inc. under Section 22 (1) sentence 1 no. 6 of the WpHG.
[2] Of which 3.17% of the voting rights were attributable to Lazard Asset Management LLC under Section 22 (1) sentence 1 no. 6 of the WpHG.
[3] Of which 2.94% of the voting rights were attributable to Artio Global Investors Inc. under Section 22 (1) sentence 1 no. 6 of the WpHG.
[4] Of which 3.06% of the voting rights were attributable to RARE Infrastructure Limited under Section 22 (1) sentence 1 no. 6 in combination with sentence 2 of the WpHG.

Table 20

As of December 31, 2012, the shareholder structure adjusted to the current total number of shares therefore was as follows:

Shareholder structure as of December 31, 2012 [1)]

in %



1	State of Hesse	31.40
2	Stadtwerke Frankfurt am Main Holding GmbH	20.05
3	Deutsche Lufthansa AG	9.89
4	Lazard Asset Management LLC	3.16
5	RARE Infrastructure Limited	3.06
6	Free Float	32.44

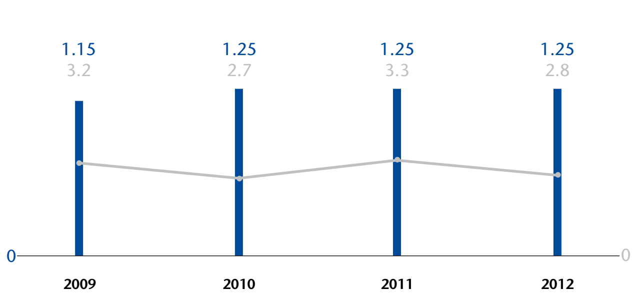
[1)] The relative ownership interests were adjusted to the current total number of shares as of December 31, 2012 and may therefore differ from the figures given at the time of reporting or from the respective shareholders' own disclosures. Holdings below 3 % are classified under "Free Float".

Graphic 36

Distribution of dividends

For fiscal year 2012, the Supervisory Board and the Executive Board wish to recommend to the AGM a dividend unchanged from the previous year of € 1.25 per share. Compared to the share closing price at year-end 2012, this would correspond to a dividend yield of 2.8 % (2011: 3.3 %). The pay-out ratio would thus equal 65.6 % of Fraport AG's result for the year 2012 of € 176.0 million (2011: 63.3 %) and would equal 48.5 % of the Group result attributable to Fraport AG's shareholders of € 238.3 million (2011: 48.0 %).

Dividends per share and dividend yield (2012: Dividend recommendation and the yield resulting therefrom)



■ Dividend per share — Dividend yield

Graphic 37

Investor Relations (IR)

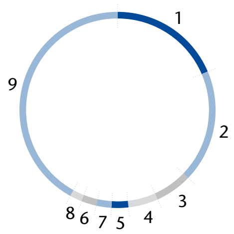
Intensive capital market communication continued

In 2012, Fraport's IR activities again focused on proactive communication with investors and analysts. In more than 300 one-on-ones, the strategy and the current and expected business development of the Fraport Group were explained to interested parties. The focus of discussions in connection with the Frankfurt site were, in particular, construction progress and the inauguration of Pier A-Plus as well as the planning of Terminal 3. With respect to external business, potential acquisition projects were discussed – in addition to current business developments of the existing Group companies.

The activities of the IR department in the previous fiscal year were rounded off by the AGM, an analyst conference on the publication of preliminary full-year results, 3 conference calls regarding the additional quarterly publications, the provision of current information on the IR homepage www.meet-ir.com and investor meetings at the Frankfurt site and Group companies.

Allocation of free float [1)]

in %



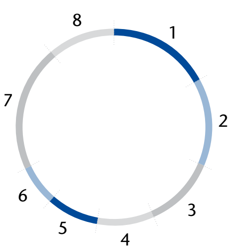
1	Australia	18.6
2	USA	18.6
3	Germany	6.1
4	Great Britain	4.9
5	Denmark	2.8
6	Norway	2.5
7	Canada	2.5
8	France	2.0
9	Countries under 2 %	42.0

[1)] Free float without the shares of State of Hesse, Stadtwerke Frankfurt am Main Holding GmbH and Deutsche Lufthansa AG, source: own estimates Fraport AG.

Graphic 38

One-on-Ones on roadshows and conferences, according to company headquarters

in %



1	Great Britain	17.1
2	USA	14.4
3	Germany	12.0
4	Switzerland	9.6
5	France	8.6
6	Australia	6.5
7	Rest of Europe	20.9
8	Asia	10.9

Source: own estimates Fraport AG.

Graphic 39

Non-financial Performance Indicators

Sustainability

Focus on sustainable Group development

At Fraport, sustainability is one of the primary Group goals (see also the chapter "Group Strategy", p. 29). In the framework of sustainability management, Fraport sets targets for strategically important issues, such as noise abatement, climate protection or resource efficiency and defines the measures necessary to meet them. In 2010 these targets and measures were assembled for the first time in the form of a sustainability program which is revised and updated annually. A presentation of the measures taken and their effectiveness as well as more detailed information beyond the disclosures provided subsequently can be found in the separate sustainability report "Connecting Sustainably" which is available at the Group Internet site www.fraport.com under the section Sustainability.

Employees

The Fraport Group adds employees

In the previous fiscal year, the increased volume of traffic Group-wide was also reflected in an increase in the average number of employees by 368 to 20,963 (employees excluding apprentices and employees on leave). While the higher number of employees in Germany was attributable, in particular, to the Group company FraSec Fraport Security Services GmbH (+267 employees) and Fraport AG (+76 employees), personnel abroad decreased – almost exclusively due to the sale of the Group company Fraport Ground Services Austria GmbH in December 2011 (–257 employees).

On the segment level, the increased number of employees in the Aviation segment resulted primarily from the increase at the Group company FraSec Fraport Security Services GmbH. While in the Retail & Real Estate segment there were new hires primarily at Fraport AG, the number of personnel in the Ground Handling segment was almost at the level of the previous year. Despite the sale of the Group company Fraport Ground Services Austria GmbH, the number of employees in the External Activities & Services segment increased. The reasons for this were additional personnel outside of Germany in the Group companies Lima and Twin Star as well as in the Group company GCS Gesellschaft für Cleaning Service mbH & Co. and in the service units at the Frankfurt site.

Further development and training of employees

With 381 apprentices in fiscal 2012, the Fraport Group continued to ensure it has the next generation of employees it will need (2011: 343). This increase in the number of apprentices compared with the previous year was a result in particular of above-average recruitment of technical personnel and on-site firefighters for the Frankfurt site. In fiscal year 2012, the employees of the Fraport Group averaged 5.7 days of advanced training (2011: 5.0).

Average number of employees

	2012	2011	Change	Change in %
Segment Aviation	6,298	6,088	210	3.4
Segment Retail & Real Estate	629	596	33	5.5
Segment Ground Handling	8,924	8,899	25	0.3
Segment External Activities & Services	5,112	5,012	100	2.0
Fraport Group	**20,963**	**20,595**	**368**	**1.8**
thereof Fraport AG	11,302	11,226	76	0.7
thereof in Germany	18,939	18,391	548	3.0
thereof abroad	2,024	2,204	–180	–8.2
Employees as of the balance sheet date [1)]	**22,276**	**21,445**	**831**	**3.9**

[1)] According to Global Reporting Initiative (GRI), previous year value adjusted.

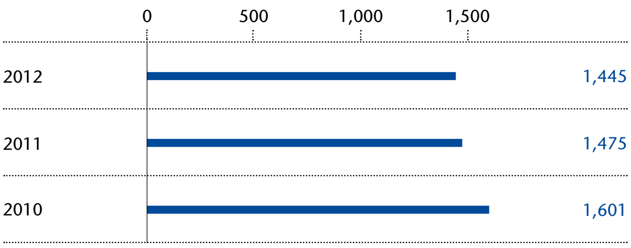
Table 21

Promoting the health of employees

Only healthy employees can devote their full capacity to the company. Fraport recognized this early. With its employee safety and health management programs, Fraport is further developing 2 effective systems for the protection of its employees and the promotion of their health, wellbeing and work motivation on a continuous basis. Fraport has set itself the goal of continuously reducing the number of accidents and the resulting days missed due to accidents.

Parallel with this, the attendance rate shall be stabilized in the medium term and increased in the long term. In order to achieve these goals, Fraport continued its efforts in both areas in the fiscal year 2012 and intensified them, for example, through an increased number of health workshops and health circles.

Total number of work accidents, Fraport Group [1]



[1] Since Fraport Group in-depth survey.

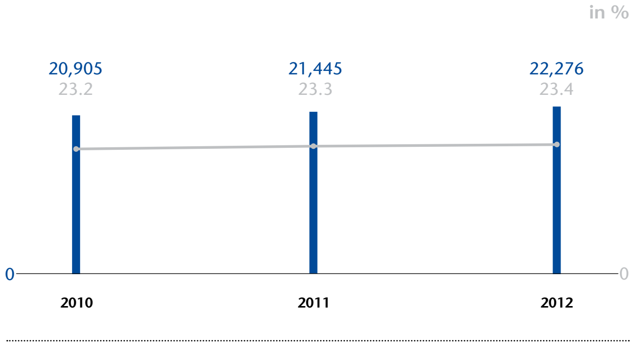
Graphic 40

Diversity that pays

Fraport values the diversity of its employees. Diversity management is a central component of its personnel strategy. The basis for this is a Group agreement that includes the establishment of principles of anti-discrimination, advancement of women into managerial positions and diversity for Fraport. These principles are an integral part of recruitment strategies, personnel decisions and training. They also underlie extensive opportunities to arrange flexible working hours.

In order to promote diversity, it was agreed during the fiscal year 2011 to raise the share of women in management positions in the Fraport AG from currently 20.5 % to around 25 % to 35 % by 2018 and to improve compatibility of work and family, for example through provision of additional childcare slots. In 2012, the percentage of women in management positions within the Group was approximately 29.6 % (2011: 31.4 %); the percentage of persons with major disabilities reached 7.3 % on a Group-wide basis (2011: 7.2 %); and 20.1 % (2011: 20.4 %) of employees had foreign citizenship (excluding German citizens with an immigration background). The average age of employees in the Fraport Group in the past fiscal year was 41.2 (2011: 40.8).

Employees, Fraport Group, and percentage of women [1]



■ Employees, Fraport Group (as of December 31)

— Percentage women, Fraport Group

[1] Since Fraport Group in-depth survey.

Graphic 41

Benefits beyond the agreed-upon salary

Compensation of Group employees is geared to the applicable collective pay agreements. Beyond this, Fraport offers its employees a broad spectrum of attractive additional benefits which range from company pension benefits to participation in the employee investment plan to job tickets. In the past fiscal year, a total of 7,140 employees took advantage of the opportunity to acquire company shares on preferential terms within the framework of an employee investment program and subscribed to 54,239 new shares (in 2011, 7,066 employees subscribed to 40,279 new shares). Fraport acquires the shares for this program by utilizing the authorized capital from capital increases against cash contributions and transfers them to the employees. The percentage of participating employees remained at an unchanged high level of around 60 %.

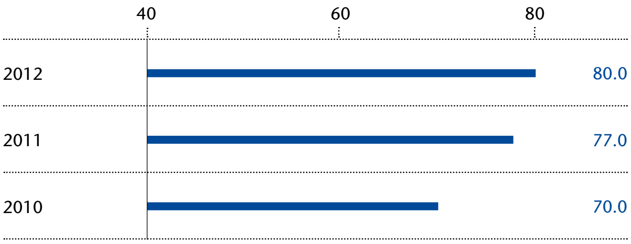
Customers and quality

Customer focus and quality of service as major competitive advantages

The quality of our services and the accompanying satisfaction of our customers are of overriding importance for the success of our business activity (see also chapter "Group Strategy," p. 29). In this context, the goal at the Frankfurt site continues to be increasing the average perceived satisfaction of our passengers by 10 percentage points by 2015 – with the year 2010 as the starting point – to at least 80%. In the past year, an average value of 80% satisfied passengers was achieved.

Average perceived service quality at Frankfurt Airport [1]

in %



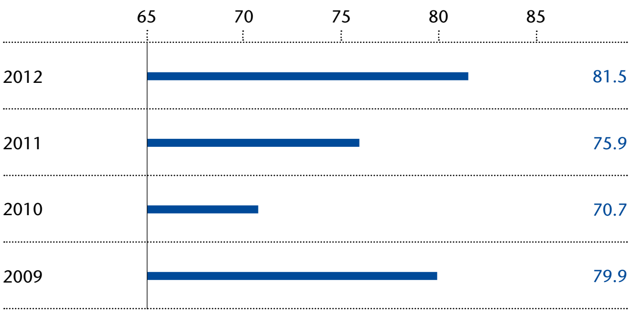
[1] Since introduction of the service initiative "Great to have you here!".

Graphic 42

Alongside general passenger satisfaction, quality factors such as the "punctuality rate" and the "baggage performance indicator"— i.e. information on how many flights took off or landed on time and how many pieces of baggage did not arrive directly at the destination location due to the fault of Fraport AG — are of key importance to our airline customers. The opening of the Northwest Runway and the expansion of terminal capacity through Pier A-Plus, in particular, made it possible for the punctuality rate at the Frankfurt Airport to be significantly improved in the past year. At 81.5%, this indicator was at a multi-year high.

Punctuality rate at Frankfurt Airport

in %

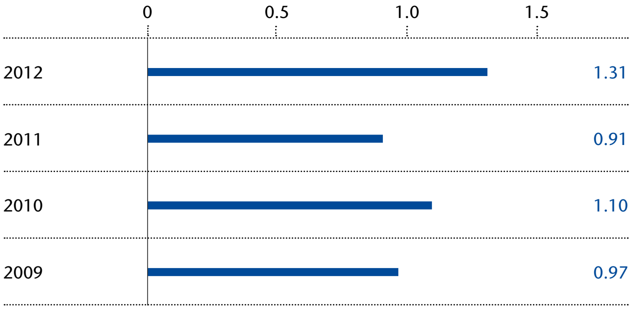


Graphic 43

In addition to the progress in punctuality, it was possible to hold the baggage performance indicator at an unchanged low level at Frankfurt Airport.

Baggage Performance Indicator

Misdirected pieces of baggage per 1,000 baggages



Graphic 44

Through consistent utilization of the knowhow gained in Frankfurt throughout the Group, Group companies will also benefit from the service knowledge and skills obtained in Frankfurt.

Research and Development

Using ideas and innovations

Since Fraport, as a service-sector group, does not engage in research and development in the strict sense, suggested improvements and innovations, in particular, serve as success factors for retaining its international competitiveness.

While Fraport consistently utilizes its own employees' potential within the framework of its Group-wide idea management, it networks along the lines of "open innovation" with companies in its own value-added chain as well as "best practice" companies in other sectors . In this way, Fraport ensures that trends are spotted early on and transferred to the company. In 2012, innovation management focused, in particular, on passenger services and mobility. Here, in particular, Fraport was able to set the tone through the PASS project (Personalized Assistance System and Services for Mobility into Advanced Age) and through the awarding of the first Group innovation prize. In 2012, "Idea Day" was also established for the first time, at which employees and evaluators of improvement suggestions were honored for their special commitment.

Environment and society

Certified environmental management systems

The purpose of environmental management systems is to recognize and minimize risks and to improve environmental performance. Since 1999, Fraport AG has operated an environmental management system for its operations at the Frankfurt Airport in accordance with the European directive on the Eco-Management and Audit Scheme (EMAS). Additionally, it has been certified under the ISO 14001 standard since 2002. Along with Fraport AG, other Group companies including those in Lima and Antalya are also certified under ISO 14001.

Measuring and controlling energy consumption

Efficient climate protection requires the measurement and control of energy consumption. For this purpose, Fraport is introducing an accounting-based system of control and reporting of energy consumption and CO_2 emissions. With the reporting of this data on a regular basis, Fraport can determine whether the strategic CO_2 goals are met. Negative developments can be recognized early and energy measures can be reviewed for effectiveness. The energy consumption recorded for Fraport AG's buildings and facilities serves as a database. For this purpose all relevant energy media such as electricity, remote cooling and heating, natural gas and fuels are taken into consideration. The CO_2 emissions of the Fraport Group are currently assessed retrospectively once a year. In 2012, however, the system for capturing the required data was converted and now uses the reporting and consolidation software that supports the preparation of the annual accounts. As a result, the data can be recorded and validated more quickly in the future.

Environmental fund for climate and nature protection

With the establishment of the environmental fund in 1997, Fraport made a commitment to nature and environmental protection outside of the Frankfurt Airport as part of its sponsorship programs. In addition to environmental education, the program specifically supports projects for climate protection and climate change as well as the preservation and further development of biodiversity in the Rhine-Main region. In the past fiscal year, Fraport provided around € 2 million, increasing the total funding since the establishment of the fund to a total of € 32 million. The largest single support project among the total of more than 750 supported initiatives is the Rhine-Main Regional Park.

Active on behalf of the region

Fraport is committed to an extensive annual program of donations and sponsorship of programs in the public interest primarily in the Rhine-Main region. In the past fiscal year, Fraport supported around 580 projects with a total amount of € 6.1 million. The primarily educational and integrative projects programs include education for children and adolescents, particularly from financially disadvantaged families and programs for the prevention of addiction and violence.

Procurement

Order volume below the previous year

All contract awards of Fraport AG are made through the "Central Purchasing, Construction Contracts" business unit: the procurement of goods and services as well as the award of construction contracts. Through active market development and strategic purchasing management, the central unit contributes to the competitiveness of the company.

During the past fiscal year, Fraport AG awarded contracts with a total volume of around € 750 million, approximately € 200 million less than in 2011. More than 98 % of the contracts were below the € 100,000 limit and were deemed to be small-and-middle-sized-enterprise friendly. At a good 66 %, the percentage of contractors in the surrounding Rhine-Main region continued unchanged at a high level.

The new supplier code of conduct of the Fraport AG drafted during the past fiscal year which regulates the areas of compliance, working conditions, human rights and the environment along the supply chain has been a mandatory component of all requests for bids and awards since the beginning of the fiscal year 2013. Further information on procurement in the Fraport Group can be accessed on the company website at www.fraport.com in the section Our Expertise.

Significant Events after the Balance Sheet Date

There were no significant events after the balance sheet date for the Fraport Group.

Outlook Report

General statement on the outlook

Weakened growth due to short-term uncertainties and market consolidation

The weakening of the world economy expected in the short-term – in particular in the Euro zone – will have a braking effect on passenger growth of the Fraport Group. In addition there are negative developments resulting from the restrictive supply behavior of the airlines which started in 2011/2012 and are geared toward consolidation. At Frankfurt Airport, this applies in particular to the major customer Deutsche Lufthansa in domestic and continental traffic. Further challenges are posed by the German aviation tax and the currently suspended emissions trading in the EU. Leading aviation associations such as the ACI and the large aircraft manufacturers Airbus and Boeing, however, continue to expect stable growth rates in global air traffic in the long-term.

Independent of passenger development, price effects in airport and infrastructure charges as well as higher revenue in the retail area will have a positive effect on the course of business at the Frankfurt site in coming years. Following a decline in Group result in 2013, the Fraport Group anticipates sustained improvement in the Group result in the following years.

Currently no risks can be recognized that could jeopardize the Fraport Group as a going concern.

Opportunity and Risk Report

The Fraport Group has a comprehensive risk management system. It ensures that significant risks are identified, constantly monitored and limited to an acceptable level as far as possible.

Risk policy principles

Fraport actively seeks out opportunities and seizes them, provided that the potential benefits of doing so are in an acceptable relationship to the risks involved. Controlled risk exposure is the primary objective of Fraport's risk management system.

This objective is the basis for the following risk policy principles:

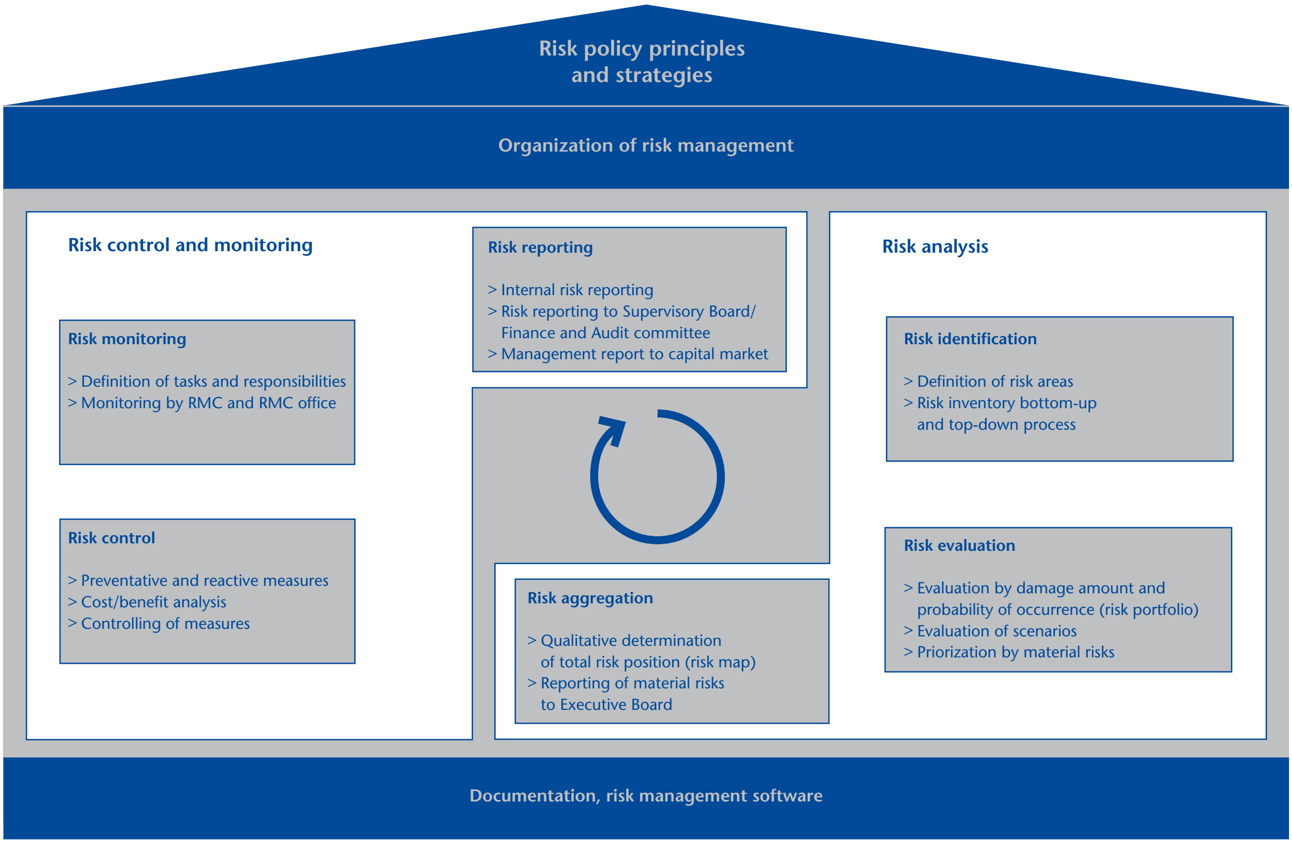
> The risk strategy is coordinated with the corporate strategy and is required to be consistent with it, as the strategy specifies to what extent the company's operations are exposed to risks.
> Risk management is integrated into the ongoing business processes.
> Risks are primarily managed by the organizational units, which operate locally.
> The aim of the risk management process is to ensure that significant risks are identified, constantly monitored and limited to an acceptable level.
> Actively and openly communicating risks is a major success factor in the risk management system.
> All of Fraport's employees are expected to actively participate in risk management in their area of responsibility.

The risk management system

The Executive Board of Fraport AG approved the risk management system of Fraport, its risk policy principles and the risk strategy for the Group. The Executive Board appoints the members of the Risk Management Committee (RMC), approves the rules of procedure for the RMC and is the addressee for the quarterly reporting of relevance to the Group and ad hoc reports in the risk management system.

The RMC is the highest executive body in the risk management system below the Executive Board. It is made up of Senior Managers from the company's units. It is responsible for implementing the central risk management system, developing it in line with business processes and reporting to the Executive Board. The RMC has set up a committee office to provide support in executing its tasks.

The identification, evaluation and management of risks takes place primarily through the strategic business units and service and central units, which operate locally, as well as through the Group companies. Division Managers are responsible for the accuracy of the information received from their units that is processed in the risk management system. They are obliged to constantly monitor and control risk areas and to submit a report to the RMC office about all risks in their particular area of responsibility on a quarterly basis.



Graphic 45

Besides regular quarterly reporting, material new risks must be immediately reported to the RMC office on an ad hoc basis. Following consultation with the administration of the RMC, significant changes to the overall risk situation of the Group resulting from new material risks are to be reported to the Executive Board.

On a quarterly basis, the RMC aggregates the risks of the individual organizational units and Group companies for a qualitative representation of the risk situation of the Fraport Group, monitors and ensures a risk management process in conformity with the system and reports material risks to the Group to the Executive Board.

This process ensures the early detection of risks that could jeopardize Fraport Group as an ongoing concern.

An integral component of Fraport's risk management system is assessing financial risks with a risk management process that monitors and manages the presentation of financial instruments overall and hedging transactions, in particular, in accounting. This process is described in the financial risks section ("risk report"). At Fraport, this process represents a subsection of the accounting-related internal control system.

The risk management system is documented in writing in a separate guideline, which conforms to the requirements of Section 91 (2) of the AktG. The proper operation of the risk management system is tested regularly by the Internal Auditing department.

Risk transfer through the purchase of insurances is controlled by the Group company Airport Assekuranz Vermittlungs-GmbH.

Evaluation of risks

Risk evaluation determines the scope of the risks that have been identified, i.e., it makes an assessment of the extent to which the individual risks may jeopardize the Fraport Group in achieving its corporate objectives. For this reason the magnitude of the risk and the risk occurance are determined. The risk evaluation is conservative, i.e., the greatest possible loss for Fraport is assessed. The RMC aggregates the risk reports from the divisions and evaluates Fraport's risk situation at the company level on the basis of a "risk map". Risks are reported to the Executive Board when they are classified as "material" according to systematic evaluation standards used throughout the Group. Risks that jeopardize the company as an ongoing concern or risks that exceed defined thresholds in the potential damage they may cause and in the probability of their occurrence are considered to be material. A distinction is made here between gross assessment and net assessment, i.e., after appropriate countermeasures have been taken into account.

Twice a year the Executive Board reports the material risks in the finance and audit committee of the Supervisory Board.

The following graphic shows the addressees of risk reporting depending on the evaluation of the risks:

Risk management of Group companies

The guideline for the Fraport risk management system also includes rules for Fraport Group companies, which are incorporated in the risk management system to a varying extent depending on their importance in reporting the net assets, financial and earning positions of Fraport AG. The separate guideline used for investments specifies the organizational structure and process of the risk management system and commits the companies to ongoing reporting about material risks.

Accounting-related internal control system in accordance with Section 315 (2) no. 5 of the HGB

The accounting system of the Fraport Group covers the processing of transactions, records for the documentation of assets and liabilities and processes for the consolidation of the separate financial statements of parent and subsidiary companies and joint ventures and for the inclusion of associated companies and the recording of the required information for the disclosures in the Group notes and Group management report. The company applies principles, processes and measures aimed at safeguarding the effectiveness and compliance of the Group's accounting system, which Fraport designed to conform to "COSO" standards, in an effort to ensure that the recognition, measurement and presentation of assets and liabilities is in line with the legal guidelines and the principles of proper accounting.

Reporting matrix

Probability of occurrence

"C": probable ≥ 50 %	Strategic business, service and central units/ Group companies	Finance and Audit committee/ Executive Board	Finance and Audit Committee/ Executive Board
"B": possible ≥ 10 %–50 %	Strategic business, service and central units/ Group companies	Risk Management Committee	Finance and Audit Committee/ Executive Board
"A": low up to 10 %	Strategic business, service and central units/ Group companies	Risk Management Committee	Finance and Audit Committee/ Executive Board
	"1": slight ≥ € 0.5 million	"2": moderate ≥ € 2.5 million	"3": material ≥ € 10.0 million

Risk potential

Graphic 46

Group accounting at Fraport is generally organized on a local basis. The reconciliation of the local individual financial statements of the parent company and subsidiaries and joint ventures (trade balance sheet I) to the individual financial statements prepared in accordance with Group-wide accounting and valuation methods (trade balance sheet II) is done locally at the respective companies. In individual cases, the bookkeeping and preparation of financial statements for Group companies at the Frankfurt site is carried out by the accountants of the Group parent company Fraport AG within the framework of service agreements. In doing so, separation on an organizational and system level from the accounting of the single entity Fraport AG is ensured. To ensure consistent Group-wide accounting policies, Fraport has developed a guideline on IFRS Group-accounting principles, on the basis of which the companies included in the Group financial statements perform the reconciliation of trade balance sheet I to trade balance sheet II. The effectiveness and properness of the Group accounting process is confirmed by the companies included in the consolidated financial statements within the framework of an internal statement of completeness.

The SAP BPC system is primarily used for the accounting-related Group reporting process between the companies included in the consolidated financial statements and the Group parent company, Fraport AG. The accounts to be consolidated are recognized in this system, as is required information for tax accruals and for the Group notes. Access authorization on the level of the consolidated companies is awarded and administered by Fraport on the basis of a user authorization concept. Group reporting in SAP BPC is adapted by Group Accounting on a regular basis to the changes in accounting-relevant legal regulations. A Group chart of accounts in the SAP BPC system is set up and administered by Group Accounting.

Accounting-related internal controls are, as far as possible, carried out within the SAP BPC system. Manual application and monitoring controls, especially regarding completeness and quality of the reported data, are carried out in the context of the operating accounting processes in Group Accounting.

Quality assurance is carried out by Fraport Group Accounting for complex accounting issues or basic questions, also at local companies included in the consolidated financial statements.

The consolidated financial statements are prepared by Fraport AG Group Accounting. The reporting process for Fraport AG's consolidated financial statements is laid down in a schedule detailing each individual step, including deadlines and responsibilities. Group Accounting monitors progress, reporting deadlines and the completeness of the Group reporting process.

In the run-up to the preparation of the consolidated financial statements, a Group questionnaire is sent to all consolidated companies in order to identify any issues relevant to the accounting process in due time. The consolidated companies are also questioned about any events after the balance sheet date so that these can be recorded in detail.

Liabilities, expenses and income are consolidated and information relevant to segment reporting is processed in the SAP BPC system. Prior to consolidating liabilities, internal balances are reconciled. Capital consolidation, including the updating of the valuation of investments in associated companies, the elimination of intercompany profits and losses and the preparation of the cash flow statement as well as the statement of changes in equity are mainly carried out manually with the help of the system. Capital consolidation is entered in SAP BPC after the system supported manual implementation. Deferred and accrued taxes are calculated and recognized by Group Accounting in coordination with the Group tax department.

Group guidelines, which are available to all consolidated companies, ensure that consolidation processes and the reconciliation of internal balances are carried out properly.

Assets and liabilities from the acquisition or sale of shares in companies are generally measured on the basis of an external value analysis prepared by experts (e.g., calculation of acquisition costs or purchase price allocation).

Hidden reserves and liabilities (purchase price allocations) uncovered during initial consolidation are updated through Group Accounting centrally.

The Group notes are created by Group Accounting as part of the Group financial reporting process. After creation of the Group notes, the information given in them is verified by central or local departments, where required.

The Finance and Investor Relations department is generally responsible for preparing the Group management report in which the information provided by the relevant departments is compiled. Consolidated information is again verified by the relevant departments.

The Group parent company Fraport AG prepares its own individual financial statements in accordance with German commercial and stock market regulations. Fraport AG has developed an HGB accounting guideline to ensure that its financial statements are prepared consistently and in accordance with the principles of proper accounting.

Accounting at the Group parent company Fraport AG is, as far as possible, kept local through sub-ledgers (for creditors, debtors, asset accounting, treasury, accounts of local departments). During the preparation of financial statements, the Accounting division/ Accounting creates any closing entries in the general ledger which cannot be entered by local departments. The Accounting division also performs internal controls in the framework of preparation of financial statements for important local accounting processes.

In order to ensure standardized procedures, important operational processes of the sub- and general ledgers have been documented (among others policies, process descriptions, manuals and guidelines). The effectiveness and properness of the sub-ledger processes are verified by the responsible departments, which issue an internal declaration of completeness.

The Group parent company Fraport AG uses the SAP/R3 system for preparing its accounts. Accounting-related internal controls are carried out where possible with the help of the SAP/R3 system. Manual application and monitoring controls are carried out during the operational accounting processes in the sub-ledgers and also during the preparation of the financial statements by the Accounting division.

Functions in the departments involved in the accounting process are separated on a system, personnel and organizational level. A SAP authorization concept is used for issuing and administering access authorization for accounting-related systems.

The aim of the controls carried out within the framework of accounting is to ensure completeness, correctness, existence, ownership and presentation of the assets and liabilities and items in the income statement recorded in the accounting process.

During the preparation of the financial statements by the Accounting division, subsequent and mainly manual controls are carried out for the purpose of ensuring the completeness and correctness of items recognized in the sub-ledgers. Preventative, system-aided controls and a dual control (four eyes) principle are implemented as subsequent controls of closing entries in order to achieve the purposes of the monitoring mentioned.

In order to ensure that all financial statements are complete, the Group parent company Fraport AG has implemented a contract management process that evaluates contracts recognized in the financial statements to obtain a complete and correct view of all facts relevant to the accounting process. In addition, the head of Group Accounting is a member of the RMC. As a result Fraport's risk management system is classed as part of the accounting system to principally ensure that issues identified during the risk management process are assessed for their effect on the financial statements and reported, if applicable. The contract management and risk management processes are both regulated in a separate guideline.

An implemented process monitors risks associated with the recognition of financial instruments in the accounting system, particularly hedging transactions.

The reporting process for the financial statements of the Group parent Fraport AG is laid down in a schedule detailing each individual step, including deadlines and responsibilities. Accounting division monitors the progress and schedule system-assisted.

The major steps in the accounting process are the closing of the sub-ledgers, which in the case of the receivables accounting process includes the valuation of receivables, i.e., the creation of allowances. In asset accounting, the closed sub-ledger reflects scheduled depreciation and amortization and impairment losses on property, plant and equipment. The Treasury department is responsible for the operational processes of its own sub-ledger (including cash pooling) and for providing the information required for recognizing financial instruments in the general ledger.

After the closing of the sub-ledgers, the Accounting division/ Accounting of Fraport AG carries out the necessary closing entries and also implements subsequent manual controls. This mainly relates to other provisions and personnel provisions, financial assets and instruments, equity and expense and income accruals. The tax department calculates and posts income taxes and performs manual application and monitoring controls.

Fraport regularly uses external service providers within the framework of the preparation of the annual financial statements for evaluating provisions, mainly personnel provisions as well as financial instruments and assets.

The Internal Auditing department regularly assesses major subprocesses of the accounting process, including accounting-related internal controls.

Business risks

The risks which could have material influence on the business activity of Fraport are explained subsequently.

General economic risks

Economic fluctuations can have a considerable effect on the economic development of the Fraport Group and air traffic in general. According to calculations by various economic institutes (see sources listed under "Economic conditions"), following the strong recovery in the years 2010 and 2011 (world: 5.2 % and 3.9 %; Germany: 3.7 % and 3.0 %), the global and national economy (real GDP) both leveled off again noticeably in 2012 to approximately 3 % and 0.7 %, respectively, with declining momentum during the course of the year. As a result, the current economic forecasts for 2013 have also been adjusted downward. The causes of this were and are, the persisting financial and debt crises.

Uncertainties remain concerning the debt crisis in the European Monetary Union as well as the financial policies and stability of the US economy. These uncertainties are manifested in the relatively large ranges in the various economic forecasts. These economic risks may become more manifest, impairing development in air traffic, which would have a negative effect on the net assets, financial and earnings position of Fraport AG. New trade barriers and political unrest could increase worldwide. As a result, supply and demand development is closely monitored, so that countermeasures can be introduced if required and along with possibilities.

Effects on the supply and demand of air traffic could also result from the further changes in oil and kerosene prices. Since 2004, the surge in prices for oil and kerosene has led to ticket price surcharges and corresponding price increases in cargo that often are not reduced even if energy prices fall.

In times of crisis and war, Fraport faces the direct threat of flight cancellations and route shut-downs. This also applies in the case of strikes and natural catastrophes that relate to air traffic. Reducing demand risk can only be accomplished to a certain extent. As an international air traffic hub, Frankfurt Airport benefited in the past from the fact that airlines tend to return to their local bases and concentrate their business on hubs in times of crisis. Fraport has been able to at least compensate for the effects of crises in a relatively short time. Structural changes in business travel (e.g., reduction in the number of business trips) could, however, have a direct or indirect impact on Fraport's business.

Currency rate fluctuations, unemployment and changes in consumer behavior which influence passengers' shopping habits can also impact the development of the Fraport Group particularly in the retail business. The buildings and areas that Fraport AG currently lets are mainly used by airlines or companies whose business largely depends on the development of air traffic at Frankfurt Airport. This sector of the real estate business is therefore not directly tied to general real estate market developments.

In current planning, Fraport anticipates a continued weakening in economic growth in 2013. The moderate global economic growth of around 3 % and the expected growth in the German economy of between 0.3 % and 1 % will have only a slight positive impact on air traffic in 2013, particularly since it is expected that the Euro zone will continue to be in a recession. The pressure on airlines to consolidate further in view of the competition and the situation of the industry is leading to a selective shut down of routes and a reduction in flight frequencies.

Market risks

The business relationship with Fraport's main customer Deutsche Lufthansa AG and its Star Alliance partners makes a substantial contribution to revenue. A deterioration of this business relationship would have significant adverse impacts on Fraport. The low-cost segment continues to increase the competitive and cost pressure on traditional carriers and their hub systems in continental traffic. On the other hand, Deutsche Lufthansa AG successfully stimulated European and domestic traffic and therefore also the transit sector in Frankfurt with its inexpensive special offers. If these special fares were to be limited or cancelled, passenger traffic would suffer.

The amount of transfer traffic will adjust itself according to the availability and attractiveness of direct intercontinental flights offered. Due to new EU emissions regulations and environmental standards, there is a risk that airlines in the medium-term will increasingly use alternative locations and routes outside of the EU and therefore away from Frankfurt. Fraport sees more in the medium-term risks in the form of a weaker competitive advantage among European airlines and consequently among European airports.

Moreover, the creation of new hub systems in the Middle East and in the longer-term also in Turkey, may lead to a shift in the global flows of transfer passengers. Some airlines remain in a difficult financial situation. Acute weaknesses could force individual airlines to partially or completely discontinue their flight operations or to merge with others and in doing so, realign their flight offers to other airports.

We have reported continuously in recent years that the European Commission plans to further liberalize airport ground handling services. In 2001, the European Commission had already announced its plans for a further liberalization of ground handling services. After a new study conducted in 2010, the Commission brought the issue to the forefront again, giving concrete shape to its plans in October 2011. With the aim of revising the current directive on ground handling services, the European Commission plans to put forward a direct EU regulation, with no leeway regarding implementation in national law, for the further opening of the market for ground handling services at European airports. The European Commission adopted the draft regulation on November 30, 2011 and submitted it to the European Parliament and European Council for decision. The proposed regulation contains the following changes that might have negative implications for Fraport: obligation of a legal separation of ground handling services from the parent company; the permitting of a third and independent provider of ground handling services on the apron; unrestricted access for self-handling airlines; restrictions on the subcontracting practices of airport operators and airlines. The responsible committees at the European Parliament (the traffic and employment committees) examined the content of the European Commission proposal in 2012 and adopted numerous proposals for changes. Among these was sovereignty for, by way of example, labor law issues in the employment committee, while the major critical issues for Fraport were primarily handled by the traffic committee. In the plenary session on December 12, 2012, the draft directive of the EU Commission was rejected by the European Parliament and was sent back to the traffic committee for revision. Therefore the Commission draft will have to be taken up again in 2013. If the EU regulation as planned by the European Commission was adopted, negative economic consequences for Fraport may not be insignificant.

On December 31, 2011, we reported that the establishment of a noise protection area for the airport Frankfurt Main pursuant to an order by the state government of Hesse, it could incur costs for Fraport in the coming years estimated at around € 150 million in connection with compensation payments related to noise protection measures on buildings and claims for losses of residential quality in outdoor areas. The cost estimate continues to be unchanged and the amount of the outdoor living area compensation must still be settled by a Federal regulation. As a result, the amount of the compensation for damages to outdoor living areas is particularly difficult to estimate. In accordance with Section 19b of the Air Traffic Act (LuftVG), these costs will be financed through airport charges.

There is still considerable protest against the new runway, despite the € 150 million program of noise abatement measures. Fraport is therefore intensively examining further noise reduction measures that could be associated with additional costs or investments.

Investigations are currently underway to determine whether investments in a state-of-the-art drainage system will be required for the operation of Runway West and the existing parallel take-off and landing runway system due to the required official approval. Depending on the results of the examination capital investments of up to € 130 million could be necessary.

Risks in connection with the airport expansion

The construction and inauguration of the Northwest Runway and the planned third passenger terminal represent the opportunity for Frankfurt Airport to maintain and bolster its status as an international hub airport in the future. The expansion of the airport is one of the main prerequisites for Fraport's participation in the long-term growth of global air traffic.

With its appellate decision, issued on April 4, 2012, the German Federal Administrative High Court confirmed – as had previously the Hesse Administrative High Court – essentially that the zoning decision and thus the expansion of Frankfurt Airport complied with legal requirements. However, the German Federal Administrative High Court also confirmed the doubts expressed by the Hesse Administrative High Court regarding the decision to allow 17 flights between 11 p.m. and 5 a.m. As a consequence of the German Federal Administrative High Court's decision, the Hesse Ministry of Economics, Transport, Urban and Regional Development, as the zoning authority, adapted the zoning decision on May 29, 2012, imposing a complete ban on all scheduled flights between 11 p.m. and 5 a.m. For the hours immediately before and after the night flight ban, from 10 p.m. to 11 p.m. and from 5 a.m. to 6 a.m., the number of aircraft movements was limited to an annual average of 133 take-offs and landings per night. Previously, 150 aircraft movements were permitted, including, however, the above-mentioned 17 flights allowed for the core night-time period.

There is a risk that the existing night flight ban will have a long-term impact on the conditions for the development of the site. The momentum of the traffic development, in particular in the cargo sector, may weaken and the possibility of reductions in cargo traffic cannot be ruled out.

If additional restrictions of airport operation – demanded in some cases in the political discussion – were implemented into law, a further weakening of the competitive position of the Frankfurt Airport would result.

This would significantly impact traffic volume as well as traffic structures at the Frankfurt site, creating adverse effects on Fraport.

The zoning authority will have to make a new decision regarding noise abatement measures for commercial properties since the German Federal Administrative High Court has criticized the zoning authority on this point.

The ruling by the German Federal Administrative High Court means that no legal recourse to test cases through the courts will be permitted. However, it is impossible to completely exclude the possibility of residual legal risks to the airport expansion in light of the announced constitutional complaints and possible appeals to the European Court of Justice and/or the European Court of Human Rights as well as the still outstanding decisions in the suspended proceedings.

Because of ongoing construction work and the continued awarding of contracts and orders, the total volume of capital expenditure for the expansion of Frankfurt Airport to date had increased to approximately € 2,365 million as of December 31, 2012.

Financial risks

"Risk management report" according to Section 315 (2) no. 2 of the HGB

With regard to its balance sheet items and planned transactions, Fraport is subject in particular to credit risks, interest rate and foreign exchange rate risks and other price risks. Fraport covers interest and foreign exchange rate risks mainly by establishing naturally hedged positions, in which the values or cash flows of primary financial instruments offset each other in their timing and amount and/or by using derivative financial instruments to hedge the business transactions. The scope, responsibilities and controls for the use of derivatives are specified in binding internal guidelines. The existence of a risk which needs to be hedged is the prerequisite for using derivatives. Derivatives are not used for trading or speculative purposes. To monitor the risk positions, simulations are regularly carried out by Risk Controlling using various worst-case and market scenarios. The Chief Financial Officer is regularly informed about the results. The Fraport AG Treasury department is responsible for efficient market risk management. Generally, only risks which affect the Group's cash flows are managed. There can only be open derivative positions in connection with hedging transactions in which the underlying transaction is cancelled or not carried out as planned.

Interest rate risks arise in particular from the capital requirements associated with capital expenditure and from existing floating-interest rate financial liabilities and assets. As part of the interest rate risk management policy, interest rate derivatives were concluded in order to limit the interest rate risk. Following the commitment to these interest rate hedging positions, there is the risk that the market interest rate level will decrease and as a result there will be a negative fair value of the interest rate hedging instruments or that a negative value will be intensified.

Foreign currency risks mainly arise from revenue planned in foreign currencies which is not covered by expenses in matching currencies. Such risks are hedged, to the extent necessary, by entering into currency forward transactions.

Fraport's credit risks stem on the one hand from primary financial instruments. Such risks arise, for example, upon the purchase of securities in the framework of asset management and comprise the default risk of the issuer. Furthermore, credit risks arise in connection with derivative financial instruments with a positive fair value and the current risk that the counterparty will not be able to meet the obligations that are advantageous for Fraport. This risk is generally countered by using financial investments and concluding derivatives only with issuers and counterparties who have an investment-grade rating. Since the beginning of 2013, however, investments without ratings have also been possible in individual cases. If the credit rating is downgraded to non-investment grade during the asset's holding period or the term of the derivative, a decision is made on a case-by-case basis on the further progress of the asset or derivative, taking into account the remaining term.

The issuers' ratings and those of issues are regularly monitored, as are the CDS spreads of the counterparties. Moreover, the upper limits are continuously adjusted to the credit-rating development and where necessary reduced and financial assets are diversified further under risk considerations.

Other price risks result from the fair value measurement of financial assets. This, however, does not affect cash flows at the time of measurement.

Financial assets with a fixed maturity are assumed to be subject to temporary market fluctuations which reverse automatically by the end of the products' maturities, since a repayment in the full nominal amount is expected.

Regarding further information about the nature of risks arising from the use of financial instruments and the scope of risks from open risk positions in the context of financial instruments, please see notes 40 and 47 in the Group notes.

Other financial risks

Risks for Fraport's net assets, financial and earnings position may arise from the current financial market situation and its effects on the overall economy and particularly on liquidity and future bank lending practices. As a countermeasure, Fraport has as part of its "pre-financing" strategy already secured a major portion of the planned borrowing for future capital expenditure through external financing in the last few years, most recently in the second half of the year 2012.

The difficult economic situation of some airlines might lead to defaults. Fraport deals with this risk as far as possible through active credit control and by formation of valuation allowances.

Legal risks

Manila project

The investment in Manila, the capital of the Philippines, to build and operate an airport terminal (NAIA IPT3 project) was written off completely in the financial statements for the year ended December 31, 2002. The major ongoing risks and legal disputes in connection with the project are presented subsequently.

As already reported, on December 23, 2010 an ad hoc committee of the International Centre for Settlement of Investment Disputes (ICSID) unanimously decided in appeal proceedings to set aside the initial ICSID arbitral award of August 16, 2007. Following this, Fraport petitioned on March 30, 2011 for initiation of new arbitration proceedings against the Republic of the Philippines at the ICSID. The basis for the arbitration proceedings is the investment protection treaty between the Federal Republic of Germany and the Republic of the Philippines which opens recourse to an ICSID court of arbitration in the event of disputes concerning expropriation and unfair and unlawful treatment of German investors in the Philippines. In the new arbitration proceedings, Fraport is again claiming compensation for the expropriation of the investment project at Manila Airport in the amount of approximately US-$ 425 million plus interest. As previously in the first arbitration proceedings, the Republic of the Philippines disputes the competency of the court of arbitration and the merits of the complaint and furthermore has raised a contingent counterclaim against Fraport AG which is partially in unstated amount. Fraport is of the opinion that the investments were lawfully made and the demands of the Philippine government are unfounded.

In the proceedings initiated by the Philippine government against Philippine International Air Terminals Co., Inc. (PIATCO) in 2004 for the expropriation of the terminal, the expropriation court decided on May 23, 2011 that PIATCO was entitled to full compensation for the expropriation of Terminal 3 in Manila of almost US-$ 176 million, which would be credited against the "estimated value" of the terminal of around PHP 3 billion which had already been paid. In the meantime, all parties to the proceedings have filed appeals against the decision with differing objectives, with the result that the decision is not yet final. Moreover, the expropriation court ordered on October 11, 2011 that the Philippine government could be freed from its payment obligation through escrow. This ruling was also challenged by PIATCO, among others. A decision has not yet been issued concerning these appeals.

At the beginning of 2003, the shareholders and directors of PIATCO – against Fraport's votes and those of the PIATCO directors it appointed – resolved to prepare a complaint for damages against Fraport and its directors for alleged improper and harmful action against the company. Fraport rejects these accusations. Moreover it is disputed whether these resolutions are legally valid. PIATCO has not further pursued the claims asserted.

As reported, a Philippine law firm as well as a former Philippine minister filed claims for damages against Fraport, 2 former board members and 2 Philippine attorneys of Fraport for alleged defamation for PHP 100 million (around € 1.6 million) each. Accordingly, motions to seize Fraport assets on the Philippines were initially granted. To avoid the seizure, Fraport, as reported earlier, deposited guarantees as collateral, whereupon the responsible courts revoked the seizures. Appeals filed by the plaintiffs against this revocation have remained unsuccessful. The main suit is still pending, but in the meantime the claim in 1 of the 2 suits has been rejected without possibility of appeal to the extent it was directed against the Philippine lawyers of Fraport. These complaints against Fraport were rejected as well. The plaintiffs have filed appeals against these rulings, which have not yet been decided. In the same matter, the plaintiffs filed a complaint leading to public charges in 3 proceedings. The court has already rejected the charges in all 3 proceedings, in the court of appeal in 2 of the 3 cases. In all the cases, appeals are pending at various levels in which no final decisions have been made to date. A fourth suit is still in preliminary proceedings. Fraport rejects these allegations.

As we have already reported in the previous years, various criminal proceedings and investigations have also been initiated against former board members and employees of Fraport in the Philippines, in which Fraport, in the majority of cases, is not a directly involved or affected party. On January 21, 2011, the Philippine Department of Justice ordered an arraignment in the suit against various persons associated with the Fraport Group due to a suspected violation of the "Anti-Dummy Law", which has not been conducted yet. The outcome of these proceedings could put the legality of Fraport's investment in the Philippines in question and could, in the case of conviction, serve as the basis for proceedings to seize Fraport's assets in the Philippines. With reference to the allegations made in the proceedings, to the extent they are known to the company, Fraport is still of the opinion that these allegations are false.

In addition, cases relating to the NAIA IPT3 project are pending in Germany.

Other legal risks

There is the risk of back tax payments in connection with tax audits that are still to be carried out.

Risks from capital expenditure projects

Fraport's capital expenditure program is subject to a range of risks. Increases in construction costs, suppliers going out of business, changes in planning figures, or weather-related delays could all lead to extra costs.

Due to the increasing market and competitive pressures, future capital costs from the necessary investment programs may only be partially covered by obtainable charges.

Risks attributable to investments and projects

Investment companies and airport operating projects, like Fraport AG, are subject to general economic and company-specific risks as well as industry-specific market risks. In addition, there are general political risks at individual locations abroad.

In Bulgaria – where the operation of the airports in Varna and Burgas is managed by Twin Star Airport Management AD – there seems to be further sustained growth following the economic crisis. GDP growth of around 1.9 % is expected in 2013 and a positive trend is also in sight in the medium-term. This provides a solid basis for further growth of air traffic. The most relevant considerations for growth, however, in tourism are the economic situation in the origin countries of tourists and the price structure compared to other vacation destinations. It can therefore be assumed that while the financial crisis in Europe continues, low-cost destinations will continue to grow.

Should a trend away from low-cost tourism again begin to develop, there would be a relatively minor risk that favorably-priced vacation destinations such as Varna and Burgas will lose tourism to expensive vacation destinations in southern Spain, Portugal or southern France.

The majority of air passengers in Burgas and Varna are from Russia and Germany. In addition, a growth trend from central and eastern European destinations is beginning to emerge. In 2012, nearly 2.4 million passengers were recorded for Burgas Airport (2011: 2.3 million passengers) despite the reduced passenger volume from Israel due to the bomb attack in July 2012.

In conjunction with the current deregulation of ground handling services in the EU and the requirements of the Bulgarian Civil Aviation Act, the market was opened following the attainment of the threshold of 2 million passengers for a second ground service provider in Burgas. As a result, in 2012 a market share of approximately 4% was lost to the competition. In 2013, a market share decline of in total about 30% is expected, which accordingly will result in a decrease in revenue for ground handling services in Burgas.

In Varna, it is not expected that the two million passenger mark will be met in the next few years.

Currently, new passenger terminals are being built in Varna and in Burgas at a price of € 65 million each. Completion is planned for the summer of 2013. At present, all involved parties are working intensively on the challenging mission of completing both terminals on time.

As at January 1, 2013, an increase in airport charges has been implemented.

Fraport Twin Star is subject to the Bulgarian economic, legal and political conditions and is dependent on the reliability of the grantor state and local authorities. The risk of political and/or economic instability in Bulgaria, a relatively stable EU member state, is classified as low. The same applies to the overall risk of adverse changes in the regulatory or legal framework for public/private partnerships in Bulgaria.

For the Jorge Chavez Airport in Lima, Peru, operated by Lima Airport Partners (LAP), the increasing number of domestic passengers, which is closely linked to the country's economic upturn, is a major pillar of passenger growth. The entry of low-cost carriers into the Peruvian market intensified this trend. The combination of these two components has made the use of aircraft travel possible mainly for the less wealthy layers of the population.

Economic growth in Peru is tied to the development of the raw materials market and the increase in exports from the country. A drop in the price of raw materials or a decrease in exports would have a detrimental effect on the consumer behavior of residents and therefore a negative impact on domestic air traffic. However, the IMF prediction of GDP growth for 2013 of 5.8% and of 6.0% in the medium-term for 2017, anticipates continued sustainable economic growth for Peru.

In addition to economic conditions, LAP is also subject to legal and political conditions and is dependent on the reliability of the franchiser state and local authorities. The Humala government elected in 2011 is proving to be "business-friendly".

Following strong economic growth in Turkey of 8.5% in 2011, a cooling of growth to approximately 3.0% began to emerge in the past fiscal year, which was essentially attributable to the effects of the economic and financial crisis in Europe. In relation to the EU economic area, however, this continues to represent a respectable level of growth. The sustained growth trend of Turkey thus continues unbroken. In addition to strong domestic demand and rising exports, the favorable demographic structure – average age of the entire population is currently below 29 – and the geographical position of Turkey constitute a foundation for future growth.

Despite weaknesses in the education sector, a social system partly in need of reform and infrastructure in need of upgrade in remote regions, Turkey continues to offer a stable political landscape and with that the key to potential future economic growth.

The relatively high deficits in foreign trade and current account together with high rates of inflation, which in the medium- to long-term could be a problem for the general economic situation of Turkey, however, represent risk factors for continued economic development.

On the whole, the finances of the state continue to be relatively sound and the business-friendly tax system provides incentives for capital investment. In comparison with many European countries, Turkey's budget deficit is relatively low. In 2011, it was 2.1% of GDP. The forecast for 2013 is approximately 2.3%. Turkey, as a non EU member, even meets the key indicators of the Maastricht criteria.

The current account deficit and the relatively high inflation were significantly reduced in 2012. Though the prices rose in April 2012 by more than 11.0%, the inflation rate in October 2012 was only 7.8%. The current account deficit of 10.0% in 2011 was reduced to 7.7% in August 2012. As a result of the reduction of the current account deficit and the dampening of inflation last year, Turkey for the first time in 18 years again received the "investment grade rating". The rating for long-term instruments in foreign currency was raised by 1 grade to "BBB–" and the rating for bonds in the domestic currency was raised by 2 grades to "BBB". Further grounds for this decision were the falling debt burden (currently at less than 40.0 %, based on GDP), the stable banking system and the favorable growth prospects. For the short- and medium-term, this is a further incentive for investments in Turkey. One of the main foundations of the Turkish economy is the tourism sector, which has continuously expanded in recent years. This has been underpinned by the disproportionate number of attractively priced new and high-quality hotels. As a result, Turkey has already become a serious competitor to traditional holiday destinations in the Mediterranean or the Canary Islands. In 2012, the Antalya Airport recorded around 25.0 million passengers. The traffic volume thus reached the high level of the previous year, which benefited from the political unrest in Northern Africa.

In the parliamentary elections in June 2011, the conservative AK party again retained its absolute majority. The government has proven to be reliable and has ensured the high domestic political stability of recent years. More recently, Turkey's aspirations to further strengthen its position in the Islamic world have been a source of concern in the Western world. Despite this, the pro-Western orientation of Turkey and its position as a strategically important partner also for the EU are unquestionable. Domestically, the primary topics continue to be the unresolved Kurdish issue and the role of Islam in politics and society.

In view of terrorist attacks against military and police establishments in the past (mainly in the urban centers of Istanbul and Ankara) and conflicts in the border area with Iraq and Syria, security measures throughout the country remain at a high level. To this extent there continues to be a latent risk of terrorist activity in all parts of Turkey. In the event of escalation, it cannot be ruled out that the tourism sector could be influenced. However, political unrest in the Arabian region, the Middle East and Northern Africa in past years have not had any perceptible effects on the development of tourism in Turkey (and in particular in the greater Antalya area).

Risks in connection with the airport operating projects, which are generally long-term arise primarily in connection with the estimation of future development of air traffic. A lack of growth or downturn in air traffic could have a negative effect on the earnings development of concessionary companies, which could also result in risks to project financing. Additional risks, such as delays in connection with the construction of airport infrastructure, which as a rule adheres to a contractually stipulated schedule, may also occur from this.

Other risks

Fraport intends to continue utilizing the growth in global air traffic to create sustainable and attractive jobs at all Group sites. Fraport is aware that the current demographic shift will intensify the competition for high quality professionals and managers, particularly in Frankfurt. To this end, Fraport will make every effort to maintain a reputation as a responsible, attractive and competitive employer. Fraport believes that the qualification, commitment and work satisfaction of its employees is a key factor in the success of the Group. Fraport combines attractive company benefits with opportunities for employees to participate in the success of the Group and tops it off with a range of measures for balancing the work/life mix. Fraport's goal is to attract new employees and retain existing ones on a long-term basis. This purpose is also served by airport-specific and universal qualification programs for its employees and managers, trainee programs and short- and medium-term assignments at Fraport's foreign sites.

Fraport invests in the safety, health and wellbeing of its employees. Training and sensitizing managers play a key role in ensuring Fraport's sustained success in reducing and minimizing employment-related and health risks. In-depth employee surveys are conducted as a rule every 1 or 2 years in all Group companies with a substantial workforce. They provide Fraport with important insights and opportunities to improve the working environment on all levels. The results of the surveys are reported widely and in a transparent fashion. Numerous conclusions drawn from the results analysis are extrapolated jointly with employees themselves and converted into measures for sustained improvement of work processes and work satisfaction.

As a result of turnover-induced changes in the number of employees at Fraport AG, there is a risk of significant increases in contributions to the pay-as-you-go company pension plan covering Fraport AG employees.

Operations in Frankfurt and other Group airports may be impaired by local events such as accidents, terrorist attacks, fires or technical malfunctions, as well as events that influence the operation of national and international air traffic (such as natural disasters, extreme weather events and epidemics). Fraport's insurance policy covers the standard risks faced by airport companies. In particular it includes occurrences of damage that result in the loss or damage of assets, including any consequential business interruption costs, as well as claims for damages by third parties arising from Fraport's corporate liability risks.

Insurance protection regularly also covers the risks from terrorism regarding property and third-party liability. Coverage for Group companies abroad is provided only to a limited extent through inclusion in the policies of Fraport AG; it is predominantly provided through the companies' own policies. Fraport AG and the domestic Group companies in which an interest of at least 50% is held are covered against risks of environmental damage from accidents for up to € 32 million. For the Group companies abroad there is insurance protection with respect to environmental damages through accidents depending on the local requirements.

All of the IT systems of critical importance to the company are configured redundantly and are optionally housed at separate locations. The possibility of residual risks resulting from the architecture and operation of the IT facilities naturally cannot be completely ruled out.

Due to the ongoing development of new technologies and the expansion program, there is an underlying risk potential for IT systems. Fraport takes this situation into account with an active IT security management system. The requirements for IT security are specified in the IT security policy and security guidelines which must be followed throughout the Group. Compliance with these guidelines is monitored regularly. Insurance protection is obtained for damage claims relating to residual risks wherever possible and appropriate.

Overall risk evaluation

The overall evaluation of the risk situation revealed that the continued existence of the Fraport Group is not at risk as far as its assets and liquidity are concerned and that no risks which might jeopardize the company's existence are apparent for the foreseeable future. However, if the airport expansion should not be feasible as planned due to the remaining legal risks, most of the capital expenditure already capitalized would be impaired and Frankfurt Airport would be weakened in its market position as an international hub in the long-term.

Business opportunities

Opportunities from the development of the general economic situation

After the 2008/2009 global financial and economic crisis which had, at times, dramatic consequences on global air traffic, there was an unexpectedly strong economic upturn during 2010 and 2011, especially in the Federal Republic of Germany. With the strong growth in passenger traffic accompanying this upturn – Frankfurt achieved average annual growth in 2010 and 2011 of 5.3% – the company was able to substantially exceed its pre-crisis level. The current European credit crisis, which began in early summer 2011, however, has led to a new downturn in the forces driving the global economy and in particular, global air freight operations and the economy in the Euro zone in 2012 overall went into a recession which may well persist in 2013.

According to expert opinion, the German economy, in comparison with other European economies, is robust enough to avoid a recession and after only moderate growth in 2013 to pick up momentum again on a medium-term basis. In the short-term, stronger traffic development is expected for major German airports, including Frankfurt, than for the other airports. In the medium-term, global and national economic conditions are to be viewed as positive for a continued upward trend for air traffic at Frankfurt Airport.

Largely independent of the current dampened economic situation, the international integration of the globalized world economy continues to increase. There is no foreseeable change in the trend of purchasing, production and sales being distributed across the entire globe. Global air traffic provides the key infrastructure required for continuing the internationalization process.

This trend is supported by the dynamic development of numerous emerging nations, e.g., the BRIC countries (Brazil, Russia, India and China), in which new markets with sustained favorable growth prospects are being established. The rise in the standard of living in these countries is key to the disproportionately high growth of air travel, not the least because ground-side transport infrastructure is often underdeveloped in these areas. Compared to Central Europe and North America, economic development in these countries was far less impacted by the last financial and economic crises and the current debt crisis, if at all.

Experience with the growth cycles has shown that market turbulences can interrupt the upward development of world air traffic in general temporarily, but so far not indefinitely. The possibility of a degree of dragging out of the volume expectations cannot be ruled out.

Opportunities in corporate strategy

Through the completion of the Northwest Runway and Pier A-Plus, Fraport was able to significantly increase the airside as well as landside capacities at the Frankfurt location in the past two years and thus create the basis for a dynamic development of passenger volume. On top of that, Fraport has identified 3 main growth engines for the future:

Airport retail

Extending and modernizing the retail, catering and service areas in the terminals, in particular on the airside, continue to be central elements for increasing retail revenue. With the opening of around 12,000 m² of retail space in Pier A-Plus, Fraport last year created an essential foundation for further retail growth at the Frankfurt Airport. The focus in addition lies on the development and implementation of sales promoting measures for the passengers who have an extraordinarily high purchasing power.

External business

Fraport's know-how is now represented on 4 continents. In addition to Frankfurt, 4 further airports are operated or managed through Group companies in which Fraport holds an interest of at least 50%. The Group rounds out its portfolio with minority shares or through management contracts in numerous airports. The profit contribution of external business to the overall profit of the Fraport Group is set to continue to rise in the next years through positive development in the existing investment portfolio. In addition, the clear target is to expand the external business.

Airport city

Around the world, hub airports are developing into airport cities. Fraport recognized this trend at an early stage and identified sites that are worth consideration for real estate development. For instance, Fraport is intensively developing and marketing high-quality commercial space in direct proximity to Frankfurt Airport. A second project involves an expansion of CargoCity South to meet the high demand for additional logistics space. Depending on the particular project, Fraport decides if and to what extent the Group will participate in the development of the real estate.

Business outlook

The business outlook is based on the assumption that the international economy and air traffic will not be impaired by external shocks such as terrorist attacks, wars, epidemics, natural catastrophes, or additional turbulence on the financial markets. Moreover, statements concerning the anticipated net assets, financial and earnings position reflect the accounting standards applied in the EU at the present time.

Increasing uncertainties surround the development of the economic environment

Banks and leading economic institutes forecast that the global economy will grow between 2.4% and 3.5% in 2013. There will be continued risks from the European financial crisis, which can strongly influence the banks' refinancing capability and have ramifications for the real economy. For the Asian emerging countries, the Middle East, Africa and parts of Latin America, disproportionate growth continues to be expected, even if at a slower pace than in the previous years in some cases. For the countries of the Euro zone, stagnation to further shrinkage of the economy (around 0.3% to –0.9%) is assumed. The German GDP, with growth between 0.3% and 1%, should show better development, with a slight acceleration of growth being expected in the course of the year. The US economic performance is generally expected to increase by around 2%.

Growth in global trade in 2013 of around 4% is assumed. The average global market price per barrel of crude oil in 2012 as well as in 2011 was around US-$107. Due to the continuing weakened economic growth and thus falling demand for crude oil, an almost unchanged development of the oil price is assumed for 2013. Sources: Tecson (January 2013), IMF (January 2013), OECD (November 2012), DekaBank (February 2013).

Changes in the general legal environment for German aviation

Since the start of 2012, all flights which begin or land in an EU airport have been included in the EU emissions trading system. However, in November 2012, the EU Commission recommended that the obligation of airlines to purchase certificates for non-member-state flights be delayed until autumn 2013. The reason for this was stated to be the resolutions of the International Civil Aviation Organization (ICAO) under which a global convention for the lowering of CO_2 emissions in air traffic is to be developed by the next ICAO Assembly in September 2013. Generally, the inclusion of air traffic in the greenhouse gas emissions trading system will first and foremost affect airlines. Airports, however, will also be indirectly affected since additional costs of air traffic could result in a limited growth dynamic. If individual countries or airlines do not participate in emissions trading, the relative competitiveness of European airlines (and as an indirect consequence, European airports) could also be impacted.

With respect to the aviation tax on passenger flights that originate from German airports introduced in 2011, the Deutsche Bundesrat passed a motion on November 23, 2012 under which the German Federal Government is to present an act for elimination of the aviation tax still in the current legislative period. At the present time, however, no such activities of the German Federal Government are known. If the Federal Government should retain the nationally levied tax, this would lead to a continued burden on the German aviation market – due to its competition-distorting character.

At the beginning of December 2011, the EU Commission published a draft with regard to the so-called “Airport Package.” It includes various liberalization elements, including regulations about market access for ground handling services at EU airports, a revision of the existing Slot Regulation and a draft for a regulation concerning the noise-related restrictions on operations. On December 12, 2012, the Plenum of the European Parliament voted on the Airport Package on the first reading. The legislation proposed for the revision of the Slot Regulation and for revision of the directive on noise-related restrictions on operations was accepted by the majority of the Parliament with few changes. The proposed legislation to revise the directive concerning ground handling services was sent back to the respective committee and will have to be addressed again in the current year. If the EU regulation is adopted as planned by the European Commission, there could be significant negative economic consequences for Fraport.

Directive 2009/12/EC came into effect in March 2009 due to a legislative initiative by the EU Commission concerning a uniform legal framework for airport charges. The directive was implemented into national law on May 12, 2012, with the repeal of Section 43a of the German Air Traffic Licensing Act (LuftVZO) and the coming into effect of Section 19b of the Air Traffic Act (LuftVG). Fraport has already made the resulting changes in the legal environment the basis for discussions of airport charges until 2015. For future negotiations of airport charges, Fraport does not expect any significant effects on Group results from operations due to the new legal situation.

In September 2009, the EU Commission adopted a resolution expanding its influence on airports and aircraft movements/air traffic control. Based on this resolution, the European Aviation Safety Agency (EASA), as the highest European aviation authority, assumed responsibility for security oversight for all European airports in the past year. In order to guarantee uniformly high security standards in all EU member states and thus realize a partial aspect of the Single European Sky (SES) Program, national legislation and regulations with regard to the licensing and operation of airports, air traffic management and air traffic controlling services shall be replaced by unified EU legislation. To ensure that general legal conditions build on one another and a functioning European air traffic system can be created, the EU Commission plans to create new principles for the harmonization and better meshing of the legislative projects with the SES II+ Program. Since the legislative process has not yet been concluded, the specific effects on airports cannot yet be definitively estimated.

Overall, the emerging changes in the Fraport Group’s legal environment could strongly impact the German aviation industry in general and therefore Fraport as well in the future.

Continued positive development of air traffic forecast despite short-term uncertainty

The restrictive supply behavior of the airlines, begun already in 2011/2012 and geared toward consolidation – which at the Frankfurt Airport applies in particular to its major customer Deutsche Lufthansa in domestic and continental traffic – will continue in 2013 and will negatively impact passenger development as well as forecast accuracy. Over and beyond this, the European debt crisis, the German aviation tax and the currently suspended emissions trade in the EU will continue to have negative effects for European air traffic. The positive supply-side effects resulting from the new Northwest Runway and Pier A-Plus thus will initially be offset in Frankfurt. Despite these short-term uncertainties, leading aviation associations such as Airports Council International (ACI) and the major aircraft manufacturers Airbus and Boeing continue to expect long-term stable growth rates in global air traffic.

Based on the short-term negative general conditions, the Executive Board expects passenger volume for the **Frankfurt Airport** in 2013 as a whole to be at about the level of the previous year. For the following years, a positive passenger development continues to be expected.

Based on the expected economic developments, stagnation to also a slight rise is expected for cargo volume in 2013. If economic production should prove to be poorer than expected, the 2013 figure can also turn out to be below the 2012 level. In the intermediate term, significant growth rates for cargo volume at the market level are again expected.

On the basis of positive economic assumptions and a sustained optimistic outlook for tourism, an increase in passenger figures over the coming years is expected for the Group airports with a Fraport share of at least 50 %: **Antalya, Lima, Varna** and **Burgas.** As in past fiscal years, the political situation in North Africa and the Gulf Region can affect Antalya, Varna and Burgas over and beyond their organic growth. In Lima, in addition to the international traffic, the increase in domestic traffic will also have an impact on the increase in volume.

Revenue and earnings outlook of the Fraport Group for 2013

Despite the uncertain traffic estimate for the fiscal year 2013, Fraport expects an increase in **Group revenue** of up to 5 %. The reasons for this at the Frankfurt site are particularly the increase in airport and infrastructure charges as well as additional revenue in the Retail and Real Estate divisions as a result of the full-year utilization of Pier A-Plus. In external business, a positive development in business based on traffic is expected in Antalya, Lima and Twin Star. Moreover, rising capacitive investments in the Group companies Lima and Twin Star will increase the reported segment revenue as a result of application of IFRIC 12. As a result of corresponding items in non-staff costs, however, this effect will overall be EBITDA neutral.

In connection with the positive revenue development, Fraport expects – despite additional expenses resulting from the full-year operation of Pier A-Plus and the collective wage agreement in the public sector – **Group EBITDA** that will be above that of 2012 and is expected to be in a range from € 870 million to € 890 million. **Depreciation and amortization** for 2013 will significantly exceed that of 2012 in particular due to the full-year utilization of Pier A-Plus. In the event the upper expectation for Group EBITDA is attained, **Group EBIT** of up to around € 520 million is forecast for 2013. If the growth of Group EBITDA should be at the lower end of the range, it is also possible that Group EBIT will be at about the level of the previous year.

The **Group financial result** will develop negatively in 2013 primarily as a result of the declining other financial result, which in 2012 was essentially influenced by additional proceeds resulting from the disposal of assets as part of financial asset management as well as foreign currency effects, and higher interest expense. The latter effect will particularly be the result of lower capitalized interest expense related to construction work. As a result of the inauguration of Pier A-Plus in 2012, the possibility of capitalizing interest on borrowings during the construction phase of the asset is gone, which will increase the reported interest expense for 2013.

A decrease in the **Group result** for 2013 is expected. In view of the long-term positive outlook for earnings, the Executive Board intends to hold the **dividend** per share stable for the fiscal year 2013 at € 1.25. The 2013 **Group value added** will be below that of 2012.

Revenue and earnings outlook of the Fraport segments for 2013

In spite of the uncertain traffic forecast, a slight increase in revenue is expected for the **Aviation** segment in the fiscal year 2013. This will be due in particular to the increase in airport charges by an average of 2.9 % as of January 1, 2013. The positive development of revenue will also positively impact the EBITDA and EBIT of the segment, for which a slight growth in 2013 is also forecast. The value contribution of the segment will still be negative in 2013.

The **Retail & Real Estate** segment in the current fiscal year will achieve in particular higher retail revenue as a result of the full-year operation of Pier A-Plus. Operation of the pier will also result in increased revenue from energy supply services and rents. Revenue in 2013 therefore will be significantly above the level of 2012. A significant increase is also expected for the segment EBITDA and EBIT. The value contribution of the segment will continue to be positive in the current fiscal year.

In the **Ground Handling** segment, there will be a minor increase in revenue in 2013 as a result of price increases for ground handling as well as for infrastructure charges. Despite the revenue growth, the EBITDA and EBIT in the current fiscal year will be at about the level of 2012. The reason for this will be in particular the provision in the personnel area released in 2012 which will result in a negative base-year effect for the EBITDA and EBIT in the fiscal year 2013. The value contribution of the segment will again be negative in 2013. If there should be another decline in maximum take-off weights, despite nearly constant passenger figures, in 2013, the revenue, EBITDA and EBIT development of the segment could also turn out below the before-mentioned forecast.

The continuing positive expected business development in Antalya, Lima and Twin Star will lead to an increase in the fiscal year 2013 organic revenue in the segment **External Activities & Services**. Moreover, increased capacitative investments in the Group companies Lima and Twin Star will increase the reported segment revenue as a result of application of IFRIC 12. Correspondingly, increasing expenses from investment expenses will result in the additional revenue having a neutral effect on results due to the application of IFRIC 12. EBITDA and EBIT are forecast at about the level of 2012. The value contribution will continue to be positive.

Expected net assets and financial position for 2013

The **net assets** and **financial position** of the Fraport Group will be characterized in fiscal year 2013 by additional **capital expenditure** at the Frankfurt site which, however, will be significantly lower as a result of the completion of Pier A-Plus in 2012. The focus of investment will continue to be on modernization and maintenance projects. Investments in property, plant and equipment of around € 450 million are expected. Investments in airport operating projects will be between € 100 million and € 150 million.

The lower capital expenditure activity will have a positive effect on the **statement of cash flows** and on **free cash flow** of the Fraport Group in the fiscal year 2013. Free cash flow will improve in comparison with 2012, but will continue to be in the negative range.

Total assets will increase as a result of the positive Group result as well as the planned investment activity in 2013 and will increase up to € 9,800 million. While **shareholders' equity** will increase slightly in fiscal year 2013 as a result of additions to revenue reserves, the **equity ratio** will be at about the level of the previous year as a result of the rise in total assets.

Net financial debt will increase further as of the 2013 balance sheet date as a result of the negative free cash flow and the payment of dividends. Due to a slightly disproportionately high increase in net debt in relationship to shareholders' equity, the **gearing ratio** is expected at around 110% to be slightly above that of 2012.

If, in the course of its efforts, Fraport should expand external business in fiscal year 2013 and carry out relatively large acquisitions, the actual development of net assets, financial and earnings position could deviate significantly from the mentioned forecast.

Preview of revenue and earnings development of the Fraport Group for 2014

In fiscal year 2014, the Fraport Group expects a continuing positive organic development. Alongside the forecasted growth in traffic in Frankfurt and the Group airports in which an interest of more than 50% is held, at the Frankfurt site in particular the renewed increase in airport charges as of January 1, 2014 and the other price increases for ground handling and infrastructure charges will have a revenue-increasing effect. In addition, extra revenue is expected in the retail sector. As a result of the application of IFRS 11, the proportionate consolidation of, among others, the Group company Antalya as of January 1, 2014 will cease, so that the company will be accounted for using the equity method and will be included in the Group financial result. Accordingly, a drop is expected for planned **Group revenue, Group EBITDA** and **Group EBIT** in 2014 in comparison with 2013.

As a result of the application of IFRS 11 and the resulting inclusion of the Group company Antalya in the results from associated companies, the **financial result** will improve significantly in comparison with 2013. On the basis of the forecasted organic growth, a slight increase in **Group result** is expected in 2014 in comparison with 2013. For fiscal year 2014, the Executive Board intends to keep the **dividend** per share at least at the level of 2013. The 2014 **Group value added** will be at approximately the level of 2013.

Preview of revenue and earnings development of the Fraport segments for 2014

In the fiscal year 2014, Fraport Group expects a further increase in revenue in the **Aviation** segment. In addition to the renewed increase in airport charges as of January 1, 2014 of an average of 2.9 %, the expected positive development of traffic will have a revenue-increasing effect. The revenue increase will positively impact EBITDA and EBIT of the segment for which growth in 2014 is also forecast. The value contribution of the segment will improve in 2014, but will continue to be negative.

Expected for the segment **Retail & Real Estate** in the fiscal year 2014 is a continued positive development which above all is attributable to the higher expected passenger volume and the accompanying increasing retail revenue. Segment revenue, EBITDA and EBIT will be above the values of 2013. The value contribution of the segment will further improve in 2014.

The expected growth in traffic as well as price increases for ground handling and infrastructure charges will have a positive effect on the development of result of the segment **Ground Handling** in the fiscal year 2014. For revenue, EBITDA and EBIT, higher values are expected in comparison with the fiscal year 2013. The value contribution of the segment will increase in 2014, but will continue to be negative.

For the segment **External Activities & Services**, a positive organic development is also expected in 2014. As a result of the application of IFRS 11, the proportionate consolidation of, among others, the Group company Antalya as of January 1, 2014 will cease, so that the company will be accounted for using the equity method. Accordingly, a drop is expected for reported segment revenue, segment EBITDA and segment EBIT in 2014 in comparison with 2013. On the organic level, the Group companies Antalya, Lima and Twin Star will continue to develop positively in 2014. The value contribution in the fiscal year 2014, compared with that in 2013, will fall as a result of the application of IFRS 11.

Preview of net assets and financial position for 2014

The **net assets** and **financial position** of the Fraport Group will be characterized by continuing **capital expenditure** in modernization and maintenance of the Frankfurt site. Depending on the construction progress of Terminal 3, the investment volume is expected to be above the level of 2013.

The forecasted increase in investment activity will tend to increase the outflow of funds in the **statement of cash flows** and to negatively affect **free cash flow**. Therefore a deterioration is expected for free cash flow in 2014 in comparison to 2013.

In connection with planned repayments on non-current liabilities and the application of IFRS 11, **total assets** for 2014 are expected to be below the level of 2013. **Shareholders' equity** will increase further in 2014 as a result of additions to revenue reserves. The **equity ratio** will therefore exceed the 2013 figure, but this will be due to the decline in total assets as well.

The reduced free cash flow, dividend payment and application of IFRS 11 will result in constant to slightly rising **net financial debt** in 2014. A **gearing ratio** for 2014 at about the level of the previous year is expected.

The preview of net assets, financial and earnings position again in the fiscal year 2014 is with reservation for relatively large acquisition projects in external business.

Key figures of the business outlook

	Actual 2012	Outlook 2013	Preview 2014
Passengers	Frankfurt: 57.5 million	At approximately the previous year's level	Growth compared with 2013
	Antalya: 25.0 million, Lima: 13.3 million, Burgas: 2.4 million, Varna: 1.2 million	Growth in Antalya, Lima, Burgas and Varna	Growth in Antalya, Lima, Burgas and Varna compared with 2013
Group earnings	Revenue € 2.44 billion	Increase up to 5%	Reduction due to IFRS 11, organic growth
	EBITDA: € 850.7 million	Between € 870 million and € 890 million	Reduction due to IFRS 11, organic growth
	EBIT: € 498.0 million	In the event of attainment of the lower EBITDA range: At approximately the level of 2012 In the event of attainment of the upper range: Increase to around € 520 million possible	Reduction due to IFRS 11, organic growth
	Result: € 251.6 million	Decrease	Slight increase compared with 2013
	Value added: € 8.5 million	Decrease	At approximately the level of 2013
Fraport segments	Aviation: Revenue: € 823.4 million, EBITDA: € 199.9 million, EBIT: € 77.6 million	Slight increase in revenue, EBITDA and EBIT	Further increase in revenue, EBITDA and EBIT
	Retail & Real Estate: Revenue: € 452.9 million, EBITDA: € 333.9 million, EBIT: € 251.5 million	Significant increase in revenue, EBITDA and EBIT	Further increase in revenue, EBITDA and EBIT
	Ground Handling: Revenue: € 649.3 million, EBITDA: € 43.6 million, EBIT: € 4.7 million	Minor increase in revenue, EBITDA and EBIT at about the level of 2012	Increase in revenue, EBITDA and EBIT in comparison with 2013
	External Activities & Services: Revenue: € 516.4 million, EBITDA: € 273.3 million, EBIT: € 164.2 million	Organic growth of revenue, EBITDA and EBIT at about the level of 2012	Reduction due to IFRS 11, organic growth
Net assets and financial position	Capital expenditure for property, plant and equipment: € 602.9 million	Around € 450 million	Increase compared with 2013
	Free cash flow: € –162.4 million	Improvement, but still negative	Decline compared with 2013
	Gearing ratio: 105.0%	Around 110%	About the level of 2013

Table 22

Frankfurt am Main, March 5, 2013

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte Giesen Müller Schmitz Dr. Zieschang

Where the statements made in this document relate to the future rather than the past, these statements are based on a number of assumptions about future events and are subject to a number of uncertainties and other factors, many of which are beyond the control of Fraport AG Frankfurt Airport Services Worldwide and which could have the effect that the actual results will differ materially from these statements. These factors include, but are not limited to, the competitive environment in deregulated markets, regulatory changes, the success of business operations and a substantial deterioration in basic economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its Group companies operate. Readers are cautioned not to rely to an inappropriately large extent on statements made about the future.

from left to right:
***Andrea Pal** (Northern Capital Gateway LLC, CFO)*
***Alexander Zinell** (Fraport AG, Head of Global Investments and Management)*
***Volker Wendefeuer** (Northern Capital Gateway LLC, COO)*

4 Consolidated Financial Statements

External Activities & Services *With 12 international airport investments, Fraport is among the world's most important airport operators. Alongside concession contracts in Eastern Europe, Asia and South America, the Fraport investment portfolio includes, among other things, management contracts in the Middle East and airport shares in China and Germany. Fraport can selectively utilize and market know-how for techniques and processes which are gained at the new Pier A-Plus in Frankfurt on a worldwide basis.*

Consolidated Financial Statements for the Fiscal Year 2012

Consolidated Income Statement

€ million	Notes	2012	2011
Revenue	(5)	**2,442.0**	**2,371.2**
Change in work-in-process	(6)	0.5	0.4
Other internal work capitalized	(7)	44.0	40.3
Other operating income	(8)	62.7	40.9
Total revenue		**2,549.2**	**2,452.8**
Cost of materials	(9)	–558.1	–541.1
Personnel expenses	(10)	–947.8	–906.3
Depreciation and amortization	(11)	–352.7	–305.7
Other operating expenses	(12)	–192.6	–203.1
Operating result		**498.0**	**496.6**
Interest income	(13)	52.6	47.3
Interest expenses	(13)	–226.7	–191.7
Result from associated companies	(14)	11.7	11.5
Other financial result	(15)	30.5	–16.4
Financial result		**–131.9**	**–149.3**
Result from ordinary operations		**366.1**	**347.3**
Taxes on income	(16)	–114.5	–96.5
Group result		**251.6**	**250.8**
thereof profit attributable to non-controlling interests		13.3	10.4
thereof profit attributable to shareholders of Fraport AG		238.3	240.4
Earnings per € 10 share in €	(17)		
basic		2.59	2.62
diluted		2.58	2.60
EBIT (= Operating result)		**498.0**	**496.6**
EBITDA (= EBIT + Depreciation and amortization)		**850.7**	**802.3**

Table 23

Consolidated Statement of Comprehensive Income

€ million	2012	2011
Group result	**251.6**	**250.8**
Fair value changes of derivatives		
Changes directly recognized in equity	–62.0	–70.0
thereof realized gains (+)/losses (–)	–29.7	–24.9
	–32.3	**–45.1**
(Deferred taxes related to those items	9.6	13.5)
Fair value changes of financial instruments held for sale		
Changes directly recognized in equity	14.8	10.6
thereof realized gains (+)/losses (–)	26.6	–0.4
	–11.8	**11.0**
(Deferred taxes related to those items	2.4	–6.6)
Foreign currency translation of Group companies outside Germany	**–3.1**	**3.2**
Income and expenses from associated companies accounted for using the equity method directly recognized in equity	**–8.2**	**–3.2**
(Deferred taxes related to those items	1.5	1.9)
Deferred taxes on other result	**13.5**	**8.8**
Other result after deferred taxes	**–41.9**	**–25.3**
Comprehensive income	**209.7**	**225.5**
thereof attributable to non-controlling interests	13.0	10.9
thereof attributable to shareholders of Fraport AG	196.7	214.6

Table 24

Consolidated Statement of Financial Position as at December 31, 2012

Assets

€ million	Notes	December 31, 2012	December 31, 2011
Non-current assets			
Goodwill	(18)	38.6	38.6
Investments in airport operating projects	(19)	1,031.2	1,067.1
Other intangible assets	(20)	44.2	43.6
Property, plant and equipment	(21)	5,927.3	5,643.8
Investment property	(22)	34.4	74.6
Investments in associated companies	(23)	136.6	138.0
Other financial assets	(24)	742.7	648.6
Other receivables and financial assets	(25)	117.1	33.5
Income tax receivables	(26)	19.5	29.6
Deferred tax assets	(27)	49.2	48.2
		8,140.8	**7,765.6**
Current assets			
Inventories	(28)	77.7	81.4
Trade accounts receivable	(29)	180.0	163.9
Other receivables and financial assets	(25)	385.2	280.2
Income tax receivables	(26)	35.0	6.2
Cash and cash equivalents	(30)	821.9	927.1
		1,499.8	**1,458.8**
		9,640.6	**9,224.4**

Table 25

Liabilities and equity

€ million	Notes	December 31, 2012	December 31, 2011
Shareholders' equity			
Issued capital	(31)	921.3	918.8
Capital reserve	(31)	588.0	584.7
Revenue reserves	(31)	1,400.5	1,317.9
Equity attributable to shareholders of Fraport AG	(31)	2,909.8	2,821.4
Non-controlling interests	(32)	35.7	29.4
		2,945.5	**2,850.8**
Non-current liabilities			
Financial liabilities	(33)	4,401.0	4,034.0
Trade accounts payable	(34)	64.4	64.9
Other liabilities	(35)	1,006.4	1,001.0
Deferred tax liabilities	(36)	101.3	106.9
Provisions for pensions and similar obligations	(37)	27.4	22.9
Provisions for income taxes	(38)	80.2	68.1
Other provisions	(39)	215.1	214.8
		5,895.8	**5,512.6**
Current liabilities			
Financial liabilities	(33)	196.6	219.9
Trade accounts payable	(34)	214.4	228.9
Other liabilities	(35)	163.2	187.4
Provisions for income taxes	(38)	5.3	2.4
Other provisions	(39)	219.8	222.4
		799.3	**861.0**
		9,640.6	**9,224.4**

Table 26

Consolidated Statement of Cash Flows

€ million	Notes	2012	2011
Profit attributable to shareholders of Fraport AG		**238.3**	**240.4**
Profit attributable to non-controlling interests		13.3	10.4
Adjustments for			
Taxes on income	(16)	114.5	96.5
Depreciation and amortization	(11)	352.7	305.7
Interest result	(13)	174.1	144.4
Gains/losses from disposal of non-current assets		–33.2	4.8
Others		1.7	1.6
Fair value changes in associated companies	(14)	–11.7	–11.5
Changes in inventories	(28)	3.7	–3.5
Changes in receivables and financial assets	(25)	–20.6	7.4
Changes in liabilities	(34–35)	–42.7	–20.6
Changes in provisions	(37–39)	19.7	10.0
Operating activities		**809.8**	**785.6**
Financial activities			
Interest paid		–167.3	–133.7
Interest received		31.8	59.6
Taxes on income paid		–121.3	–92.7
Cash flow from operating activities	**(42)**	**553.0**	**618.8**
Investment in airport operating projects	(19)	–89.4	–101.4
Capital expenditure for other intangible assets	(20)	–5.4	–10.0
Capital expenditure for property, plant and equipment	(21)	–598.6	–794.9
Investment property	(22)	–22.0	–62.6
Capital expenditure for associated companies	(23)	0.0	–31.6
Dividends from associated companies	(23)	6.4	3.9
Loans to affiliated companies [1]	(23)	–31.2	–77.9
Proceeds from disposal of non-current assets		4.0	2.1
Disposal of consolidated Group companies	(2)	0.0	3.2
Cash flow used in investing activities without investments in cash deposits and securities		**–736.2**	**–1,069.2**
Financial investments in securities and promissory note loans	(24)	–563.0	–385.0
Proceeds from disposal of securities and promissory note loans		424.0	223.3
Decrease of time deposits with a duration of more than 3 months	(30)	96.0	921.1
Cash flow used in investing activities	**(42)**	**–779.2**	**–309.8**
Dividends paid to shareholders of Fraport AG	(31)	–114.8	–114.8
Dividends paid to non-controlling interests		–6.7	–2.7
Capital increase	(31)	2.3	2.1
Cash inflow from long-term financial liabilities	(33)	652.7	0.0
Repayment of long-term financial liabilities		–163.7	–261.9
Changes in short-term financial liablities		–151.6	102.7
Cash flow from/ used in financing activities	**(42)**	**218.2**	**–274.6**
Change in restricted cash	(30)	3.5	–1.9
Change in cash and cash equivalents		**–4.5**	**32.5**
Cash and cash equivalents on January 1		132.8	99.1
Foreign currency translation effects on cash and cash equivalents		–1.2	1.2
Cash and cash equivalents as at December 31	**(42), (30)**	**127.1**	**132.8**

[1] This refers to joint ventures, associated companies and investments.

Table 27

Consolidated Statement of Changes in Equity

€ million	Notes	Issued capital	Capital reserve
Balance at January 1, 2012		**918.8**	**584.7**
Foreign currency translation effects		–	–
Income and expenses from associated companies directly recognized in equity		–	–
Fair value changes of financial assets held for sale		–	–
Fair value changes of derivatives		–	–
Net income (+)/Net costs (–) directly recognized in equity		**0.0**	**0.0**
Issue of shares for employee investment plan		0.5	1.8
Management-Stock-Options-Plan			
Capital increase for exercise of options		2.0	1.3
Value of performed services (fair value)		–	0.2
Distributions		–	–
Group result		–	–
Consolidation activities/other changes		–	–
Balance at December 31, 2012	(31), (32)	**921.3**	**588.0**
Balance at January 1, 2011		**918.4**	**582.0**
Foreign currency translation effects		–	–
Income and expenses from associated companies directly recognized in equity		–	–
Fair value changes of financial assets held for sale		–	–
Fair value changes of derivatives		–	–
Net income (+)/Net costs (–) directly recognized in equity		**0.0**	**0.0**
Issue of shares for employee investment plan		0.4	1.7
Management-Stock-Options-Plan			
Capital increase for exercise of options		–	–
Value of performed services (fair value)		–	1.0
Distributions		–	–
Group result		–	–
Consolidation activities/other changes		–	–
Balance at December 31, 2011	(31), (32)	**918.8**	**584.7**

Revenue reserve	Foreign currency reserve	Financial instruments	Revenue reserve (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Equity (total)
1,384.9	**11.5**	**–78.5**	**1,317.9**	**2,821.4**	**29.4**	**2,850.8**
–	–2.8	–	–2.8	–2.8	–0.3	–3.1
–	–0.3	–6.4	–6.7	–6.7	–	–6.7
–	–	–9.4	–9.4	–9.4	–	–9.4
–	–	–22.7	–22.7	–22.7	–	–22.7
0.0	**–3.1**	**–38.5**	**–41.6**	**–41.6**	**–0.3**	**–41.9**
–	–	–	–	2.3	–	2.3
–	–	–	–	3.3	–	3.3
–	–	–	–	0.2	–	0.2
–114.8	–	–	–114.8	–114.8	–6.7	–121.5
238.3	–	–	238.3	238.3	13.3	251.6
0.7	–	–	0.7	0.7	–	0.7
1,509.1	**8.4**	**–117.0**	**1,400.5**	**2,909.8**	**35.7**	**2,945.5**
1,258.9	**2.5**	**–43.7**	**1,217.7**	**2,718.1**	**21.2**	**2,739.3**
–	2.7	–	2.7	2.7	0.5	3.2
–	6.3	–7.6	–1.3	–1.3	–	–1.3
–	–	4.4	4.4	4.4	–	4.4
–	–	–31.6	–31.6	–31.6	–	–31.6
0.0	**9.0**	**–34.8**	**–25.8**	**–25.8**	**0.5**	**–25.3**
–	–	–	–	2.1	–	2.1
–	–	–	–	0.0	–	0.0
–	–	–	–	1.0	–	1.0
–114.8	–	–	–114.8	–114.8	–2.7	–117.5
240.4	–	–	240.4	240.4	10.4	250.8
0.4	–	–	0.4	0.4	–	0.4
1,384.9	**11.5**	**–78.5**	**1,317.9**	**2,821.4**	**29.4**	**2,850.8**

Table 28

Consolidated Statement of Changes in Non-current Assets
(Notes 18 – 24)

€ million	Goodwill	Investments in airport operating projects	Other intangible assets	Lands, land rights and buildings including buildings on leased lands	Technical equipment and machinery	Other equipment, operating and office equipment
Acquisition/production costs						
Balance at January 1, 2012	**135.2**	**1,322.3**	**136.4**	**5,273.4**	**2,567.7**	**395.7**
Foreign currency translation effects		–6.9	–0.1			–0.2
Additions		39.1	5.4	232.8	86.3	53.5
Disposals			–5.4	–5.1	–40.8	–24.7
Reclassifications			4.0	198.4	326.4	12.3
Balance at December 31, 2012	**135.2**	**1,354.5**	**140.3**	**5,699.5**	**2,939.6**	**436.6**
Accumulated depreciations						
Balance at January 1, 2012	**96.6**	**255.2**	**92.8**	**1,975.0**	**1,367.2**	**265.6**
Foreign currency translation effects		–2.9				–0.1
Impairment losses in accordance with IAS 36						
Additions		71.0	8.6	154.5	85.2	32.9
Disposals			–5.3	–2.7	–37.2	–24.3
Reclassifications				6.0	0.9	
Write-ups						
Balance at December 31, 2012	**96.6**	**323.3**	**96.1**	**2,132.8**	**1,416.1**	**274.1**
Net book values						
Balance at December 31, 2012	**38.6**	**1,031.2**	**44.2**	**3,566.7**	**1,523.5**	**162.5**
Acquisition/production costs						
Balance at January 1, 2011	**135.2**	**1,260.3**	**120.2**	**4,407.3**	**1,758.4**	**369.1**
Foreign currency translation effects		10.9				0.2
Additions		51.1	10.0	177.8	268.4	38.8
Disposals			–5.3	–23.8	–23.7	–18.9
Changes in consolidation				–0.9	–5.1	–0.3
Reclassifications			11.5	713.0	569.7	6.8
Balance at December 31, 2011	**135.2**	**1,322.3**	**136.4**	**5,273.4**	**2,567.7**	**395.7**
Accumulated depreciations						
Balance at January 1, 2011	**96.6**	**186.9**	**87.8**	**1,865.9**	**1,324.9**	**255.1**
Foreign currency translation effects		3.1				0.2
Impairment losses in accordance with IAS 36				6.0		
Additions		65.2	10.6	121.0	66.9	28.9
Disposals			–5.0	–16.7	–22.2	–18.6
Changes in consolidation				–0.6	–3.5	–0.1
Reclassifications			–0.6	–0.6	1.1	0.1
Write-ups						
Balance at December 31, 2011	**96.6**	**255.2**	**92.8**	**1,975.0**	**1,367.2**	**265.6**
Net book values						
Balance at December 31, 2011	**38.6**	**1,067.1**	**43.6**	**3,298.4**	**1,200.5**	**130.1**

[1] This refers to joint ventures, associated companies and investments.

Construction in progress	Property, plant and equipment (total)	Investment property	Investments in associated companies	Other investments	Available for sale securities	At fair value securities	Loans to affiliated companies [1]	Other loans	Other financial assets (total)
1,015.9	**9,252.7**	**87.5**	**208.7**	**52.4**	**418.9**	**0.9**	**161.8**	**62.1**	**696.1**
	−0.2		−0.3						0.0
230.3	602.9	12.2	12.1		318.1		31.2	38.7	388.0
−11.5	−82.1		−6.8		−101.5		−3.1	−0.8	−105.4
−559.0	−21.9	−59.2	−6.4		−149.4			−28.2	−177.6
675.7	**9,751.4**	**40.5**	**207.3**	**52.4**	**486.1**	**0.9**	**189.9**	**71.8**	**801.1**
1.1	**3,608.9**	**12.9**	**70.7**	**−7.9**	**−27.3**	**0.0**	**64.2**	**18.5**	**47.5**
	−0.1								0.0
	0.0	0.3							0.0
	272.6	0.2							0.0
	−64.2				34.2		−2.7		31.5
	6.9	−6.9			1.4				1.4
	0.0	−0.4		−2.7	−19.2			−0.1	−22.0
1.1	**3,824.1**	**6.1**	**70.7**	**−10.6**	**−10.9**	**0.0**	**61.5**	**18.4**	**58.4**
674.6	**5,927.3**	**34.4**	**136.6**	**63.0**	**497.0**	**0.9**	**128.4**	**53.4**	**742.7**
1,925.5	**8,460.3**	**40.1**	**167.8**	**52.4**	**221.6**	**0.9**	**84.1**	**94.3**	**453.3**
	0.2		9.3						0.0
391.1	876.1	62.6	43.1		294.2		77.9	25.2	397.3
−10.8	−77.2	−0.1	−3.9		−12.2		−0.2	−2.0	−14.4
	−6.3								0.0
−1,289.9	−0.4	−15.1	−7.6		−84.7			−55.4	−140.1
1,015.9	**9,252.7**	**87.5**	**208.7**	**52.4**	**418.9**	**0.9**	**161.8**	**62.1**	**696.1**
1.1	**3,447.0**	**6.1**	**70.7**	**12.5**	**−36.5**	**0.0**	**64.2**	**18.5**	**58.7**
	0.2								0.0
	6.0	6.8							0.0
	216.8	0.3							0.0
	−57.5				0.4				0.4
	−4.2								0.0
	0.6								0.0
	0.0	−0.3		−20.4	8.8				−11.6
1.1	**3,608.9**	**12.9**	**70.7**	**−7.9**	**−27.3**	**0.0**	**64.2**	**18.5**	**47.5**
1,014.8	**5,643.8**	**74.6**	**138.0**	**60.3**	**446.2**	**0.9**	**97.6**	**43.6**	**648.6**

Table 29

Segment Reporting
(Note 41)

€ million		Aviation	Retail & Real Estate	Ground Handling	External Activities & Services	Adjustments	Group
Revenue	2012	823.4	452.9	649.3	516.4	–	2,442.0
	2011	774.9	444.7	655.5	496.1	–	2,371.2
Other income	2012	40.4	14.4	24.9	27.5	–	107.2
	2011	31.7	14.8	17.9	17.2	–	81.6
Third-party revenue	**2012**	**863.8**	**467.3**	**674.2**	**543.9**	**–**	**2,549.2**
	2011	**806.6**	**459.5**	**673.4**	**513.3**	**–**	**2,452.8**
Inter-segment revenue	2012	73.1	217.3	31.4	338.6	–660.4	–
	2011	67.6	195.2	27.7	327.6	–618.1	–
Total revenue	2012	936.9	684.6	705.6	882.5	–660.4	2,549.2
	2011	874.2	654.7	701.1	840.9	–618.1	2,452.8
Segment result EBIT	**2012**	**77.6**	**251.5**	**4.7**	**164.2**	**0.0**	**498.0**
	2011	**96.1**	**232.1**	**20.3**	**148.1**	**0.0**	**496.6**
Depreciation and amortization of segment assets	2012	122.3	82.4	38.9	109.1	–	352.7
	2011	91.7	73.2	34.2	106.6	–	305.7
EBITDA	**2012**	**199.9**	**333.9**	**43.6**	**273.3**	**–**	**850.7**
	2011	**187.8**	**305.3**	**54.5**	**254.7**	**–**	**802.3**
Share of result from associated companies accounted for using the equity method	2012	0.0	0.0	1.2	10.5	–	11.7
	2011	0.0	0.0	1.5	10.0	–	11.5
Income from investments	2012	0.0	0.0	0.0	0.0	–	0.0
	2011	0.0	0.0	0.0	0.0	–	0.0
Book value of segment assets	2012	4,142.0	2,670.9	777.6	1,946.4	103.7	9,640.6
	2011	4,023.2	2,483.1	705.9	1,928.2	84.0	9,224.4
Segment liabilities	2012	2,681.0	1,858.4	567.3	1,401.6	186.8	6,695.1
	2011	2,531.9	1,665.1	538.9	1,460.3	177.4	6,373.6
Acquisition cost of additions to property, plant and equipment, investments in airport operating projects, goodwill, intangible assets and investment property	2012	290.6	199.4	86.5	83.1	–	659.6
	2011	526.0	269.7	78.4	125.7	–	999.8
Other significant non-cash effective expenses	2012	64.2	32.7	8.3	3.7	–	108.9
	2011	136.1	38.3	8.4	9.3	–	192.1
Share of associated companies accounted for using the equity method	2012	0.0	0.0	2.6	134.0	–	136.6
	2011	0.0	0.0	2.6	135.4	–	138.0

Table 30

Geographical Information

€ million		Germany	Rest of Europe	Asia	Rest of World	Adjustments	Group
	2012	2,000.9	69.8	164.8	206.5		2,442.0
Revenue	2011	1,953.3	83.9	159.8	174.2		2,371.2
	2012	96.4	0.3	6.6	3.9		107.2
Other income	2011	77.0	3.3	1.0	0.3		81.6
	2012	**2,097.3**	**70.1**	**171.4**	**210.4**	**–**	**2,549.2**
Third-party revenue	**2011**	**2,030.3**	**87.2**	**160.8**	**174.5**	**–**	**2,452.8**
	2012	7,889.6	377.9	926.4	343.0	103.7	9,640.6
Book value of segment assets	2011	7,586.2	215.5	983.9	354.8	84.0	9,224.4
Acquisition cost of additions to property, plant and equipment, investments in airport operating projects, goodwill, intangible assets and	2012	614.6	27.9	6.3	10.8	–	659.6
investment property	2011	937.9	38.5	9.0	14.4	–	999.8

Table 31

Group Notes for the Fiscal Year 2012

Notes to the Consolidation and Accounting Policies

1 Basis for the preparation of the consolidated financial statements

Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main (hereinafter: Fraport AG) prepared its consolidated financial statements as of December 31, 2012 in accordance with the standards issued by the International Accounting Standards Board (IASB).

We have applied the International Financial Reporting Standards (IFRS) for the consolidated financial statements and the interpretations about them issued by the International Financial Reporting Committee (IFRC) as adopted in the European Union (EU), in force on the balance sheet date, completely and without any restriction in recognition, measurement and disclosure in the 2012 consolidated financial statements. Pursuant to Section 315a (1) of the German Commercial Code (HGB), the supplementary disclosures in the notes to the financial statements were provided applying Sections 313, 314 of the HGB.

As the capital market-oriented parent company of the Fraport Group, Fraport AG must prepare its consolidated financial statements in accordance with IFRS pursuant to Directive (EC) No. 1606/2002 of the European Parliament and the Council dated July 19, 2002 (new version dated April 9, 2008), regarding the application of IFRS.

The consolidated income statement is prepared according to the nature of expenditure method.

The consolidated financial statements are prepared in Euros (€). All figures are in € million unless stated otherwise.

The business activities and the organization of the Fraport Group are presented in the management report.

The consolidated financial statements of Fraport AG for the 2012 fiscal year were approved for publication by the Executive Board on March 5, 2013.

2 Companies included in consolidation and balance sheet date

Fraport AG and all affiliated companies are included in the consolidated financial statements in full and joint ventures are consolidated on a proportionate basis. Investments in associated companies are accounted for using the equity method in the consolidated financial statements.

Companies whose financial and business policies can be determined by Fraport AG are considered affiliated companies. Inclusion in the consolidated financial statements commences on the date when control is obtained. Joint ventures are directly or indirectly managed by Fraport AG in conjunction with other partners. Associated companies are companies in which the Fraport Group has invested and where it is able to exercise major influence on financial and business policies.

The fiscal year of Fraport AG and all consolidated companies is the calendar year.

The consolidated financial statements of Fraport AG are dominated by the parent company. The companies included in the consolidated financial statements changed as follows during the fiscal year 2012:

Companies included in consolidation

	Germany	Other countries	Total
Fraport AG	1	0	1
Fully consolidated subsidiaries			
Dec. 31, 2011	24	14	38
Additions	0	0	0
Disposals	0	–1	–1
Dec. 31, 2012	**24**	**13**	**37**
Joint ventures using proportionate consolidation			
Dec. 31, 2011	7	6	13
Additions	0	0	0
Disposals	0	0	0
Dec. 31, 2012	**7**	**6**	**13**
Companies consolidated excluding associates on Dec. 31, 2011	**32**	**20**	**52**
Companies consolidated excluding associates on Dec. 31, 2012	**32**	**19**	**51**
Investments in associated companies using the equity method for accounting			
Dec. 31, 2011	3	3	6
Additions	0	0	0
Disposals	0	0	0
Dec. 31, 2012	**3**	**3**	**6**
Companies consolidated including associates on Dec. 31, 2011	**35**	**23**	**58**
Companies consolidated including associates on Dec. 31, 2012	**35**	**22**	**57**

Table 32

The subsidiary Fraport Airport Operations India Private Ltd., Bangalore, India, was disposed of. The deconsolidation of the company had no significant impact on the consolidated financial statements of the Fraport Group.

The companies GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG, Frankfurt am Main, and FSG Flughafen-Service GmbH, Frankfurt am Main, in which Fraport AG holds 40% and 33.33%, respectively, have been included in the consolidated financial statements as affiliated companies. Due to contractual stipulations, Fraport AG has actual control over these companies.

Fraport AG holds a 52% capital share in the equity of the company N*ICE Aircraft Services & Support GmbH, Frankfurt am Main. The company is only included in the consolidated financial statements on a proportionate basis of 52% due to joint management and control, which were contractually agreed.

A complete list of shareholdings for the Fraport Group pursuant to Section 313 (2) of the HGB is found at the end of the Group notes.

The **joint ventures** have the following proportional impact on the consolidated financial position and the consolidated income statement (before consolidation adjustments):

Joint ventures

€ million	2012	2011
Non-current assets	599.8	630.6
Current assets	152.9	152.7
Shareholders' equity	–7.2	–32.4
Non-current liabilities	667.1	728.9
Current liabilities	92.8	86.9
Income	191.0	182.3
Expenses	161.6	158.2

Table 33

3 Consolidation principles

Acquisition accounting of all business combinations uses the purchase method.

All identifiable acquired assets and the acquired liabilities, including contingent liabilities, are recorded at fair value on the acquisition date. The acquisition cost for corporate acquisitions corresponds to the fair value of the transferred assets and liabilities. Incidental acquisition costs are recorded as expenses as they are incurred. Conditional purchase price payments are recorded at fair value on the acquisition date. Subsequent changes in the fair value of a conditional consideration which is deemed to be an asset or a liability will be recognized either through profit or loss or as a change in other income. Non-controlling interests are valued at fair value or the corresponding proportion of the identifiable net assets of the acquired company. In the case of step-by-step company acquisitions, the shares already held in the acquired company are revalued through profit or loss at fair value on the date that control is obtained.

Goodwill is recorded insofar as the sum of the consideration that is transferred, the amount of all non-controlling interests in the acquired company and the equity that was previously held and revalued on the acquisition date is higher than the balance of the acquired and revalued identifiable assets and liabilities. If the comparison results in a lower amount, a gain on acquisition at a price below the fair value is recorded after the assigned values are reviewed.

Fraport has included its share of the assets, liabilities and shareholders' equity (after consolidation) and the income and expense items of joint ventures using proportionate consolidation in the consolidated financial statements.

Associated companies are in the consolidated financial statements accounted for using the equity method. Initial measurements of associated companies are carried out at fair value at the time of acquisition, similarly to acquisition accounting for subsidiaries and joint ventures. Subsequent changes in the shareholders' equity of the associated companies and the adjustment of the difference from initial valuation change the amount accounted for at equity.

Inter-company profits and losses on trade accounts payable between companies included in the consolidated financial statements were minimal. Elimination was waived based on immateriality, since the impact on the assets and earnings of the Group would have been negligible.

Loans, receivables and liabilities, contingencies and other financial commitments between companies included in the consolidated financial statements, internal expenses and income as well as income from Group investments are eliminated.

Currency translation

Annual financial statements of companies outside Germany denominated in foreign currencies are translated on the basis of the functional currency concept in accordance with IAS 21. The assets and liabilities of the consolidated companies are translated at the exchange rate on the balance sheet date and equity at the historical exchange rate, whereas simplifying the expenses and income are translated at annual average exchange rates, since the companies are financially, economically and organizationally independent. Foreign currency translation differences are included directly in equity without affecting profit or loss.

The following exchange rates were used for the material currency translation purposes:

Exchange rates

Unit/Currency in €	Exchange rate Dec. 31, 2012	Average exchange rate 2012	Exchange rate Dec. 31, 2011	Average exchange rate 2011
1 US Dollar (US-$)	0.7579	0.7783	0.7729	0.7184
1 Turkish New Lira (TRY)	0.4246	0.4322	0.4093	0.4278
1 Renminbi Yuan (CNY)	0.1216	0.1234	0.1226	0.1112
1 Hong Kong Dollar (HKD)	0.0978	0.1003	0.0995	0.0923
1 New Sol (PEN)	0.2971	0.2948	0.2863	0.2608
100 Russian Roubles (RUB)	2.4796	2.5046	2.3943	2.4459

Table 34

Business transactions in foreign currencies are accounted at the exchange rate on the date of the business transaction. Measurement of the resulting assets and liabilities that are nominally bound in the foreign currency on the balance sheet date takes place at the exchange rate on the balance sheet date. Translation differences were generally recorded through profit or loss.

4 Accounting principles

Uniform accounting policies

The financial statements of the Fraport Group are based on accounting policies that are applied consistently throughout the Group.

Recognition of income and expenses

Revenue and other income are recognized in accordance with IAS 18 when the goods have been delivered or the service rendered, when it is reasonably probable that an economic benefit will be received and when this benefit can be quantified reliably. In addition, the significant risks and rewards must have been transferred to the buyer.

Income and expenses from the same transactions and/or events are recognized in the same period.

Traffic charges for the provision of the airport infrastructure are divided into those subject to regulation (according to Section 19b of the German Air Traffic Act [LuftVG]), which include among others landing and take-off charges, parking charges, passenger and security charges and other charges not subject to authorization, such as ground handling services and ground handling infrastructure.

In addition, the Fraport Group mainly generates revenue from revenue-based payments, renting, car parking and security services.

In the context of the airport operating projects in other countries (see note 49), income and expenses from the operation of airport infrastructure and the provision of construction and expansion services are generated.

Revenue from the operation of airport infrastructure is recognized in accordance with IAS 18 when the services have been rendered, when it is reasonably probable that an economic benefit will be received and when this benefit can be quantified reliably.

Income and expenses from the provision of construction and expansion services are recorded pursuant to IAS 11. The contract costs are expensed as incurred according to IAS 11.32, since the result of production orders cannot be estimated reliably. Revenue from customer-specific contract production is recorded in the amount of the incurred contract costs expected to be recovered.

Judgment and uncertainty of estimates

The presentation of the net assets, financial and earnings position in the consolidated financial statements depends on accounting and valuation methods as well as assumptions and estimates. Actual amounts may deviate from the estimates.

The listed material estimates as well as the uncertainties associated with the accounting and valuation methods selected are essential in order to understand the underlying financial reporting risks as well as the impact these estimates, assumptions and uncertainties may have on the consolidated financial statements.

These assumptions and estimates relate, amongst other things, to accounting policies and the measurement of provisions. Material parameters for the measurement of provisions for pensions and similar obligations are the anticipated return on plan assets and the discount factor as well as trend factors of key valuation parameters.

When an acquired company is consolidated for the first time, all identifiable assets, liabilities and contingent liabilities are to be recognized at their fair value at the time of acquisition. One of the main estimates relates to the determination of the fair value of these assets and liabilities at the time of acquisition. The measurement is usually based on independent expert reports. Marketable assets are recognized at market or stock exchange prices. If intangible assets are identified, the fair value is usually measured by an independent external expert using appropriate measurement methods which are primarily based on future expected cash flows. These measurements are considerably influenced by assumptions about the developments of future cash flows as well as the applied discount rates.

The impairment test for goodwill and other assets within the scope of IAS 36 is based on assumptions about future developments. Fraport AG carries out these tests annually as well as when there are reasons to believe that goodwill has been impaired. In the case of cash generating units, the recoverable amount is determined. This corresponds to the higher of fair value less costs to sell and value in use. The measurement of the value in use includes adjustments and estimates regarding the forecasting and discounting of future cash flows. The underlying assumptions could change on account of unforeseeable events and may therefore impact the asset, financial and earnings positions.

In connection with the write-down on items of property, plant and equipment in the Ground Handling segment carried out in previous years (€ 20.0 million), it may be possible for the underlying assumptions to change in the future, which would make it necessary to considerably adjust the carrying amount of these assets.

Deferred tax assets are recognized if it is probable that future tax benefits can be realized. The actual tax on earnings in future fiscal years and therefore the actual usability of deferred tax assets could differ from the forecasts at the time the deferred tax assets are recognized.

In addition, material estimates and assumptions are each presented in relation to the accounting and valuation methods for specific end-of-year items listed subsequently.

Goodwill
After the initial recognition of goodwill acquired in the course of a business combination (see note 3), it is measured at acquisition cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in the course of a business combination is assigned to the cash generating units of the Group on the acquisition date. The Group companies within the Fraport Group constitute independent cash generating units to which goodwill is allocated. Goodwill impairment testing is performed by comparing the recoverable amount of a cash generating unit to its carrying amount, including goodwill. The recoverable amount corresponds to the higher of the fair value less costs to sell and the value in use. Since net selling prices for the cash generating units in the Fraport Group cannot be reliably determined, the value in use is based on a company valuation model (discounted cash flow method). All goodwill items are tested for impairment at least once a year in accordance with IAS 36.88–99. In case of an impairment an impairment loss is recognized. Goodwill is not written up when the reasons for impairment are eliminated. Goodwill is not subject to regular depreciation and amortization.

Investment in airport operating projects
To allow for better transparency, investments in airport operating projects are presented separately. These consist of concessions for the operations of airports in Varna and Burgas (Bulgaria), Lima (Peru) and Antalya (Turkey) acquired within the scope of service concession agreements (see note 49). The service concession agreements for the airport and/or terminal operating projects fall under IFRIC 12.17 and are recognized according to the intangible asset model, since Fraport receives the right in each case to charge airport users a fee in exchange for the obligation to pay concession fees and provide construction and expansion services. The contractual obligations to pay concession fees that are not variable but are fixed in the amount based on the contract are recorded as financial liabilities. These liabilities are initially recognized at fair value using a risk-adjusted discount rate. Airport operation rights received as consideration are recorded as intangible assets at the same amount and reported under investments in airport operating projects. The rights received as consideration for construction and expansion services are recognized at the cost of production in the period in which the production costs are incurred. Income and expenses from construction and expansion services are generally recorded pursuant to IFRIC 12.14 and in accordance with IAS 11.

The recognized financial liabilities are subsequently measured at amortized cost using the effective interest method. Subsequent measurement of the capitalized rights is at the cost of acquisition or production less cumulative regular depreciation and amortization over the term of the concessions.

Where necessary, impairment losses are recognized in accordance with IAS 36.

Intangible assets
Acquired intangible assets (IAS 38) are recognized at acquisition cost. Their useful life is limited. They are amortized over their useful lives using straight-line depreciation. Where necessary, impairment losses are recognized in accordance with IAS 36. If the recoverable amount of the asset later exceeds the carrying amount after an impairment loss has been recognized, the asset is written up to a maximum of the recoverable amount. The write-up through profit or loss is limited to the amortized carrying amount that would have resulted if no impairment losses had been recognized in the past.

Property, plant and equipment

Property, plant and equipment (IAS 16) are recognized at the cost of acquisition or production less straight-line depreciation and any impairment losses under IAS 36, where applicable. If the recoverable amount of the asset later exceeds the carrying amount after an impairment loss has been recognized pursuant to IAS 36, the asset is written up to a maximum of the recoverable amount. The write-up through profit or loss is limited to the amortized carrying amount that would have resulted if no impairment losses had been recognized in the past. Subsequent acquisition costs are capitalized. Production costs essentially include all direct costs including appropriate overheads. As of January 1, 2009, the borrowing costs of all property, plant and equipment that constitutes qualifying assets produced after January 1, 2000 (see IAS 23 "borrowing costs"), are recognized.

Each part of an item of property, plant and equipment with a acquisition cost that is significant in relation to the total value of the item is measured and depreciated separately with regard to its useful life and the appropriate depreciation method.

Government grants and third-party grants related to assets are included in liabilities and are released straight-line over the useful life of the asset for which the grant has been given. Grants related to income are included as other operating income through profit or loss (IAS 20).

Investment property

Investment property (IAS 40) includes property held to earn long-term lease revenue or capital appreciation, which is not owner-occupied; it also consists of land held for a currently undetermined future use.

If land as yet held for an undetermined use is now defined as being held for sale and development has begun, it is transferred to inventories; if it is intended for owner-occupation, it is transferred to property, plant and equipment.

Investment property is measured initially at the cost of acquisition or production. Subsequent measurement is at the cost of acquisition or production less regular straight-line depreciation and impairment losses under IAS 36, where applicable. As of January 1, 2009, the borrowing costs of all investment property that constitutes qualifying assets produced after January 1, 2000 (see IAS 23 "borrowing costs") are recognized.

Borrowing costs

Effective January 1, 2009, borrowing costs (IAS 23) that relate to the acquisition, construction or production of a qualifying asset are required to be capitalized as part of the acquisition/production cost of such assets. Qualifying assets whose production began after January 1, 2000, are recognized. Due to the scope of Fraport's capital expenditures, qualifying assets are determined on the basis of planned investment measures. If the volume of the planned measures exceeds € 25 million and if the construction period is more than 1 year, all assets produced as part of the measure are recognized as qualifying assets. Fraport includes interest, financing charges in respect to financing leases and exchange differences in borrowing costs to the extent that they are regarded as an adjustment to interest costs.

Regular depreciation

Regular depreciation is determined by the straight-line method on the basis of the following useful lives, which apply throughout the Group:

Regular depreciation

Investments in airport operating projects	17–35 years
Other intangible assets	3–25 years
Buildings (structural sections)	30–80 years
Technical buildings	20–40 years
Building equipment	12–38 years
Ground equipment	5–50 years
Flight operating areas	
Take-off/landing runways	20 years
Aprons	50 years
Taxiway bridges	80 years
Taxiways	20 years
Other technical equipment and machinery	3–33 years
Vehicles	4–20 years
Other equipment, operating and office equipment	4–25 years

Table 35

The expected useful life of investment property corresponds to the expected useful life of the property which is part of property, plant and equipment.

Impairment of assets according to IAS 36

Impairment losses on assets are recognized according to IAS 36. Assets are tested for impairment in case of indications of an impairment loss. An impairment loss is recognized for assets when the recoverable amount of the asset has fallen below its carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is the present value of the estimated future cash in- and outflows from the use and subsequent disposal of the asset.

Regardless of indicators for possible impairment losses, assets are subject to an annual impairment test pursuant to IAS 36.

Since it is not generally possible in the Fraport Group to allocate cash flows to individual assets, so-called cash generating units are recognized. A cash generating unit is defined as the smallest identifiable group of assets that generates cash in- and outflows that are largely independent of the cash in- and outflows from other assets or groups of assets.

Leasing

Agreements that transfer the right to use a specific asset for a specified period of time in exchange for compensation are deemed to be leases. Fraport is both a lessor and a lessee. A decision whether economic ownership is assigned to the lessor (operate lease) or the lessee (finance lease) is made based on which party bears the risks and opportunities associated with the respective leased asset.

Finance lease

If economic ownership can be attributed to the Fraport Group as lessee, the lease is recognized at the inception of the lease at the present value of the minimum lease payments plus any incidental costs that are paid or at the fair value of the lease object if this value is lower. This asset is depreciated straight-line over its useful life or the lease term, if this is shorter. Impairment losses are recorded against the carrying amount of the capitalized leased asset. If economic ownership cannot be attributed to the Fraport Group as the lessor, a receivable equivalent to the present value of the lease payments is recognized.

Operate lease

If economic ownership of the leased assets remains with the lessor and Fraport AG assumes the role of the lessee, lease payments are considered on a linear basis over the lease term. If Fraport assumes the role of the lessor, leased assets are recognized at the cost of acquisition or production and amortized accordingly. Lease revenue is generally recognized on a linear basis over the lease term.

Investments in associated companies

Investments in associated companies are recognized at the pro rate share of equity, including goodwill.

Other financial assets

Other financial assets include securities in non-current assets, loans and other investments. Other financial assets are recognized at fair value on the settlement date, i.e. at the time the asset is created or transferred. Non-current low-interest or interest-free loans are recognized at their present value.

The subsequent measurement of financial assets depends on the respective category according to IAS 39 (see note 40).

Loans are assigned to the “loans and receivables” category. These financial instruments are measured at amortized cost using the effective interest method.

Other investments are assigned to the “available for sale” category on the balance sheet date. Due to a lack of an active market, they are generally measured at acquisition cost. They will be assigned at fair values as long as they can be reliably calculated and the gains or losses are included directly in equity without affecting profit or loss.

Other securities are assigned to the “available for sale” category. Subsequent measurement is at fair value, taking into account the effective interest method and gains or losses are included directly in equity without affecting profit or loss.

Inventories

In addition to work-in-process, raw materials, consumables and supplies, the inventories include property held for sale within the normal operating cycle.

Work-in-process, raw materials, consumables and supplies are measured at the lower of acquisition or production cost or net realizable value. Acquisition or production cost is generally calculated using the average cost method. Production costs include direct costs and production overheads.

Property held for sale within the ordinary course of business is also measured at the lower of acquisition or production cost or net realizable value.

The subsequent production cost required for land development is estimated for the entire marketable land area on the basis of specific cost unit rates for individual development measures. Depending on the land sales recognized in the respective reporting year, the development costs are allocated on a pro rata basis to the remaining land area to be sold. Net realizable value is the estimated selling price less the costs incurred until the time of sale, discounted over the planned selling period.

The opinion of an external expert regarding the fair value of the land being sold, as well as information about previous land sales, forms the basis for the calculation of the estimated selling price.

As of January 1, 2009, the borrowing costs of all inventories that constitute qualifying assets produced after January 1, 2000 (see IAS 23 "borrowing costs"), are recognized.

If a write-down made in previous periods is no longer necessary, a write-up is recognized (IAS 2).

Receivables and other assets

Receivables and other assets mainly consist of trade accounts receivable, receivables from banks, other receivables, derivatives and marketable securities. These assets are recognized at cost, which is usually the same as fair value, on the settlement date, i.e. at the time the asset is created or economic ownership is transferred. Non-current low-interest or non-interest bearing receivables are recognized at their present value at the time of origination or acquisition.

Trade accounts receivable, receivables from banks and all other receivables with fixed or ascertainable payments that are not listed in an active market are assigned to the "loans and receivables" category. Subsequent measurement is carried out at amortized cost, based on the effective interest method. Receivables in foreign currencies are translated at the exchange rate on the balance sheet date.

Securities are allocated to the "available for sale" category. They are measured at fair value, according to the effective interest method. Gains or losses are included directly in equity without affecting profit or loss.

Impairment of financial assets

On each balance sheet date, the carrying amounts of financial assets which are not measured at fair value through profit or loss are assessed to see whether there is any objective evidence (such as considerable financial difficulties of the debtor, high probability of insolvency proceedings against the debtor, a permanent decline of the fair value below amortized cost) that the asset may be impaired.

In general, impairment losses are recognized by reducing the value of the receivable or the financial asset.

The impairment of trade accounts receivable is recognized in an item-by-item allowance account through profit or loss. If there is an indication in subsequent periods that the reasons for an impairment loss no longer exist, a write-up is recognized through profit or loss. If a receivable already impaired is designated as non-recoverable, the asset is derecognized.

Cash and cash equivalents

Cash and cash equivalents basically include cash, cash accounts and short-term cash assets with banks maturing in 3 months or less. Cash and cash equivalents with a term to maturity of more than 3 months from the time of acquisition are recorded in this item if their values do not fluctuate significantly and they can be liquidated at any time without deduction for risk. Cash and cash equivalents are recognized at nominal value. Cash in foreign currencies is translated at the exchange rate on the balance sheet date.

Treasury shares
Repurchased treasury shares are deducted from the issued capital and the capital reserve (IAS 32).

Recognition of income taxes
Income taxes are recognized using the liability method according to IAS 12. All tax expenses and refunds directly related to income are recorded as income taxes. These also include penalties and interest on arrears from the date it appears probable that a reduction of taxes will be denied.

Current taxes are recognized on the date when the liability for income taxes is incurred.

Deferred taxes are accounted for under IAS 12 using the liability method based on temporary differences on a case by case basis. Deferred taxes are recognized for temporary differences between the IFRS balance sheets of the single entities and their tax bases and differences arising from unused loss carry-forwards and consolidation adjustments. The recognition of goodwill that is not deductible for tax purposes does not lead to deferred taxes.

If the carrying amount of an asset in the IFRS financial position exceeds its tax base (e.g. non-current assets depreciated on a linear basis) and if the difference is temporary, a deferred tax liability is recognized. Under IFRS deferred tax assets are recognized for financial position differences and for the carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred taxes are calculated at future tax rates insofar as these have already been legally established and/or the legislative process is largely completed. Changes in deferred taxes on the balance sheet generally lead to deferred tax income or expense. When transactions resulting in a change to deferred taxes are recorded directly in equity, the change to deferred taxes is also included directly in equity.

Provisions for pensions and similar obligations
The provisions for pensions relate to defined benefit plans and have been calculated in accordance with IAS 19 under the application of actuarial methods and an interest rate of 3.17 % (previous year: 4.49 %). Actuarial gains or losses are recognized directly through profit or loss. As in the previous year, the calculations did not include salary increases for the active members of the Executive Board. As far as former members of the Executive Board are concerned, pension increase assumptions are based on German legislation about the adjustment of salary and pension payments by the federal and state governments for 2003/2004 (BBVAnpG). In the dynamic sampling of the relevant remuneration for employees not subject to collective agreements and managing employees, 11.0 % was included in the calculation as in the previous year. The calculation of provisions for pensions was based on the 2005G mortality tables of Professor Heubeck.

Please refer to notes 37 and 52 for a description of the plan.

Provisions for taxes
Provisions for current tax are recognized for tax expected to be payable in the reporting year and/or previous years taking into account anticipated risks.

Other provisions
Other provisions are recognized in the amount required to settle the obligations. They are recognized to the extent that there is a current commitment to third parties. In addition, they must be the result of a past event, lead to a future outflow of resources and more likely than not be needed to settle the obligation (IAS 37).

Non-current provisions with terms of more than 1 year are discounted at a capital market interest rate with a matching maturity, taking future cost increases into account, provided that the effect of the time value of money is material.

Liabilities
Liabilities are recognized in the amount of the consideration received. Liabilities in foreign currencies are translated at the exchange rate on the balance sheet date. Non-current low-interest or non-interest bearing liabilities are carried at their present value at the time of addition.

Finance lease liabilities are reported at the lower of the present value of the minimum lease payments and the fair value of the leased asset.

Subsequent measurement is based on the effective interest method at amortized cost.

Derivative financial instruments, hedging transactions
The Fraport Group uses derivative financial instruments to hedge existing and future interest and exchange rate risks as well as raw material price risks (diesel). Derivative financial instruments with positive or negative market values are measured at fair value in accordance with IAS 39. Gains or losses on cash flow hedges are recorded in the reserve for financial instruments without affecting profit or loss. Corresponding to this, deferred taxes on the fair value of cash flow hedges are also included directly in shareholders' equity. The effectiveness of the cash flow hedges is assessed on a regular basis. Ineffective cash flow hedges are recorded through profit or loss.

If the criteria for a cash flow hedge are not met, the derivative financial instruments are designated as held for trading. In this case, the changes in the fair value and the related deferred taxes are recognized through profit or loss.

Derivative financial instruments are recognized at the trade date.

Stock options
The subscription rights issued on shares of Fraport AG in connection with the contingent capital have been recognized and measured in accordance with IFRS 2. Performance takes place by issuing shares. The measurement of the share-based payments is based on fair value on the date the option is granted. The cost of the payment is allocated as personnel expenses over the period during which employees have an unrestricted claim to the instruments.

Virtual stock options
Virtual stock options are being issued effective January 1, 2010, as part of compensation for the Executive Board and Senior Managers. This virtual stock options program (LTIP) replaces the previous stock options program (Fraport Management Stock Options Plan 2005). They are paid out in cash immediately at the end of the performance period of 4 years. The measurement of virtual shares is at fair value under IFRS 2. Up to the end of the performance period, the fair value is determined on each reporting date and on the date of performance and is recorded in personnel expenses on a pro rata basis.

New standards, interpretations and changes
Of the new standards, interpretations and changes, Fraport has first applied those for which application was mandatory; i.e. those applicable to fiscal years beginning on or before January 1, 2012. Fraport did not exercise the option to apply standards, interpretations and changes early.

On October 7, 2010, the IASB published changes to IFRS 7 "Financial Instruments: Disclosures". The changes relate to expanded disclosure requirements in the context of transferring financial assets. With that, the link between financial assets that are not completely derecognized and the corresponding financial liabilities will become more comprehensible. Furthermore, the type and, especially, the risk of continuing involvement of derecognized financial assets can be better rated. Application of the changes to IFRS 7 is mandatory for fiscal years beginning on or after July 1, 2011. Comparative figures are not required in the first year of application. The application of the changes to IFRS 7 did not have a material impact on the reporting of the net asset, financial and earnings positions of the Fraport Group.

Standards which have not been applied prematurely

For the following new or amended standards and interpretations, which the Fraport Group is not obliged to adopt until future fiscal years, there will be no early application. Unless otherwise specified, the effects on the Fraport Group's financial statements are assessed presently.

Standards, interpretations and amendments published and accepted into European law by the EU Commission

On December 20, 2010, the IASB published changes to IAS 12 “Income Taxes”. This is an amendment in regards to calculating deferred taxes on investment property recognized at fair value (IAS 40.33). The change also includes SIC 21 “Income Taxes – Recovery of Revalued Non-Depreciable Assets”. With investment properties it is often difficult to assess whether to reverse existing taxable temporary differences in the context of ongoing use or in the course of sale. The amendments to IAS 12 clarify that the value of deferred taxes on the basis of the rebuttable presumption is still to occur and that the reversal by sale is occurring now. The amendments are to be first applied in fiscal years starting on or after January 1, 2013. Earlier application is permitted. The amendments were first adopted into EU law on December 29, 2012. In the Fraport Group, investment property is recognized according to the acquisition cost model (IAS 40.56). The changes to IAS 12 do not impact the net asset, financial and earning position of the Fraport Group.

On June 16, 2011, the IASB published changes to IAS 1 “Presentation of Financial Statements”. The way other income is presented in the statement of comprehensive income is to be changed. Going forward, the other income items that may be subsequently reclassified to profit and loss (recycling) should be kept separate from the other income items that are not reclassified. If the items are shown gross i.e., without netting with an effect on deferred taxes, they may no longer be shown as one total; instead, they should be allocated to both groups of items. The amendment was adopted under EU law on June 6, 2012 and is applicable for the first time for fiscal years starting on or after July 1, 2012.

On June 16, 2011, the IASB published a revised version of IAS 19 “Employee Benefits”. In addition to extensive benefit disclosure requirements for employees, the following amendments are to be especially noted: IAS 19 currently permits choices on how so-calledactuarial gains and losses were accounted for in financial statements. They can be listed in the income statement, under other income or on a deferred basis, using the so-called “corridor approach”. These options will be abolished in the revision of IAS 19 and the actuarial profit and loss must be reported directly under other comprehensive income (OCI). Furthermore, the expected revenue from the plan assets were previously calculated using the subjective expectations of management regarding the performance of the investment portfolio. With the application of the amendments to IAS 19, only typed of interest will be permitted for plan assets at the level of the current discount rate of the pension obligations. The amendments were first adopted into EU law on June 6, 2012. IAS 19 is to be first applied to fiscal years starting on or after January 1, 2013. The future application of IAS 19 will have no material impact on the reporting of the net asset, financial and earnings position of the Fraport Group.

On December 16, 2011, the IASB published amendments to IAS 32 and IFRS 7. The amendment to IAS 32 clarified the requirements for the offsetting of financial instruments. The definition of the current legal right to offsetting has been expanded and clarified by the amendment. It sets out which gross settlement procedures (in relation to standards) can be accounted for as net settlements. Given this clarification, the regulations regarding the disclosures in IFRS 7 have also been expanded. The amendments to IAS 32 are to be first applied to fiscal years starting on or after January 1, 2014. The amendments to IFRS 7 are to be first applied to fiscal years starting on or after January 1, 2013. Both amendments were adopted into EU law on December 29, 2012. The future application of the changes to IFRS 32 and IFRS 7 will not have a material impact on the reporting of the net asset, financial and earnings position of the Fraport Group.

On May 12, 2011, the IASB published 5 new and revised standards that amend the regulations on the consolidation and accounting of associated companies and joint venture investments and the associated disclosures. They are: IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “Separate Financial Statements” (revised 2011) and IAS 28 “Investments in Associates and Joint Ventures” (revised 2011).

IFRS 10 replaces the consolidation guidelines in the IAS 27 “Consolidated and Separate Financial Statements” and SIC 12 “Consolidation – Special Purpose Entities”. In the future, the new IAS 27 “Separate Financial Statements” (revised 2011) will only contain the regulations on accounting for subsidiaries, joint ventures and associated companies in separate financial statements under IFRS. In the revised IFRS 10, the term “control” has been comprehensively redefined. It now states that control is given if the potential parent company holds the decision-making power over the subsidiary, based on voting or other rights, it contributes to positive or negative variable returns from the subsidiary and can influence these returns with its decision-making powers. From this standard, the effects on the extent of the scope of consolidation including, among other things, special purpose entities can arise. The Fraport Group does not foresee any significant future changes to the scope of consolidation as a result of the application of IFRS 10. The effects of the new IFRS 10 regulation on the scope of consolidation will continue to be investigated on a case-by-case basis. The new standard is to be first applied to fiscal years starting on or after January 1, 2013. IFRS 10 will be applied retroactively if the classification as subsidiary is established differently between IAS 27/SIC-12 and IFRS 10 for an investment. Early application is currently only permitted simultaneously for IFRS 11 and IFRS 12, as well as for IAS 27 and IAS 28, which were revised in 2011.

While establishing IFRS 11 “Joint Arrangements”, adjustments were also made to IAS 28. Like before, IAS 28 continues to regulate the use of the equity method. The adoption of IFRS 11 will greatly increase its scope, as in the future all joint ventures and not just investments in associated companies will have to be accounted for using the equity method. The use of proportionate consolidation for joint ventures is therefore inapplicable. The new standard is to be first applied to fiscal years starting on or after January 1, 2013. There are specific transition rules, for example for the transition from proportionate consolidation to the equity method. Early application is currently only permitted simultaneously for IFRS 10 and IFRS 12, as well as for IAS 27 and IAS 28, which were revised in 2011. Currently, all joint ventures have been included proportionally in the Fraport Group. The abolishment of proportionate consolidation and the compulsory use of the equity method for joint ventures will have a significant impact on the future reporting of net asset, financial and earnings position. Indications of the extent to which the amendments will have an effect on the future application of IFRS 11 are covered in the report “influence of joint ventures on the consolidated financial statements” (see note 2).

IFRS 12 “Disclosure of Interests in Other Entities” summarizes the regulations for subsidiaries, joint ventures and associated companies as well as unconsolidated structured entities. The required declarations are considerably more extensive compared to the previous requirements of IAS 27, IAS 28 and IAS 31. The objective of IFRS 12 is to allow the users of financial statements to find the quantitative and qualitative information they require to evaluate the nature of and risks associated with and the interests in other entities as well as the effects of those interests on the net asset, financial and earnings position. The new standard is to be first applied to fiscal years starting on or after January 1, 2013.

On December 29, 2012, the EU Commission adopted IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of Interests in Other Entities”, IAS 27 “Separate Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” into EU law. The standards are to be first applied in fiscal years starting on or after January 1, 2014. (Voluntary) early application will only be permitted for these new consolidation standards after EU endorsement. The mandatory initial application for EU IFRS adopters of the IASB effective date therefore deviates from January 1, 2013.

The standard IFRS 13 “Fair Value Measurement” was published on May 12, 2011. IFRS 13 sets out, in a single standard, uniform measurement bases to measure fair value. There will be further regulations only for IAS 17 and IFRS 2. According to IFRS 13, fair value is defined as the price that would be received through selling an asset or the price paid to transfer a liability. As currently known from the fair value measurement of financial assets, a 3-tiered “fair value hierarchy” will be introduced, that will rank them according to observed market prices. The new fair value measurement may lead to different values compared to the previous system. The new standard is to be first applied to fiscal years starting on or after January 1, 2013. Earlier application is permitted. The future application of IFRS 13 should not have a material impact on the reporting of the net asset, financial and earnings position of the Fraport Group.

Standards, interpretations and amendments that have been published but not yet adopted into European law by the EU Commission

On November 12, 2009 the IASB published changes to IFRS 9 “Financial Instruments: Classification and Measurement” and on October 28, 2010, it released amendments to the standard. The accounting and measurement of financial instruments according to IFRS 9 will replace IAS 39. In the future, financial assets will be classified and measured in 2 groups only: at amortized cost and fair value. The amortized cost group of financial assets comprises those financial assets that are only expected to give rise to interest and redemption payments on specified dates and those that will be held in the context of a business model with the objective of retaining assets. All other financial assets will form the fair value group. Under certain circumstances, financial assets in the amortized cost group may – as before – instead be designated as fair value (fair value option). Value changes of financial assets in the fair value group are to be generally recognized in profit or loss. However, for particular equity instruments it is possible to exercise the right to recognize value changes under other income. Claims for dividends from these financial assets are, however, recognized in profit or loss. The regulations for financial liabilities are covered principally by IAS 39. The most significant difference concerns the recognition of value changes in financial liabilities measured at fair value. In the future these will be divided as follows: the part apportionable to own credit risk is to be recognized under other income, while the remaining part of value changes is to be recognized in profit or loss. Subject to its adoption into EU law, IFRS 9 is to be first applied in fiscal years starting on or after January 1, 2015.

On December 16, 2011, the IASB published the amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date and Transition Disclosures”. There are to be no adjustments to previous year figures in the first-time application of IFRS 9. This relief results in additional disclosures having to be made in the notes to the annual financial statements in accordance with IFRS 7 during the transition period. This should make it possible for investors to assess the effects of the first-time application of IFRS 9 to the recognition and valuation of financial instruments. Subject to their adoption into EU law, the amendments are to be first applied to fiscal years starting on or after January 1, 2015.

On May 17, 2012, the IASB published the “Improvements to IFRS 2009 – 2011” (Annual Improvements), which amended 5 International Financial Reporting Standards (IFRSs). These changes affect the following regulations: IFRS 1 relating to borrowing costs, IAS 1 for details of comparative information from previous years, IAS 16 regarding the accounting principles for maintenance equipment, IAS 32 regarding the accounting principles for tax effects on distributions to equity shareholders and transaction costs of an equity transaction and IAS 34 regarding segment information for the total assets and liabilities of interim financial reporting. Subject to their adoption into EU law, the new regulations will come into force for reporting years starting on or after January 1, 2013. Earlier application is permitted.

On June 28, 2012, IASB published amendments to the transitional provisions of IFRS 10, 11 and 12. The amendment clarifies that the date of the initial application of IFRS 10 is the start of the reporting period in which the standard is first applied. In addition, the mandatory disclosures of IFRS 12 are only applicable to the immediately preceding period. Structured companies that are not to be consolidated are released from the obligation to disclose comparative information for periods prior to the first application of IFRS 12. Subject to their adoption into EU law, the amendments are to be first applied in fiscal years starting on or after January 1, 2014.

On October 31, 2012, the IASB published the standard “Investment Companies” as a further amendment to IFRS 10, IFRS 12 and IAS 27. The changes include the definition of terms for investment entities, exempt these investment companies from the scope of IFRS 10 and provide for mandatory disclosures for investment companies. Investment companies are exempt from the mandatory inclusion of the companies controlled by them in their consolidated financial statements. Instead, the shareholdings held for investment purposes shall be valued at fair value through profit and loss. Subject to their adoption into EU law, the new regulations are to be first applied in fiscal years starting on or after January 1, 2014.

Notes to the Consolidated Income Statement

5 Revenue

Revenue

€ million	2012	2011
Aviation		
Airport charges	673.6	634.7
Security services	98.3	92.0
Other revenue	51.5	48.2
Total	**823.4**	**774.9**
Retail & Real Estate		
Real Estate	175.2	168.3
Retail	179.8	167.9
Parking	73.5	74.8
Other revenue	24.4	33.7
Total	**452.9**	**444.7**
Ground Handling		
Ground handling services	393.3	406.1
Infrastructure charges	256.0	246.7
Other revenue	0.0	2.7
Total	**649.3**	**655.5**
External Activities & Services	**516.4**	**496.1**
Total	**2,442.0**	**2,371.2**

Table 36

For information on revenue please refer to the management report under chapter “Results of Operations” as well as the segment reporting (see note 41).

The segment Retail & Real Estate includes proceeds from operating leases. The revenue-related surface rentals recognized in the fiscal year amount to € 175.5 million (previous year: € 161.6 million).

The operating leases mainly relate to the leasing of buildings, land, terminal areas and offices. The contract periods end in 2070 or earlier. No purchase options have been agreed upon. The residual term of hereditary building rights contracts is 46 years on average. No purchase options exist for them, either.

The acquisition or production cost of the leased buildings and land amounts to € 423.2 million. Accumulated depreciation and amortization totals to € 275.7 million and the depreciation and amortization amounted to € 6.8 million for the fiscal year (previous year: € 15.9 million).

Revenue in the External Activities & Services segment includes contract revenue from construction and expansion contracts related to airport operating projects abroad in the amount of € 28.7 million (previous year: € 32.4 million).

The total amount of future income from minimum lease payments arising from non-cancellable leases is as follows:

Minimum lease payments

€ million			Residual term	Total
	< 1 year	1–5 years	> 5 years	2012
Minimum lease payments	76.3	157.4	861.6	1,095.3

€ million			Residual term	Total
	< 1 year	1–5 years	> 5 years	2011
Minimum lease payments	83.5	164.7	663.3	911.5

Table 37

6 Change in work-in-process

Change in work-in-process

€ million	2012	2011
Change in work-in-process	0.5	0.4

Table 38

7 Other internal work capitalized

Other internal work capitalized

€ million	2012	2011
Other internal work capitalized	44.0	40.3

Table 39

The other internal work capitalized primarily relates to engineering, planning and construction services, procured services of employees and services of commercial project managers, as well as other work performances. The other internal work capitalized was incurred essentially in connection with the extension, remodeling and modernization of the terminal buildings at Frankfurt Airport and their fire protection systems. Other internal work also related to the airport expansion program and the expansion of the airport infrastructure at Frankfurt Airport.

8 Other operating income

Other operating income

€ million	2012	2011
Release of provisions	30.3	18.4
Passive noise abatement	8.1	0.0
Release of special items for investment grants	2.2	2.2
Income from compensation payments	1.7	1.9
Gains from disposal of non-current assets	1.1	1.2
Release of allowances	0.8	0.2
Income from deconsolidation	0.0	2.6
Other items	18.5	14.4
Total	**62.7**	**40.9**

Table 40

The release of provisions mainly relates to current provisions for rebates and refunds as well as personnel-related provisions.

The income from compensation payments mainly relates to proceeds from insurance claims.

For information on income from passive noise abatement, please refer to note 39.

9 Cost of materials

Cost of materials

€ million	2012	2011
Cost of raw materials, consumables and supplies	–103.4	–106.5
Cost of purchased services	–454.7	–434.6
Total	**–558.1**	**–541.1**

Table 41

Among other things, the cost of raw materials, consumables and supplies includes production cost for finished real estate. The realized sales proceeds are included under the real estate revenue.

In the context of the airport operating projects abroad (see note 49), the cost of purchased services includes revenue-related concession payments in the amount of € 87.7 million (previous year: € 70.6 million), as well as contract cost for construction and extension services in the amount of € 28.7 million (previous year: € 32.4 million).

10 Personnel expenses and number of employees

Personnel expenses and average number of employees

€ million	2012	2011
Wages and salaries	–762.4	–732.1
Social security and welfare expenses	–137.1	–134.3
Pension expenses	–48.3	–39.9
Total	**–947.8**	**–906.3**

Average number of employees	2012	2011
Permanent staff	19,793	19,401
Temporary staff (interns, students and scholars)	1,170	1,194
Total	**20,963**	**20,595**

Table 42

The average number of staff employed during the fiscal year (excluding apprentices and employees on leave) was 20,535 in the fully consolidated companies (previous year: 20,199) and 428 (previous year: 396) in the companies using proportionate consolidation.

Fraport AG accounts for € 24.3 million of the increase in personnel expenses and € 8.3 million is attributed to FraSec Fraport Security Services GmbH, Frankfurt am Main.

Additions to pension provisions and obligations arising from time-account models are included in personnel expenses.

The interest cost of the additions to pension provisions is included in personnel expenses.

11 Depreciation and amortization

Depreciation and amortization

€ million	2012	2011
Composition of depreciation and amortization		
Investments in airport operating projects	–71.0	–65.2
Other intangible assets	–8.6	–10.6
Property, plant and equipment		
regular	–272.6	–216.8
non-regular	0.0	–6.0
Investment property		
regular	–0.2	–0.3
non-regular	–0.3	–6.8
Total	**–352.7**	**–305.7**

Table 43

Regular depreciation and amortization

The useful lives of some assets were re-estimated in the year under review, resulting in increased net depreciation and amortization of € 15.5 million (previous year: reduced net depreciation and amortization of € 5.0 million).

Impairment of assets pursuant to IAS 36

Impairment tests pursuant to IAS 36 conducted during the year under review resulted in a recognized impairment loss of € 0.3 million. All of this is related to investment property. Please refer to note 22 for more information.

The valuation of assets reflects future earnings expectations. The recoverable amount is the higher of the value in use or the fair value less cost to sell. Only the value in use was applied in the year under review. The value in use is determined by the entity applying the discounted cash flow method, as the fair value less cost to sell cannot be reliably determined.

Determination of the future cash flows of the cash generating units is based on the planning figures. The value in use is generally determined based on the future cash flows estimated on the basis of the planning figures for the years between 2013 to 2018 and approved by the Executive Board and valid at the time the impairment tests are made (in December of the year under review) and on the basis of the current long-term plans until 2020 or over the respective contractual periods in the case of investments in airport operating projects. These forecasts are based on past experiences and the market performance expected. A growth rate (of between 0.0 % and 2.0 %) based on the planning assumptions is taken into account in the perpetual annuity. The discount factor was a country-specific, weighted average cost of capital (WACC) of between 6.20 % and 10.18 % (previous year: between 6.3 % and 10.94 %).

12 Other operating expenses

Other operating expenses

€ million	2012	2011
Insurances	–26.1	–25.6
Rental and lease expenses	–24.7	–25.4
Expenses from commitments to the environment and local areas	–21.0	–22.5
Consulting, legal and auditing expenses	–18.9	–22.0
Advertising costs	–18.5	–21.2
Losses from disposal of non-current assets	–5.5	–6.0
Other taxes	–5.8	–5.5
Write-downs of trade accounts receivable	–2.0	–4.6
Other items	–70.1	–70.3
Total	**–192.6**	**–203.1**

Table 44

Rental and lease expenses include minimum lease payments in the amount of € 14.6 million (previous year: € 14.5 million) as well as conditional lease payments in the amount of € 3.0 million (previous year: € 3.1 million).

The Group's obligations to the environment and the local areas during the fiscal year include provision for the financial involvement of Fraport AG in the regional fund as part of the Allianz für Lärmschutz 2012 package of noise reduction measures, as well as provisions for promoting environmental projects.

Among other things, other operating expenses include travel costs, office supplies, course and seminar fees, entertainment expenses, administration fees, postage and costs for additions to various provisions.

The consulting, legal and audit expenses include Group auditor fees (disclosed in accordance with Section 314 (1) no. 9 of the HGB) amounting to € 1.9 million (previous year: € 2.0 million). They are comprised as follows:

Group auditor fees

€ million	2012		2011	
	Fraport AG	Consolidated companies	Fraport AG	Consolidated companies
Audit	1.1	0.4	0.9	0.4
Other certification or valuation services	0.2	0.0	0.5	0.0
Tax audit fees	0.1	0.0	0.2	0.0
Other services	0.1	0.0	0.0	0.0

Table 45

13 Interest income and interest expenses

Interest income and interest expenses

€ million	2012	2011
Other interest and similar income	52.6	47.3
Other interest and similar expenses	–226.7	–191.7

Table 46

Interest income and expenses include interest paid on non-current loans and time deposits as well as interest income and expenses from interest cost added back on non-current liabilities and provisions and on non-current assets. The net interest payments of derivative financial instruments and interest income from securities are recorded as interest income and expenses.

Interest income and interest expenses for financial instruments that are not recognized in income at fair value:

Interest from financial instruments not recognized in income at fair value

€ million	2012	2011
Interest income from financial instruments	49.7	45.7
Interest expenses from financial instruments	–218.5	–187.4

Table 47

14 Result from associated companies

The result from associated companies breaks down as follows:

Result from associated companies

€ million	2012	2011
Thalita Trading Ltd./Northern Capital Gateway LLC	8.1	3.4
Xi'an Xianyang International Airport Co., Ltd.	2.8	6.6
Airmail Center Frankfurt GmbH	0.7	0.8
ASG Airport Service Gesellschaft mbH	0.5	0.7
Flughafen Hannover-Langenhagen GmbH	–0.4	0.0
Total	**11.7**	**11.5**

Table 48

15 Other financial result

The other financial result breaks down as follows:

Other financial result

€ million	2012	2011
Income		
Foreign currency gains, unrealized	1.1	1.1
Foreign currency gains, realized	15.1	0.2
Measurement of derivatives	0.4	0.6
Fair value measurement of securities in financial assets	0.0	0.2
Gains from the disposal of financial assets	23.2	0.0
Other income	4.9	3.1
Total	**44.7**	**5.2**
Expenses		
Foreign currency losses, unrealized	–2.8	–5.6
Foreign currency losses, realized	–1.1	–0.6
Measurement of derivatives	–10.0	–12.6
Fair value measurement of securities in financial assets	0.0	–0.6
Losses from the disposal of financial assets	0.0	–0.4
Other expenses	–0.3	–1.8
Total	**–14.2**	**–21.6**
Total other financial result	**30.5**	**–16.4**

Table 49

16 Taxes on income

Income tax expense breaks down as follows:

Taxes on income

€ million	2012	2011
Current taxes on income	–109.6	–92.0
Deferred taxes on income	–4.9	–4.5
Total	**–114.5**	**–96.5**

Table 50

Current income tax expense consists of current income tax for the year under review and income tax for previous years. Most of the income tax expense results from the activities of Fraport AG.

Current income tax for Fraport AG for the 2012 fiscal year amounts to € 80.4 million (previous year: € 70.9 million). This includes taxes on income for previous years in the amount of € 6.8 million (previous year: gain of € 1.1 million, item "taxes previous years").

The tax expenses include the corporation and trade income taxes as well as the solidarity surcharge of the companies in Germany and comparable taxes on income of the companies outside Germany. The actual taxes result from the taxable profits or losses of the fiscal year and any revisions to previous assessment periods, to which the local tax rates of the respective Group company are applied.

Deferred taxes are generally measured on the basis of the tax rate applicable in the respective country. A combined income tax rate of around 31 % including trade tax has been applied to German companies.

Deferred taxes are recognized for all temporary differences between the IFRS financial statements and their tax bases and for the carry-forwards of unused tax losses.

The Fraport Group had tax losses carried forward in the amount of some € 4.8 million (previous year: € 7.1 million) as of December 31, 2012, which could not be used based on current information. This decrease in tax loss carry-forwards, which are not expected to be utilized, is mainly due to the Group internal transfer of the shareholding in Pantares Tradeport Asia Ltd.

Loss carry-forwards that are not expected to be utilized are mainly due to Fraport Immobilienservice und -entwicklungs GmbH & Co. KG and can be carried forward indefinitely. The recoverability of deferred tax assets depends essentially on the probability of the future use of the losses carried forward. This depends on whether future taxable profit will be available in the periods in which the carry forward of unused tax losses can be utilized.

No deferred tax liabilities were recognized for temporary differences in connection with shares in subsidiaries, joint ventures and associated companies in the amount of € 144.0 million, as Fraport can control the timing of the reversal and it is not expected that these differences will reverse in the foreseeable future. These deferred tax liabilities are, however, limited to 1.55 % of the difference as well as local withholding taxes in the case of future dividend payments from certain foreign subsidiaries. The amounts are not material from the Group's point of view.

In addition, deferred taxes also result from consolidation adjustments. No deferred tax is determined for goodwill recognized and any impairment of goodwill is calculated in accordance with IAS 12.

Deferred tax assets and liabilities are netted insofar as these tax claims and obligations relate to the same tax authority and to the same taxable entity or a group of different taxable entities that, however, are assessed jointly for income tax purposes.

Deferred taxes resulting from temporary differences between tax bases and assets/liabilities reported according to IFRS are to be assigned to the following balance sheet items:

Allocation of deferred taxes

€ million	2012		2011	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment including investments in airport operating projects	2.4	–282.0	1.1	–280.3
Financial assets	0.0	0.0	0.0	–10.1
Receivables and other assets	22.8	–18.9	2.9	–1.3
Accruals	31.3	–0.7	33.2	–0.1
Pension provisions	3.9	0.0	2.7	0.0
Other provisions	49.1	–41.7	16.3	–1.2
Liabilities	165.6	–14.1	179.8	–26.7
Derivatives	51.5	–4.2	48.5	–11.5
Losses carried forward	1.3	0.0	3.9	0.0
Total individual financial statements	**327.9**	**–361.6**	**288.4**	**–331.2**
Offsetting	–278.7	278.7	–244.0	244.0
Consolidation adjustments	0.0	–18.4	3.8	–19.7
Consolidated financial position	**49.2**	**–101.3**	**48.2**	**–106.9**

Table 51

In the fiscal year, deferred taxes increasing equity in the amount of € 12.0 million (previous year: € 6.9 million) from the change in the fair values of Derivatives and securities were recognized directly in equity without affecting profit or loss.

The following reconciliation shows the relationship between expected tax expense and tax expense in the consolidated income statement:

Tax reconciliation

€ million	2012	2011
Earnings before taxes on income	366.1	347.3
Expected tax income/expense [1)]	–113.5	–107.7
Tax effects from differences in tax rates outside Germany	11.0	8.8
Taxes on non-deductible expenses	–2.4	–1.1
Taxes relating to previous years	–6.8	1.1
Permanent differences including non-deductible tax provisions	–12.2	–4.9
Tax effects on consolidation adjustments that affect earnings	0.0	–0.3
Tax effects on tax-free and taxable income from other periods	15.2	9.4
First-time application of deferred taxes on losses carried forward	–0.1	0.0
Trade tax and other effects from local taxes	–5.2	–3.8
Other	–0.5	2.0
Taxes on income according to the income statement	**–114.5**	**–96.5**

[1)] Expected tax rate around 31 %, for corporation tax 15.0 % plus solidarity surcharge 5.5 % and trade tax of around 15.5 %

Table 52

The consolidated tax rate for the fiscal year is 31.3 % (previous year: 27.8 %).

17 Earnings per share

Earnings per share

	2012		2011	
	Basic	Diluted	Basic	Diluted
Profit for the year attributable to shareholders of Fraport AG (€ million)	238.3	238.3	240.4	240.4
Weighted average number of shares	92,012,909	92,443,382	91,858,474	92,311,336
Earnings per € 10 share in €	2.59	2.58	2.62	2.60

Table 53

The basic earnings per share for the 2012 fiscal year are calculated using the weighted average number of issued shares corresponding to € 10 of share capital each. Due to the capital increase, the number of shares outstanding during the period rose from 91,878,502 to 92,134,391 on December 31, 2012. With a weighted average number of 92,012,909 shares, the basic earnings per € 10 share amounted to € 2.59.

As a result of the rights granted to employees to buy shares (authorized capital) within the scope of the employee investment plan and of the issue of subscription rights in connection with the stock options plan (contingent capital), the diluted number of shares amounts to 92,443,382 (weighted average) and the diluted earnings per € 10 share are therefore € 2.58.

Notes to the Consolidated Financial Position

A breakdown and the development of the individual non-current asset items can be found in the consolidated statement of changes in non-current assets.

18 Goodwill

Goodwill arising on consolidation developed as follows:

Goodwill

€ million	Carrying amount Dec. 31, 2012	Carrying amount Dec. 31, 2011
Antalya Group	15.9	15.9
FraSec	22.4	22.4
Media	0.3	0.3
Total	**38.6**	**38.6**

Table 54

19 Investments in airport operating projects

Investments in airport operating projects

€ million	Dec. 31, 2012	Dec. 31, 2011
Investments in airport operating projects	1,031.2	1,067.1

Table 55

The investments in airport operating projects are based on the application of IFRIC 12 (see note 4 and note 49) and relate to capitalized concession payments of € 785.0 million (previous year: € 833.4 million) and incurred capital expenditure of € 246.2 million (previous year: € 233.7 million), for the terminal operation at Antalya Airport of € 597.8 million (previous year: € 647.6 million) and the concession airports in Lima of € 274.7 million (previous year: € 282.8 million) as well as Varna and Burgas of € 158.7 million (previous year: € 136.7 million).

20 Other intangible assets

Other intangible assets

€ million	Dec. 31, 2012	Dec. 31, 2011
Other intangible assets	44.2	43.6

Table 56

Other intangible assets essentially relate to software.

21 Property, plant and equipment

Property, plant and equipment

€ million	Dec. 31, 2012	Dec. 31, 2011
Land, land rights and buildings, including buildings on leased property	3,566.7	3,298.4
Technical equipment and machinery	1,523.5	1,200.5
Other equipment, operating and office equipment	162.5	130.1
Construction in progress	674.6	1,014.8
Total	**5,927.3**	**5,643.8**

Table 57

Additions to property, plant and equipment in the 2012 fiscal year amounted to € 602.9 million, of which € 187.4 million was from projects related to the expansion of Frankfurt Airport and € 157.6 million was attributed to Pier A-Plus, which opened in October and its associated infrastructure.

During the fiscal year, € 78.0 million relating to the accounting of obligations to reimburse the costs for noise abatement construction projects was reclassified out of “property, plant and equipment” and into item “other receivables and financial assets”. For additional information, please see note 39.

Borrowing costs totaling € 27.4 million were recognized (previous year: € 62.3 million). Of this amount, € 18.2 million (previous year: € 54.7 million) was used for capital expenditure whose financing could not be clearly classified for the purpose of creating a specific qualifying asset. The cost of debt for general project finance was approximately 4.7 % on average (previous year: approximately 4.6 %). Borrowing costs were mainly incurred for projects relating to the expansion of Frankfurt Airport.

Additional specific project financing was obtained for measures in connection with the expansion of Pier A-Plus at Frankfurt airport. Borrowing costs totaling € 8.2 million were capitalized for this project in 2012 (previous year: € 7.6 million). The average cost of debt was around 2.4 % (previous year: 2.5 %).

Borrowing costs of € 1.0 million were recognized for the specific financing of the New Passenger Terminals and the runways in Varna and Burgas. The average cost of debt for this project was 3.8 %.

As of the balance sheet date, property, plant and equipment with a book value totaling € 22.9 million carry mortgages (previous year: € 17.4 million).

Finance lease assets amounting to € 69.5 million (previous year: € 75.1 million) were recognized in property, plant and equipment, as well as other intangible assets, in the year under review.

Finance lease assets

€ million	Carrying amount Jan. 1, 2012	Additions	Disposals	Depreciation	Carrying amount Dec. 31, 2012
Other intangible assets	0.2	0.0	0.0	0.1	0.1
Land, land rights and buildings, including buildings on leased property	27.4	0.0	0.0	2.5	24.9
Technical equipment and machinery	47.1	4.3	0.0	7.2	44.2
Other equipment, operating and office equipment	0.4	0.0	0.0	0.1	0.3
Total	**75.1**	**4.3**	**0.0**	**9.9**	**69.5**

€ million	Carrying amount Jan. 1, 2011	Additions	Disposals	Depreciation	Carrying amount Dec. 31, 2011
Other intangible assets	0.6	0.0	0.0	0.4	0.2
Land, land rights and buildings, including buildings on leased property	29.9	0.0	0.0	2.5	27.4
Technical equipment and machinery	31.7	23.0	0.6	7.0	47.1
Other equipment, operating and office equipment	0.5	0.0	0.0	0.1	0.4
Total	**62.7**	**23.0**	**0.6**	**10.0**	**75.1**

Table 58

Other intangible assets include an agreement on the use of software licenses, which will become the property of Fraport AG after the contract expires. The contract will expire in 2013.

Land, land rights and buildings, including buildings on leased property, include an energy plant located on the premises of Fraport AG. Given the exclusive use by Fraport AG and the existence of a special lease contract, Fraport AG is considered to be the beneficial owner of the plant. The contract will expire in 2020.

This item also includes a cargo handling and office building leased from Fraport Cargo Services GmbH to the end of 2023. The contract includes 2 options to extend the term of the lease for 5 additional years each. Since virtually all economic rights and obligations have been transferred and the contract term exceeds the material portion of the useful life, beneficial ownership of the building is assigned to the tenant.

Technical equipment and machinery includes an IT service agreement between the company and operational services GmbH & Co. KG for the provision of an IT structure on the Frankfurt Airport site and all related services. As the network is located on the premises of Fraport AG and is of no reasonable commercial use to any other party, Fraport AG is considered to be the beneficial owner. Technical equipment and machinery also includes another IT service agreement with operational services GmbH & Co. KG for the provision of server and data storage capacities. The computer center required for this purpose is located on the premises of Fraport AG and Fraport AG is the sole recipient of the server and data storage services. Both contacts run until 2018. Over the course of various investment projects, the quantity of infrastructure supplied to the Group during the year under review increased significantly, so the leases were adjusted accordingly during the fiscal year. The asset and the financial lease liabilities were increased by € 4.3 million as a result.

Most of the remaining lease contracts relate to special vehicles. They expire at the earliest in 2014 and at the latest in 2017 (see note 35).

22 Investment property

Investment property

€ million	Dec. 31, 2012	Dec. 31, 2011
Investment property	34.4	74.6

Table 59

Investment property includes the following land and buildings situated in direct proximity to the airport:

Breakdown of investment property

€ million	Dec. 31, 2012	Dec. 31, 2011
Property in the city of Flörsheim situated in immediate initial approach area	16.2	4.2
Parts of the Gateway Gardens site	7.2	7.2
Parts of the Taubengrund site in Kelsterbach	6.6	13.3
Parts of the Mönchhof site	3.9	3.8
Ticona site	0.0	45.7
Other	0.5	0.4
Total	**34.4**	**74.6**

Table 60

From the voluntary purchase program of property in Flörsheim (an area in the flight zone of the Northwest Runway), additions of € 12.1 million were acquired in the year under review. The book value of acquired property corresponds to the market value, which was calculated by an independent assessor using the capitalization of earnings method.

The book value of the land on the Gateway Gardens site corresponds to the purchase price paid in 2009.

The properties and buildings at the Taubengrund site in Kelsterbach are located in areas of low levels of flight altitude. An external market value opinion was carried out for these properties in 2011. The market value corresponded to the book value on the balance sheet date. Fraport AG made a decision during the year under review to use part of the property for its own purposes, for which € 6.6 million was reclassified to “property, plant and equipment”.

The fair value of the lands on the Mönchhof site in Kelsterbach during the year under review was determined using internal comparative appraisals based on standard ground values published by a committee of experts. This resulted in impairments of € 0.3 million and the need to reverse impairments of € 0.4 million. The book values correspond to the market values on the balance sheet date with the exception of one land whose market value is € 0.9 million higher than its book value.

Based on a decision made during the year under review to appropriate the property and buildings on the Ticona site for the Group’s own use, the entire item was reclassified to property, plant and equipment.

Foreseeable restrictions on the salability arise principally for major parts of the investment property from the fact that these areas are located in the immediate vicinity of the Northwest Runway. Parts of the Mönchhof site are also within a bird sanctuary.

Lease revenue from investment property during the 2012 fiscal year amounted to € 1.2 million. The total costs incurred for the maintenance of investment property totaled € 0.6 million, of which € 0.2 million was incurred for property for which no lease revenue was earned in 2012.

23 Investments in associated companies

Investments in associated companies

€ million	Dec. 31, 2012	Dec. 31, 2011
Flughafen Hannover-Langenhagen GmbH	15.2	15.8
Xi'an Xianyang International Airport Co., Ltd.	104.8	107.8
ASG Airport Service Gesellschaft mbH	0.9	0.8
Thalita Trading Ltd.	14.0	11.8
Airmail Center Frankfurt GmbH	1.7	1.8
Tradeport Hong Kong Ltd.	0.0	0.0
Total	**136.6**	**138.0**

Table 61

The additions in the consolidated statement of changes in non-current assets include not only shareholdings acquired, but also earnings of the associated companies; the disposals include dividends (this year Xi'an with € 5.2 million, ASG with € 0.4 million and ACF with € 0.8 million) and negative earnings.

For Tradeport Hong Kong Ltd., Hong Kong, the cumulative amount of unrecorded pro-rata losses is € –2.4 million as of December 31, 2012 (previous year: € –2.9 million). The proportionate earnings in the reporting period total € +0.5 million (previous year: € +0.4 million).

Additional summarized financial information regarding the associated companies is found in the following table. This information refers to 100% of the shares in associated companies.

Information regarding associated companies

€ million	Dec. 31, 2012	Dec. 31, 2011
Assets	2,163.3	1,341.5
Shareholders' equity	596.5	601.5
Liabilities	1,566.8	740.0
Total income	910.5	543.6
Result of the accounting period	37.8	41.9

Table 62

24 Other financial assets

Other financial assets

€ million	Dec. 31, 2012	Dec. 31, 2011
Available for sale financial assets		
Investment securities	497.0	446.2
Other investments	63.0	60.3
Fair value option		
Securities	0.9	0.9
Loans		
Loans to affiliated companies	128.4	97.6
Other loans	53.4	43.6
Total	**742.7**	**648.6**

Table 63

Financial investments in securities of € 318.1 million, which were classified as available for sale, were carried out in the year under review. Other changes resulted from reclassifications due to securities of € 149.4 million maturing in 2013 and changes from early disposals of € 101.5 million. Fair value decreases of € 19.2 million were also recorded in the year under review without affecting profit or loss. These fair value changes are not based on creditworthiness since the issuers and/or issues ratings remained unchanged.

Investment securities include fund units that have been acquired exclusively for the insolvency protection of credits from the time-account models and partial retirement claims of employees of Fraport AG. In fiscal year 2012, fund units were increased by € 5.7 million, bringing total acquisition cost to € 64.0 million. These securities are measured at fair value and charged against the corresponding provisions in the amount of € 65.9 million (see note 39).

The change in other investments available for sale relates to shares in Delhi International Airport Private Ltd., New Delhi, India, which resulted in a newly derived price as fair value in the year under review.

Changes in other loans in the amount of € 38.7 million relate to additions resulting from financial investments in promissory note loans. Maturing promissory note loans in the amount of € 28.2 million were reclassified under current assets.

Increases in loans to affiliated companies mainly relate to payments in the amount of € 29.5 million to Northern Capital Gateway LLC (NCG), St. Petersburg, Russia, due to a shareholder loan (see note 44). The Federal Republic of Germany has assumed a guarantee for direct investments abroad for this shareholder loan. Should the loan be cancelled prior to maturity, the interests of the Federal Republic of Germany must be considered in order to protect the guarantee claims.

25 Non-current and current other receivables and financial assets

Non-current and current other receivables and financial assets

€ million	**Residual term 2012**		**Total**	**Residual term 2011**		**Total**
	up to 1 year	**over 1 year**	**Dec. 31, 2012**	**up to 1 year**	**over 1 year**	**Dec. 31, 2011**
Receivables from joint ventures	3.6	–	3.6	0.2	–	0.2
Receivables from associated companies	0.8	18.1	18.9	5.3	7.7	13.0
Receivables from other investments	2.2	–	2.2	3.4	–	3.4
Financial assets available for sale	265.4	–	265.4	138.2	–	138.2
Positive fair value of derivatives	–	–	–	0.9	–	0.9
Refunds from "Passive noise abatement"	12.0	73.5	85.5	–	–	–
Other assets	90.7	–	90.7	119.3	3.1	122.4
Accruals	10.5	25.5	36.0	12.9	22.7	35.6
Total	**385.2**	**117.1**	**502.3**	**280.2**	**33.5**	**313.7**

Table 64

Accruals essentially relate to grants given for building costs. At Fraport AG, grants for building costs are mainly awarded to suppliers installing equipment to meet the specialized requirements of Fraport AG. The suppliers own the equipment.

Promissory note loans maturing in 2012 were reclassified from other financial assets to current assets (see note 24). No effects arose from changes in credit ratings as the credit ratings of the issuers and issues did not change.

Changes in financial assets in the "available for sale" category resulted from the reclassification of some of these items from non-current to current financial investments in securities and additions to short-term financial investments amounting to € 355.5 million and disposals of securities maturing in the year under review of € 228.7 million.

The item "refunds from noise abatement expenses" includes the expected full reimbursement amount for noise abatement costs from the airlines, which were recognized in compliance with IAS 37.53 in connection with the provisions set aside for the obligation of Fraport AG to reimburse costs for noise abatement construction measures as other assets. The value was determined based on the estimated expenses for reimbursing the costs of noise abatement construction measures. For additional information, please see note 39.

Where applicable, the appropriate allowance was recognized for other receivables and financial assets as of the reporting date. There are no other material past due items.

26 Income tax receivables

Income tax receivables

€ million	Residual term 2012		Total	Residual term 2011		Total
	up to 1 year	over 1 year	Dec. 31, 2012	up to 1 year	over 1 year	Dec. 31, 2011
Income tax receivables	35.0	19.5	54.5	6.2	29.6	35.8

Table 65

The major items in income tax receivables relate to receivables from creditable taxes, the 2012 trade tax overpayment and the corporation tax credit recognized in the 2006 fiscal year.

On December 12, 2006, the revised Section 37 of the German Corporation Tax Act (KStG) became legally effective in connection with the amendments based upon the departmental draft of SE-Introductory Legislation (SEStEG).

According to Section 37 (4) of the KStG (new version), the corporation tax credit of Fraport AG had last to be established on December 31, 2006. In accordance with Section 37 (5) of the KStG (new version), Fraport AG is entitled to a refund of its corporation tax credit in 10 equal annual installments during the payout period from 2008 to 2017. The refund claim generally accrued after the end of December 31, 2006 and is non-interest bearing. The first installment was refunded in 2008 and is payable on September 30th of each year.

The corporation tax credit totaled € 30.5 million on December 31, 2012 (previous year: € 36.6 million), discounted at an interest rate of 3.75 % due to its long-term nature. The present value of this claim to a tax refund amounts to € 24.9 million as of the balance sheet date (previous year: € 29.3 million). This refund claim is substantially an overpayment in the meaning of IAS 12.12.

27 Deferred tax assets

Deferred tax assets

€ million	Dec. 31, 2012	Dec. 31, 2011
Deferred tax assets	49.2	48.2

Table 66

Deferred tax assets are recognized in accordance with IAS 12. Further explanations are given in the "taxes on income" section (see note 16).

28 Inventories

Inventories

€ million	Dec. 31, 2012	Dec. 31, 2011
Land and buildings for sale	57.4	61.4
Raw materials, consumables and supplies	17.3	17.2
Work-in-process	2.0	1.9
Other	1.0	0.9
Total	**77.7**	**81.4**

Table 67

Land and buildings in the immediate vicinity of Frankfurt Airport includes real estate held for sale, including the Gateway Gardens site amounting to € 30.3 million (previous year: € 31.2 million) and the Mönchhof site amounting to € 27.1 million (previous year: € 30.2 million).

Based on the ongoing development of the investment property, € 3.6 million (previous year: € 6.3 million) was capitalized in the year under review. Carrying amount reductions in the amount of € 7.6 million (previous year: € 8.7 million) are the result of property sale transactions. Borrowing costs totaling € 0.7 million were recognized (previous year: € 0.9 million). The applied cost of debt was between 1.7 % and 3.1 %, approximately (previous year: 1.9 % and 3.3 %, approximately).

The net selling price of the parts of the Mönchhof site that are held for sale was calculated on the basis of an external fair value opinion using the discounted cash flow method over the remaining planned selling period of 7 years, with a discount factor of 5 %, adequate for the risk and related to the term. In addition to the risks accounted for in the expertise, other discounts, particularly for unknown environmental and selling risks, were recognized. The net selling price of the parts of the Gateway Gardens site held for sale was calculated on the basis of an external fair value opinion of the enterprise value of the company conducted in 2010. The calculations reflect the sales prices of already conducted sales transactions and the already planned expenses for development and sales and have been discounted by 6.5 % in accordance with the expert opinion.

Additional costs incurred up to the date of sale mainly relate to expenses for the further development of the property held for sale on the Mönchhof and the Gateway Gardens sites.

Property with a carrying amount of around € 8.1 million (previous year: 8.6 million) is to be sold in 2013. The sale of other land and property for sale (€ 49.2 million) should be realized in 2013 and later.

The development areas of Grundstücksgesellschaft Gateway Gardens GmbH carry mortgages.

Expenses for the maintenance of real estate inventories during the year under review were minor. Selling costs mainly consist of personnel expenses incurred by Immobilienservice und -entwicklungs GmbH & Co. KG and Grundstücksgesellschaft Gateway Gardens GmbH.

Raw materials, consumables and supplies mainly relate to consumables for the airport operation.

29 Trade accounts receivable

Trade accounts receivable

€ million	Dec. 31, 2012	Dec. 31, 2011
From third parties	180.0	163.9

Table 68

The maximum default risk equaled the carrying amount of € 180.0 million as of the reporting date. The following table provides information on the extent of the default risk.

Default risk analysis

€ million	Carrying amount	Thereof not overdue or impaired	Thereof in stated term overdue and not impaired		
			< 30 days	30–180 days	> 180 days
Dec. 31, 2012	**180.0**	**95.4**	**44.9**	**9.7**	**30.0**
Dec. 31, 2011	163.9	81.4	21.8	3.3	24.2

Table 69

With regard to trade accounts receivable, which are neither impaired nor in default, there is no indication as of the reporting date that the debtors will not meet their payment obligations. There is no risk concentration of open trade accounts receivable.

Cash security in the amount of € 8.8 million (previous year: € 5.3 million) and non-cash security (mainly loan guarantees) in the nominal amount of € 22.7 million (previous year: € 18.0 million) were accepted as collateral for unsettled trade accounts receivable. The collateral received by the reporting date was neither sold nor passed on as security and will be returned to the respective debtor after termination of the business relationship. The collateral received will be used only in the event of the debtor's default.

As of the balance sheet date, trade accounts receivable of € 6.8 million were pledged as securities for financial liabilities (previous year: € 3.5 million).

Allowances for trade accounts receivable developed as follows in the fiscal year:

Allowances

€ million	2012	2011
Balance on January 1	**31.9**	**22.1**
Net additions/releases	8.6	9.9
Availment	–5.4	–0,1
Balance on December 31	**35.1**	**31.9**

Table 70

Net additions include expenses from allowances amounting to € 2.0 million (previous year: € 4.6 million) recognized in other operating expenses, as well as revenue-reducing individual allowances and reversals.

30 Cash and cash equivalents

Cash and cash equivalents

€ million	Dec. 31, 2012	Dec. 31, 2011
Cash in hand, bank balances and checks	821.9	927.1

Table 71

The bank balances mainly include short-term deposits as well as overnight deposits.

Cash and cash equivalents include time deposits of € 584.0 million (previous year: € 680.0 million) with a term of more than 3 months from the time of acquisition. These funds are not subject to any significant fluctuations in value and can be realized at any time.

In connection with financing the concession in Antalya, € 110.8 million of bank balances (previous year: € 114.3 million) are subject to a drawing restriction.

31 Equity attributable to shareholders of Fraport AG

Equity attributable to shareholders of Fraport AG

€ million	Dec. 31, 2012	Dec. 31, 2011
Issued capital	921.3	918.8
Capital reserves	588.0	584.7
Revenue reserves	1,400.5	1,317.9
Total	**2,909.8**	**2,821.4**

Table 72

Issued Capital

Issued capital (less treasury shares) increased by € 2.5 million in the fiscal year and is fully paid up as of the balance sheet date. With an amount of € 0.5 million this increase relates to the partial use of the authorized capital after the capital increase in return for the injection of cash to issue shares in connection with the employee investment plan.

Contingent capital was used to acquire additional shares totaling € 2.0 million during the fiscal year to satisfy stock options from the Fraport Management Stock Options Plan 2005 (MSOP 2005).

Number of floating shares and treasury shares

The issued capital consists of 92,211,756 (previous year: 91,955,867) bearer shares with no par value, each of which accounts for € 10.00 of the issued capital.

Floating and treasury share movements in accordance with Section 160 of the Stock Corporation Act (AktG):

Floating and treasury share movements in accordance with section 160 of the AktG

	Issued capital Number	Floating shares Number	Treasury shares Number	Treasury shares Amount of capital stock in €	Treasury shares Share in capital stock in %
Balace on Jan. 1, 2012	**91,955,867**	**91,878,502**	**77,365**	**773,650**	**0.0841**
Management Stock Options Plan:					
Capital increase	201,650	201,650			
Employee investment plan:					
Capital increase (June 28, 2012)	54,239	54,239			
Balance on Dec. 31, 2012	**92,211,756**	**92,134,391**	**77,365**	**773,650**	**0.0839**

	Issued capital Number	Floating shares Number	Treasury shares Number	Treasury shares Amount of capital stock in €	Treasury shares Share in capital stock in %
Balance on Jan. 1, 2011	**91,915,588**	**91,838,223**	**77,365**	**773,650**	**0.0842**
Employee investment plan:					
Capital increase (June 29, 2011)	40,279	40,279			
Balance on Dec. 31, 2011	**91,955,867**	**91,878,502**	**77,365**	**773,650**	**0.0841**

Table 73

The new shares created under the employee investment plan were transferred on June 28, 2012 to the employees for € 42.53 each.

Authorized capital

At the Annual General Meeting on May 27, 2009, the existing authorized capital was cancelled and a new authorized capital of € 5.5 million created. The new authorized capital entitles the Executive Board, with the approval of the Supervisory Board, to increase the company's issued capital once or several times by up to € 5.5 million until May 26, 2014, by issuing new shares in return for cash.

Of this authorized capital, € 542,390.00 was used in 2012 for the issue of shares within the scope of the employee investment plan.

Changes in authorized capital

	Number of shares	Value per share in €
Authorized capital December 31, 2011	452,862	10.0
Use of authorized capital for employee investment plan	–54,239	10.0
Remaining authorized capital on December 31, 2012	**398,623**	**10.0**

Table 74

Therefore, € 4.0 million of authorized capital remained as of December 31, 2012, which can be used for issuing shares to employees of Fraport AG and companies controlled by the company. The subscription rights of the shareholders may be excluded.

Contingent capital

A contingent capital increase of € 13.9 million was approved under Sections 192 et seq. of the AktG at the Annual General Meeting held on March 14, 2001. The purpose of the contingent capital was expanded at the Annual General Meeting on June 1, 2005. The contingent capital increase also serves to fulfill subscription rights under the adopted Fraport MSOP 2005. The Executive Board and Supervisory Board were authorized to issue up to 1,515,000 stock options to beneficiaries entitled to subscribe until August 31, 2009, in accordance with the conditions regulating the allocation of stock options. Some of the shares which were issued as part of performance-related remuneration to members of the Executive Board are subject to a vesting period of 12 or 24 months.

Contingent capital totaled € 3.7 million as of December 31, 2012. The fifth tranche of the MSOP 2005 was employed to exercise 201,650 options for a total of € 2.0 million in 2012.

The capital increase to satisfy subscription rights within the framework of the MSOP 2005 is only being carried out to the extent that the holders of subscription rights exercised their subscription rights granted in the MSOP 2005 on the basis of the authorization referred to above and the company satisfied the stock options without using treasury shares, the transfer of shares by a third party, or a cash payment.

A total of 2,016,150 subscription rights were issued from the MSOP 2001 and 2005 by the balance sheet date.

Capital reserve

The € 3.3 million increase in the capital reserve resulted from the € 1.8 million excess in the issue amount (€ 32.53 per share) of new shares issued under the employee investment plan (54,239 shares in total) and the € 1.3 million excess in the issue amount (€ 6.58) of new shares issued for contingent capital to satisfy stock options (201,650 shares).

Personnel expenses in the amount of € 0.2 million (previous year: € 1.0 million) were incurred through the MSOP 2005 in the year under review. This amount was recognized in the capital reserve.

Revenue reserves

The revenue reserves consist not only of the reserves of Fraport AG (including the statutory reserves of € 36.5 million), but also the revenue reserves and retained earnings of the subsidiaries incorporated in the consolidated financial statements, as well as effects of consolidation adjustments.

Currency translation differences total € 8.4 million (previous year: € 11.5 million). This figure includes currency translation differences of € –9.2 million for the Philippine companies accounted for using the equity method, which are not charged to Group results until the companies are disposed of in accordance with IAS 21.

The derivative valuation reserve is € –144.7 million as of the balance sheet date (previous year: € –115.6 million). The reserve for the fair value valuation of available for sale financial assets totals € 27.7 million (previous year: € 37.1 million).

The Executive Board and Supervisory Board of Fraport AG is submitting a proposal to the Annual General Meeting for the distribution of € 115.5 million out of the net profit. This equates to € 1.25 per share.

In the 2012 fiscal year, it was decided at the Annual General Meeting of May 11, 2012, to pay a dividend of € 1.25 per no-par share entitled to dividend. The distributed amount came to € 114.8 million (previous year: € 114.8 million).

32 Non-controlling interests

Non-controlling interests

€ million	Dec. 31, 2012	Dec. 31, 2011
Equity attributable to non-controlling interests (excluding the attributable profit for the year)	22.4	19.0
Profit for the year attributable to non-controlling interests	13.3	10.4
Total	**35.7**	**29.4**

Table 75

The non-controlling interests include allocated equity and earnings of Fraport Twin Star Airport Management AD, FraCareServices GmbH, Fraport Peru S.A.C., FSG Flughafen-Service GmbH, FPS Frankfurt Passenger Services GmbH, Media Frankfurt GmbH and Lima Airport Partners S.R.L.

33 Non-current and current financial liabilities

Non-current and current financial liabilities

€ million	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2012	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2011
Financial liabilities	196.6	4,401.0	4,597.6	219.9	4,034.0	4,253.9

Table 76

There is a general interest rate risk for fixed-interest loans that are extended on expiry.

The fixed-rate loans include also those floating-interest rate loans whose interest rate was fixed by contracting an interest rate hedge.

Please refer to the presentation of the finance management and the net asset and financial situation in the Group management report for additional explanations regarding the financial liabilities.

34 Trade accounts payable

Trade accounts payable

€ million	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2012	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2011
To third parties	214.4	64.4	278.8	228.9	64.9	293.8

Table 77

35 Non-current and current other liabilities

Non-current and current other liabilities

€ million	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2012	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2011
Prepayment for orders	2.1	–	2.1	17.9	–	17.9
To joint ventures	2.4	–	2.4	5.6	–	5.6
To associated companies	0.8	–	0.8	0.2	–	0.2
To investments	1.7	–	1.7	4.3	–	4.3
Grants for assets	2.2	13.4	15.6	2.2	15.2	17.4
Other accruals	7.3	65.0	72.3	13.0	65.4	78.4
In connection with concession obligations	31.5	643.3	674.8	46.8	608.2	655.0
Negative fair value of derivative financial instruments	–	244.2	244.2	–	203.0	203.0
Liabilities in connection with compensatory measures under nature conservation laws	3.8	28.7	32.5	6.0	29.4	35.4
Other liabilities	111.4	11.8	123.2	91.4	79.8	171.2
Total	**163.2**	**1,006.4**	**1,169.6**	**187.4**	**1,001.0**	**1,188.4**

Table 78

Investment grants to the non-current assets include, in particular, grants for additional services provided by Fraport AG, which are billed to the users. Investment grants include government subsidies of € 9.2 million (previous year: € 11.0 million) and other grants of € 6.4 million (previous year: € 6.4 million). The government grants relate, in particular, to capital expenditures incurred for baggage controls at Frankfurt Airport. Special items are released according to the useful life of the subsidized assets using linear amortization.

The liabilities in connection with the compensatory measures under the nature conservation law relate to the contractual obligations to carry out environmental compensatory measures based on the work performed to clear the land south of the airport and near the Northwest Runway as was necessary for the airport expansion.

Accruals are income received and relating to future accounting periods.

The liabilities in connection with concession obligations relate to the obligatory fixed and variable airport operation concession fees paid for the airports in Antalya, Lima, Varna and Burgas.

The remaining other liabilities consist essentially of lease liabilities, wage and church tax, outstanding social security contributions, liabilities from accrued interest and liabilities to company employees.

The following lease payments are due from the leases:

Residual terms of lease payments

€ million			**Residual term**	**Total**
	up to 1 year	**1–5 years**	**over 5 years**	**Dec. 31, 2012**
Lease payments	13.9	53.0	25.0	91.9
Discount amounts	4.0	9.9	4.5	18.4
Present value	**9.9**	**43.2**	**20.5**	**73.6**

€ million			**Residual term**	**Total**
	up to 1 year	**1–5 years**	**over 5 years**	**Dec. 31, 2011**
Lease payments	13.3	50.3	36.7	100.3
Discount amounts	4.3	11.7	5.9	21.9
Present value	**9.0**	**38.6**	**30.8**	**78.4**

Table 79

Discount rates are between 5.0 % and 8.6 %. Contingent lease payments in the amount of € 0.1 million were recognized in 2012.

36 Deferred tax liabilities

Deferred tax liabilities

€ million	**Dec. 31, 2012**	**Dec. 31, 2011**
Deferred tax liabilities	101.3	106.9

Table 80

Deferred tax liabilities are recognized in compliance with IAS 12 using the temporary concept. Further explanations of deferred tax liabilities can be found in note 16 “taxes on income”.

37 Provisions for pensions and similar obligations

Reconciliation of the assets and liabilities recognized in the financial position:

Provisions for pensions and similar obligations

€ million	2012	2011	2010	2009	2008
Present value of the obligation as of January 1	37.6	35.8	32.6	26.5 [1]	27.6
Interest cost	1.6	1.6	1.6	1.5	1.4
Current service cost	1.7	1.6	1.6	1.5	1.5
Past service cost	0.0	0.0	0.0	0.9	0.1
Benefits paid	–2.3	–1.6	–1.6	–1.8	–1.5
Actuarial (gain)/loss	7.2	0.2	1.6	4.0	–1.8
Present value of the obligation as of December 31	**45.8**	**37.6**	**35.8**	**32.6**	**27.3**
Fair value of plan assets (qualifying insurance policy) as of December 31	**18.3**	**16.9**	**15.7**	**13.8**	**12.4**
Offsetting					
Reconciliation to assets and liabilities recognized in the financial position					
Present value of funded financial obligations	18.9	14.7	13.7	12.3	8.3
Fair value of plan assets	–18.3	–16.9	–15.7	–13.8	–12.4
Underfunding/Overfunding	0.6	–2.2	–2.0	–1.5	–4.1
Present value of unfunded financial obligations	26.8	22.9	22.1	20.3	19.0
Unrecognized actuarial gains/(losses)	0.0	0.0	0.0	0.0	0.0
Unrecognized past service cost	0.0	0.0	0.0	0.0	0.0
(Net) liabilities recognized in the financial position	**27.4 [2]**	**22.9**	**22.1**	**20.3**	**19.0**
Amounts recognized in the income statement					
Current service cost	1.7	1.6	1.6	1.5	1.5
Interest cost	1.6	1.6	1.6	1.5	1.4
Income expected from plan assets	–0.4	–0.4	–0.4	–0.3	–0.2
Net actuarial (gain)/loss from pension provision recognized in the current year	7.2	0.2	1.6	4.0	–1.8
(Gain)/loss on plan assets	0.2	0.4	0.3	0.1	0.2
Past service cost	0.0	0.0	0.0	0.9	0.1
Expenses recognized in the income statement	**10.3**	**3.4**	**4.7**	**7.7**	**1.2**
Reconciliation of recognized net liabilities in the period					
Net liabilities at the beginning of the year	**22.9**	**22.1**	**20.3**	**18.3 [1]**	**19.4**
Change in overfunding	–2.3	0.2	0.5	–2.7	0.7
Expenses recognized in the income statement	10.3	3.4	4.7	7.7	1.2
Benefits paid	–2.3	–1.6	–1.6	–1.8	–1.5
Asset value of insurance policy paid	–1.2	–1.2	–1.8	–1.2	–0.8
Net liabilities at the end of the year	**27.4**	**22.9**	**22.1**	**20.3**	**19.0**
Reconciliation development of plan assets					
Fair value of plan assets (qualifying insurance policy) at the beginning of the year	16.9	15.7	13.8	12.4	11.6
Income expected from plan assets	0.4	0.4	0.4	0.3	–0.2
(Gain)/loss on plan assets	–0.2	–0.4	–0.3	–0.1	0.2
Asset value of insurance policy paid	1.2	1.2	1.8	1.2	0.8
Fair value of plan assets (qualifying insurance policy) as of December 31	**18.3**	**16.9**	**15.7**	**13.8**	**12.4**

[1] The opening financial position has changed compared to the previous year as a result of changes to the companies included in consolidation.
[2] Including underfunding.

Table 81

The pension obligations essentially include 20 (previous year: 18) vested pension benefits promised in individual agreements to the members of the Fraport AG Executive Board and their dependents. A total of 335 further benefits (166 of them non-vested) become payable to Senior Managers and employees not covered by collective bargaining agreements in connection with the Fraport AG company benefit plan. These pension commitments depend on years of service and salary. The present value of the non-vested benefits amounts to € 0.8 million (previous year: € 0.9 million).

In 2012, reinsurance policy contributions of around € 1.2 million (previous year: € 1.2 million) were paid. Contributions of € 1.2 million are expected for 2013.

There are commitments to employee-financed pension benefits of € 4.0 million (previous year: € 3.3 million) for Senior Managers (15 vested rights, previous year: 15) of Fraport AG. The calculation is based on an actuarial opinion dated December 12/15, 2012.

Valuation is based on the provisions under IAS 19. The pension obligations on December 31, 2012, were calculated on the basis of actuarial opinions of December 15, 2012. The calculations are based on Professor Dr. Klaus Heubeck's fundamental biometric data (RT 2005 G).

A reinsurance policy was already obtained in 2005 to reduce actuarial risks and to protect pension obligations for the former and current members of the Executive Board against insolvency. The reinsurance benefits are recognized at the active value reported by the insurance company in the amount of € 18.3 million (previous year: € 16.9 million). A part (€ 18.3 million) of the present value of the defined benefit obligation (DBO) attributable to the members of the Executive Board has been offset against the asset of the reinsurance policy. The anticipated return on the reinsurance claims for the next fiscal year amounts to approximately 3.17 %. This amount corresponds to the current interest rate in the year under review. The actual income from plan assets amounts to € 0.7 million in the year under review (previous year: € 0.5 million).

Fraport AG has insured its employees for purposes of granting a company pension under the statutory insurance scheme based on a collective bargaining agreement (Altersvorsorge-TV-Kommunal – [ATV-K]) with the Zusatzversorgungskasse (top-up provision insurance scheme) for local authority and municipal employers in Wiesbaden (ZVK). The contributions are collected based on a pay-as-you-go model. The contribution rate of the ZVK is as in the previous year at 6.2 % on compensation subject to mandatory top-up; thereof, the employer pays 5.7 %, with the contribution paid by the employee amounting to 0.5 %. In addition, a tax-free restructuring charge of 2.3 % of compensation subject to mandatory top-up is levied by the employer in accordance with Section 63 of the ZVK Statutes (ZVKS). An additional contribution of 9 % is paid for some employees included in the statutory social security insurance scheme (generally employees exempted from collective bargaining agreement and Senior Managers) for the consideration subject to ZVK that, according to Section 38 of the ATV-K, exceeds the upper limit defined in the collective bargaining agreement. Consideration subject to pay-as-you-go contributions totaled € 460.6 million in 2012 (previous year: € 437.7 million).

This plan is a multi-employer plan (IAS 19.7), since the companies involved share the risk of the investment and also the biometric risk.

The ZVK insurance policy is generally to be classified as a defined benefit plan (IAS 19.27). Since the plan is a defined benefit plan, the company has to account for its proportionate share of its benefit obligations in the total obligations and for the exact share in the total assets of ZVK under IAS 19.29.

If there is no sufficient information on the plan and a company also covers the risks of other insured companies (IAS 19.32b), only the regular contributions are accounted for as if it was a defined contribution plan.

For this reason, Fraport AG treated this plan as a defined contribution plan.

In the fiscal year, € 26.8 million (previous year: € 25.1 million) were recorded as contributions to defined contribution plans.

Furthermore, in accordance with German statutory provisions, contributions are also made to state-administered pension funds. The current contributions are shown as expenses for the respective year (IAS 19.46). Employer contributions made by the Fraport Group to state-administered pension funds totaled € 71.7 million (previous year: € 70.0 million).

38 Non-current and current income tax provisions

Non-current and current income tax provisions

€ million	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2012	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2011
Income tax provisions	5.3	80.2	85.5	2.4	68.1	70.5

Table 82

Tax provisions amounting to € 85.5 million were accrued for unassessed corporation tax and trade tax, as well as for tax audit risks.

39 Non-current and current other provisions

The movements in the non-current and current provisions are shown in the following tables:

Personnel-related provisions

€ million	Jan. 1, 2012	Use	Release	Additions	Dec. 31, 2012
Personnel	**97.4**	**–46.8**	**–13.4**	**42.5**	**79.7**
thereof non-current	35.5				16.0
thereof current	61.9				63.7

Table 83

A large part of the personnel-related provisions were recognized for partial retirement obligations, incentive schemes for the employees of Fraport AG, as well as time account credits.

Other provisions

€ million	Jan. 1, 2012	Use	Release	Additions	Interest effect	Dec. 31, 2012
Environment	33.3	–5.1	–0.1	9.5	0.0	37.6
Passive noise abatement	86.1	–0.9	0.0	0.0	5.8	91.0
Nature conservation law compensation	56.7	–0.8	–2.0	0.0	4.0	57.9
Other	163.7	–26.4	–14.8	44.9	1.3	168.7
Total	**339.8**	**–33.2**	**–16.9**	**54.4**	**11.1**	**355.2**
thereof non-current	179.3					199.1
thereof current	160.5					156.1

Table 84

The environmental provisions have been formed essentially for probable restoration costs for the elimination of groundwater contamination on the Frankfurt Airport site in Frankfurt/Main, as well as for environmental pollution in the southern section of the airport.

Given the obligation to reimburse residents living near the airport for the costs of noise abatement construction measures (passive noise abatement), based on the legal decree by the Hessian Government dated September 30, a provision for passive noise abatement measures in the amount of € 86.1 million was set aside in the previous year. Of that, expenses linked to the expansion program of € 78.0 million were capitalized as production costs for the Northwest Landing Runway. The remaining € 8.1 million was recorded as expenses independent of the expansion projects.

In the year under review, after consultation with the airlines and a review by the HMWVL, approval was granted to levy passive noise abatement charges to the airlines to offset the expenses for reimbursing the costs of noise abatement construction measures; the full amount of the expenses will be reimbursed by the airlines. Therefore, in accordance with IAS 37.53, the expected total reimbursement to be paid by the airlines in the form of passive noise abatement charges was capitalized as other asset (see note 25). The other asset contains both the partial amount capitalized last year in non-current assets and the partial amount recorded as expenses, since the reimbursement via the passive noise abatement charges also covers this amount. Capitalizing this partial amount led to other operating income of € 8.1 million in the fiscal year.

A provision for environmental protection compensating measures was set aside in the previous year due to the long-term obligation to implement ecological compensating measures resulting from the performed clearing of land in the south of the airport and in the area of the Northwest Runway required for the airport expansion.

Other provisions include the provision of € 19.4 million (previous year: € 27.5 million) for the purchase and compensation program for residences (Fraport Casa), as well as provisions established mainly for rebates and refunds, legal disputes and damage claims.

40 Financial instruments

Disclosures on carrying amounts and fair values

The following tables present the carrying amounts and fair values of the financial instruments as of December 31, 2012 and 2011, respectively:

Financial instruments as of December 31, 2012

€ million		Measured at amortized cost		Measured at fair value				Dec. 31, 2012
				Recognized in income				
Measurement category according to IAS 39	Nominal volume	Loans and receivables		Fair value option	Held for trading	Available for sale	Hedging derivative	Total fair value
	Liquid funds	Carrying amount	Fair value	Carrying amount [1]	Carrying amount [1]	Carrying amount [1]	Carrying amount [1]	
Assets								
Cash and cash equivalents	821.9							**821.9**
Trade accounts receivable		180.0	180.0					**180.0**
Other financial receivables and assets		110.2	110.2			265.4		**375.6**
Other financial assets								
Securities				0.9		497.0		**497.9**
Other investments						63.0		**63.0**
Loans to investments		128.4	128.4					**128.4**
Other loans		53.4	53.4					**53.4**
Derivative financial assets								
Hedging derivative								**0.0**
Other derivatives								**0.0**
Total assets	**821.9**	**472.0**	**472.0**	**0.9**	**0.0**	**825.4**	**0.0**	**2,120.2**

Table 85

Liabilities and equity	Other financial liabilities		Fair value option	Held for trading	IAS 17 liability		Hedging derivative	Total fair value
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount [1]	Carrying amount	Fair value	Carrying amount [1]	
Trade accounts payable	278.8	284.8						**284.8**
Other financial liabilities	718.6	752.7						**752.7**
Financial liabilities	4,597.6	4,791.3						**4,791.3**
Liabilities from finance leases					73.6	85.1		**85.1**
Derivative financial liabilities								
Hedging derivatives							199.0	**199.0**
Other derivatives				45.2				**45.2**
Total liabilities and equity	**5,595.0**	**5,828.8**		**45.2**	**73.6**	**85.1**	**199.0**	**6,158.1**

[1] The carrying amount equals the fair value of the financial instruments.

Table 85

Financial instruments as of December 31, 2011

€ million		Measured at amortized cost		Measured at fair value				Dec. 31, 2011
				Recognized in income				
Measurement category according to IAS 39	Nominal volume	Loans and receivables		Fair value option	Held for trading	Available for sale	Hedging derivative	Total fair value
	Liquid funds	Carrying amount	Fair value	Carrying amount [1]	Carrying amount [1]	Carrying amount [1]	Carrying amount [1]	
Assets								
Cash and cash equivalents	927.1							**927.1**
Trade accounts receivable		163.9	163.9					**163.9**
Other financial receivables and assets		97.8	97.8			138.2		**236.0**
Other financial assets								
Securities				0.9		446.2		**447.1**
Other investments						60.3		**60.3**
Loans to investments		97.6	97.6					**97.6**
Other loans		43.6	43.6					**43.6**
Derivative financial assets								
Hedging derivatives							0.9	**0.9**
Other derivatives								**0.0**
Total assets	**927.1**	**402.9**	**402.9**	**0.9**	**0.0**	**644.7**	**0.9**	**1,976.5**

Liabilities and equity	Other financial liabilities		Fair value option	Held for trading	IAS 17 liability		Hedging derivative	Total fair value
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount [1]	Carrying amount	Fair value	Carrying amount [1]	
Trade accounts payable	293.8	295.9						**295.9**
Other financial liabilities	750.9	734.4						**734.4**
Financial liabilities	4,253.9	4,201.8						**4,201.8**
Liabilities from finance leases					78.4	83.8		**83.8**
Derivative financial liabilities								
Hedging derivatives							167.8	**167.8**
Other derivatives				35.2				**35.2**
Total liabilities and equity	**5,298.6**	**5,232.1**		**35.2**	**78.4**	**83.8**	**167.8**	**5,518.9**

[1] The carrying amount equals the fair value of the financial instruments.

Table 86

Given the short maturities for cash, trade accounts receivables and other financial receivables and assets, the carrying amounts as of the reporting date correspond to the fair value.

The valuation of unlisted securities is based on market data applicable on the valuation date using reliable and specialized sources and data providers. The values are determined using established valuation models.

The derivative financial instruments mainly relate to interest rate hedging transactions. The fair values of these financial instruments are determined on the basis of discounted, future anticipated cash flows, using market interest rates corresponding to the terms to maturity.

In order to determine the fair value of financial liabilities, the future expected cash flows are determined and discounted based on the yield curve on the reporting date. The market risk premium for the term and respective borrower on the reporting date is added to the cash flows.

The fair values of listed securities are identical to the stock market prices on the reporting date.

There is no price quotation or market price for shares in partnerships and other unlisted investments, as there is no active market for them. The carrying amount is assumed to equal the fair value, since the fair value cannot be determined reliably. These assets are not intended for sale as of the balance sheet date.

The carrying amounts of other loans and loans to investments correspond to the respective fair values. Some of the other loans are subject to a market interest rate and their carrying amounts therefore represent a reliable valuation for their fair values. Another part of the other loans is reported at present value on the balance sheet date. Here, it is also assumed that the present value corresponds to the fair value. The other remaining loans are promissory note loans with a remaining term of less than 5 years. Due to the lack of an active market, no information is available on the risk premiums of their respective issuers. As a result, their carrying amounts were used as the most reliable valuation for their fair values. These is no intend for sale as of the balance sheet date.

Non-current trade accounts payable are recognized at their present value. Interest rates with similar terms on the date of addition are used as a basis for discounting future cash outflows. To determine fair value, the respective cash outflows are discounted at interest rates with similar terms on the reporting date. The carrying amounts of current trade accounts payable correspond to the fair value.

The financial instruments recognized at fair value in the balance sheet belong to the following input levels of the hierarchy within the meaning of IFRS 7.27A:

Measurement categories according to IFRS 7.27A (2012)

€ million	Dec. 31, 2012	Level 1 Quoted price	Level 2 Derived price	Level 3 Prices that cannot be derived
Assets				
Other financial receivables and financial assets				
Available for sale	265.4	265.4	0.0	0.0
Fair value option	0.0	0.0	0.0	0.0
Other financial assets				
Securities available for sale	497.0	497.0	0.0	0.0
Securities fair value option	0.9	0.0	0.9	0.0
Other investments	62.6	0.0	62.6	0.0
Derivative financial assets				
Derivatives without hedging relationships	0.0	0.0	0.0	0.0
Derivatives with hedging relationships	0.0	0.0	0.0	0.0
Total assets	**825.9**	**762.4**	**63.5**	**0.0**
Liabilities and equity				
Derivative financial liabilities				
Derivatives without hedging relationships	45.2	0.0	45.2	0.0
Derivatives with hedging relationships	199.0	0.0	199.0	0.0
Total liabilities and equity	**244.2**	**0.0**	**244.2**	**0.0**

Table 87

As of December 31, 2011 the financial instruments recognized at fair value in the balance sheet belong to the following input levels of the hierarchy within the meaning of IFRS 7.27A:

Measurement categories according to IFRS 7.27A (2011)

€ million	Dec. 31, 2011	Level 1 Quoted price	Level 2 Derived price	Level 3 Prices that cannot be derived
Assets				
Other financial receivables and financial assets				
Available for sale	138.2	138.2	0.0	0.0
Fair value option	0.0	0.0	0.0	0.0
Other financial assets				
Securities available for sale	446.2	446.2	0.0	0.0
Securities fair value option	0.9	0.0	0.9	0.0
Other investments	60.0	0.0	60.0	0.0
Derivative financial assets				
Derivatives without hedging relationships	0.0	0.0	0.0	0.0
Derivatives with hedging relationships	0.9	0.0	0.9	0.0
Total assets	**646.2**	**584.4**	**61.8**	**0.0**
Liabilities and equity				
Derivative financial liabilities				
Derivatives without hedging relationships	35.2	0.0	35.2	0.0
Derivatives with hedging relationships	167.8	0.0	167.8	0.0
Total liabilities and equity	**203.0**	**0.0**	**203.0**	**0.0**

Table 88

Net gains and losses of the measurement categories

€ million	2012	2011
Financial assets		
Loans and receivables	1.1	–6.0
Fair value option	0.0	0.1
Held for trading	0.0	0.0
Available for sale	49.3	–7.6
Financial liabilities		
At amortized cost	–2.8	–3.1
Held for trading	–10.0	–12.6

Table 89

Net gains and losses consist of changes in fair value, impairment losses and write-ups recognized through profit or loss, foreign currency changes and gains and losses on disposals.

Interest and dividend income to which the fair value option applies, or which are available for sale, are also included in the computation of net gains and losses. Interest and dividend income of the other categories are not included in the net gains and losses disclosed. These are included in interest income and expenses.

Gains from the valuation at fair value of financial instruments in the “available for sale” category to the amount of € 14.8 million (previous year: € 10.6 million) were recorded directly in equity without affecting profit or loss during the year under review.

In addition to the recognized fair value changes, losses on financial liabilities in the “held for trading” category also include the fair values of 2 interest rate swaps for which there were no hedged items in the course of the fiscal year.

Derivative financial instruments

With regard to its balance sheet accounts and planned transactions, Fraport is, in particular, subject to interest rate and currency exchange risks. Fraport covers interest rate and currency risks by establishing naturally hedged positions, in which the values or cash flows of primary financial instruments offset each other in their timing and amount and/or by using derivative financial instruments to hedge the business transactions. Derivatives are not used for trading or speculative purposes.

Interest rate risks arise in particular from the capital requirements for capital expenditure and from existing floating interest rate financial liabilities and assets. As part of the interest rate risk management policy, interest rate derivatives were concluded in order to limit the interest rate risk arising from financial instruments with floating interest rates and assure planning security.

Within the Group, foreign currency risks mainly arise from sales in foreign currencies, which are not covered by expenses in matching currencies. This results in a cash flow risk between foreign currency revenue and the functional currency. Fraport hedges such risks by entering into currency forwards.

The Group holds 50 interest rate swaps and 1 interest rate/currency swap as of the reporting date. Furthermore, options were sold on 5 interest rate swaps in order to optimize financing costs. The value of the options is taken into account in the fair value of the interest rate swaps. There are also 9 currency forwards.

Derivative financial instruments

€ million	Nominal volume		Fair value		Credit risk	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Interest rate swaps	1,447.5	1,463.1	–243.9	–202.5	0.0	0.0
Interest rate/ currency swap	15.0	15.5	–0.3	–0.4	0.0	0.0
Diesel fuel swaps	0.0	3,600 mt [1]	0.0	0.9	0.0	0.9
Currency forwards	3.9	2.1	0.0	–0.1	0.0	0.0

[1] metric tons.

Table 90

A credit risk (counterparty risk) arises from positive fair values of derivative transactions that have been concluded. The total of all the positive fair values of the derivatives also corresponds simultaneously to the maximum default risk of these business transactions. In accordance with financial risk guidelines, derivative contracts are only concluded with counterparties that have an investment grade sector rating in order to minimize the default and credit risks.

The fair values of the derivative financial instruments are recorded as follows in the balance sheet:

Fair values of derivative financial instruments

€ million	Other assets		Other liabilities	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Interest rate swaps – cash flow hedges	0.0	0.0	198.7	167.3
Interest rate swaps – trading	0.0	0.0	45.2	35.2
Interest rate/currency swap – cash flow hedges	0.0	0.0	0.3	0.4
Diesel fuel swaps	0.0	0.9	0.0	0.0
Currency forwards – cash flow hedges	0.0	0.0	0.0	0.1

Table 91

43 of the interest rate swaps are already assigned to existing floating-interest-bearing liabilities. One interest rate/ currency swap is assigned to a floating-interest-bearing asset denominated in a foreign currency in order to limit both the resulting interest rate and currency risks.

A total of 43 interest rate swaps, the interest rate/currency swap and the currency forwards are accounted for as cash flow hedges according to IAS 39. Changes in the fair values of these instruments are recorded in an equity sub-account without affecting profit or loss. The effectiveness of these cash flow hedges has been verified and is confirmed and documented at regular intervals. 7 interest rate swaps are classified as “held for trading.” All gains or losses resulting from this classification are recorded through profit or loss.

The payments under the cash flow hedges become due in the following years. This is also the time when the respective hedged item affects profit or loss.

Interest rate swaps and interest rate/currency swap

€ million

Beginning of term	End of term	Nominal volume	Fair value
2005	2014	60.0	–2.2
2006	2016	70.0	–8.9
2007	2017	60.0	–10.2
2007	2019	187.5	–32.0
2008	2018	115.0	–21.6
2009	2015	45.0	–4.6
2009	2016	100.0	–12.7
2009	2017	25.0	–4.3
2009	2019	220.0	–47.7
2010	2013	15.0	–0.3
2010	2015	85.0	–8.9
2010	2017	100.0	–17.5
2010	2020	85.0	–21.5
2011	2015	70.0	–6.6
Total		**1,237.5**	**–199.0**

Table 92

Currency forwards

€ million

Maturing date	Nominal volume	Fair value
2013	3.9	0.0

Tabelle 93

Unrealized losses of € 32.3 million were recorded in equity from the change in fair value of derivatives in the fiscal year (previous year: € 45.1 million). During the year under review realized losses of € 30.7 million were transferred from equity to the financial result (previous year: € 25.6 million) and € 1.0 million realized gains to the operating result (previous year: € 0.7 million). In addition, the ineffectiveness of the interest rate swaps amounting to € 0.1 million was recorded through profit and loss as in the previous year.

The diesel fuel swaps expired and came off on December 31, 2012.

Notes to the Segment Reporting

41 Notes to the segment reporting

Segment reporting in the Fraport Group according to IFRS 8 is based on internal reporting to the Executive Board.

The strategic business units of Fraport AG in Frankfurt are clearly assigned to the Aviation, Retail & Real Estate and Ground Handling segments. In addition, these segments include investments integrated in the business processes at the Frankfurt site.

The strategic business unit Terminal and Traffic Management in Frankfurt and the airport expansion are allocated to the Aviation segment. The Aviation segment also encompasses the strategic business unit Airport Security Management, combining airport and aviation security at the Frankfurt site.

The Retail & Real Estate segment consists of the strategic business unit Retail and Properties, comprising the retailing activities, parking facility management and the rental and marketing of real estate at the Frankfurt site.

The Ground Handling segment combines the strategic business unit Ground Services and the investments involved in these operations at the Frankfurt site.

The External Activities & Services segment encompasses the internal service units of Facility Management and Central Infrastructure Management, as well as the Information and Telecommunication services and their subsidiaries. Investments that are not integrated in the processes at the Frankfurt site and investments that carry out their business operations outside of Frankfurt are also allocated to the External Activities & Services segment.

Corporate data at Fraport AG is divided into market-oriented business and service units on the one hand and into central units on the other hand. All the business and service units are allocated clearly to one segment each. The central units are categorized appropriately.

The data about the investments that are not integrated in the processes at the Frankfurt site and investments that carry out their business operations outside Frankfurt are allocated to the External Activities & Services segment during reporting. The investments that are integrated in the processes at the Frankfurt site are allocated to the relevant segment according to their business operations.

Inter-segment income is primarily generated by the inter-company allocation of rent for land, buildings and space, as well as maintenance services and energy supply by Fraport AG. The corresponding assets are allocated to the Retail & Real Estate segment. The relevant units are charged on the basis of the costs incurred, including imputed interest.

Inter-segment income also reflects income that has been generated between the companies included from different segments.

Goodwill from business combinations and the appropriate impairment losses, where applicable, have been allocated clearly to a segment according to the segment structure.

The reconciliation of the segment assets/segment liabilities column includes the income tax assets/liabilities (including the deferred tax assets/liabilities) of the Group.

In the additional disclosures “Geographical Information,” allocation is according to the current main areas of operation: Germany, rest of Europe, Asia and rest of the world. The figures shown under Asia relate mainly to Turkey and the People’s Republic of China. The figures shown under rest of the world relate mainly to the USA and Peru.

Depreciation and amortization for the segment assets include impairment losses under IAS 36 to the amount of € 0.3 million (previous year: € 12.8 million). Impairments put pressure on the Retail & Real Estate segment (in the previous year, impairments had accounted for € 6.7 million in the Aviation segment and € 6.1 million in the Retail & Real Estate segment).

Segment assets of the Retail & Real Estate segment include real estate inventories of € 57.4 million (previous year: € 61.4 million).

During the fiscal year 2012, revenue of € 861.0 million was generated in all 4 segments from one customer (previous year: € 823.5 million). Further explanations about segment reporting can be found in the management report.

Notes to the Consolidated Statement of Cash Flows

42 Notes to the consolidated statement of cash flows

Cash flow from operating activities

Cash flow from operating activities of € 553.0 million (previous year: € 618.8 million) is the balance of cash inflows of € 809.8 million (previous year: € 785.6 million) due to the positive trend in operational activities. They are counterbalanced with greater cash outflows of € 135.5 million (previous year: € 74.1 million) from financing activities and € 121.3 million (previous year: € 92.7 million) relating to income tax.

Cash flow used in investing activities

Major capital expenditure on property, plant and equipment were once again made as part of the airport expansion program and the extension projects at Frankfurt Airport.

Cash flow used in investing activities without investments in cash deposits and securities amounted to € 736.2 million in the reporting period, a decrease of € 333.0 million year-on-year. The proceeds from the disposal of non-current and current securities and promissory note loans, investment of the proceeds in new financial assets and changes to cash and cash equivalents with a term of more than 3 months resulted in cash flow used in investing activities of € 779.2 million, which was considerably more than the previous year (€ 309.8 million).

Cash flow from/used in financing activities

Cash flow from financing activities of € 218.2 million mainly resulted from additional borrowings of non-current financial liabilities (previous year: cash outflow in the amount of € 274.6 million).

Reconciliation to cash and cash equivalents as of the financial position

€ million	Dec. 31, 2012	Dec. 31, 2011
Cash and cash equivalents according to cash flow statement	127.1	132.8
Time deposits with a residual term of more than 3 months	584.0	680.0
Restricted cash	110.8	114.3
Cash and cash equivalents according to the financial position	**821.9**	**927.1**

Table 94

Other Disclosures

43 Contingent liabilities

Contingent liabilities

€ million	Dec. 31, 2012	Dec. 31, 2011
Guarantees	4.7	4.6
Warranty contracts	186.0	200.9
thereof performance guarantees	127.3	128.5
Others	23.7	23.8
Total	**214.4**	**229.3**

Table 95

The performance guarantees include a joint and several liability to the Hong Kong Airport Authority in connection with the Tradeport Hong Kong Ltd. investment project amounting to € 3.9 million (US-$ 5.2 million). Previous year: € 4.0 million/US-$5.2 million.

A performance guarantee, excluding recourse against Fraport AG, was signed between GMR Holdings Private Ltd., Fraport AG and ICICI Bank Ltd. to the amount of € 41.4 million (INR 3,000 million) to modernize, expand and operate Delhi Airport (India). If, however, the party to the contract, GMR Holdings Private Ltd., fails to meet its contractual obligations under the contract, Fraport AG's liability may not be excluded – given the fact that Fraport AG is party to the contract.

In the context of operating the airports in Varna and Burgas (Bulgaria), Fraport AG guaranteed the contractual performance of its subsidiary Fraport Twin Star Airport Management AD, established in 2006, to the amount of € 9.0 million.

The existing contract performance guarantee related to the concession agreement for the operation of the airport in Lima, Peru, amounts to € 8.7 million (US-$ 11.4 million) on the balance sheet date.

In connection with the terminal operation at Antalya Airport (Turkey), Fraport AG assumed a contract performance guarantee of € 35.6 million for the investment in the Antalya operating company.

The other warranties mainly include guarantees assumed by Fraport AG in connection with the contractual financing arrangements signed by the Antalya operating company. As a result the Fraport Group incurred contingent liabilities to the amount of € 29.5 million.

Fraport AG is held liable to the amount of € 12.8 million for rentals payable by Lufthansa Cargo Aktiengesellschaft to Tectum 26. Vermögensverwaltungs GmbH, if Lufthansa Cargo Aktiengesellschaft exercises an extraordinary right to terminate the contract.

44 Other financial commitments

Order commitments

€ million	Dec. 31, 2012	Dec. 31, 2011
Orders for capital expenditure in property, plant and equipment, intangible assets and investment property/others	359.3	640.0
Orders for energy supply	83.0	79.8
Total	**442.3**	**719.8**

Table 96

Operating leases

€ million	Dec. 31, 2012	Dec. 31, 2011
Rental and leasing contracts		
up to 1 year	10.4	14.5
1 to 5 years	10.6	11.9
more than 5 years	26.3	26.7
Total	**47.3**	**53.1**

Table 97

Other financial commitments include future expenses arising from rental agreements and leases. The contracts entered into relate to building rental agreements and the lease of equipment. The equipment leases indicate an average remaining term of 2 years on the reporting date. The building rental agreements can generally be terminated at short notice.

In view of their financial content, the relevant leases qualify as operating leases, i.e. the leased asset is attributable to the lessor.

Other commitments

Revenue-related concession charges and additional obligations for capital expenditure of unspecified amounts on airport infrastructure have been agreed based on the existing concession agreements related to the operation of the airports in Varna and Burgas, Bulgaria (term until 2041) and Lima, Peru (minimum term until 2031) (see note 49).

There are additional financial obligations as of the balance sheet date to the amount of € 192.4 million (previous year: € 229.3 million). These mainly consist of a loan commitment to Northern Capital Gateway LCC to finance the development and modernization of Pulkovo Airport in St. Petersburg to the amount of € 45.5 million. There were further capital contribution obligations to finance capital expenditure for Delhi Indira Gandhi International Airport in India to the amount of € 20.7 million (INR 1.5 billion). The obligation arising from a long-term heat supply contract constitutes another significant component.

45 Stock options

Fraport Management Stock Options Plan 2005

In order to meet the requirements for variable compensation paid to Senior Managers, the Supervisory Board and the Executive Board resolved during fiscal year 2005 to submit a proposal to the Annual General Meeting of Fraport AG for a new Fraport Management Stock Options Plan 2005 (MSOP 2005).

On June 1, 2005, the Annual General Meeting of Fraport AG passed a resolution to adopt the main points of the MSOP 2005 proposal and the necessary capital measures to implement the plan. On the whole, it was possible to issue a total volume not exceeding 1,515,000 stock options to all eligible employees up until August 31, 2009, within the scope of the Fraport MSOP 2005.

The stock options could be granted to eligible beneficiaries once a year in up to 5 annual tranches. The prerequisite for participation in the MSOP 2005 was the direct investment in shares by employees entitled to participate (blocked deposit).

In accordance with the aforementioned resolution, the subscription rights can be satisfied either with shares issued on the basis of contingent capital or with treasury shares or by cash settlement.

The subscription rights for the MSOP 2005 can only be exercised after a vesting period of 3 years within a further period of 2 years.

The stock options under the MSOP 2005 can only be exercised if the closing price of the Fraport share on the trading day that immediately precedes the day of exercise ("valuation day") exceeds the original exercise price by at least 20%.

In contrast to the previous plan, the new plan not only includes an absolute exercise limit but also a relative exercise limit linked to the performance of a specific stock basket. The amount of the resulting profit attributable to the beneficiary arising from the exercise of stock options is also limited. Thus, 150% of the original exercise price for each stock option must not be exceeded.

The conditions to exercise the 1st tranche of the MSOP 2005 were first met in the 2008 fiscal year, when 44,700 options were drawn. In fiscal year 2010, 132,700 options expired because the exercise limit was not reached; while 20,900 options expired during the entire exercise period due to job terminations.

The vesting period for the 2nd tranche of the MSOP 2005 ended on April 18, 2009. However, the requirements for exercising this tranche were not met, also as a result of the exercise limit. Therefore, 148,300 options expired in fiscal year 2011. Another 68,100 options expired in the exercise period due to job terminations.

The vesting period for the 3rd tranche of the MSOP 2005 ended on April 17, 2010. However, in common with the previous tranche, the requirements for exercising this tranche were not met, also as a result of the exercise limit. Therefore, 187,150 options expired in fiscal year 2012. Another 32,800 options expired in the exercise period due to job terminations.

The vesting period for the 4th tranche of the MSOP 2005, ended on June 3, 2011. Likewise, the requirements for exercising this tranche were not met this time, also as a result of the exercise limit. As a total of 61,600 options have already expired as a result of termination of employment, only 188,350 options – or around 75.4% of the originally issued options – remain.

The vesting period for the 5th tranche of the MSOP 2005 ended on April 10, 2012. The requirements for exercising this tranche were met. 201,650 stock options were exercised in the past fiscal year. 25,000 options have already expired in previous years due to termination of employment and so there are currently 31,850 options left. This is approximately 12.3% of the options originally issued.

As the authorization to issue subscription rights expired in 2009, no further stock options were issued in 2010, 2011 and 2012.

For more information on contingent capital, see note 31.

Development of subscription rights issued:

Development of the subscription rights issued

	Total	Weighted average of exercise price in €	Thereof to Executive Board members	Thereof to Directors of affiliated companies	Thereof to Senior Managers of Fraport AG
Rights issued on January 1, 2012	**627,300**	**29.00**	**148,000**	**93,800**	**385,500**
Exercised in 2012	–201,650	16.58	–47,000	–35,350	–119,300
Expired in 2012	–205,450	47.70	–47,000	–29,100	–129,350
Rights issued on December 31, 2012	**220,200**	**30.87**	**54,000**	**29,350**	**136,850**

Table 98

Since the exercise period of the 3rd tranche from 2005 ended in 2012, the remaining 187,150 subscription rights that have not been exercised have expired. Of these, 47,000 subscription rights relate to the Executive Board, 117,550 to Senior Managers and 22,600 to Directors of affiliated companies.

31,850 of the outstanding options can be exercised in the 5th tranche (previous year: 0). With regard to the 188,350 options in the 4th tranche, the exercise requirements were not met by the end of the reporting period. If the absolute exercise limit had at least been reached, it would also have been possible to exercise these options. The weighted average share price for the fiscal year was € 44.67 (previous year: € 49.15). The key data for the MSOP tranches issued in the years 2005 to 2009 are shown in the table below:

Key data for the MSOP tranches

	Grant date	End of vesting period	End of exercise period	Exercise threshold in €	Exercise price in €	Fair value [2] in €
Tranche 2005	June 6, 2005	June 6, 2008	March 25, 2010	39.49	32.91 [1]	10.96
Tranche 2006	April 18, 2006	April 18, 2009	March 26, 2011	75.60	63.00 [1]	19.27
Tranche 2007	April 17, 2007	April 17, 2010	March 24, 2012	66.12	55.10 [1]	18.42
Tranche 2008	June 3, 2008	June 3, 2011	June 3, 2013	54.30	45.25 [1]	13.40
Tranche 2009	April 10, 2009	April 10, 2012	March 28, 2014	30.20	25.17 [1]	8.55

[1] Original exercise price at the grant date, subject to an adjustment by the relative performance goal.
[2] At the grant date.

Table 99

Personnel expenses in the amount of € 0.2 million (previous year: € 1.0 million) were incurred through the MSOP 2005 in the year under review. This amount was recognized in the capital reserve.

Recognition of the stock options through profit or loss is based on the fair value of each option of a tranche. A Monte-Carlo simulation is used to determine fair value. In the process, the log-normal distributed processes of the Fraport share price and the MSOP basket price are simulated to mirror, based on the performance goals, the respective performance of the Fraport share and the comparative index and the increase in the closing price of the Fraport share by at least 20 % vs. the original exercise price.

The computation of whether the Fraport share outperforms or underperforms the index is made on the basis of a total shareholder return; i.e. on the basis of the respective share performance, taking into account cash dividends, subscription rights, capital adjustments and other exceptional rights. In addition, the Monte-Carlo simulation allows for an early exercise, taking into account blocked periods and the early exercise procedure for those so entitled.

The fair value of all options to be measured in fiscal year 2012 was computed on the following basis.

Interest rate

The basis of the computations on the valuation date was a continuous zero interest rate. The interest rates were computed from the interest rate structures of government bonds maturing between one and 10 years.

Dividends

Discrete dividends are used in the Monte-Carlo simulation. The computation basis for future dividend payments is public estimates made by 10 banks. The arithmetic mean of these estimates is taken to determine the dividends.

Volatilities and correlation

To ensure an objective procedure, historic data is used to measure volatilities and correlations. They are determined on the basis of the daily XETRA closing rates of the Fraport share and the daily rates of the MSOP basket index. The price history of the index was computed using the current weighting of the index as at the grant date and taking into consideration the historical closing rates of the index components.

The time frame for determining volatilities and correlations is the remaining maturity of the options.

The fair values at the time of issue are as follows:

Fair value of the MSOP tranches

	Grant date	Fair value in €	Closing price in €
Tranche 2005	June 6, 2005	10.96	33.00
Tranche 2006	April 18, 2006	19.27	58.15
Tranche 2007	April 17, 2007	18.42	55.92
Tranche 2008	June 3, 2008	13.40	43.40
Tranche 2009	April 10, 2009	8.55	27.93

Table 100

The following volatilities and correlations were used for the computation as of the respective issue date:

Volatilities and correlations

	Grant date	Volatility Fraport	Volatility MSOP basket	Correlation Fraport/ MSOP basket
Tranche 2005	June 6, 2005	34.04 %	22.55 %	0.2880
Tranche 2006	April 18, 2006	32.34 %	20.78 %	0.2925
Tranche 2007	April 17, 2007	29.69 %	21.18 %	0.3095
Tranche 2008	June 3, 2008	27.69 %	15.03 %	0.4215
Tranche 2009	April 10, 2009	33.75 %	20.38 %	0.5382

Table 101

The computation for measuring the 1st tranche of the MSOP 2005 was made using a continuous zero interest rate of 2.57 % as of the issue date. Dividends were estimated to be € 0.86 in 2006 and € 0.94 in 2007.

The computation for measuring the 2nd tranche of the MSOP 2005 was made using a continuous zero interest rate of 3.65 % as of the issue date. Dividend estimates were € 1.00 for 2007 and € 1.10 for 2008.

The computation for measuring the 3rd tranche of the MSOP 2005 was made using a continuous zero interest rate of 4.06 % as of the issue date. Dividend estimates were € 1.16 for 2008 and € 1.17 for 2009.

The computation for measuring the 4th tranche of the MSOP 2005 was made using a continuous zero interest rate of 4.25 % as of the issue date. Dividend estimates were € 1.14 for 2009 and € 1.15 for 2010.

The computation for measuring the 5th tranche of the MSOP 2005 was made using a continuous zero interest rate of 2.51 % as of the issue date. Dividend estimates were € 1.15 for 2010 and € 1.18 for 2011.

An annual increase of € 0.01 was expected for the years to come.

46 Long-Term Incentive Program (LTIP)

The LTIP for the Executive Board and Senior Managers was introduced effective January 1, 2010, to replace the previous MSOP 2005.

A certain number of virtual shares (so-called performance shares) is allocated annually depending on certain performance objectives. Target achievement is measured over 4 years (performance period); payment in cash takes place immediately at the end of the 4-year performance period.

The number of virtual shares actually allocated depends on the extent to which 2 performance targets are met:

> Earnings per share (EPS) (target weighting 70%)
This internal performance target is determined by comparing the actual average EPS in the performance period with the weighted average budget EPS at the start of the period.
> Total shareholder return MDAX (TSR) (target weighting 30%)
The TSR measures the development of shares over a certain period of time subject to dividends and share price developments. Therefore, it constitutes a market-dependent performance target.

The amount of the actual tranche is limited to 150% of the target tranche (virtual shares awarded).

A total of 79,225 virtual shares were issued in the 2012 fiscal year. A provision for the LTIP in the amount of € 5.9 million (previous year: € 2.9 million) is reported as of December 31, 2012.

Expenses reported in the fiscal year amount to € 3.0 million (previous year: € 1.6 million).

Development of virtual shares issued

Tranche	Issued	Thereof Executive Board	Thereof Senior Managers of Fraport AG	Thereof Directors of affiliated companies	Thereof expired	Additional options issued	Balance at Dec. 31, 2012	Fair value Dec. 31, 2012
Fiscal year 2010	94,185	29,550	51,585	13,050	12,291	3,411	85,305	57.38
Fiscal year 2011	77,825	29,550	37,650	10,625	11,876	7,176	73,125	45.40
Fiscal year 2012	79,225	29,550	38,800	10,875	12,217	6,095	73,103	36.41
Amount of issued virtual shares as of Dec. 31, 2012	251,235	88,650	128,035	34,550	36,384	16,682	231,533	

Table 102

Virtual share conditions

The virtual shares in the 2012 tranche were issued on January 1, 2012. Their term is 4 years up to December 31, 2015.

The payout per virtual share corresponds to the weighted average closing price of the Fraport share in XETRA trading on the first 30 stock market trading days immediately following the last day of the performance period.

A claim to LTIP payments is established with the approval by the Supervisory Board of the consolidated financial statements for the last fiscal year of the performance period. Payments are then made within one month.

The valuation of the virtual shares takes place on the basis of the fair value per share for a tranche. A Monte-Carlo simulation is used to determine the fair value. In the process, the log-normal distributed processes of the Fraport share price are simulated to determine the relevant payment according to the respective performance goals.

The fair value of virtual shares to be measured in the 2010 and 2011 fiscal years is calculated based on the following assumptions:

The basis of the computations on the respective valuation date is a continuous zero interest rate. The interest rates were computed from the interest rate structures of government bonds maturing between one and 10 years.

The computation basis for future dividend payments is public estimates made by 10 banks. The arithmetic mean of these estimates is taken to determine the dividends.

Historic volatility is used for the calculations. The calculations are based on the daily XETRA closing price for Fraport AG.

The remaining term of the LTIP is used as the time horizon to determine volatility.

Valuation parameters (LTIP)

	Tranche 2012		Tranche 2011		Tranche 2010	
	Jan. 1, 2012	Dec. 31, 2012	Jan. 1, 2011	Dec. 31, 2012	Jan. 1, 2010	Dec. 31, 2012
Fair value	€ 32.42	€ 36.41	€ 42.34	€ 45.40	€ 31.68	€ 57.38
Target achievement, earnings per share	100.00 %	94.66 %	100.00 %	107.95 %	100.00 %	203.18 %
Rank total shareholder return MDAX	25	27	25	26.5	25	26
Interest rate end of period share price	0.59 %	0.04 %	1.60 %	–0.04 %	2.23 %	–0.04 %
Interest rate at time of payment	0.63 %	0.06 %	1.65 %	–0.03 %	2.28 %	–0.04 %
Dividend 2010					€ 1.15	
Dividend 2011			€ 1.15		€ 1.15	
Dividend 2012	€ 1.27		€ 1.18		€ 1.17	
Dividend 2013	€ 1.31	€ 1.26	€ 1.23	€ 1.26	€ 1.18	€ 1.26
Dividend 2014	€ 1.49	€ 1.31	€ 1.24	€ 1.31		€ 1.31
Dividend 2015	€ 1.56	€ 1.41		€ 1.41		€ 1.41
Volatility Fraport	37.66 %	27.00 %	37.83 %	28.43 %	38.55 %	25.52 %

Table 103

47 Risk management

Fraport is exposed to market price risks mainly due to changes in exchange rates and interest rates. The Group is additionally exposed to credit risks. There are also liquidity risks arising in connection with credit and market price risks or resulting from a worsening of the operating business or disturbances on the financial markets. It is the objective of financial risk management to limit these risks by current operating and finance-related activities. Depending on a risk assessment, selected hedging instruments are used. In general, Fraport hedges only those risks that affect the Group's cash flows. All derivative financial instruments are used as hedging instruments; i.e. they are not used for trading purposes.

Reporting to the Executive Board of updated risk positions is made once per quarter as part of the early risk recognition system. In addition, updated reporting of all material financial risk positions is provided in the monthly finance report to the Chief Financial Officer and in the monthly Treasury Committee Meeting (TCM) held between Treasury, Financial Risk Controlling and the Chief Financial Officer (CFO).

Fraport has prepared internal guidelines that deal with the processes of risk control and regulate the use of financial instruments; they include the unambiguous segregation of functions in respect of operating financial activities, their settlement and accounting and the control of the financial instruments. The guidelines, which are the basis of the risk management processes, aim to limit and control the risks appropriately and monitor them. Both the guidelines and the systems are regularly reviewed and adjusted to current market and product developments.

Credit risk

Fraport is subject to default risks from its operating business and certain financial positions. The default risks arising from financial positions are controlled by a broad diversification of counterparties and issuers, as well as regular verification of their credit ratings. It is the company's risk policy that financial assets and derivative transactions are only carried out with issuers and counterparties with an investment grade credit rating. If the credit rating is downgraded to non-investment grade during the asset's holding period or the term of the derivative, a decision will be made on a case-by-case basis on how to deal with the asset or derivative in future, taking into account the remaining term.

The maximum credit risk on the balance sheet date is mainly reflected by the carrying amounts of the assets reported in the balance sheet. The credit risk on securities in non-current and current assets is equal to the amount of debt instruments. On the balance sheet date, the breakdown of the securities was as follows:

Breakdown of securities

€ million	Dec. 31, 2012	Dec. 31, 2011
Equity instruments	0.0	73.7
Debt instruments	841.1	606.1

Table 104

Securities that represent debt instruments have the following long-term issuer ratings:

Issuer ratings, debt representing securities (2012)

€ million	Dec. 31, 2012
AAA	15.7
AA+	48.5
AA	0.0
AA–	29.0
A+	165.1
A	140.5
A–	158.3
BBB+	91.5
BBB	97.2
BBB–	85.3
BB+	10.0
Total	**841.1**

Table 105

In the previous year, the securities had the following issuer ratings:

Issuer ratings, debt representing securities (2011)

€ million	Dec. 31, 2011
AAA	20.5
AA+	23.3
AA	0.0
AA–	0.0
A+	156.4
A	148.4
A–	49.2
BBB+	86.9
BBB	42.1
BBB–	54.4
BB+	10.0
N/A (short-term A-3)	14.9
Total	**606.1**

Table 106

The credit risk on liquid funds applies solely with regard to banks. Current cash investments are maintained with banks. The banks where liquid funds are deposited have the following short-term issuer ratings:

Issuer ratings, liquid funds (2012)

€ million	Dec. 31, 2012
A-1+	113.6
A-1	314.0
A-2	3.4
A-3	0.0
P-1	132.3
P-2	229.5
P-3	2.3
F-1+	1.0
N/A	25.8
Total	**821.9**

Table 107

In the previous year, the banks where liquid funds were deposited had the following issuer ratings:

Issuer ratings, liquid funds (2011)

€ million	Dec. 31, 2011
A-1+	56.7
A-1	615.2
A-2	1.4
A-3	0.6
P-1	11.7
P-2	237.6
P-3	1.2
F-1+	0.7
N/A	2.0
Total	**927.1**

Table 108

Liquidity risk

Fraport generates financial funds mainly through its operating business and external financing. The funds are primarily used to finance capital expenditure for items of property, plant and equipment.

The operating cash flows, the available liquid funds (including cash and cash equivalents and short-term realizable securities and other financial instruments), as well as current and non-current credit lines and loan commitments, give sufficient flexibility to ensure the liquidity of the Fraport Group.

Given the diversity both of the financing sources and the liquid funds and financial assets, there is no risk of concentration in liquidity.

The operating liquidity management comprises a cash concentration process, which combines daily the liquid funds of most of the companies headquartered in Germany. This allows optimum control of liquidity surpluses and requirements in line with the needs of individual companies. Short- and medium-term liquidity management includes the maturities of financial assets and financial liabilities and estimates of the operating cash flow.

The following list of maturities shows how the liability cash flows as of December 31, 2012, influence the Group's future liquidity.

Liquidity profile as of December 31, 2012

€ million	Total [1]	2013		2014		2015–2019		2020–2024		2025 et seq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment
Primary financial instruments											
Financial liabilities	5,505.8	117.5	157.8	114.6	284.9	519.1	3,185.1	114.3	673.4	70.0	269.0
Finance leases	92.0	4.0	9.9	3.4	10.1	8.0	43.5	1.8	4.9	1.2	5.2
Concessions payable	1,242.4	45.0	31.5	43.4	29.2	186.8	161.0	118.9	235.5	173.5	217.6
Trade accounts payable	288.1	1.1	214.4	1.0	38.8	4.1	12.4	2.4	8.2	0.6	5.1
Loan commitments	45.5		35.5		10.0						
Derivative financial instruments											
Interest rate swaps	253.0	58.3		56.4		133.6		4.6		0.2	
Thereof trading		8.5		8.5		24.9		3.2		0.2	
Thereof hedge accounting		49.8		47.9		108.7		1.4			
Currency forwards											
Incoming payments	3.9		3.9								
Outgoing payments	3.8		3.8								

[1] Total of interest and repayments.

Table 109

The liquidity profile as of December 31, 2011, was as follows:

Liquidity profile as of December 31, 2011

€ million	Total [1]	2012		2013		2014–2018		2019–2023		2024 et seq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment
Primary financial instruments											
Financial liabilities	5,241.6	142.9	187.2	122.3	185.4	573.0	2,344.7	114.7	1,368.5	52.9	150.0
Finance leases	100.3	4.3	9.0	3.8	9.6	10.2	46.8	2.1	7.4	1.5	5.6
Concessions payable	1,297.1	21.3	46.8	24.5	43.8	162.7	182.7	212.7	139.5	220.9	242.2
Trade accounts payable	303.7	1.1	228.9	1.0	38.7	4.2	11.9	2.7	8.0	1.0	6.2
Loan commitments	75.4		29.5		35.5		10.4				
Derivative financial instruments											
Interest rate swaps	214.5	39.8		48.8		117.0		8.5		0.4	
Thereof trading		5.6		7.0		19.0		3.5		0.4	
Thereof hedge accounting		34.2		41.8		98.0		5.0			
Diesel fuel swaps											
Currency forwards											
Incoming payments	2.1		2.1								
Outgoing payments	2.1		2.1								

[1] Total of interest and repayments.

Table 110

All financial instruments that are subject to contractual agreements as of the reporting date were included to determine the undiscounted payments. If a contractual partner can release a payment at different points of time, the earliest deadline is taken into account. The respective forward interest rates derived from the interest rate on the balance sheet date were used to determine the interest payments on primary financial liabilities bearing interest at floating rates and the net payments on derivative financial instruments. For payments in connection with currency forwards, the corresponding fixed reference prices as on the balance sheet date were used.

Financial liabilities of certain Group companies abroad arising from project financing with a nominal value of € 368.2 million include numerous of credit clauses that are typical for this type of financing. These financial liabilities result from independent project financing activities. These clauses include inter alia regulations under which certain debt service coverage ratios and control indicators for debt ratio and credit periods must be complied with. Failure to comply with the agreed credit clauses may lead to restrictions on the distribution of dividends and/or to the early redemption of loans or to the additional payment of equity. Additionally, there are contractually agreed credit clauses for specific earmarked and/or project-related public loans issued by public business development banks and taken out by Fraport AG in the amount of € 1,230 million. These clauses relate, among other things, to changes in the shareholder structure and control of the company. If these have a proven effect on the borrowing capacity of Fraport AG, the creditors have the right to recall the loans early.

There are currently no indications of any failure to comply with the essential agreed borrowing terms and conditions.

Currency risk

The international focus of the Fraport Group makes its operating business, the financial results reported and the cash flows subject to foreign currency fluctuation risks. Only the transaction risks affecting cash flows are actively controlled. These mainly apply between the € and Turkish New Lira (TRY) or Saudi Riyal (SAR), as well as between the US Dollar (US-$) and Peruvian Nuevo Sol (PEN). Transaction risks primarily originate from business operations when cash receipts from revenue are not offset by expenditures in matching currencies. To reduce the foreign currency effects in the operating business, the transaction risk is assessed on an ongoing basis and hedged in part by using derivative financial instruments. Entering into financial instrument transactions is the responsibility of the Group companies in close coordination with the Treasury of Fraport AG. Hedging mainly involves the use of currency forwards.

Transaction risks are assessed by means of sensitivity analyses. The calculation rates on which the analyses are based are the result of the mean value for the respective exchange rate in the period under review, less or in addition to a standard deviation. If we take these assumptions as a basis, the profit for the period would have been affected in the year under review as follows:

Currency sensitivity

Risk in € million	Dec. 31, 2012		Dec. 31, 2011	
	Gain	Loss	Gain	Loss
€/TRY	0.15	0.16	0.47	0.53
US-$/PEN	0.27	0.28	0.50	0.52
€/SAR	0.07	0.07	0.16	0.16

Table 111

There are no essential sensitivities in relation to shareholders' equity.

In addition there are effects in the Group from the translation of foreign currency assets or liabilities in € and/or from the consolidation of Group companies not accounted for in €. These risks are met as far as possible by applying natural hedging.

Interest rate risk

The Fraport Group is exposed to interest rate risk on a variety of primary and derivative financial assets and liabilities, as well as future planned capital requirements.

In regard to assets and liabilities that are currently held, the objective of refinancing at matching maturities is generally pursued. The interest rate risk arising in the next 12 months is relevant for control. It is assessed every quarter and reported to the financial risk committee. Sensitivity analyses are prepared to determine the risk. These show the effects of changes in market interest rates on interest payments, interest income and expenses, other profit or loss portions and equity. Interest rate changes are defined to be the maximum fluctuation of the key interest rate in the past for the respective currency and the respective period of time and/or the maximum fluctuation of the 10-year swap rate in the past. The deviation in absolute terms is taken into consideration.

To limit the interest rate risks, derivative financial instruments, such as interest rate swaps and swap options, are used.

The sensitivity analyses are based on the following assumptions:

Changes in market rates of primary financial instruments with fixed interest rates affect profit or loss, or equity, only if the instruments are measured at fair value. The sensitivity analysis for these financial instruments assumes a parallel shift of the interest rate by 169 basis points in a period of 12 months.

As a result, the financial instruments measured at amortized cost with fixed interest rates do not affect profit or loss for the period or the equity of the Fraport Group.

Market rate changes in primary floating-rate financial instruments, which are not designated hedged items in a cash flow hedge of interest rate exposures, affect net interest income and expense and are therefore included in profit-or-loss-related sensitivities. The respective net financial position for each currency is taken into account in the process. The interest rate sensitivity analyses are based on the following assumptions: €: 3.25 percentage points; US $: 4.75 percentage points; TRY: 10.25 percentage points; Swiss francs (CHF): 2.50 percentage points; PEN: 7.10 percentage points; Saudi Riyal (SAR): 4.50 percentage points; Canadian Dollar (CAD): 3.75 percentage points; Bulgarian Lew (BGN): 5.22 percentage points. The individual sensitivities are then aggregated to become one profit or loss related sensitivity in €.

Changes in market rates of financial instruments which were designated as hedging instruments in an interest rate related cash flow hedge affect equity and are therefore included in the equity-related sensitivity computations. The maximum variability is taken to be a parallel shift of the interest rate by 169 basis points over a period of 12 months.

Changes in market rates of interest rate derivatives, which are not part of a hedging relationship under IAS 39, affect the other financial result and are therefore included in the profit or loss related sensitivities. The maximum variability is taken to be a parallel shift of the interest rate by 169 basis points over a period of 12 months.

Based on the portfolios and the structure of the consolidated financial position as of December 31, 2012 and the assumptions made, the profit or loss related sensitivity is € 8.1 million in the event of an increase (decrease) in the market interest rate (previous year: € 10.7 million). This means that the financial result could hypothetically have increased (decreased) by € 8.1 million. This hypothetical effect on profit or loss would result from the potential effects of interest rate derivatives of € 25.3 million (previous year: € 24.5 million) and an increase (decrease) in the interest result from primary floating-rate net financial positions of € –17.2 million (previous year: € –13.8 million).

Interest sensitivity

€ million	Dec. 31, 2012	Dec. 31, 2011
Interest sensitivity	8.1	10.7
thereof derivative financial instruments	25.3	24.5
thereof primary financial instruments	–17.2	–13.8

Table 112

The equity-related sensitivity is € 73.3 million (previous year: € 97.6 million). By applying the assumptions made, an increase (decrease) in interest rates would result in an increase (decrease) in equity of € 73.3 million.

Capital management

The Group's objectives with a view to capital management are ensuring the Group's continued existence and a sustained increase in the company's value. As a capital market-oriented company with continuing capital expenditure requirements, the company monitors the development of its debt using financial ratios, which relate EBITDA to its net debt and/or interest expenses. As long as the company remains within the following margins, the company's present view is that there is sufficient access to debt capital sources at reasonable cost.

The components of the control indicators are defined as follows:

Components of control indicators

Net Debt	Current financial liabilities
	+ Non-current liabilities
	– Liquid funds
	– Current realizable assets in "other financial assets" and "other receivables and financial assets"
EBITDA	Operating result + depreciation and amortization
Interest expense	Interest expense

Table 113

The financial ratios developed as follows in the period under review:

Financial debt ratios

	Corridor	Dec. 31, 2012	Dec. 31, 2011
Net Debt/EBITDA	max. 4–6 x	3.4	3.3
EBITDA/Interest Expense	min. 3–4 x	3.8	4.2

Table 114

48 Related party disclosures

Under IAS 24 (Related Party Disclosures), Fraport must disclose relationships to related parties, unless they are already included as consolidated companies in the consolidated financial statements of Fraport AG.

A related party is a person or entity that is related to the entity preparing its financial statements (the reporting entity).

A person or a close member of that person's family is related to a reporting entity if that person has control or joint control over the reporting entity, has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is also related to a reporting entity if, among other things, both entities belong to the same group or one entity is an associate or joint venture of the other entity (IAS 24.9 a, b).

A related party transaction is a transfer of resources, services, or obligations between the reporting entity and a related party or person, regardless of whether a price is charged for such transfer.

The shareholdings of the state of Hesse and Stadtwerke Frankfurt am Main Holding GmbH and the consortium agreement signed between these shareholders, mean that Fraport AG is a company controlled by these shareholders.

Fraport AG has numerous business relationships with the state of Hesse and the city of Frankfurt and their majority-owned investments. Related companies and authorities with which major business relations are maintained include Landesbetrieb Hessen-Forst, Mainova AG and Messe Frankfurt Venue GmbH & Co. KG.

Furthermore, the disclosure requirements according to IAS 24 extend to business transactions with associated companies as well as business transactions with persons exercising significant influence on the financial and business policies of Fraport AG, including close relatives or intermediate companies.

All transactions between the related parties have been concluded under conditions customary in the market as between unrelated third parties. The services rendered to authorities are generally based on cost prices. Prices are reviewed by Federal government authorities. The following table shows the scope of the business relationships:

Related party disclosures

€ million		Majority shareholders				
		State of Hesse	Stadtwerke Frankfurt am Main Holding GmbH	Joint ventures	Associated companies	Companies controlled by majority shareholders
Revenue	**2012**	**1.6**	**0.2**	**3.1**	**6.1**	**13.3**
	2011	1.3	0.2	3.0	6.8	12.8
Purchased goods and services	**2012**	**2.4**	**8.2**	**7.9**	**13.5**	**92.5**
	2011	9.9	8.2	7.6	10.6	88.5
Interest	**2012**	**–0.9**	–	**0.3**	**10.4**	–
	2011	–0.9	–	0.1	6.7	–
Accounts receivable	**2012**	–	–	**0.2**	**19.0**	**0.5**
	2011	–	–	0.2	13.0	0.2
Loans	**2012**	–	–	**8.0**	**120.3**	–
	2011	–	–	6.7	90.9	–
Accounts payable	**2012**	**26.3**	–	**2.5**	**0.8**	**26.6**
	2011	27.5	–	5.6	0.2	26.3

Table 115

Total compensation of € 1,725 thousand (previous year: € 1,785 thousand) was paid to level one Managers (Business Unit Managers) and the Managers of the Strategic Service Divisions. See notes 52, 53 and 54 for relationships to members of the Executive Board and Supervisory Board.

49 Operating permit and service concession arrangements

The following companies in the Fraport Group have been granted service concessions or similar permits, which give the public access to important economic and social facilities:

Fraport AG

In agreement with the German Federal Minister of Transport, the Minister of Labor, Economics and Transport for the state of Hesse approved operations at Frankfurt Main airport in accordance with Section 7 as amended on August 21, 1936, of the German Air Transport Law on December 20, 1957. This permit does not expire at any specific time and was last time amended by the decision of October 29, 2012 based on the outcome of the planning approval process for the expansion of the airport, in particular regarding the Northwest Landing Runway, taking into account the relevant ruling of the German Federal Administrative High Court.

The right to operate the airport is linked to various obligations that are specified in the permit. Fraport AG is required, among other things, to keep the airport in good operating condition at all times, to provide and maintain the equipment and signs needed to monitor and control air traffic at the airport and to guarantee the availability of fire prevention and protection systems that take account of the special operating conditions. The restrictions on night flights that were initially imposed in 1971 and subsequently updated have been tightened by the aforementioned amendment and extension to the permit. Daytime operational restrictions on aircraft for civil aviation purposes at Frankfurt/Main airport that do not comply with ICAO noise protection regulations have also been further tightened. Furthermore, there are statutory requirements for passive noise abatement as a result of the construction work around the airport and the Northwest Landing Runway.

The company charges airlines that fly to Frankfurt am Main airport what are known as "traffic charges" for provision of the transport infrastructure. These traffic fees are broken down into airport charges that require approval and other fees that do not require approval.

> The airport charges that require approval under Section 19b of the German Air Traffic Law (LuftVG) are divided into take-off and landing charges, including noise components and emission charges, parking charges and passenger and security charges as well as charges for the financing of passive noise abatement measures (noise surcharges). The amount of the charges is specified in a related fee table.

  In December 2009, Fraport AG and airline representatives agreed on adjustments to airport charges for 2010 and 2011 at Frankfurt Airport. The charges were raised by 4 % on July 1, 2010 and by 3 % on October 1, 2010. On April 1, 2011, they were increased by an additional 3 % and another 2.5 % on October 1, 2011. On February 19, 2010, an agreement was also reached on airport charges for 2012 to 2015. The contract is based on anticipated traffic development at Frankfurt Airport and stipulates an annual charge increase of 2.9 % for 2012 through 2015. If passenger development exceeds or falls below forecast figures, the contract calls for a bonus/penalty approach to be used.

  The charge table effective January 1, 2012 was approved by Hesse's Ministry of Economics, Transport and Regional Development (HMWVL) and published in the Air Transport Bulletin (NfL). In addition, charges for the financing of passive noise abatement measures (noise surcharges) have been levied since July 1, 2012. The noise surcharges were approved by the HMWVL on May 8, 2012. Airport charges accounted for 35.48 % of Fraport AG's revenue in the year under review.

> The remaining charges not subject to approval are classified as charges for central ground handling infrastructure facilities and ground handling charges. In accordance with EU regulations, ground services on the apron were opened up to competition on November 1, 1999 (opened up in practice on April 15, 2000), by issuing a permit to another third-party ground handling company along with Fraport AG. The services in the area of central ground handling infrastructure facilities continue to be excluded from competition (monopoly sector) and are completely segregated from the ground handling services when they are offset with the airlines. Of Fraport AG's revenue in 2012, 17.18 % was generated by ground handling services and 13.53 % by infrastructure fees.

Above and beyond the traffic charges, Fraport AG generates revenue essentially from revenue-based payments, renting and parking and security services. The proceeds from these operations – which do not require approval – accounted for 33.81 % of Fraport AG's entire revenue in the year under review.

Fraport IC Ictas Antalya Airport Terminal Investment and Management Inc. (franchisee)
In April 2007, the consortium in which Fraport AG holds an interest won the bidding procedure to operate the terminals at Antalya Airport for 17 years. The consortium and the Turkish airport authority (DHMI–franchisor) signed the concession agreement on May 22, 2007. Since September 14, 2007, Fraport AG and IC Yatirim Holding A.S. have been jointly managing the International Terminal 1 previously managed by Fraport AG, as well as the domestic and CIP terminals. On September 23, 2009, the Fraport consortium also took over operation of the 2nd international terminal previously operated by IC Holding and Celebi Holding. The concession for the operation of all 3 terminals and the right to use all assets listed in the concession agreement extends to the end of 2024.

The franchisee is obliged in this context to provide terminal services in compliance with international standards, as well as the procedures and principles specified in the concession agreement. With regard to the authorized use of infrastructure, the franchisee is obligated to perform maintenance and capacity expansions (as required). Distributed over the term of the concession agreement, the franchisee also pays a concession fee of € 2.01 billion net.

In exchange, the franchisee receives the right to use the existing and future terminal infrastructure to operate the airport and the right to generate revenue from passenger charges paid by the airlines and from other services related to terminal operations. Passenger charges are regulated by the franchisor.

At the end of the concession term, the franchisee is required to return all assets specified in the concession agreement to the franchisor in proper operating condition.

In accordance with the concession agreement, the franchisee deposited a performance bond amounting to € 142.8 million at the beginning of the concession period for the benefit of the franchisor. This performance bond was issued by a Turkish bank, secured in part by corporate guarantees given by the shareholders. The proportion guaranteed to the bank by Fraport AG in the form of a corporate guarantee was € 35.7 million. Following official approval of the new domestic terminal (Terminal 3) by the franchisor, the performance bond was reduced to € 142.3 million as agreed. The proportion guaranteed by Fraport AG thus amounts to € 35.6 million.

Fraport Twin Star Airport Management AD

Fraport Twin Star Airport Management AD (franchisee) and the Republic of Bulgaria (franchisor), represented by its Minister of Transport, signed a concession agreement on September 10, 2006, for the operation and management of the Bulgarian airports in Varna and Burgas on the Black Sea.

According to the concession agreement, the franchisee is obligated to render various airport services and to improve services in line with international standards, national laws and the provisions stipulated in the concession agreement. In addition, the franchisee is obligated to invest € 287.5 million in the expansion and a capacity increase of the airports in Varna and Burgas and to maintain the assets ceded for use. In addition, the franchisee pays an annual concession charge of 19.2 % of total revenue, at least 19.2 % of BGN 57 million (€ 29.1 million), adjusted by increases or decreases in the national inflation rate, to the franchisor. The franchisee paid an additional non-recurring concession charge in the amount of € 3.0 million to the franchisor after the agreement was signed. In return, the franchisee receives the right to use the existing and future infrastructure for airport operations and the right to generate revenue, in particular through airport charges (passenger, landing and parking charges) and for ground handling services. Airport charges are regulated by the franchisor.

The concession agreement started on November 10, 2006 and has a duration of 35 years.

The franchisee undertakes to furnish a performance bond to the franchisor, issued by a bank rated BB– or higher, in the annual amount of € 15.0 million in the first 10 years and in the annual amount of € 7.5 million during the remaining term of the agreement.

At the end of the concession term, the infrastructure pursuant to the contract that is essential for airport operations must be returned to the franchisor in proper operating condition without receiving any consideration in return.

Lima Airport Partners S.R.L. (LAP)

On February 14, 2001, LAP (franchisee) and the Peruvian Government (franchisor), represented by its Minister of Transportation (MTC), signed the concession agreement for Jorge Chavez International Airport for the operation, expansion, maintenance and use of the Jorge Chavez International Airport in Lima (Peru).

The term of the concession agreement is 30 years. The contract may be renewed for another 10 years. Further renewals are possible under certain conditions; the overall concession term must not exceed 60 years, however.

In addition to operating and maintaining the airport infrastructure, the franchisee is obligated vis-a-vis the franchisor to invest at least US-$100 million for the remodeling of the airport and in particular the terminal and to build a 2nd landing runway. The contractual amount of US-$100 million has been invested already. Construction work on the 2nd landing runway has not yet begun.

The franchisee is also obligated to pay concession charges. The concession fee is the higher of 2 amounts: either the contractually fixed minimum payment (basic payment of US-$15 million per year, adjusted for inflation by US CPI) or 46.511 % of total revenue after deduction and transfer to Corpac (Aviation Regulatory Authority) of 50 % of the landing charges and 20 % of the international passenger charges (TUUA). In addition, a regulatory charge of 1 % of the same assessment basis is payable. In return, the franchisee receives the right to use the existing and future infrastructure for airport operations and the right to generate revenue, in particular through airport charges (passenger, landing and parking charges) and for ground handling and other services. Airport charges are regulated by the franchisor.

At the end of the contract term, the infrastructure pursuant to the contract that is essential for airport operations must be returned to the franchisor by the franchisee in the contractually defined operational condition. The franchisee has the right to have the residual carrying amount of said infrastructure reimbursed by the franchisor for a limited period of time. This does not apply if the concession agreement is terminated early.

50 Information on shareholdings pursuant to the Securities Trading Act (WpHG)

Changes in Fraport AG's shareholder structure in fiscal year 2012 were as follows:

Artio Global Holdings LLC, New York, USA, informed us in accordance with Section 21 (1) of the WpHG that on February 29, 2012 its voting rights in our company fell below the threshold of 5 % and on that day amounted to 4.90 % (4,509,210 voting shares). Of these, 4.90 % of the voting shares (4,509,210 voting shares) are allocatable to it in accordance with Section 22 (1) sentence 1, no. 6 of the WpHG in conjunction with Section 22 (1) sentence 2 of the WpHG.

Artio Global Investors Inc. (previously Julius Baer Americas, Inc.), New York, USA, informed us in accordance with Section 21 (1) of the WpHG, that on February 29, 2012, that its voting rights in our company fell below the threshold of 5 % and on that day amounted to 4.90 % (4,509,210 voting shares). Of these, 4.90 % of the voting shares (4,509,210 voting shares) are allocatable to it in accordance with Section 22 (1) sentence 1, no. 6 of the WpHG in conjunction with Section 22 (1) sentence 2 of the WpHG.

Artio Global Management LLC (previously Julius Baer Investment Management LLC), New York, USA, informed us in accordance with Section 22 (1) of the WpHG that on February 29, 2012, that its voting rights fell below the threshold of 5 % and on that day amounted to 4.90 % (4,509,210 voting shares). Of these, 4.90 % of the voting shares (4,509,210 voting shares) are allocatable to it in accordance with Section 22 (1) sentence 1 no. 6 of the WpHG.

Lazard Asset Management LLC, New York, USA, informed us in accordance with Section 21 (1) of the WpHG that on May 30, 2012 its voting rights in Fraport AG Frankfurt Airport Services Worldwide exceeded the threshold of 3 % and on that day amounted to 3.17 % (2,917,330 voting shares). Of these, 3.17 % of the voting shares (2,917,330 voting shares) are allocatable to it in accordance with Section 22 (1) sentence 1 no. 6 of the WpHG.

Artio Global Holdings LLC, New York, USA, informed us in accordance with Section 21 (1) of the WpHG that on July 2, 2012 its voting rights in our company fell below the threshold of 3 % and on that day amounted to 2.94 % (2,709,809 votes). Of these, 2.94 % of the voting shares (2,709,809 voting shares) are allocatable to it in accordance with Section 22 (1) sentence 1, no. 6 of the WpHG in conjunction with Section 22 (1) sentence 2 of the WpHG.

Artio Global Investors Inc. (formerly Julius Baer Americas, Inc.), New York, USA, informed us in accordance with Section 21 (1) of the WpHG, that on July 2, 2012, the voting rights in our company fell below the threshold of 3% and on that day amounted to 2.94% (2,709,809 voting shares). Of these, 2.94% of the voting shares (2,709,809 voting shares) are allocable to it in accordance with Section 22 (1) sentence 1, no. 6 of the WpHG in conjunction with Section 22 (1) sentence 2 of the WpHG.

Artio Global Management LLC (previously Julius Baer Investment Management LLC), New York, USA, informed us in accordance with Section 21 (1) of the WpHG that on July 2, 2012, that its voting rights fell below the threshold of 3% and on that day amounted to 2.94% (2,709,809 voting rights). Of these, 2.94% of the voting shares (2,709,809 voting shares) are allocable to it in accordance with Section 22 (1) sentence 1, no. 6 of the WpHG.

RARE Infrastructure Limited, Sydney, Australia, informed us in accordance with Section 21 (1) of the WpHG that on November 28, 2012 its voting rights in Fraport AG Frankfurt Airport Services Worldwide exceeded the threshold of 3% and on that day amounted to 3.062% (2,822,978 voting shares). Of these, 3.062% of the voting shares (2,822,978 voting shares) are allocable to it in accordance with Section 22 (1) sentence 1 no. 6 of the WpHG.

As of December 31, 2012, the shareholder structure of Fraport AG was as follows:

The total voting rights held by the state of Hesse and Stadtwerke Frankfurt am Main Holding GmbH in Fraport AG calculated in accordance with Section 22 (2) of the WpHG amounted to 51.45% as of December 31, 2012. They were attributed as follows: state of Hesse 31.40% and Stadtwerke Frankfurt am Main Holding GmbH 20.05%.

The voting rights in Fraport AG owned by the city of Frankfurt am Main are held indirectly via the Stadtwerke Frankfurt am Main Holding GmbH subsidiary.

According to the latest official report in accordance with the WpHG or disclosures from individual shareholders, the remaining voting rights in Fraport AG were allocated as follows (as of December 31, 2012): Deutsche Lufthansa AG 9.89%, Lazard Asset Management LLC 3.16% and RARE Infrastructure Limited 3.06%. The relative holdings of the shareholders were adapted to the current total number of shares on the balance sheet date and may therefore differ from the figures given at the time of reporting or from shareholders' own disclosures.

There are no reports for the remaining 32.44% (free float).

51 Statement issued by the Executive Board and the Supervisory Board of Fraport AG pursuant to Section 161 of the AktG

On December 14, 2012, the Executive Board and the Supervisory Board of Fraport AG issued the Statement of Compliance with the Corporate Governance Code pursuant to Section 161 of the AktG and made it available to the public on a permanent basis on the company website www.fraport.com in the Corporate Compliance subsection of the Group section.

52 Information concerning the Executive Board, Supervisory Board and Economic Advisory Board

Remuneration report

The following remuneration report is part of the management report and describes the main features of the compensation system for the Executive Board and Supervisory Board of Fraport AG in accordance with the statutory regulations and the recommendations of the Corporate Governance Code as amended on May 15, 2012 (DCGK). It summarizes which principles apply in determining the total compensation of the members of the Executive Board and explains the structure and amount of the compensation of the Executive Board and Supervisory Board members.

Remuneration of the Executive Board members in fiscal year 2012

Remuneration system

Executive Board compensation shall be set by the Supervisory Board upon the recommendation of its executive committee and shall be reviewed on a regular basis. The compensation of the Executive Board members of Fraport AG is to be in proportion to the tasks of the position and the company's situation and in line with a transparent and sustainable corporate governance approach which focuses on the long-term.

Compensation is comprised as follows:

> Non-performance-related components (fixed salary and compensation in kind)
> Performance-related components with a short- and mid-term incentive effect (bonus)
> Performance-related components with a long-term incentive effect (Long-Term Strategy Award and Long-Term Incentive Program)

Generally, the Supervisory Board has been guided by the principle that in the ordinary course of business, members of the Executive Board shall receive a fixed annual salary, which makes up approximately 35 % of total compensation. The bonus payment should also amount to approximately 35 % of total compensation. The Long-Term Strategy Award should account for approximately 10 % of total compensation and the share of the Long-Term Incentive Program about 20 %.

In addition to these components, there are still stock options outstanding, issued in previous years, that have a long-term incentive effect as part of the stock option plan still running (see note 45).The last time stock options were issued was in 2009. In addition, Executive Board members received endowments to pension benefit payments.

Non-performance-related components

During the term of their employment agreement (generally 5 years), Executive Board members, as a rule, receive a fixed annual salary for the entire period. The amount of the fixed annual salary is reviewed on a regular basis, generally annually, to ensure that it is appropriate. The fixed annual compensation also covers any activity performed by an Executive Board member for companies in which Fraport AG holds an indirect or a direct interest of more than 25 % (so-called "other board functions related to Group companies").

If an Executive Board member has such other board functions at Group companies, the compensation he or she receives from such companies is credited against the bonus. The compensation received by Dr. Zieschang for his activities performed as a member of the Supervisory Board of Flughafen Hannover-Langenhagen GmbH were credited against his bonus payment of 2012 from Fraport AG.

In addition, the compensation for Executive Board members includes compensation in kind and other payments. Compensation in kind is the pecuniary benefit subject to income tax from using a company car with driver. This compensation in kind is generally available to all Executive Board members in the same way; the amount of compensation depends on the personal situation.

Executive Board members also receive half of the total contributions toward their pension insurance in the case of voluntary insurance and in the case of statutory insurance, half of the total statutory contributions.

Performance-related components

Without a long-term incentive effect (bonus)

The bonus is dependent on EBITDA and ROFRA of the Fraport Group for the respective fiscal year. EBITDA is the Group operating result, ROFRA the interest on Group assets; i.e. the total return on capital (Return on Fraport assets). Both key figures (EBITDA and ROFRA) are recognized business management parameters for measuring the success of a company.

The actual bonus for an Executive Board member is calculated by multiplying EBITDA and ROFRA, each minus a basic allowance, by an individual multiplier for each Executive Board member, stipulated in each employment contract and adding the aforementioned parameters. The bonus amount for one fiscal year is capped at 175% of the bonus paid for 2009 or if the member was appointed during the year or the employment contract was amended in 2009, an amount extrapolated for the entire year. For Executive Board members appointed as of 2012 the maximum bonus amount for a fiscal year is limited to 140% of the bonus calculated pro forma for fiscal year 2011. 50% of anticipated bonus payments are paid out monthly during the fiscal year. The remaining bonus payments are payable within one month after the Supervisory Board has approved the respective consolidated annual results.

50% of the calculated bonus payments have a conditional payback provision. If EBITDA and ROFRA in the following year do not reach at least an average of 70% of the corresponding key figures for the fiscal year in question, the Executive Board member has to pay back 30% of the bonus to Fraport AG. Should the same apply to the second year after the relevant fiscal year, 20% of the bonus has to be repaid. A possible repayment obligation exists for each following year separately and must be individually reviewed each year for compliance.

If the Supervisory Board is of the opinion that the relevant business figures have decreased due to influences outside of the Executive Board's control, it can grant a bonus at its discretion or waive the full or partial repayment, based on the Executive Board member's performance. If an Executive Board member holds an active position for less than one fiscal year, a pro rata bonus payment is made.

With a long-term incentive effect (Long-Term Strategy Award, LSA)
The LSA creates an additional long-term incentive effect that takes into reasonable consideration the long-term interests of the main stakeholders of Fraport AG, specifically employees, customers and shareholders.

As part of the LSA, each Executive Board member is promised a prospective financial reward for one fiscal year – the first being in 2013 for the year 2010. After three fiscal years have expired (the fiscal year in question and the two following years), the extent to which the targets have been met is determined and the actual payment is calculated based on these results. The paid amount can exceed or fall below the prospective amount but is capped at 125% of the originally stated amount. Performance targets are customer satisfaction, sustained employee development and share performance. All three targets are equally important under the LSA. As in the previous year, for 2015 a prospective sum of € 120,000 has been promised to the Chairman of the Executive Board, while a prospective sum of € 90,000 each has been promised to the other members of the Executive Board. Michael Müller and Anke Giesen participate in the Plan Award for 2011 and 2012 on a pro rata basis.

Customer satisfaction is evaluated on an annual basis using an established assessment system for airlines, real estate management, retail properties and passengers. Whether or not a target has been met is determined by comparing the corresponding data (in percentage points) at the beginning of the three-year period with the average achieved over the same period. If the actual result exceeds or falls below the target by two full percentage points, the bonus paid for customer satisfaction is increased or decreased correspondingly.

Sustained employee development relates to employee satisfaction and the changes in headcount. The Supervisory Board decides the extent to which the target has been met. Its decision is based on the results of the employee satisfaction barometer (a survey among Fraport AG employees carried out as a rule every 1 or 2 years) and the responsible development of headcount in view of the economic situation of the Group.

For the share performance target, the Fraport share price development over the corresponding three-year period is compared with the average development of the MDAX and a share basket, which includes the shares of the operators of the Paris, Zurich and Vienna airports. The payment for this share performance target is again determined by comparing the reference value calculated at the beginning of the three-year period with the actual development. Positive or negative deviations increase or decrease the prospective bonus correspondingly.

Entitlement to LSA payments is established by approval by the Supervisory Board of the consolidated financial statements for the last fiscal year of the performance period.

If an Executive Board member leaves Fraport AG before the end of a three-year period, the performance targets for such Executive Board member are not calculated until after this period has expired. The award for the entire period is then paid on a pro rata basis for the amount of time the Executive Board member actually worked for the company. There is no right to payment for a three-year period which has not yet expired at the time the employment contract has been legally terminated due to extraordinary circumstances that are within the control of the Executive Board member (termination by request of the Executive Board member without cause pursuant to Section 626 of the German Civil Code [Bürgerliches Gesetzbuch – BGB], termination for cause within the control of the Executive Board member in accordance with Section 626 BGB) or if the Executive Board member has been removed from his or her office for cause pursuant to Section 84 (3) of the AktG. If an Executive Board member joins the company during the course of a fiscal year, the Supervisory Board shall decide if and to what extent the Executive Board member may be entitled to participate in the LSA program for this fiscal year.

Long-Term Incentive program (LTIP)

The LTIP is a virtual stock options program. Beginning in fiscal year 2010, the Executive Board members of Fraport AG are promised each fiscal year a contractually stipulated amount of virtual shares within their employment agreements, so-called performance shares, on the condition that and depending on whether they meet pre-defined performance targets (the so-called target tranche). After four fiscal years – the performance period – it will be determined to what extent these performance targets have been met and the number of performance shares actually due to the Executive Board member, the so-called actual tranche. The actual tranche can exceed or fall below the target tranche but is capped at 150% of the target tranche. The value of the allocated performance shares is calculated on the basis of the average current share price at the end of the performance period and converted into the actual LTIP cash payment. The two performance targets "earnings per share" (EPS) and "rank total shareholder return MDAX" are relevant for deriving the actual tranche from the target tranche, with earnings per share (EPS) being weighted at 70% and rank total shareholder return MDAX at 30%. For the fiscal year 2012, as in 2011, 9,000 performance shares were allocated to Dr. Stefan Schulte as a target tranche, while Peter Schmitz and Dr. Matthias Zieschang each received 6,850 performance shares. Anke Giesen and Michael Müller participated in the target tranche pro rata temporis for 2011 and 2012. Thus, Ms. Giesen was awarded from a total of 6,850 performance shares as a target tranche of 3,425 performance shares (24/48) for fiscal year 2011 and 5,138 performance shares (36/48) for fiscal year 2012. From a total of 3,550 performance shares Mr. Müller was awarded as a target tranche of 1,997 performance shares (27/48) for fiscal year 2011 and 2,884 performance shares (39/48) for fiscal year 2012.

In order to determine to what extent the EPS performance target has been met, the weighted average target EPS during the performance period, based on the strategic development planning applicable at the time of the award, is compared with average EPS actually achieved during the performance period. For the calculation, the first fiscal year accounts for 40%, the second for 30%, the third for 20% and the fourth for 10%. If targets have been met 100% over the performance period, the actual tranche corresponds to the target tranche. If the actual EPS differs from the target EPS, the number of allocated performance shares is adjusted accordingly. If the actual EPS falls below the target EPS by more than 25 percentage points, no performance shares are issued for the EPS performance target. If the actual EPS falls below the target EPS by 25 percentage points, the actual tranche amounts to 50% of the target tranche. If the actual EPS exceeds the target EPS by 25 percentage points, the actual tranche amounts to 150% of the target tranche. Intermediate values can be calculated using a straight-line method. Any performance exceeding the targets by more than 25 percentage points is not taken into account. The extent to which the rank total shareholder return MDAX performance target has been met is calculated by determining the weighted average rank of Fraport AG amongst all companies listed in the MDAX in relation to the total shareholder return (share price development and dividends) over the performance period. Just as with the EPS performance target, the four relevant fiscal years will be weighted downwards. The actual tranche shall equal the target tranche if Fraport AG, during the performance period, ranks number 25 among total shareholder return MDAX with its weighted average. For each rank exceeding or falling below 25, the actual tranche is increased or reduced by 2.5 percentage points. If Fraport AG ranks worse than 45, no performance shares will be issued for the rank total shareholder return MDAX performance target; if Fraport AG ranks better than 5, there will not be a further increase in the number of performance shares issued over 5th place.

The relevant share price used for calculating the LTIP payment shall correspond to the weighted average of the company's closing share price in XETRA or a similarly situated trading system at the Frankfurt Stock Exchange during the first 30 trading days immediately subsequent to the last day of the performance period. Entitlement to LTIP payments is established by the approval by the Supervisory Board of the consolidated financial statements for the last fiscal year of the performance period.

The rules for LTIP entitlements of former Executive Board members are largely the same as for the LSA. In addition, a former Executive Board member is not entitled to any performance shares for a target tranche whose performance period has lasted less than 12 months at the time the employment contract was legally terminated. Thus, after the end of his employment on September 30, 2012, Herbert Mai is not entitled to the target tranche for fiscal year 2012.

The LTIP fair value accrual allocation resulted in the following expenses for the fiscal year: Dr. Stefan Schulte € 370.5 thousand (previous year: € 181.9 thousand), Michael Müller € 50.2 thousand, Peter Schmitz € 256.3 thousand (previous year: € 138.5 thousand), Dr. Matthias Zieschang € 256.3 thousand (previous year: € 138.5 thousand), Herbert Mai € 112.8 thousand (previous year: € 138.5 thousand).

Pension commitments

The Executive Board members are entitled to pension benefits and provision for surviving dependents. An Executive Board member is generally entitled to retirement benefits if he or she becomes permanently unable to work or retires from office during the duration of, or upon expiry of, his or her employment agreement. If an Executive Board member dies, benefits are paid to his or her surviving dependents. These amount to 60% of the retirement pension for the widower or widow; children entitled to receive benefits receive 12% each. If no widow's pension is paid, the children each receive 20% of the retirement pension.

Upon retirement, income from active employment as well as retirement pension payments from previous or, where applicable, later employment relationships shall be credited against accrued retirement pay up until reaching 60 years of age, insofar as without such credit the total of these emoluments and the retirement pension would exceed 75% of the fixed salary (100% of the fixed salary if Fraport AG wishes the employment to be terminated or not be extended). Effective January 1 of each year, the pensions are adjusted at discretion, taking into account the interests of the former Executive Board member and the company's performance. The adjustment obligation shall be considered to be satisfied if the adjustment does not fall below the increase in the consumer price index for the cost of living for private households in Germany.

The retirement pension of an Executive Board member is defined by the percentage of a contractually agreed basis of assessment, with the percentage rising annually by 2% up to a limit of 75%, dependent on the duration of time an Executive Board member is appointed.

As of December 31, 2012, Dr. Schulte is entitled to 56.0% of his fixed annual gross salary. Mr. Schmitz is entitled to 36.0% of his fixed annual gross salary as of December 31, 2012. The basic account commitment (guideline 2 of the Fraport capital account plan – "Kapitalkontenplan Fraport" – concerning the company benefit plan for Senior Managers, dated February 26, 2002), to which Mr. Schmitz is entitled under Fraport AG's company benefit plan up to December 31, 2008, shall be credited pro rata temporis against pension payments over a period of eight years after the employment contract has been terminated or expires. As of December 31, 2012, Dr. Zieschang is entitled to 40.0% of his fixed annual gross salary.

As of the end of September 2012, Mr. Mai no longer works for Fraport AG. His retirement benefits amount to 57.0% of his contractually agreed basis of assessment.

In the event of occupational disability, the pension rate for Dr. Schulte, Mr. Schmitz and Dr. Zieschang shall amount to at least 55% of their respective fixed annual gross salaries or of the contractually agreed basis of assessment.

For Executive Board members appointed as of 2012, the pension benefits and provision for surviving dependents as well as provision for long-term disability are governed by a separate benefit agreement. This calls for a one-time pension capital or life-long retirement payments after the benefits become due. The pension capital is generated when Fraport AG annually credits 40% of the fixed annual gross salary paid to a pension account. The pension capital accumulated at the end of the previous year pays interest annually at the interest rate used for the valuation of the pension obligations in the German balance sheet of Fraport AG at the end of the previous year pursuant to Section 253 (2) of the German Commercial Code (HGB), which is at least 3% and at most 6%. This is increased by 1.0% on January 1 of each year for life-long retirement payments. No further adjustment is made. In the event of long-term disability within the first 5 years of their activities performed as members of the Executive Board, it is foreseen that Executive Board members receive a monthly pension of € 2.5 thousand until the end of these 5 years. In addition, the pension capital generated until the onset of long-term disability should be increased in monthly amounts of € 10 thousand to € 600 thousand. This risk of pension payments in the increase phase and of payments for the increase should be covered by an occupational disability insurance policy. The full amount of all income within the meaning of the Income Tax Act from employment or self-employment is credited against the retirement benefits paid until the end of the month in which the Executive Board member reaches the age of 62.

The surviving dependents of Executive Board members appointed from 2012 receive the following benefits: If there is no prior event giving rise to retirement benefits, the benefits for the widow or widower is the pension capital generated so far, for half-orphans 10% and for full orphans 25% of the pension capital generated so far as a one-time payment. If an Executive Board member dies within the first 5 years of his or her activities as a member of the Executive Board, it is foreseen that the pension capital generated up until the time of death is increased in one sum to € 600 thousand. The payment risk of this increase should be covered by a term life insurance policy. If an Executive Board member dies while collecting retirement benefits, the widow or widower is entitled to 60% of the last retirement benefits paid. Half-orphans receive 10% and full orphans receive 25% of the last retirement benefits paid. If there are no surviving dependents as set forth above, the heirs receive a one-time death grant in the amount of € 8.0 thousand.

Moreover, each member of the Executive Board has entered into a two-year restrictive covenant. During this term, reasonable compensation in the form of an annual gross salary (fixed salary) pursuant to Section 90a of the HGB shall be paid. Payments shall be made monthly. The compensation shall be generally credited against any retirement payments owed by Fraport AG, inasmuch as the compensation together with the retirement payments and other generated income exceed 100% of the last fixed salary received.

No other benefits have been promised to Executive Board members, should their employment be terminated.

The retirement pension entitlement of former Executive Board members is determined by a percentage of a contractually agreed fixed basis of assessment.

Detailed information on the compensation components and amount of compensation of the Executive Board members of Fraport AG in 2012 is shown in the following tables:

Executive Board remuneration 2012

The following remuneration was paid to the members of the Executive Board:

Remuneration of the Executive Board 2012

in €'000	Remuneration paid out in cash			Total
	Non-performance-related components		Performance-related component without long-term incentive effect	
	Fixed salary	In kind and other	Bonus	
Dr. Stefan Schulte	415.0	22.3	662.4	1,099.7
Michael Müller from Oct. 1, 2012	75.0	10.3	72.7	158.0
Peter Schmitz	300.0	37.5	467.5	805.0
Dr. Matthias Zieschang	320.0	40.1	514.3	874.4
Herbert Mai until Sept. 30, 2012	225.0	30.2	350.6	605.8
Total	**1,335.0**	**140.4**	**2,067.5**	**3,542.9**

Table 116

Remuneration of the Executive Board 2012

in €'000	Share-related remuneration
	Performance-related component with long-term incentive effect
	LTIP
Dr. Stefan Schulte	291.8
Michael Müller from Oct. 1, 2012	201.8
Peter Schmitz	222.1
Dr. Matthias Zieschang	222.1
Herbert Mai until Sept. 30, 2012	0.0
Total	**937.8**

Table 117

The bonus includes the payments on account for the fiscal year 2012 and the addition to the bonus provision in 2012.

The Supervisory Board will decide on the final bonus for 2012 in fiscal year 2013.

LTIP is carried at fair value as of the time of offer.

The following total compensation was paid to the members of the Executive Board in 2011:

Remuneration of the Executive Board 2011

in €'000	Remuneration paid out in cash			Total
	Non-performance-related components		Performance-related component without long-term incentive effect	
	Fixed salary	In kind and other	Bonus	
Dr. Stefan Schulte	415.0	24.4	682.9	1,122.3
Peter Schmitz	300.0	37.5	482.0	819.5
Dr. Matthias Zieschang	320.0	38.7	530.2	888.9
Herbert Mai	300.0	33.7	482.0	815.7
Total	**1,335.0**	**134.3**	**2,177.1**	**3,646.4**

Table 118

Remuneration of the Executive Board 2011

in €'000	Share-related remuneration
	Performance-related component with long-term incentive effect
	LTIP
Dr. Stefan Schulte	381.1
Peter Schmitz	290.0
Dr. Matthias Zieschang	290.0
Herbert Mai	290.0
Total	**1,251.1**

Table 119

Previous year components with long-term incentive effects are divided among Executive Board members as follows:

Previous years components with long-term incentive effects (MSOP)

	MSOP 2005 3. Tranche (2007) Number	MSOP 2005 4. Tranche (2008) Number	MSOP 2005 5. Tranche (2009) Number	Portfolio total Number	Expenses in 2012 in €'000
Dr. Stefan Schulte	17,000	17,000	17,000	51,000	13.3
Peter Schmitz	0	0	7,000	7,000	5.5
Dr. Matthias Zieschang	15,000	15,000	15,000	45,000	11.7
Herbert Mai until Sept. 30, 2012	15,000	15,000	15,000	45,000	11.7
Total	**47,000**	**47,000**	**54,000**	**148,000**	**42.2**

Table 120

Expenses in the amount of € 42.2 thousand (previous year: € 243.6 thousand) resulted from the stock options that were recognized as expenses in accordance with IFRS 2. These are the fourth and fifth tranches from MSOP 2005 that remain in the portfolio.

Provisions for pensions and similar obligations

Of the future pension obligations of € 32,894 thousand, € 22,494 thousand relates to pension obligations owed to former Executive Board members and their dependents. Current pension payments amounted to € 1,590 thousand in 2012.

Pension obligations to currently active Executive Board members are as follows:

Pension obligations active Executive Board members

in €'000	Obligation Dec. 31, 2011	Change 2012	Obligation Dec. 31, 2012
Dr. Stefan Schulte	2,606	1,413	4,019
Michael Müller from Oct. 1, 2012	0	33	33
Peter Schmitz	1,332	467	1,799
Dr. Matthias Zieschang	1,002	652	1,654
Herbert Mai until Sept. 30, 2012	2,217	678	2,895
Total	**7,157**	**3,243**	**10,400**

Table 121

Other agreements

Each member of the Executive Board has entered into an obligation to purchase shares in Fraport AG amounting to at least half a year's fixed gross salary (cumulative cost at the time of purchase) and hold them for the duration of their contract of employment. Already existing holdings of Fraport AG shares are taken into account. The obligation to purchase and hold shares is reduced pro rata if the employment contract has a term of less than five years. If the Executive Board member is reappointed, the equivalent value of the shares an Executive Board member is obliged to hold is increased to at least a full year's gross salary.

The employment contract of Herbert Mai provides for a two-year post-employment restrictive covenant following the end of his employment on September 30, 2012. The compensation to be paid to Mr. Mai by Fraport AG as set out in Section 90a of the HGB is € 37.5 thousand for 2012. Mr. Mai also received retirement benefit payments in the amount of € 33.5 thousand. Pursuant to the employment contract, the above-mentioned compensation shall be credited against the retirement payments inasmuch as the compensation together with other generated income received exceeds 100 % of the last fixed annual gross payment received.

The former Chairman of the Executive Board, Prof. Dr. Wilhelm Bender, continues to render consulting services to Fraport AG even after his departure from the company. The consulting agreement, which ended in the previous year, was extended for another two years and now ends on August 31, 2013. For this and other tasks, Fraport AG shall supply Prof. Dr. Bender with offices, office equipment and supplies and an assistant until August 31, 2013. Prof. Dr. Bender does not receive any compensation from Fraport AG for his activities. Until August 31, 2011, travel expenses were reimbursed upon authorization and approval of the trip according to the applicable company guidelines. After this time, travel expenses were no longer reimbursed.

Prof. Dr. Bender also receives pension payments of € 247.3 thousand. Prof. Dr. Bender has agreed that the post-employment restrictive covenant, which applies for two years after the employment agreement ends, shall be extended for an additional two years up to August 31, 2013. Prof. Dr. Bender waives the right to compensation as set out in Section 90a of the HGB payable by Fraport AG from January 2011.

Other benefits

Executive Board members have as other benefits the option of private use of a company vehicle with a driver, private use of a company cell phone, a D & O liability insurance with a deductible pursuant to Section 93 (2) sentence 3 of the AktG, an accident insurance and a life-time entitlement to use the VIP service of Fraport AG, as well as access to a parking spot at Frankfurt Airport. Fraport AG reimburses travel costs for company trips and other business expenses in line with the regulations in general use at Fraport AG.

Disclosures pursuant to Section 15a of the WpHG

Transactions with Fraport AG shares and stock options by members of the Executive Board and their spouses as well as first-degree relatives in fiscal year 2012 were published in accordance with Section 15a of the WpHG.

Remuneration of the Supervisory Board in fiscal year 2012

The remuneration of the Supervisory Board is laid down in Section 12 of the Statutes of Fraport AG. It is provided solely as fixed remuneration. According to this, every member of the Supervisory Board shall receive a fixed compensation of € 22.5 thousand for each full fiscal year payable at the end of the fiscal year, the Chairman and the Chairman of the finance and audit committee shall receive twice that amount, the Vice Chairman and the Chairmen of the other committees shall each receive one and a half times this amount. For their membership of a committee, Supervisory Board members receive an additional, fixed compensation of € 5,000 per committee for each full fiscal year. This additional compensation is paid for a maximum of two committee memberships. Supervisory Board members that become members of or leave the Supervisory Board during the current fiscal year receive prorata compensation. The same holds true in the case of any change in the membership of committees. Each Supervisory Board member shall receive € 800 for every Supervisory Board meeting they attend and every committee meeting attended of which they are a member. Accrued expenses will also be reimbursed (see also note 54).

All active members of the Supervisory Board received an aggregate compensation of € 853.4 thousand in 2012 (previous year: € 534.7 thousand).

The following remuneration was paid to the members of the Supervisory Board for fiscal year 2012:

Remuneration 2012

in €

Supervisory Board Member	Fixed salary	Committee remuneration	Attendance fees	Total
Ismail Aydin	22,500.00	5,000.00	8,000.00	35,500.00
Mario A. Bach	5,383.06	241.94	1,600.00	7,225.00
Dr. Manfred Bischoff	8,165.28	3,629.02	2,400.00	14,194.30
Jutta Ebeling	15,000.00	6,666.67	3,200.00	24,866.67
Peter Feldmann	7,500.00	0.00	2,400.00	9,900.00
Dr. Margarete Haase	22,500.00	8,198.91	12,000.00	42,698.91
Jörg-Uwe Hahn	33,750.00	10,000.00	10,400.00	54,150.00
Erdal Kina	22,500.00	5,000.00	8,000.00	35,500.00
Lothar Klemm	22,500.00	10,000.00	16,800.00	49,300.00
Dr. Roland Krieg	9,375.00	1,583.35	4,800.00	15,758.35
Stefan H. Lauer	22,500.00	0.00	3,200.00	25,700.00
Michael Odenwald	1,270.16	241.94	800.00	2,312.10
Arno Prangenberg	22,500.00	5,000.00	10,400.00	37,900.00
Gabriele Rieken	22,500.00	10,000.00	11,200.00	43,700.00
Petra Rossbrey	13,125.00	2,916.67	4,000.00	20,041.67
Dr. h. c. Petra Roth	22,500.00	10,000.00	10,400.00	42,900.00
Gerold Schaub	33,750.00	10,000.00	11,200.00	54,950.00
Prof. Klaus-Dieter Scheurle	20,625.00	0.00	3,200.00	23,825.00
Hans-Jürgen Schmidt	22,500.00	5,000.00	10,400.00	37,900.00
Werner Schmidt	22,500.00	5,000.00	8,000.00	35,500.00
Edgar Stejskal	22,500.00	10,000.00	16,000.00	48,500.00
Christian Strenger	45,000.00	10,000.00	12,800.00	67,800.00
Karlheinz Weimar	45,000.00	10,000.00	9,600.00	64,600.00
Peter Wichtel	25,312.50	7,500.00	8,000.00	40,812.50
Prof. Dr.-Ing. Katja Windt	14,395.08	241.94	3,200.00	17,837.02

Tabelle 122

Compensation of the Economic Advisory Board in fiscal year 2012

For membership of the Economic Advisory Board, a compensation of € 2,500 is paid for every year of membership and € 2,000 per meeting attended, with the Chairman receiving twice that amount. Travel expenses are reimbursed independently.

In fiscal year 2012, aggregate compensation of the Economic Advisory Board amounted to € 93 thousand (previous year: € 92.5 thousand).

53 Executive Board

Mandates of the Executive Board

Members of the Executive Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Chairman of the Executive Board **Dr. Stefan Schulte**	**Member of the Supervisory Board:** > Deutsche Post AG
Executive Director Ground Handling **Anke Giesen** (from January 1, 2013)	
Executive Director Labor Relations **Michael Müller** (from October 1, 2012)	**Chairman of the Supervisory Board:** > APS Airport Personal Services GmbH > FraSec Fraport Security Services GmbH > Fraport Cargo Services GmbH (until December 31, 2012) **Member of the Shareholders' Meeting:** > Airport Cater Service GmbH > Medical Airport Service GmbH > N*ICE Aircraft Services & Support GmbH (until December 31, 2012)
Executive Director Operations **Peter Schmitz**	**Vice Chairman of the Supervisory Board:** > Fraport Cargo Services GmbH (until December 31, 2011) **Member of the Shareholders' Meeting:** > Fraport Cargo Services GmbH (until December 31, 2011)
Executive Director Controlling and Finance **Dr. Matthias Zieschang**	**Chairman of the Supervisory Board:** > Flughafen Hannover-Langenhagen GmbH (from March 1, 2012) **Vice Chairman of the Supervisory Board:** > Shanghai Frankfurt Airport Consulting Services Co. Ltd. **Member of the Supervisory Board:** > Fraport IC Ictas Antalya Havalimani Terminal > Flughafen Hannover-Langenhagen GmbH (until February 29, 2012) **Member of the Shareholders' Meeting:** > Flughafen Hannover-Langenhagen GmbH **Member of the Administrative Board:** > Frankfurter Sparkasse
Executive Director Labor Relations **Herbert Mai** (until September 30, 2012)	**Chairman of the Supervisory Board:** > Fraport Cargo Services GmbH (until September 30, 2012) **Member of the Supervisory Board:** > Gateway Gardens Projektentwicklungs GmbH (until September 30, 2012) **Chairman of the Shareholders' Meeting:** > Airport Cater Service GmbH (until September 30, 2012) **Member of the Shareholders Committee:** > MIRUS Grundstücks-Verwaltungsgesellschaft KG (until September 30, 2012)

Table 123

54 Supervisory Board

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Chairman **Karlheinz Weimar** Former Finance Minister of the State of Hesse (Compensation 2012: € 64,600; 2011: € 38,550)	**Member of the Executive Committee:** > Bundesanstalt für Finanzmarktstabilisierung **Member of the Advisory Board:** > Höchster Porzellan-Manufaktur GmbH
Vice Chairman **Gerold Schaub** Regional Director Traffic ver.di Hesse (Compensation 2012: € 54,950; 2011: € 33,450)	**Vice Chairman of the Supervisory Board:** > LSG Lufthansa Service Holding AG > APS Airport Personal Services GmbH (from March 29, 2012) > LSG Sky Chefs Frankfurt ZD GmbH (from November 26, 2012)
Ismail Aydin Vice Chairman of the Works Council (Compensation 2012: € 35,500; 2011: € 22,750)	
Mario A. Bach Team Leader of Group Idea Management, Fraport AG (from October 5, 2012) (Compensation 2012: € 7,225)	**Member of the Works Commission:** > Kommunale Wohnungsgesellschaft Ginsheim-Gustavsburg
Dr. Manfred Bischoff Chairman of the Supervisory Board of Daimler AG (until May 11, 2012) (Compensation 2012: € 14,194.30; 2011: € 21,550)	**Chairman of the Supervisory Board:** > Daimler AG > SMS GmbH > Voith GmbH **Member of the Board or Supervisory Board:** > Royal KPN N. V. > Unicredit S.p.A.
Detlev Draths Member of the Works Council relieved of duty (from February 1, 2013)	
Jutta Ebeling Former Mayor of the City of Frankfurt am Main (until August 31, 2012) (Compensation 2012: € 24,866.67; 2011: € 13,825)	**Member of the Supervisory Board:** > Alte Oper Frankfurt Konzert- und Kongresszentrum GmbH > Gas-Union GmbH > Mainova AG > Messe Frankfurt GmbH (until April 30, 2012) > Wirtschaftsförderung Frankfurt – Frankfurt Economic Development – GmbH (until July 22, 2012) **Chairperson of the Works Commission:** > Kita Frankfurt (until March 14, 2012) > Volkshochschule Frankfurt am Main (until March 14, 2012) **Member of the Works Commission:** > Kommunale Kinder-, Jugend- und Familienhilfe Frankfurt am Main (until March 14, 2012)
Peter Feldmann Lord Mayor of the City of Frankfurt am Main (from September 3, 2012) (Compensation 2012: € 9,900)	**Chairman of the Supervisory Board:** > ABG Frankfurt Holding Wohnungsbau- und Beteiligungsgesellschaft mbh (from July 23, 2012) > Messe Frankfurt GmbH (from July 23, 2012) > Stadtwerke Frankfurt am Main Holding GmbH (from July 23, 2012) **Member of Voluntary Control Bodies of Business Enterprises:** > Alte Oper Frankfurt Konzert- und Kongresszentrum GmbH (from July 1, 2012) > FrankfurtRheinMain GmbH International Marketing of the Region (from August 15, 2012) > Schirn Kunsthalle Frankfurt am Main GmbH (from July 23, 2012) > Wirtschaftsförderung Frankfurt – Frankfurt Economic Development – GmbH (from November 16, 2012) **Member of the Executive Board:** > Sparkassenzweckverband Nassau **Member of the Supervisory Board:** > Nassauische Heimstätte Wohnungsbau- und Entwicklungsgesellschaft mbH (from July 23, 2012) **Member of the Advisory Board:** > Thüga AG (from September 13, 2012)

Table 124

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Dr. Margarete Haase Member of the Executive Board DEUTZ AG (Compensation 2012: € 42,698.91; 2011: € 26,750)	**Member of comparable domestic and foreign control bodies within the meaning of Section 125 of the AktG:** > DEUTZ (Dalian) Engine Co. Ltd. > Deutz Engines (Shandong) Co. Ltd. (Chairperson) (from February 16, 2012) **Member of the Supervisory Board:** > ElringKlinger AG > ZF Friedrichshafen AG
Jörg-Uwe Hahn Hessian Minister of Justice for Integration and Europe Member of the Hessian Parliament (Compensation 2012: € 54,150; 2011: € 32,250)	**Vice Chairman of the Supervisory Board:** > ALEA Hoch- und Industriebau AG **Member of the Supervisory Board:** > HA Hessen Agentur GmbH > hr-Senderservice GmbH > WV Energie AG (from June 7, 2012) **Member of the Advisory Board:** > ÖD-Beirat DBV-Winterthur
Erdal Kina Member of the Works Council (Compensation 2012: € 35,500; 2011: € 22,750)	
Lothar Klemm Former Hessian State Minister (Compensation 2012: € 49,300; 2011: € 30,350)	**Chairman of the Supervisory Board:** > Dietz AG > Variolog AG **Member of the Supervisory Board:** > IQB Career Services AG
Dr. Roland Krieg Head of the Service Unit Information and Telecommunications, Fraport AG (from August 1, 2012) (Compensation 2012: € 15,758.35)	**Chairman of the Supervisory Board:** > AirIT Services AG > operational services GmbH & Co. KG **Member of the Shareholders' Meeting:** > AirITSystems GmbH > operational services GmbH & Co. KG **Chairman of the Board (BoD):** > Air-Transport IT Services, Inc. (USA)
Stefan H. Lauer Member of the Executive Board Deutsche Lufthansa AG (Compensation 2012: € 25,700; 2011: € 16,600)	**Chairman of the Supervisory Board:** > Austrian Airlines AG > Lufthansa Flight Training GmbH > Germanwings GmbH (until December 31, 2012) **Member of the Supervisory Board:** > LSG Lufthansa Service Holding AG > Lufthansa Cargo AG > Pensions-Sicherungs-Verein VVaG > ESMT European School of Management and Technology GmbH **Member of the Administrative Board:** > Landesbank Hessen-Thüringen Girozentrale **Vice Chairman of the Administrative Board:** > Swiss International Air Lines AG **Member of the Board of Directors:** > Aircraft Maintenance and Engineering Corp. (Vice Chairman) > SN Airholding SA/NV > Günes Ekspres Havacilik A.S. (Sun Express) (Vice Chairman)
Michael Odenwald State Secretary of the German Federal Ministry for Transport, Building and Urban Development (from December 11, 2012) (Compensation 2012: € 2,312.10)	**Chairman of the Supervisory Board:** > DFS Deutsche Flugsicherung GmbH (from October 9, 2012) > Verkehrsinfrastrukturfinanzierungsgesellschaft mbH (until October 31, 2012) **Member of the Supervisory Board:** > Flughafen Köln/Bonn GmbH (until November 15, 2012) > Flughafen München GmbH (until November 30, 2012) > DFS Deutsche Flugsicherung GmbH (September 27, 2012 – October 8, 2012) > Deutsche Bahn AG (from October 11, 2012) > DB Mobility Logistics AG (from October 11, 2012)
Arno Prangenberg Auditor, Tax Consultant (Compensation 2012: € 37,900; 2011: € 25,550)	

Table 124

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Gabriele Rieken Member of the Works Council (until January 31, 2013) (Compensation 2012: € 43,700; 2011: € 24,350)	
Petra Rossbrey Managing Director of GCS, Gesellschaft für Cleaning Services mbH & Co. Airport Frankfurt/Main KG (until July 31, 2012) (Compensation 2012: € 20,041.67; 2011: € 26,750)	**Member of the Advisory Board:** > Energy Air GmbH (until July 31, 2012)
Dr. h. c. Petra Roth Former Mayor of the City of Frankfurt am Main (Compensation 2012: € 42,900; 2011: € 25,950)	**Chairperson of the Supervisory Board:** > Frankfurter Aufbau AG (Group mandate) (until July 22, 2012) > Mainova AG (Group mandate) > ABG Frankfurt Holding Wohnungsbau und Beteiligungsgesellschaft mbH (Group mandate) (until June 30, 2012) > Messe Frankfurt GmbH (Group mandate) (until July 22, 2012) > Stadtwerke Frankfurt am Main Holding GmbH (Group mandate) (until June 30, 2012) > Stadtwerke Verkehrsgesellschaft Frankfurt am Main GmbH (Group mandate) (until June 30, 2012) > Thüga Holding GmbH & Co. KGaA **Member of Voluntary Control Bodies of Business Enterprises:** > Alte Oper Frankfurt Konzert- und Kongresszentrum GmbH (until June 30, 2012) > Dom Römer GmbH (until June 30, 2012) > Gas-Union GmbH > House of Logistics & Mobility GmbH (HOLM) (until June 30, 2012) > Grontmij A & T GmbH > Rhein-Main-Verkehrsverbund GmbH (until June 30, 2012) > Rhein-Main-Verkehrsverbund Service GmbH (until June 30, 2012) > FIZ Frankfurter Innovationszentrum > Biotechnologie GmbH (until June 30, 2012) > Städtische Bühnen Frankfurt am Main GmbH (until July 22, 2012) > The Forsythe Company gGmbH (until May 31, 2012) **Member of the Administrative Board:** > Landesbank Hessen-Thüringen Girozentrale (until June 30, 2012) **Member of the Support Commission:** > Sparkassenzweckverband Nassau (until June 30, 2012) **Member of the Executive Board:** > Deutscher Sparkassen- und Giroverband (until June 30, 2012) **Member of the Advisory Board:** > Deutsche Vermögensberatung AG > Thüga AG **Member of the Television Board:** > Zweites Deutsches Fernsehen (until June 30, 2012)
Prof. Klaus-Dieter Scheurle Former State Secretary at the German Federal Ministry for Transport, Building and Urban Development (until November 30, 2012) (Compensation 2012: € 23,825; 2011: € 16,600)	**Chairman of the Supervisory Board:** > DFS Deutsche Flugsicherung GmbH (until October 8, 2012) **Member of the Supervisory Board:** > Deutsche Bahn AG > DB Mobility Logistics AG
Hans-Jürgen Schmidt 1st State Vice Chairman komba gewerkschaft Hessen Chairman komba gewerkschaft Kreisverband Flughafen Frankfurt/Main (Compensation 2012: € 37,900; 2011: € 26,750)	
Werner Schmidt Member of the Works Council (Compensation 2012: € 35,500; 2011: € 24,750)	**Chairman of the Executive Board:** > Arbeitsgemeinschaft unabhängiger Flughafenbeschäftigter (AUF e.V.) **Vice Chairman of the Executive Board:** > komba gewerkschaft, Kreisverband Flughafen Frankfurt/Main **Member of the Supervisory Board:** > FraSec Fraport Security Services GmbH
Edgar Stejskal Chairman of the Group Works Council (Compensation 2012: € 48,500; 2011: € 29,550)	**Member of the Supervisory Board:** > Airmail Center Frankfurt GmbH

Table 124

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Christian Strenger (Compensation 2012: € 67,800; 2011: € 44,550)	**Chairman of the Supervisory Board:** > The Germany Funds (USA) **Member of the Supervisory Board:** > DWS Investment GmbH > Evonik Industries AG > TUI AG
Peter Wichtel Member of the German Bundestag (until October 4, 2012) (Compensation 2012: € 40,812.50; 2011: € 31,050)	**Member of the Executive Board:** > Unfallkasse Hessen **Member of the Supervisory Board:** > operational services GmbH & Co. KG
Prof. Dr.-Ing. Katja Windt Professor of Global Production Logistics Jacobs University Bremen gGmbH (from May 11, 2012) (Compensation 2012: € 17,837.02)	**Member of the Executive Board:** > Bundesvereinigung Logistik (BVL) e.V. **Member of the Supervisory Board:** > Deutsche Post AG **Member of the Advisory Board:** > BLG LOGISTICS GROUP AG & Co. KG (from May 1, 2012) **Member of the Scientific Board:** > Bundesvereinigung Logistik (BVL) e.V.

Table 124

55 Disclosure of shareholdings according to Section 313 (2) of the HGB

Subsidiaries

Name and registered office		Shareholdings %	Equity (according to IFRS) in €'000	Earnings (according to IFRS) in €'000
AirIT Services AG, Lautzenhausen	**2012**	**100.0**	**2,019**	**326**
	2011	100.0	1,748	324
Airport Assekuranz Vermittlungs-GmbH, Frankfurt am Main	**2012**	**100.0**	**135,703**	**8,461**
	2011	100.0	97,786	5,351
Airport Cater Service GmbH, Frankfurt am Main	**2012**	**100.0**	**26**	**0**
	2011	100.0	26	0
Air-Transport IT Services, Inc., Orlando/USA	**2012**	**100.0**	**5,673**	**744**
	2011	100.0	5,037	742
Antalya Havalimani Uluslararasi Terminal Isletmeciligi Anonim Sirketi, Istanbul/Turkey	**2012**	**100.0**	**47,028**	**–226**
	2011	100.0	45,547	362
APS Airport Personal Service GmbH, Frankfurt am Main	**2012**	**100.0**	**1,276**	**726**
	2011	100.0	2,831	2,281
Energy Air GmbH, Frankfurt am Main	**2012**	**100.0**	**3,485**	**3,387**
	2011	100.0	2,700	2,601
Flughafen Frankfurt Main (Greece) Monoprosopi EPE, Athens/Greece	**2012**	**100.0**	**66**	**–12** [1]
	2011	100.0	77	–5 [1]
FraCareServices GmbH, Frankfurt am Main	**2012**	**51.0**	**1,343**	**116**
	2011	51.0	1,427	139
Fraport Asia Ltd., Hong Kong/China	**2012**	**100.0**	**89,017**	**4,394**
	2011	100.0	90,533	2,814
Fraport Cargo Services GmbH, Frankfurt am Main	**2012**	**100.0**	**31,753**	**3,963**
	2011	100.0	30,302	16,074
Fraport Casa GmbH, Neu-Isenburg	**2012**	**100.0**	**20,824**	**–155**
	2011	100.0	20,979	–21

Table 125

Subsidiaries

Name and registered office		Shareholdings %	Equity (according to IFRS) in €'000	Earnings (according to IFRS) in €'000
Fraport Immobilienservice und -entwicklungs GmbH & Co, KG, Flörsheim am Main	**2012**	**100.0**	**11,863**	**5,718** [2) 3)]
	2011	100.0	11,533	11,158 [2) 3)]
Fraport Malta Business Services Ltd., St, Julians/Malta	**2012**	**100.0**	**77,243**	**1,745**
	2011	100.0	68,033	1,561
Fraport Malta Ltd., St. Julians/Malta	**2012**	**100.0**	**80,450**	**3,489**
	2011	100.0	70,961	2,258
Fraport Objekte 162 163 GmbH, Flörsheim am Main	**2012**	**100.0**	**24**	**1**
	2011	100.0	23	1
Fraport (Philippines) Services, Inc., Manila/Philippines	**2012**	**99.99**	**–3,494**	**0** [1)]
	2011	99.99	–3,331	0 [1)]
Fraport Peru S.A.C., Lima/Peru	**2012**	**99.99**	**424**	**165**
	2011	99.99	405	84
FPS Frankfurt Passenger Services GmbH, Frankfurt am Main	**2012**	**51.0**	**443**	**210**
	2011	51.0	412	178
Fraport Objekt Mönchhof GmbH, Flörsheim am Main	**2012**	**100.0**	**24**	**1**
	2011	100.0	23	1
Fraport Real Estate Mönchhof GmbH & Co, KG, Flörsheim am Main	**2012**	**100.0**	**4,698**	**4,115** [2) 3)]
	2011	100.0	4,406	9,282 [2) 3)]
Fraport Real Estate Verwaltungs GmbH, Flörsheim am Main	**2012**	**100.0**	**27**	**2**
	2011	100.0	24	3
Fraport Real Estate 162 163 GmbH & Co, KG, Flörsheim am Main	**2012**	**100.0**	**4,903**	**1,715**
	2011	100.0	4,515	1,212
Fraport Saudi Arabia for Airport Management and Development Services Company Ltd,, Riyadh/Saudi Arabia	**2012**	**100.0**	**8,419**	**4,148**
	2011	100.0	14,420	3,577
FraSec Fraport Security Services GmbH, Frankfurt am Main	**2012**	**100.0**	**6,584**	**1,203**
	2011	100.0	5,382	145
FRA – Positionsaufsicht GmbH, Neu-Isenburg	**2012**	**100.0**	**28**	**0** [1)]
	2011	100.0	25	0
FRA – Verkehrszentrale GmbH, Neu-Isenburg	**2012**	**100.0**	**28**	**0** [1)]
	2011	100.0	25	0
FRA – Vorfeldaufsicht GmbH, Neu-Isenburg	**2012**	**100.0**	**42**	**15**
	2011	100.0	25	0
FRA – Vorfeldkontrolle GmbH, Neu-Isenburg	**2012**	**100.0**	**13**	**–15**
	2011	100.0	25	0
Fraport Twin Star Airport Management AD, Varna/Bulgaria	**2012**	**60.0**	**54,623**	**12,424**
	2011	60.0	42,199	11,334
FSG Flughafen-Service GmbH, Frankfurt am Main	**2012**	**33.33**	**155**	**80**
	2011	33.33	154	79
GCS Gesellschaft für Cleaning Service mbH & Co, Airport Frankfurt/Main KG, Frankfurt am Main	**2012**	**40.0**	**3,231**	**2,083** [3)]
	2011	40.0	2,869	1,721 [3)]
International Aviation Security (UK) Ltd., London/Great Britain	**2012**	**100.0**	**0**	**0** [1)]
	2011	100.0	0	0 [1)]
International Aviation Security, Lda, Lisbon/Portugal	**2012**	**100.0**	**0**	**0** [1)]
	2011	100.0	0	0 [1)]
Lima Airport Partners S.R.L., Lima/Peru	**2012**	**70.01**	**32,277**	**24,523**
	2011	70.01	30,301	15,111
Media Frankfurt GmbH, Frankfurt am Main	**2012**	**51.0**	**6,603**	**1,544**
	2011	51.0	5,059	2,259
VCS Verwaltungsgesellschaft für Cleaning Service mbH, Frankfurt am Main	**2012**	**100.0**	**38**	**0**
	2011	100.0	38	2

Table 125

Joint ventures

Name and registered office		Shareholdings %	Equity (according to IFRS) in €'000	Earnings (according to IFRS) in €'000
AirITSystems GmbH, Hanover	**2012**	**50.0**	**3,214**	**999**
	2011	50.0	3,070	830
Fraport IC Ictas Havalimani Isletme Anonim Sirketi, Antalya/Turkey	**2012**	**50.0**	**23,050**	**–39**
	2011	50.0	23,090	–154
Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi Anonim Sirketi, Antalya/Turkey	**2012**	**50.0**	**–74,400**	**54,436**
	2011	50.0	–122,299	44,214
Fraport IC Ictas Havalimani Yer Hizmetleri Anonim Sirketi, Antalya/Turkey	**2012**	**50.0**	**275**	**–89** [1]
	2011	50.0	349	27 [1]
Gateway Gardens Projektentwicklungs-GmbH, Frankfurt am Main	**2012**	**16.66**	**211**	**–19**
	2011	16.66	230	31
Grundstücksgesellschaft Gateway Gardens GmbH, Frankfurt am Main	**2012**	**33.33**	**3,312**	**–256**
	2011	33.33	3,582	–417
IC Ictas Uluslararasi Insaat Sanayi ve Ticaret Anonim Sirketi, Ankara/Turkey	**2012**	**50.0**	**6,738**	**1,203** [1]
	2011	50.0	5,776	4 [1]
Medical Airport Service GmbH, Kelsterbach	**2012**	**50.0**	**5,381**	**1,054**
	2011	50.0	4,783	1,140
Multi Park II Mönchhof GmbH, Walldorf (Baden)	**2012**	**50.0**	**761**	**–34**
	2011	50.0	47	11
N*ICE Aircraft Services & Support GmbH, Frankfurt am Main	**2012**	**52.0**	**17,031**	**1,404**
	2011	52.0	16,791	1,193
Pantares Tradeport Asia Ltd., Hong Kong/China	**2012**	**50.0**	**5,713**	**964**
	2011	50.0	4,856	783
Shanghai Frankfurt Airport Consulting Services Co. Ltd., Shanghai/China	**2012**	**50.0**	**299**	**13**
	2011	50.0	288	7
Terminal for Kids gGmbH, Frankfurt am Main	**2012**	**50.0**	**1,460**	**322**
	2011	50.0	1,138	414

Table 126

Associated companies

Name and registered office		Shareholdings %	Equity (according to IFRS) in €'000	Earnings (according to IFRS) in €'000
Airmail Center Frankfurt GmbH, Frankfurt am Main	**2012**	**40.0**	**4,274**	**1,683**
	2011	40.0	4,628	1,965
ASG Airport Service Gesellschaft mbH, Frankfurt am Main	**2012**	**49.0**	**1,946**	**1,073**
	2011	49.0	1,623	1,517
Flughafen Hannover-Langenhagen GmbH, Hanover	**2012**	**30.0**	**136,166**	**–1,344**
	2011	30.0	138,052	–97
Xi'an Xianyang International Airport Co. Ltd., Xianyang City/China	**2012**	**24.5**	**427,634**	**11,417**
	2011	24.5	439,857	26,722
Thalita Trading Ltd., Lakatamia/Cyprus; Northern Capital Gateway LLC, St, Petersburg/Russia	**2012**	**35.5**	**39,391**	**22,293**
	2011	35.5	33,052	9,709
Tradeport Hong Kong Ltd., Hong Kong/China	**2012**	**18.75**	**–12,781**	**2,606**
	2011	18.75	–15,587	2,122

Table 127

Other investments

Name and registered office		Shareholdings %	Equity (according to local regulations) in €'000	Earnings (according to local regulations) in €'000
Afriport S.A., Luxemburg/Luxemburg	**2012**	**3.24**	**1,476**	**–39**
	2011	10.0	264	–22
Compañía de Economia Mixta de Valor y Seguridad CIVAS EQUADOR, Quito/Ecuador	**2012**	**35.0**	**–**	**–** [1,4,5]
	2011	35.0	–	– [1,4,5]
Delhi International Airport Private Ltd., New Delhi/India	**2012**	**10.0**	**144,130**	**–156,948** [6]
	2011	10.0	295,743	–69,636 [6]
Gateways for India Airports Private Ltd., Bangalore/India	**2012**	**13.51**	**2**	**–** [1]
	2011	13.51	2	– [1]
Ineuropa Handling Alicante, U.T.E., Madrid/Spain	**2012**	**20.0**	**–**	**–** [1,7]
	2007	20.0	–575	–786 [1,4]
Ineuropa Handling Madrid, U.T.E., Madrid/Spain	**2012**	**20.0**	**–**	**–** [1,7]
	2007	20.0	–1,282	–2,604 [1,4]
Ineuropa Handling Mallorca, U.T.E., Madrid/Spain	**2012**	**20.0**	**–**	**–** [1,7]
	2007	20.0	871	270 [1,4]
Ineuropa Handling Teneriffa, U.T.E., Madrid/Spain	**2012**	**20.0**	**–**	**–** [1,7]
	2007	20.0	1,642	–762 [1,4]
operational services GmbH & Co. KG, Frankfurt am Main	**2012**	**50.0**	**9,364**	**2,668** [8]
	2011	50.0	5,024	1,897 [8]
Perishable-Center Frankfurt GbR, Frankfurt am Main	**2012**	**0.0**	**–**	**–** [4,9]
	2011	0.0	2,265	1,441
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt, Frankfurt am Main	**2012**	**10.0**	**–**	**–** [4]
	2011	10.0	972	254 [4]
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt GmbH & Co, Betriebs-KG, Frankfurt am Main	**2012**	**4.0**	**–**	**–** [4]
	2011	4,0	1,204	1,243 [4]
Philippine Airport and Ground Services Terminals Holdings, Inc., Pasay City/Philippines (PTH)	**2012**	**40.0**	**–**	**–** [1,4]
	2005	40.0	–1,590	833
Philippine Airport and Ground Services Terminals, Inc., Manila/Philippines (PTI)	**2012**	**40.0**	**–**	**–** [1,4]
	2005	40.0	–2,937	1,390
Philippine Airport and Ground Services, Inc., Manila/Philippines (PAGS)	**2012**	**40.0**	**–**	**–** [1,4]
	2005	40.0	4,533	9
Philippine International Air Terminals Co., Inc., Pasay City/Philippines (PIATCO)	**2012**	**30.0**	**–**	**–** [1,4]
	2005	30,0	98,747	4,761
THE SQUAIRE GmbH & Co. KG, Frankfurt am Main	**2012**	**2.4**	**–**	**–** [3,4]
	2011	2.4	–497,319	–176,890 [3]

Table 128

[1] Company inactive or in liquidation.
[2] IFRS earnings before consolidation.
[3] In the equity capital of shares in commercial partnerships, capital shares as well as shares in profit and loss of the limited partners are recognized (according to IAS 32, these represent debt).
[4] Current financial statements not yet available.
[5] There is no influence on financial and business policies.
[6] Fiscal year of the company ends on March 31.
[7] Equity has been largely or wholly repaid.
[8] A control and profit transfer agreement is in place between the company and the other shareholders; Fraport has no influence on financial and business policies.
[9] Company without cash contributions.

Frankfurt am Main, March 5, 2013

Fraport AG Frankfurt Airport Services Worldwide
The Executive Board

Dr. Schulte Giesen Müller Schmitz Dr. Zieschang


Lufthansa
Frankfurt Airport

5 Further Information

Among all European major airports, Frankfurt Airport has the highest share of transfer passengers – more than half of the passengers who land and depart here daily are transfer passengers. Through its multiple level design, Pier A-Plus guarantees the fastest possible processing of passengers. While the second level of the pier is reserved for Schengen traffic, flights from the third level are exclusively to non-Schengen destinations. Due to the mandatory separation of arriving and departing non-Schengen passengers, passengers landing from non-Schengen countries use the fourth level for arrival or for transfer. The first level of the pier is reserved for baggage handling.

Responsibility Statement

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, financial and earnings position and profit or loss of the Group. Furthermore, the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Frankfurt am Main, March 5, 2013

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte Giesen Müller Schmitz Dr. Zieschang

Auditor's Report

We have audited the consolidated financial statements prepared by the Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, and the group notes, together with the group management report for the business year from January 1 to December 31, 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 of the HGB [Handelsgesetzbuch "German Commercial Code"] are the responsibility of the parent company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the IDW [Institut der Wirtschaftsprüfer "Institute of Public Auditors in Germany"]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 of the HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 5, 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Wagenseil	Kunz
German Public Auditor	German Public Auditor

7-Year Overview [1)]

€ million	2012	2011	2010	2009	2008	2007	2006
Revenue	**2,442.0**	**2,371.2**	**2,194.6**	**2,010.3**	**2,101.6**	**2,329.0**	**2,143.9**
Change in work-in-process	0.5	0.4	0.4	0.9	0.4	0.5	0.0
Other internal work capitalized	44.0	40.3	36.9	39.1	33.8	24.6	23.1
Other operating income	62.7	40.9	52.1	45.3	66.1	71.7	83.3
Total revenue	**2,549.2**	**2,452.8**	**2,284.0**	**2,095.6**	**2,201.9**	**2,425.8**	**2,250.3**
Cost of materials	–558.1	–541.1	–491.1	–471.6	–471.1	–461.4	–353.3
Personnel expenses	–947.8	–906.3	–880.4	–866.9	–925.6	–1,143.3	–1,076.9
Other operating expenses	–192.6	–203.1	–201.9	–187.4	–204.5	–240.6	–241.7
EBITDA	**850.7**	**802.3**	**710.6**	**569.7**	**600.7**	**580.5**	**578.4**
Depreciation and amortization	–352.7	–305.7	–279.7	–268.8	–241.5	–245.2	–248.0
Operating result/EBIT	**498.0**	**496.6**	**430.9**	**300.9**	**359.2**	**335.3**	**330.4**
Interest result	–174.1	–144.4	–137.7	–99.7	–71.0	–25.3	–11.1
Result from associated companies	11.7	11.5	7.0	4.3	–15.1	2.5	5.6
Income from investments	0.0	0.0	0.0	0.1	0.1	5.3	6.8
Write-down on financial assets	0.0	0.0	0.0	–7.2	0.0	0.0	0.0
Other financial result	30.5	–16.4	–21.5	–3.9	24.2	0.9	23.3
Financial result	**–131.9**	**–149.3**	**–152.2**	**–106.4**	**–61.8**	**–16.6**	**24.6**
Result from ordinary operations/EBT	**366.1**	**347.3**	**278.7**	**194.5**	**297.4**	**318.7**	**355.0**
Taxes on income	–114.5	–96.5	–7.2	–42.5	–100.5	–90.5	–115.9
Group result	**251.6**	**250.8**	**271.5**	**152.0**	**196.9**	**228.2**	**239.1**
thereof profit attributable to non-controlling interests	13.3	10.4	8.6	5.6	7.2	5.0	–0.4
thereof profit attributable to shareholders of Fraport AG	**238.3**	**240.4**	**262.9**	**146.4**	**189.7**	**223.2**	**239.5**
Earnings per € 10 share in € basic	**2.59**	**2.62**	**2.86**	**1.60**	**2.07**	**2.44**	**2.63**
Earnings per € 10 share in € diluted	**2.58**	**2.60**	**2.85**	**1.59**	**2.05**	**2.42**	**2.59**

Group key figures	2012	2011	2010	2009	2008	2007	2006
EBITDA margin in %	34.8	33.8	32.4	28.3	28.6	24.9	27.0
EBIT margin in %	20.4	20.9	19.6	15.0	17.1	14.4	15.4
Return on revenue in %	15.0	14.6	12.7	9.7	14.2	13.7	16.6
Fraport assets in € million	5,152.3	4,447.3	4,019.7	3,820.2	3,419.1	3,075.0	2,802.9
ROFRA in %	9.7	11.2	10.7	7.9	10.5	10.9	11.8
Year-end closing price of Fraport share in €	43.94	38.00	47.16	36.28	30.91	53.87	54.02
Dividend per share in €	1.25 [2)]	1.25	1.25	1.15	1.15	1.15	1.15
Average number of employees	20,963	20,595	19,792	19,970	23,079	30,437	28,246

Consolidated statment of financial position key figures	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006
Profit earmarked for distribution in € million	115.5	115.4	115.6	106.2	105.6	105.3	105.2
Net financial debt in € million	2,934.5	2,647.0	2,024.4	1,614.5	925.6	338.0	–49.8
Capital employed in € million	5,728.8	5,353.0	4,626.9	4,043.5	3,328.0	2,734.5	2,196.0
Gearing ratio in %	105.0	97.8	77.8	66.5	38.5	14.1	–2.2
Debt-to-equity ratio in %	30.4	28.7	22.1	18.2	14.1	5.9	–1.1
Dynamic leverage ratio in %	530.7	427.8	356.7	378.5	187.9	67.6	–10.0
Working capital in € million	1,057.8	977.6	1,878.4	2,030.0	919.7	218.0	568.2

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[1)] Due to new accounting policies or shifts in Group definitions previous years figures may differ.
[2)] Proposed dividend.

€ million	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006
Goodwill	38.6	38.6	38.6	40.0	22.7	22.7	97.1
Investments in airport operating projects	1,031.2	1,067.1	1,073.4	1,098.4	597.6	570.3	3.2
Other intangible assets	44.2	43.6	32.4	34.0	33.3	43.9	39.1
Property, plant and equipment	5,927.3	5,643.8	5,013.3	4,486.4	3,968.6	3,628.6	2,768.3
Investment property	34.4	74.6	34.0	34.7	9.0	10.1	66.9
Investments in associated companies	136.6	138.0	97.1	72.9	72.4	37.1	56.2
Other financial assets	742.7	648.6	394.6	474.7	205.4	252.2	302.1
Other receivables and financial assets	117.1	33.5	20.9	20.0	42.4	58.5	36.8
Income tax receivable	19.5	29.6	29.6	23.6	26.6	33.5	32.2
Deferred tax assets	49.2	48.2	43.1	68.3	30.4	7.2	16.4
Non-current assets	**8,140.8**	**7,765.6**	**6,777.0**	**6,353.0**	**5,008.4**	**4,664.1**	**3,418.3**
Inventories	77.7	81.4	77.9	54.0	47.4	39.5	32.9
Trade accounts receivable	180.0	163.9	178.3	158.4	154.9	154.6	185.5
Other receivables and financial assets	385.2	280.2	319.2	492.2	205.1	76.6	62.3
Income tax receivable	35.0	6.2	5.5	5.3	7.8	13.2	2.0
Cash and cash equivalents	821.9	927.1	1,812.6	1,802.3	1,154.8	651.3	632.5
Non-current assets held for sale	–	–	–	–	–	165.6	0.1
Current assets	**1,499.8**	**1,458.8**	**2,393.5**	**2,512.2**	**1,570.0**	**1,100.8**	**915.3**
Issued capital	921.3	918.8	918.4	917.7	916.1	914.6	913.7
Capital reserve	588.0	584.7	582.0	578.3	573.1	565.2	558.8
Revenue reserves	1,400.5	1,317.9	1,217.7	1,039.2	1,018.8	1,022.0	878.5
Equity attributable to shareholders of Fraport AG	2,909.8	2,821.4	2,718.1	2,535.2	2,508.0	2,501.8	2,351.0
Non-controlling interests	35.7	29.4	21.2	22.6	60.2	33.0	22.1
Shareholders' equity	**2,945.5**	**2,850.8**	**2,739.3**	**2,557.8**	**2,568.2**	**2,534.8**	**2,373.1**
Financial liabilities	4,401.0	4,034.0	4,256.6	4,126.9	1,685.3	830.6	718.8
Trade accounts payable	64.4	64.9	60.0	114.7	192.9	365.6	–
Other liabilities	1,006.4	1,001.0	949.2	904.7	514.8	451.7	106.1
Deferred tax liabilities	101.3	106.9	105.5	143.9	123.5	108.3	139.7
Provisions for pensions and similar obligations	27.4	22.9	22.1	20.3	19.0	19.4	20.6
Provisions for income taxes	80.2	68.1	68.0	135.0	170.0	163.0	166.2
Other provisions	215.1	214.8	147.0	129.9	101.0	136.2	101.4
Non-current liabilities	**5,895.8**	**5,512.6**	**5,608.4**	**5,575.4**	**2,806.5**	**2,074.8**	**1,252.8**
Financial liabilities	196.6	219.9	151.8	118.9	555.5	367.8	125.2
Trade accounts payable	214.4	228.9	274.6	219.8	393.8	441.5	229.0
Other liabilities	163.2	187.4	180.5	147.7	63.6	75.7	118.1
Provisions for income taxes	5.3	2.4	12.9	6.7	1.9	14.2	16.4
Other provisions	219.8	222.4	203.0	238.9	188.9	185.3	218.8
Liabilities in the context of assets held for sale	–	–	–	–	–	70.8	0.2
Current liabilities	**799.3**	**861.0**	**822.8**	**732.0**	**1,203.7**	**1,155.3**	**707.7**
Total assets	**9,640.6**	**9,224.4**	**9,170.5**	**8,865.2**	**6,578.4**	**5,764.9**	**4,333.6**

Change over the previous year in %	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006
Non-current assets	4.8	14.6	6.7	26.8	7.4	36.4	9.5
Shareholders' equity (less non-controlling interests and profit earmarked for distribution)	3.3	4.0	7.1	1.1	0.2	6.7	8.1
Share of total assets in %							
Non-current assets	84.4	84.2	73.9	71.7	76.1	80.9	78.9
Shareholders' equity ratio	29.0	29.3	28.4	27.4	36.5	41.6	51.8

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Group Management Report

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Glossary

Capital employed
Net financial debt + Shareholders' equity [1]

Debt-to-equity ratio
Net financial debt/Total assets

Dividend yield
Dividend per share/Year-end closing price of the share

Dynamic leverage ratio
Net financial debt/Cash flow from operating activities

EBIT
Abbreviation for: Earnings before interest and taxes

EBIT margin
EBIT/Revenue

EBITDA
Abbreviation for: Earnings before interest, taxes, depreciation and amortization

EBITDA margin
EBITDA/Revenue

EBT
Abbreviation for: Earnings before taxes

EURIBOR
Abbreviation for: European Interbank Offered Rate = Interest rate used by European banks, when trading fixed-term deposits with each other. It is one of the most important reference interest rates, among European bonds, bearing floating interest payments

Fraport assets
Capital required for the Fraport Group's operations

Free cash flow
Cash flow from operating activities – Investment in airport operating projects – Capital expenditure for other intangible assets – Capital expenditure for property, plant and equipment – Investment property

Gearing ratio
Net financial debt/Shareholders' equity [1]

Liquidity
Cash and cash equivalents (as of financial position) + Short-term realizable assets in "Other financial assets" and "Other receivables and financial assets"

Market capitalization
Year-end closing price of the Fraport share x Number of outstanding shares

Net financial debt
Non-current financial liabilities+Current financial liabilities – Liquidity

P/E ratio (Price-earnings ratio)
Year-end closing price of the Fraport share/Earnings per share (basic)

Return on revenue
EBT/Revenue

Return on shareholders' equity
Profit attributable to shareholders of Fraport AG/Shareholders' equity [1]

ROCE
Abbreviation for: Return on capital employed = EBIT/Capital employed

ROFRA
Abbreviation for: Return on Fraport assets = EBIT/Fraport assets

Shareholders' equity ratio
Shareholders' equity [1]/Total assets

Working capital
Current assets – Trade accounts payable – Other current liabilities

Yearly performance of the Fraport share
(Year-end closing price of the Fraport share + Dividend per share)/Previous year's closing price

[1] Shareholders' equity less non-controlling interests and profit earmarked for distribution.

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Publisher
Fraport AG
Frankfurt Airport Services Worldwide
60547 Frankfurt am Main
Germany
Phone: 01805 3724636 [1)]
or: 01805 FRAINFO [1)]
from outside Germany: + 49 69 690-0
Internet: www.fraport.com

Contact Investor Relations
Stefan J. Rüter
Head of Finance & Investor Relations
Phone: + 49 69 690-74840
Fax: + 49 69 690-74843
Internet: www.meet-ir.com
E-mail: investor.relations@fraport.de

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[1)] 14 cents per minute within German landline network;
mobile phone rates vary (maximum 0,42/min within Germany).

Financial Calendar 2013

Wednesday, May 8, 2013
Group Interim Report January 1 to March 31, 2013

Friday, May 31, 2013
Annual General Meeting 2013

Wednesday, August 7, 2013
Group Interim Report January 1 to June 30, 2013

Wednesday, November 6, 2013
Group Interim Report January 1 to September 30, 2013

Traffic Calendar 2013

Thursday, April 11, 2013
March 2013/3M 2013

Tuesday, May 14, 2013
April 2013

Wednesday, June 12, 2013
May 2013

Wednesday, July 10, 2013
June 2013/6M 2013

Monday, August 12, 2013
July 2013

Wednesday, September 11, 2013
August 2013

Friday, October 11, 2013
September 2013/9M 2013

Tuesday, November 12, 2013
October 2013

Wednesday, December 11, 2013
November 2013

Wednesday, January 15, 2014
December 2013/FY 2013


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