Annual Report 2013

Frankfurt Airport behind the Scenes

Fraport

Fraport Group

At a Glance

The Fraport Group operates internationally at 13 airports and belongs to the world's leading airport operators. The Group's main site is Frankfurt Airport, one of the world's major air traffic hubs. Divided into four segments, Fraport had a workforce of more than 20,000 employees and generated revenue of €2.56 billion in 2013. Group EBITDA stood at €880.2 million, and the Group result was €235.7 million. Listed since 2001, the parent company of the Fraport Group, Fraport AG, is headquartered in Frankfurt am Main.

Financial performance indicators

€ million	2013	2012	Change in %
Revenue	2,561.4	2,442.0	4.9
EBITDA	880.2	848.7	3.7
EBIT	528.1	496.0	6.5
EBT	340.7	364.1	–6.4
Group result	235.7	251.5	–6.3
Profit attributable to shareholders of Fraport AG	221.0	238.2	–7.2
Earnings per share (basic) (€)	2.40	2.59	–7.3
Year-end closing price of the Fraport share (€)	54.39	43.94	23.8
Dividend per share [1] (€)	1.25	1.25	0.0
Operating cash flow	574.8	553.0	3.9
Free cash flow	73.1	–162.4	–
Total assets	9,523.4	9,640.6	–1.2
Shareholders' equity	3,098.8	2,948.2	5.1
Group liquidity	1,486.3	1,663.1	–10.6
Net financial debt	2,975.4	2,934.5	1.4
Return on revenue (%)	13.3	14.9	–
Return on shareholders' equity (%)	7.5	8.5	–
EBITDA margin (%)	34.4	34.8	–
EBIT margin (%)	20.6	20.3	–
ROCE (%)	8.9	8.7	–
ROFRA (%)	9.5	9.6	–
Gearing ratio (%)	101.3	104.9	–

Table 1

Non-financial performance indicators

	2013	2012	Change in %
Global satisfaction (Frankfurt) (%)	80	80	–
Punctuality rate (Frankfurt) (%)	82.3	80.3	–
Baggage connectivity (Frankfurt) (%)	98.4	98.2	–
Equipment availability (Frankfurt) (%)	94.8	95.0	–
Employee satisfaction [2]	3.02	–	–
Total number of work accidents	1,346	1,445	–6.9

Table 2

Employees

	2013	2012	Change in %
Average number of employees	20,947	20,963	–0.1

Table 3

[1] Proposed dividend (2013).
[2] No employee satisfaction survey took place for the 2012 fiscal year.

Fraport Segments

Aviation

The Aviation segment includes airside and terminal management as well as corporate safety and security at the Frankfurt site. The growth in traffic and the increase in airport charges boosted revenue by 2.6% to €845.2 million in the previous fiscal year. With a workforce of 6,194 employees the segment achieved EBITDA of €205.4 million.

Aviation

€ million	2013	2012	Change in %
Revenue	845.2	823.4	2.6
EBITDA	205.4	201.9	1.7
EBITDA margin	24.3%	24.5%	–
EBIT	88.1	79.6	10.7
ROFRA	4.0%	3.9%	–
Average number of employees	6,194	6,298	–1.7

Table 4

Retail & Real Estate

The Retail & Real Estate segment consists of retailing activities, parking facility and real estate management at Frankfurt Airport. In the fiscal year 2013 Pier A-Plus in particular, which was inaugurated in October 2012, boosted revenue and EBITDA. With a workforce of 648 employees, the segment generated revenue of €469.0 million and EBITDA of €350.7 million.

Retail & Real Estate

€ million	2013	2012	Change in %
Revenue	469.0	452.9	3.6
EBITDA	350.7	335.2	4.6
EBITDA margin	74.8%	74.0%	–
EBIT	267.9	252.8	6.0
ROFRA	15.0%	15.5%	–
Average number of employees	648	629	3.0

Table 5

Ground Handling

The core business of the Ground Handling segment comprises all services dealing with passengers, aircraft and cargo. With a workforce of 9,017 employees, the most staff-intensive segment at the Frankfurt site achieved revenue growth of 1.1% to €656.2 million in the previous fiscal year, thanks to the growth in traffic and the increase in infrastructure charges. EBITDA for the segment was €38.2 million.

Ground Handling

€ million	2013	2012	Change in %
Revenue	656.2	649.3	1.1
EBITDA	38.2	37.8	1.1
EBITDA margin	5.8%	5.8%	–
EBIT	–2.3	–1.1	–
ROFRA	–0.4%	–0.2%	–
Average number of employees	9,017	8,924	1.0

Table 6

External Activities & Services

The External Activities & Services segment comprises the Group companies outside the Frankfurt site and auxiliary services in Frankfurt, including IT and facility management in particular. The growth in foreign companies was the main factor behind an increase in revenue of 14.4%. With revenue of €591.0 million, the segment posted EBITDA of €285.9 million in fiscal year 2013.

External Activities & Services

€ million	2013	2012	Change in %
Revenue	591.0	516.4	14.4
EBITDA	285.9	273.8	4.4
EBITDA margin	48.4%	53.0%	–
EBIT	174.4	164.7	5.9
ROFRA	14.0%	15.7%	–
Average number of employees	5,088	5,112	–0.5

Table 7

About this Report

The present Annual Report enables Fraport to render account for the fiscal year 2013. The data and comments concerning the asset, financial and earnings position have been prepared in compliance with the accounting and disclosure standards to be applied to the fiscal year 2013. The disclosures contained in the Business Outlook also take the accounting standards to be applied as from January 1, 2014 into consideration and can be found from page 84 onwards of the Report.

To increase the currency of the Report, Fraport has taken into consideration relevant disclosures concerning events that occurred up to the Responsibility Statement and Auditor's Report by PricewaterhouseCoopers AG on March 4, 2014.

The Annual Report is published in German and English.

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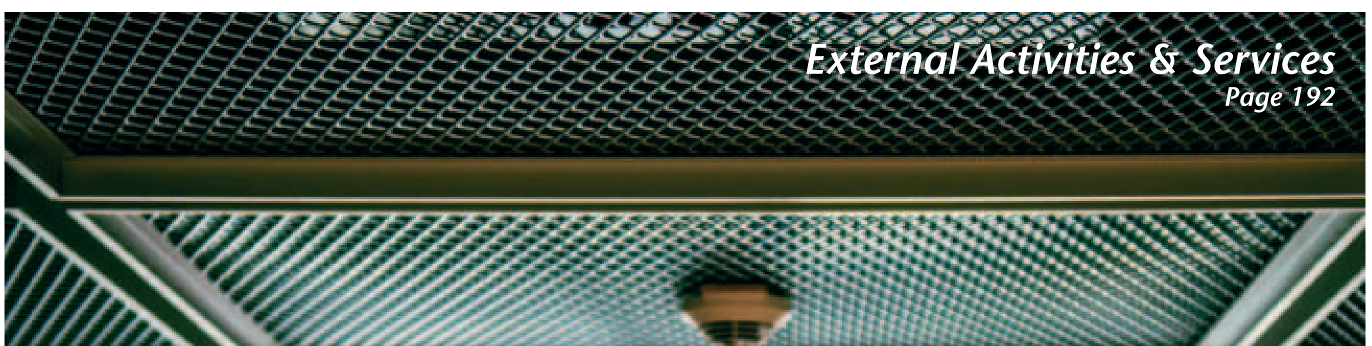
Frankfurt Airport behind the Scenes

With 58 million passengers and more than two million metric tons of air freight and air mail handled, Frankfurt Airport is one of the largest passenger and cargo airports in the world. While passengers only experience the airport processes that are visible to them, such as check-in or security control, Fraport and its business partners provide a much broader range of services "behind the scenes" to ensure a seamless traveling experience. Some of these processes are presented to you on the section dividers of this Annual Report.

You can also get an idea of further Fraport processes on site during a tour of the airport and experience the fascinating world of the airport live.



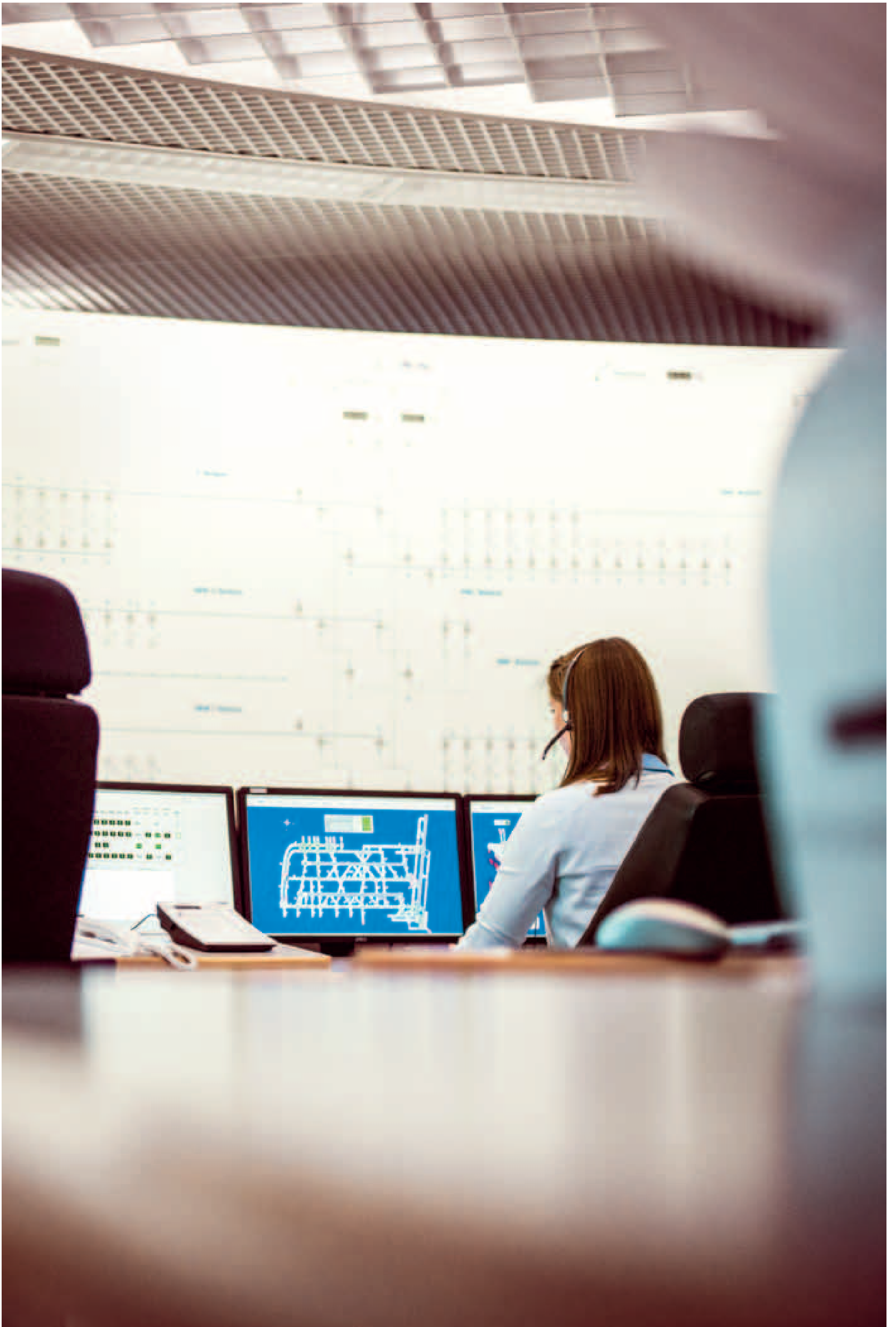
Aviation

A good 17,000 airfield lights…

In the previous fiscal year about 473,000 aircraft took off and landed at Frankfurt. This equated to about 1,300 daily aircraft movements. Seamless airport operations would be impossible without the use of about 17,000 airfield lights that mark the ways between the take-off and landing runway system and the terminal. To ensure that the system is always ready for use, Fraport maintains the airfield lights on an as-required and cyclical basis. In addition to a computer-controlled system, which reports defective halogen or LED lamps, Fraport employees check that the airfield lights are functioning by covering the take-off and landing runway system on a regular basis.

…with uninterrupted energy supply

Fraport monitors the uninterrupted energy supply of Frankfurt Airport on a centralized basis and ensures this by means of a redundantly configured power supply system. Even if the power supply system fails, Fraport can guarantee an energy supply to the take-off and landing runway system by using several oversized diesel motors. Direct refueling of the motors, whose tanks hold about 40,000 liters of diesel, ensures that airport operations can be constantly maintained in an emergency. Fraport requires about 600 million kilowatt hours annually to operate the Frankfurt site.



Dr Stefan Schulte

Chairman of the Executive Board Fraport AG

Letter of the CEO

Dear Shareholders,

Your company has performed well in the past fiscal year. After a difficult start to the year with declining passenger numbers at our main site in Frankfurt, a good summer season and solid booking numbers in the final months of the fiscal year helped us to achieve an increase in passengers of almost one percent to more than 58 million. The cargo tonnage handled in Frankfurt also developed favorably, increasing to almost 2.1 million metric tons. Frankfurt Airport was thus the largest cargo airport in Europe last year, ahead of the previous front runner Paris-Charles de Gaulle.

Outside of Frankfurt Airport, our Group airports were also doing well. I would like to highlight in particular our investment at Lima Airport, which continued to benefit from the country's economic prosperity and the upturn in tourism. Almost 15 million passengers have meant that the site's growth in percentage terms was again in double digits. Our airport investment at Antalya also saw significant passenger growth, welcoming around seven percent more passengers notwithstanding the strong result in the previous year. Over the past fiscal year we also laid the foundations for future growth in our investments in St. Petersburg, Varna and Burgas. The opening of new terminals at those three sites means that the investments now have sufficient capacity to accommodate the expected traffic growth.

The Group-wide positive traffic development was also reflected in the financial performance indicators of the fiscal year 2013. The important operating key figures of Group EBITDA, which amounted to around 880 million Euros, and Group EBIT, which amounted to a good 528 million Euros, both exceeded the previous year's figures by more than 30 million Euros. Due to the worsening of the Group financial result which had already been forecasted at the start of the fiscal year, the Group result in 2013 was almost 16 million Euros lower than the previous year figure at around 236 million Euros. The causes of this included among others high non-recurring income in the previous year within the financial asset management.

Despite the decreasing Group result, we will be proposing an unchanged dividend of 1.25 Euro per share to you at our Annual General Meeting at the end of May this year. This would be equivalent to a pay-out ratio of around 52 percent of the underlying Group result.

Aviation market in Europe remains under pressure

Dear Shareholders, the aviation market in Europe continues to be characterized by high intensity of competition. This is caused by various factors such as the persistently weak macroeconomic environment in Europe, price-sensitive demand, the continuing success of so-called low-cost providers and the undiminished high level of growth of new competitors from the Middle East. In this environment, the German aviation tax and the emissions trading scheme which currently only applies to flights within the European Union additionally comprise considerable competitive disadvantages for the domestic aviation industry. Your company nevertheless performed well at Frankfurt Airport in 2013, despite these difficult circumstances, and also expects further passenger and cargo growth for 2014.

As our economic system becomes increasingly collaborative on both a national and international level, it requires excellent mobility options for road, rail and air. With around 300 destinations, Frankfurt Airport is Germany's "gate to the world". At the same time we are seeing greater sensitization amongst the population to sources of noise, irrespective of the carrier in question. That is why in 2013, we, together with our partners in the "Alliance for Noise Abatement", also gave high priority to working on further reducing the impact of aircraft noise within the framework of the legally, technically and operationally feasible. For example, we have decided to invest in a new satellite-supported ground-based augmentation system (GBAS) at Frankfurt Airport. If aircraft have corresponding technical equipment and authorization is granted by the supervisory authorities, GBAS will mean that aircraft can also land on the south and center runways at a raised approach angle of 3.2 degrees.In addition, we are giving the airlines further commercial incentives to fly the passenger growth at Frankfurt Airport with low-noise aircraft with our "FRAConnect" program.

Outlook for 2014

Despite the recent positive traffic development, 2014 will again be a challenging year for your company. In view of the competitive environment, we will continue to invest in a more customer-friendly layout of our airport at the Frankfurt site. At the same time, we need to further speed up our processes and make them more efficient without lowering our sights regarding high quality.

Expressed in figures, we are expecting passenger growth of two to three percent at the Frankfurt site for the current fiscal year and continuing positive development at Group airports. With respect to financial performance, we expect a Group EBITDA of between approximately 780 and some 800 million Euros and Group EBIT to develop towards up to around 500 million Euros for the 2014 fiscal year. Compared to the aforementioned figures for fiscal year 2013, at first glance this looks like a decrease. However, this is solely due to a changed accounting standard which has to be applied from fiscal year 2014 onwards. This standard means that as of January 1, 2014, there will no longer be the option to consolidate joint ventures proportionately in Group accounting, which in our case particularly affects our investment in Antalya Airport. The result from Antalya will from then on only be reported in the Group's financial result, which will lead to a distortion of the figures reported in the current fiscal year.

If we had already applied this accounting standard to the figures for the 2013 fiscal year, the corresponding comparative figure for EBITDA would have been around 733 million Euros and the comparative figure for EBIT would have been 439 million Euros. The forecast for both figures for 2014 is accordingly around 40 to 60 million Euros higher than the adjusted figures for fiscal year 2013. We also expect a positive change in the Group result compared to 2013.

This growth will also be in 2014 only possible through the dedication and great commitment of our employees, and I would like to take this opportunity to thank them on behalf of the whole Executive Board.

We would also like to thank you, our esteemed shareholders, for the trust you have placed in us and for the open dialog. Let's shape Fraport's future and face the challenges which lie ahead of us together.

Sincerely yours,

Stefan Schulte

The Fraport Executive Board

The strategic and operational responsibility for Fraport AG and its worldwide Group companies lies with the Executive Board. In the previous fiscal year the Fraport Executive Board comprised five members: Dr Stefan Schulte (Chair), Anke Giesen, Michael Müller, Peter Schmitz and Dr Matthias Zieschang.

The appointment of Executive Board members is the responsibility of the company's Supervisory Board. The Annual General Meeting formally approves the Executive Board's actions.

The Fraport Executive Board
(from left to right)

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

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

Dr Stefan Schulte
Chairman of the Executive Board
Born in 1960
Appointed until August 31, 2019

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

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

Karlheinz Weimar

Chairman of the Supervisory Board Fraport AG

Report of the Supervisory Board

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 2013. 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 five ordinary meetings, one strategy session and one special meeting. On average for all of the meetings, around 98% of the members took part in the meetings. No member of the Supervisory Board took part in fewer than half of the meetings of the Board.

Focal points of the consultation of the Supervisory Board

The business development of the Fraport Group and its Group companies, with a particular emphasis on the traffic and earnings development at Frankfurt Airport, were the subject of regular discussions by the Supervisory Board. The improved development of the European economy and the recovery in passenger numbers played a prominent role over the course of the year.

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

> In 2013, the Supervisory Board also obtained extensive information on various measures and initiatives to improve active and passive noise abatement. As part of the “alliance for noise abatement” concluded already in February 2012, 19 measures for active noise abatement were defined and will be implemented successively, with regular reports on their effectiveness being submitted to the Supervisory Board. Additional spreading of noise-based airport charges was implemented at the beginning of 2013 in order to give airlines greater incentive to use quieter air planes. Also the current implementation status of the voluntary real estate program, CASA, the application deadline for which has been extended to October 31, 2014, formed part of the regular reporting to the Supervisory Board. In addition under particular focus was the program to secure roofing from gusts of wind caused by wake turbulences, under which the owners of approximately 3,000 buildings beneath the arriving and departing flight paths can make a claim for the securing of roof tiles.

> In addition, more detailed information was provided about the plans for Terminal 3 on the south side of Frankfurt Airport. Alternatives to the construction of the terminal were discussed, the demand forecast was critically reviewed and the processes in the existing terminals were reviewed. Here, the Supervisory Board was particularly pleased to note the improvement of passenger satisfaction as a result of the “Great to have you here!” service initiative. Additionally, waiting times at security controls at year-end were critically attended.

- As a continuation of the internationalization strategy of the Group, the Supervisory Board agreed to the participation in the tender process for the new international Istanbul Airport at its special meeting held on April 29, 2013. Furthermore, it authorized the investment and capital expenditure committee with the final decision regarding the tender process in Rio de Janeiro after thorough prior consultation. The committee agreed to submit an offer for the concession at its special meeting on November 8, 2013.
- 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 capital expenditure made in connection with the construction of Terminal 3 at Manila Airport. The progress of the ICSID arbitration proceedings in Washington, for which hearings took place in the fall of 2013, remained the subject of particular focus.
- In addition, the Supervisory Board dealt with the financial statements and management reports of the company and the Group as at December 31, 2012, the agenda and the including resolution proposals for the Annual General Meeting (AGM) on May 31, 2013, as well as the 2012 Annual Report. Furthermore, the Supervisory Board has decided to propose to the AGM that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as the auditor for fiscal year 2013 in accordance with the scheduled cyclical change of auditors.

Furthermore, the Supervisory Board made specific decisions on the following subjects, among others:

- As a continuation of its previous resolution, the Supervisory Board agreed to implement the expansion of the south of Frankfurt Airport in accordance with the zoning decision and the current version of the preliminary plan.
- It authorized the executive committee's expansion from six to eight members and, on its recommendation with regard to Section 4.2.3 (2) of the German Corporate Governance Code (GCGC), agreed to the introduction of upper amount limits for the variable remuneration elements of the Executive Board's remuneration, on which no agreement had thus far been made. The Executive Board's remuneration now specifies upper amount limits as a whole and with respect to all variable remuneration.
- It also approved the 2014 Business Plan.

As part of its strategy session in mid-June 2013, the Supervisory Board also addressed in more detail the challenges arising for Frankfurt Airport as a result of the deteriorating market environment in particular. Measures for structural counteraction in view of the negative traffic development in the first six months of 2013 were also discussed. Further topics of discussion were freight as a major factor for success for the site and the critical compliance with the planned revised version of EU ground handling services guidelines.

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 appropriate cases and in accordance with law, decision-making powers of the Supervisory Board were granted to the committees. The chairpersons 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 and responsibilities of the individual committees can be found in the chapter "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 recommendation for the appropriation of profit to the AGM, respectively, the amount of the dividend. Representatives of the auditor often participated in the meetings on individual agenda items. The finance and audit committee prepared the determination of the focal points of the 2013 audit for the Supervisory Board. The half-year interim report and the other interim reports were discussed in detail prior to their publication. Comments were also made on the 2014 Business Plan of Fraport AG (prepared in accordance with the German Commercial Code, HGB) and the 2014 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 2013. In this context, the auditor's confirmation of independence pursuant to Section 7.2.1 of the GCGC was obtained, the qualification of the auditor monitored and the remuneration of same discussed. Furthermore, the issue of mandates for non-audit-related services

to the auditor was discussed. In accordance with the cyclical scheduled change of the auditor, it was proposed to the plenum to recommend PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, to the AGM as auditor for fiscal year 2013.

Further focal points of the proceedings were asset and liability management as well as the regular supplementary report in accordance with Section 90 of the German Stock Corporation Act (AktG) to the consolidated financial statements and/or the consolidated interim financial reports. In addition, the committee discussed the risk management, the internal control system, the internal audit system as well as the compliance management system in detail and ensured that the Supervisory Board was appropriately informed.

In its four ordinary meetings as well as two special meetings, the focal points of the discussions of the **investment and capital expenditure committee** in fiscal year 2013 were again the further business development of the investment business and the area of capital expenditure. With regard to activities abroad, the committee expressed its support for participation in the tender process for the new international Istanbul Airport and therefore prepared the corresponding resolution of the entire Supervisory Board in its first special meeting on April 26, 2013. In addition, as already mentioned, it agreed to submit an offer for the concession regarding Rio de Janeiro Airport based on the corresponding authorization by the Supervisory Board as part of its second special meeting on November 8, 2013. The existing Group companies, with Antalya, Lima, St. Petersburg as well as Varna and Burgas in particular focus, were also part of regular reporting. The development of national Group companies operating mainly at the Frankfurt site were also considered, however. 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 2014 Business Plan.

The **human resources committee** met four times in fiscal year 2013 and was regularly involved with the topics related to human resources within the Group. Alongside the development of the workforce, the topics of vocational training, current wage issues in the Group and, on federal level, the restructuring of apron supervision, health management, remuneration for senior managers in the Group and the social and employment regulations in the EU draft of ground handling services guidelines also formed part of the discussion. Through the “HR Top Executives” department, managed by Ms. Giesen since the start of the year 2013, further topics such as the remuneration system for senior executives, development of top executives, the concept of the reintegration of expatriate employees returning abroad as well as the establishment of lean management were also focal points of the proceedings.

The **executive committee** met five times during the reporting period. It dealt with Executive Board matters arising in fiscal year 2013 and, first of all, the determination of the performance-related remuneration components for the past fiscal year. In addition, the executive committee prepared the resolutions of the Supervisory Board on the reappointment of the Chairman of the Executive Board, Dr Schulte, as well as the adjustment of the Executive Board’s remuneration, in particular with regard to the most recent recommendation of the GCGC Government Commission.

The **nomination committee** formed for preparing for the new election of shareholder representatives met twice in the 2013 fiscal year: once to prepare the candidate list for the AGM on May 31, 2013, in which all shareholder representatives cyclically stood for election, and once to provide advice regarding the succession of Mr. Stefan H. Lauer after his leaving at the end of 2013.

It was not necessary to convene the **mediation committee** in accordance with the German Co-Determination Act in fiscal year 2013.

Corporate Governance and statements of compliance

The Executive Board and the Supervisory Board have addressed in detail the further developments of the GCGC that were presented by the Government Commission on May 13, 2013.

In accordance with the recommendation recently included in the code, that the remuneration for Executive Board members should be indicated inclusive of upper amount limits for the variable remuneration elements (Section 4.2.3 (2), sentence 6 of the GCGC), the incumbent Executive Board members agreed on December 17, 2013 to supplementary upper amount limits complying fully to the recommendation, in addition to those upper amount limits already in existence.

Fraport AG is therefore in alignment with the recommendations of the GCGC Government Commission and will continue to be in future.

In continuation of examining the efficiency of its activities from the previous year, the Supervisory Board commissioned an external advisor with the evaluation of its statutes and rules of internal procedure in fiscal year 2013, particularly with regard to the adequacy of the defined numerical limits that trigger approval or reporting obligations. Ultimately, it commissioned the Corporate Governance work group (formed of its own members) to develop specific proposals to the plenum.

Further details on Corporate Governance as well as the text of the current statement of compliance pursuant to Section 161 of the AktG made by the Executive Board and Supervisory Board on December 17, 2013 can be found in the chapter "Statement on Corporate Governance and Corporate Governance Report" starting on page 16. 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 fiscal year 2013, there was no indication of the existence of potential conflicts of interest.

Annual and consolidated financial statements

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft audited the annual financial statements of Fraport AG and the consolidated financial statements as at December 31, 2013 as well as the management report and Group management report and issued unqualified auditor's reports. The Supervisory Board issued the audit mandate on January 20, 2014 in accordance with the resolution passed by the AGM on May 31, 2013.

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 were prepared and audited by the auditor 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 PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft and the financial statements 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 chairwoman of the finance and audit committee provided in the meeting a comprehensive report on the treatment of the annual financial statements and the consolidated financial statements in the committee. The Supervisory Board approved the results of the annual audit. After the completion of the audit by the finance and audit committee 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 per no-par value share.

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 under the circumstances known to us at the time the legal transactions were conducted, Fraport AG received fair and adequate compensation for each and every legal transaction. 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 21, 2014 on the report regarding the relationships with affiliated companies and was available to the Supervisory Board to provide 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.

Personnel particulars

The term of office of all members of the Supervisory Board ended at the end of the AGM on May 31, 2013.

In advance of the AGM, the following representatives of the employees were elected for the first time or reelected to the Supervisory Board in accordance with the specifications of the Co-Determination Act: Ms. Claudia Amier, Mr. Devrim Arslan, Mr. Hakan Cicek, Dr Roland Krieg, Mr. Mehmet Özdemir, Mr. Arno Prangenberg, Mr. Gerold Schaub, Mr. Hans-Jürgen Schmidt, Mr. Werner Schmidt and Mr. Edgar Stejskal.

During the AGM, the following representatives of the shareholders were also elected for the first time or reelected to the Supervisory Board: City Treasurer Mr. Uwe Becker, Ms. Kathrin Dahnke, Lord Mayor Mr. Peter Feldmann, Dr Margarete Haase, Mr. Jörg-Uwe Hahn, Mr. Lothar Klemm, Mr. Stefan H. Lauer, State Secretary Mr. Michael Odenwald, Mr. Karlheinz Weimar and Prof Dr-Ing Katja Windt.

In its constituent meeting on May 31, 2013, the Supervisory Board reelected Mr. Karlheinz Weimar as Chairman and Mr. Gerold Schaub as Vice Chairman.

In addition, the competent trade registry court of the City of Frankfurt am Main appointed Mr. Karl Ulrich Garnadt to the Supervisory Board on February 10, 2014. Mr. Garnadt assumes the mandate of Mr. Stefan H. Lauer, who left the Supervisory Board on December 31, 2013.

With regard to the Executive Board, on September 2, 2013, the Supervisory Board also agreed to the appointment of Dr Schulte as Chairman of the Executive Board with effect of September 1, 2014 for a further five years until August 31, 2019. The Supervisory Board also acknowledged Mr. Peter Schmitz's intention not to extend his appointment as member of the Executive Board, which ends on August 31, 2014.

Looking back on the 2013 fiscal year, which was successful despite a difficult environment in the European aviation industry, 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 21, 2014

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 – simultaneously for the Supervisory Board and 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 standards of the GCGC.

In accordance with Section 317 (2) sentence 3 of the HGB, the following disclosures under Section 289a of the HGB were not included in the annual audit by the auditor.

Statement of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG)

On December 17, 2013, the Executive Board and the Supervisory Board of Fraport AG issued the following statement of compliance for the year 2013 in accordance with Section 161 of the AktG:

"The last Compliance Statement was issued on December 14, 2012. Since then, Fraport AG has complied with and will continue to comply with the recommendations made by the Government Commission on the German Corporate Governance Code in the code version dated May 15, 2012, and the amended version of May 13, 2013, with the following exception related to previous contractual agreements:

The May 13, 2013, amended version of the German Corporate Governance Code (GCGC) included a new recommendation that the amount of compensation paid to members of the Executive Board should be capped, both overall and for individual compensation components (Section 4.2.3 paragraph 2 sentence 6 of the GCGC).

The service contracts for the incumbent Executive Board members already provided for compensation caps, which however did not fully meet the requirements of the new GCGC recommendation. On December 17, 2013, amendment agreements including compensation caps complying fully with the GCGC (Section 4.2.3 paragraph 2 sentence 6) were concluded with the incumbent members of Fraport AG's Executive Board."

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

The new recommendation with respect to the content and future format of the remuneration report (Section 4.2.5 (3) of the GCGC) relates to fiscal years beginning after December 31, 2013. Accordingly, Fraport will comply with the new recommendation for the first time in fiscal year 2014.

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 2.3.3 of the GCGC).

Primarily for security reasons and personal privacy, Fraport published only the speeches of the Chairman of the Supervisory Board and the Chairman of the Executive Board at the beginning of the 2013 Annual General Meeting on the Internet.

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

All Executive Board members were initially appointed for a term of five years, indicating the company's willingness to enter into a long-term arrangement. Furthermore, an initial term of five 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 of the GCGC, the Supervisory Board set the following unchanged objective for its composition already 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 19.3%. The Supervisory Board of Fraport AG comprises 20 members, with the number of female members currently at four. The number of female members fell intially from five to three in 2012. Furthermore, the former lord mayor Dr Petra Roth resigned from the Supervisory Board in 2013. At the Supervisory Board elections in 2013, however, the mandates of Dr Margarete Haase and Prof Dr-Ing Katja Windt were confirmed, and Kathrin Dahnke was elected to the Supervisory Board as a new female member. Together with the employee representative Claudia Amier, who was also newly elected by employees in 2013, the ratio of women on the Supervisory Board is now 20% and has therefore reached 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 three independent shareholder representatives within the meaning of Section 5.4.2 of the GCGC should be members of the board.

With Kathrin Dahnke, Dr Margarete Haase and Prof Dr-Ing Katja Windt, there are already today at least three 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 17, 2013). It can be downloaded from the company website www.fraport.com in the section The Fraport Group.

Values-based compliance

At Fraport the issues of compliance and values management are brought together in a values-based compliance management system. The values management system helps to prevent and monitor corruption and has been an integral component of employees' and executives' employment contracts at Fraport since 2005. In past years it has been phased in at national and international Group locations in which an interest of at least 50% is held. An efficient information and reporting system is an important tool for preventing violations. Consequently, Fraport AG introduced an electronic whistleblower system (BKMS®-System) in 2009, which is also being rolled out in the Group companies on an ongoing basis. In addition, Fraport has had an ombudsperson who confidentially receives and legally examines tips on serious legal violations since December 1, 2011. The central task of the ombudsperson (an external lawyer) is to confidentially receive tips on corporate crimes and inadmissible business practices and infringements that are detrimental to the company.

In February 2013, the Executive Board expanded this well-implemented values management system with the adoption of two codes of conduct, one for employees and one for suppliers. These codes of conduct enable Fraport to anchor the company ever more firmly in corporate governance in terms of its long-standing commitment to comply with internationally accredited standards such as the principles of the UN Global Compact, OECD Guidelines and ILO Core Labor Standards. The Fraport Policy forms the umbrella for these commitments and describes the values-related basis of the Fraport Group's corporate action.

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 interest of the company.

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

Executive Board

The Executive Board of Fraport AG has comprised five members since January 1, 2013: the Chairman, Dr Stefan Schulte, Anke Giesen, Michael Müller, Peter Schmitz and Dr Matthias Zieschang. As 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 extend such is not provided for in a business plan approved by the Supervisory Board. The length of the appointment of Executive Board members is geared toward the long-term and is – as already stated – as a rule five 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 management report.

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 ten shareholder representatives are elected by the AGM and the ten representatives of the employees are elected by the employees in accordance with the provisions of the German Co-Determination Act (MitbestG) for five years. 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. Beyond that, the rules of procedure regulate, in particular, the appointment and powers of committees of the Supervisory Board.

As a rule, the Supervisory Board meets four times a year (2013: seven 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 on an annual basis.

A detailed schedule of its remuneration is included in the remuneration report in the Group management report.

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
Karlheinz Weimar (Chairman)	Gerold Schaub (Vice Chairman)
Uwe Becker	Claudia Amier
Kathrin Dahnke	Devrim Arslan
Peter Feldmann	Hakan Cicek
Karl Ulrich Garnadt	Dr Roland Krieg
Dr Margarete Haase	Mehmet Özdemir
Jörg-Uwe Hahn	Arno Prangenberg
Lothar Klemm	Hans-Jürgen Schmidt
Michael Odenwald	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	Normal number of meetings	Meetings 2013	Normal number of 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 – and the compliance > Statement of opinion on the business and development plan, with the exception of the capital expenditure plan, the annual and consolidated financial statements, the management report and the Group management report, the audit report of the external auditor and other auditors, the proposal of the audit report for the Supervisory Board, the approval of the Executive Board's actions and the awarding of the audit mandate to the auditor, the fees agreement and the determination of the focus of the audit	4	7	8	Dr Margarete Haase (Chair) Arno Prangenberg (Vice Chairman) Uwe Becker Kathrin Dahnke Lothar Klemm Dr Roland Krieg Hans-Jürgen Schmidt Edgar Stejskal
Investment and capital expenditure committee	> Preparation of resolutions relating to capital expenditure, resolutions or decisions concerning the founding, acquisition and sale of Group companies and ongoing monitoring of the economic development of existing Group companies > Final decision to the extent that the obligation or entitlement of Fraport AG arises from an investment-related action is between €5,000,000.01 and €10,000,000 > Statement of opinion on the capital expenditure plan and on capital expenditure reporting	4	6	8	Jörg-Uwe Hahn (Chair) Gerold Schaub (Vice Chairman) Claudia Amier Peter Feldmann Lothar Klemm Werner Schmidt Edgar Stejskal Prof Dr-Ing Katja Windt
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	Claudia Amier (Chair) Jörg-Uwe Hahn (Vice Chairman) Devrim Arslan Uwe Becker Hakan Cicek Mehmet Özdemir Michael Odenwald Prof Dr-Ing Katja Windt
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	8	Chairman of the Supervisory Board Karlheinz Weimar (ex officio) Vice Chairman of the Supervisory Board Gerold Schaub (ex officio) Claudia Amier Peter Feldmann Dr Margarete Haase Jörg-Uwe Hahn Werner Schmidt Edgar Stejskal
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) Devrim Arslan Lothar Klemm
Nomination committee	> Recommendation of suitable candidates to the Supervisory Board for its recommendations to the AGM	As needed	1	3	Karlheinz Weimar Uwe Becker Dr Margarete Haase

Table 9

Shareholders and AGM

The shareholders of Fraport AG exercise their rights in the company at the AGM 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 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 AGM of Fraport AG is held each year in the first six months of the fiscal year and makes decisions concerning the tasks assigned to it by law, such as the appropriation of profits, election and approval of the actions of the members of the Supervisory Board and approval of the actions of the Executive Board, the selection of the external 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 the 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) of the GCGC, this is part of 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.

WOMEN
CHANE

Retail & Real Estate

About 300 businesses...

It does not matter whether we are talking about a coffee bar or a high-end boutique, these days an airport without shopping and rest areas is unthinkable. Both Frankfurt terminals are currently home to about 300 businesses and food service facilities, including 22 duty free and travel value shops. Fraport does not operate its own shops, but develops and markets the spaces and optimizes the offer of concepts and brands. The key figure "net retail revenue per passenger" is therefore not the average amount spent by a passenger at Frankfurt, but the lease revenue earned by Fraport on these spaces. In 2013 this rose from 3.32 Euros to 3.60 Euros.

...with first-class logistics

It is not only passengers who have to be subjected to a security control before their departure, this also applies to goods sold in the security area. As a result, for example the around 40,000 items on sale in the duty free and travel value shops are already checked at the main warehouse of the operator "Gebr. Heinemann" in Hamburg. Once they have been checked, these items are transported along the logistics chain to a temporary storage in Frankfurt and delivered from there underground to the shops at the airport. Thus, more than 100 roll containers are filled and emptied every day. Up to 200 roll containers are required on busy days.

Group Management Report for the Fiscal Year 2013

Information about reporting

The presentation of the Group management report has changed in comparison with the previous year due to the first-time application of German Accounting Standard 20 (GAS 20). The application of GAS 20 does not have any impact on the presentation of the asset, financial and earnings position of the Fraport Group.

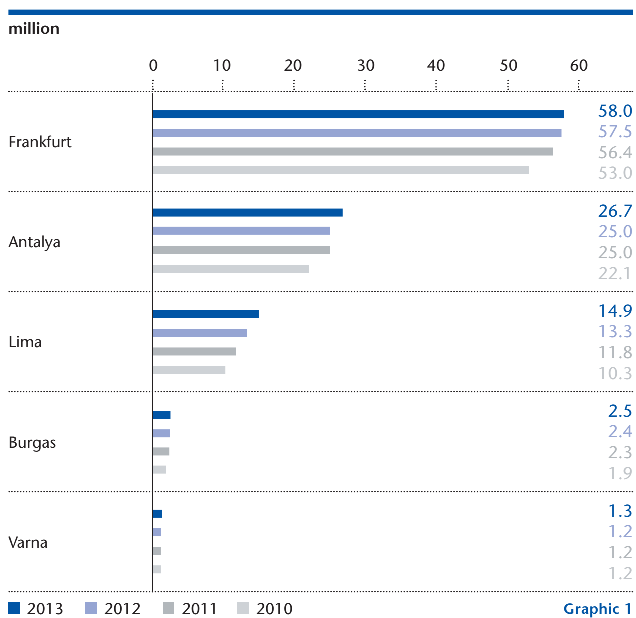
Since the beginning of 2013, Fraport has also applied the revised version of IAS 19 "Employee Benefits". The consolidated income statement, as well as the consolidated statement of financial position for 2012, were adjusted based on the retroactive application of IAS 19. The impact of the first-time application of IAS 19 with regard to partial retirement and pension accounting is shown in the Group notes to this Annual Report (see Group note 4).

Detailed information about the calculation of key financial figures of the consolidated financial statements as well as a description of specialist terms, can be found in the glossary.

Overview of Business Development

The following graphics and notes provide an overview of the situation of the Fraport Group in the past fiscal year, as well as a comparison with the previous years. More detailed information on business development, can be found in the further chapters of the Group management report and the Group notes.

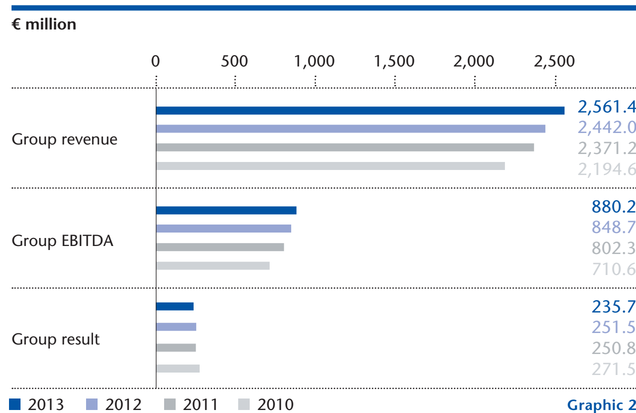
Passenger development at Group airports in which an interest of at least 50% is held



Graphic 1

> Passenger record in Frankfurt
> Strong relative and absolute growth in Antalya
> Airport in Lima with double-digit growth rate again
> Solid passenger development in Burgas and Varna

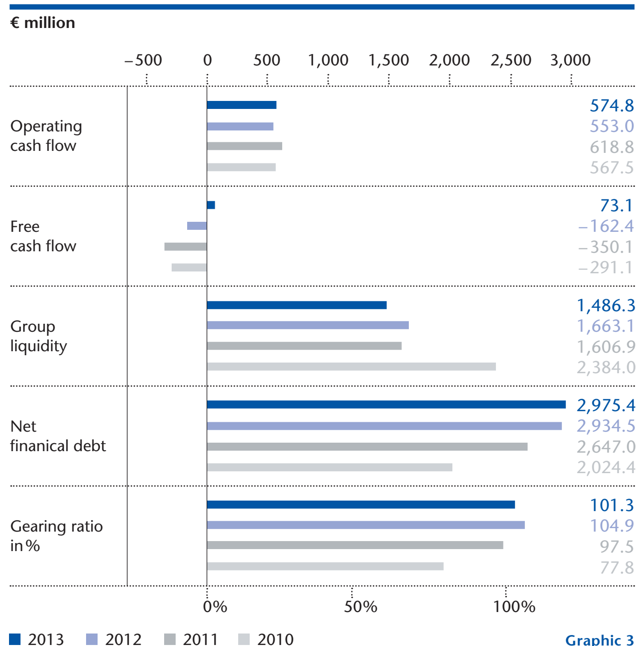
Development of Group revenue, Group EBITDA and Group result



Graphic 2

- Increase in Group revenue resulting from positive business development in Germany and abroad
- Group EBITDA further increased due to price and volume effects
- Decline in Group result, mainly due to high income in the previous year in financial asset management

Development of key figures of the consolidated statement of cash flows and the consolidated statement of financial position



Graphic 3

- Operating cash flow at €574.8 million
- Free cash flow positive due to reduced capital expenditure
- Lower Group liquidity due to loan repayment and dividend distribution
- Slight rise in net financial debt
- Gearing ratio slightly improved to 101.3%

Target/actual comparison of major forecasts for 2013

	Forecast for 2013	Actual 2013
Frankfurt passengers	At approximately the previous year's level	58.0 million (+0.9%)
Group revenue	Increase up to 5%	€2,561.4 million (+4.9%)
Group EBITDA	Between €870 million and €890 million	€880.2 million (+3.7%)
Group result	Decrease	€235.7 million (–6.3%)
Dividend per share	Stable dividend recommendation	Unchanged dividend recommendation of €1.25 [1]

[1] Recommendation to the Annual General Meeting (AGM).

Table 10

- Major forecasts for 2013 realized
- Slight passenger growth due to good summer season and year-end 2013
- Group revenue, EBITDA and result 2013 in line with the forecast
- Unchanged dividend recommendation to the AGM

Situation of the Group

Operating Activities

A leading international Airport Group

Fraport Group (hereinafter also referred to as: Fraport) is among the leading global airport operators with its international portfolio of airport investments. The range of services of the Group comprises all services of airside and terminal operation. The further development of airports into integrated mobility, event and real estate locations additionally represents a broad and stable revenue and earnings basis for the Group.

The Group's main site and key driver of revenue and earnings is Frankfurt Airport, one of the largest passenger and cargo airports in the world. In contrast to time-limited concession models, the Fraport Group parent company, Fraport AG Frankfurt Airport Services Worldwide (Fraport AG) wholly owns and operates Frankfurt Airport with no time limits. With just under 11,000 employees, Fraport AG, which was founded in 1924 and has been a listed company since 2001, is also the largest single entity in the Fraport Group, which has over 20,000 employees. It directly or indirectly holds the shares in the Group companies (companies pursuant to Section 313 (2) of the German Commercial Code (HGB)).

In addition to Frankfurt Airport, Fraport is involved in twelve other airports on four continents through majority or minority holdings and management contracts. The holdings with the greatest impact on earnings, due to each having equity attributable to Fraport of at least 50%, include the fully consolidated Group companies Lima (concession agreement until 2031 with renewal option of ten years) and Twin Star (concession agreement for the operation of the airports in Varna and Burgas until 2041), as well as the proportionately consolidated Group company Antalya (concession agreement until 2024).

Structure

Changes compared with the previous year

Compared with the previous year, no fundamental changes were made to the legal and organizational Group structure in the 2013 fiscal year. There were no material acquisitions or disposals of businesses, or significant increases or decreases in shareholdings. The number of companies consolidated excluding associates was at 52; including associates this figure was at 58 (previous year: 51 and 57 companies). For a detailed overview of the shareholdings within the Group, please see the Group notes (see Group note 55).

Key features of the management and control structure

As a stock corporation in accordance with German law, Fraport is subject to strict segregation of the decision-making powers exercised by the Executive Board, the Supervisory Board and the AGM as management and control bodies.

As a management body, the **Fraport Executive Board** bears the strategic and operational responsibility for the Group. Compared with the previous year, the Executive Board was expanded on January 1, 2013 by the addition of Anke Giesen as a fifth member. The Executive Board was in the reporting period made up of the five 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). In its meeting of September 2, 2013, the Supervisory Board resolved to extend the contract of the Chairman of the Executive Board, Dr Stefan Schulte, which runs until the end of August 2014, for an additional five years, until August 31, 2019.

As a control body, the **Fraport Supervisory Board** supervises and advises the Executive Board in its decisions and is therefore directly involved in all company decisions that are of fundamental importance. 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
Karlheinz Weimar (Chairman)	Gerold Schaub (Vice Chairman)
Uwe Becker	Claudia Amier
Kathrin Dahnke	Devrim Arslan
Peter Feldmann	Hakan Cicek
Karl Ulrich Garnadt	Dr Roland Krieg
Dr Margarete Haase	Mehmet Özdemir
Jörg-Uwe Hahn	Arno Prangenberg
Lothar Klemm	Hans-Jürgen Schmidt
Michael Odenwald	Werner Schmidt
Prof Dr-Ing Katja Windt	Edgar Stejskal

Table 11

As an additional control and co-determination body, the shareholders, as owners of Fraport AG, exercise their voting rights in the company at the **AGM**. Each of the approximately 92 million shares that have been issued entitles the owner to one vote. There are no differing classes of shares.

A detailed description of the structure and operation of the management and control bodies is presented in the "Statement on Corporate Governance". This does not form part of the annual audit by the auditor and can be found in the chapter "Statement on Corporate Governance and Corporate Governance Report".

Division of the Group into four segments

For the purpose of reporting and managing the operating business, the Executive Board has divided the company's units, comprising strategic business, service and central units, into four segments: "Aviation", "Retail & Real Estate", "Ground Handling" and "External Activities & Services". The segments also encompass the Group companies involved in each of these business processes.

While the **Aviation** segment incorporates the strategic business units "Airside and Terminal Management, Corporate Safety and Security" and "Airport Security Management" at Frankfurt Airport, the **Retail & Real Estate** segment mainly comprises the strategic business unit "Retail and Properties", which primarily handles the retailing activities, parking facility management and the rental and marketing of real estate at the Frankfurt site. The **Ground Handling** segment is comprised of the "Ground Services" strategic business unit. The **External Activities & Services** segment includes in addition to the service units "Facility Management", "Information and Telecommunications" and "Corporate Infrastructure Management", which are also active at the Frankfurt site, in particular, the "Global Investments and Management" central unit, which is mainly responsible for the business development of Group companies that are not integrated into the business processes at the Frankfurt site.

Furthermore, eleven additional central units (previous year: twelve central units), such as "Corporate Compliance, Risk and Values Management", "Central Purchasing, Construction Contracts" or "Finance and Investor Relations", render among other things Group-wide services, for which the costs are distributed across the four segments. Compared with the previous year, as of October 1, 2013, the central unit "Passenger Experience" was dissolved and the functions were assigned to the strategic business unit "Airside and Terminal Management, Corporate Safety and Security", and the central unit "Corporate Communications". By integrating "Passenger Experience" in the line processes, Fraport aims to achieve efficient and sustainable anchoring and development of customer satisfaction within the company.

Key sites and competitive positions

With just under 80% of Group revenue and more than 90% of the employees, the German site – and here almost exclusively Frankfurt Airport – was again the most important site of the Fraport Group in 2013.

In respect to its competitive position, the Frankfurt site competes on the one hand with airports in its catchment area for boarding passengers and – primarily – on the other hand for national and international transfer passengers on the basis of its passenger structure. Its largest competitors are the European hub airports London-Heathrow, Paris-Charles de Gaulle, Amsterdam-Schiphol and also – due to the strong performance of their national airlines – the airports Dubai-International and Istanbul-Atatürk, in Germany in particular Munich Airport. With 58.0 million passengers, Frankfurt Airport again took third position

Group Management Report

Consolidated Financial Statements

Segment structure

	Fraport Group			
Segments [1]	Aviation	Retail & Real Estate	Ground Handling	External Activities & 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

[1] Including assigned Group companies.

Graphic 4

Revenue by region

in %

1	Germany	79.6
2	Asia	7.3
3	Rest of Europe	4.3
4	Rest of World	8.8

Graphic 5

Employees by region

in %

1	Germany	90.8
2	Asia	1.3
3	Rest of Europe	5.0
4	Rest of World	2.9

Graphic 6

in Europe in the past fiscal year after London-Heathrow (72.4 million passengers) and Paris-Charles de Gaulle (62.1 million passengers); their lead remained more or less stable in comparison with the previous year. With 52.6 million passengers, Amsterdam-Schiphol Airport was in fourth place after Frankfurt. In 2013, the continued dynamic development of Turkish Airlines led to a strong growth rate at Atatürk Airport in Istanbul (+13.6% to 51.1 million passengers) and thus to gains in market share versus other European competitors. With a significant distance behind Frankfurt Airport, Munich Airport continued to be the second-largest German passenger airport with 38.7 million passengers (+0.8%).

Compared across continents, some airports in Asia in particular developed much more dynamically and recorded gains in market share compared with Frankfurt Airport. In the transfer segment especially, airports in the Gulf States, primarily Dubai Airport, continued to record increases in connections between Europe and Asia in particular. This was partly at the expense of the Frankfurt site because transfer passengers were diverted from Frankfurt.

The expansion program launched by the Executive Board in the 2009 fiscal year with start of construction work on Runway Northwest and the FRA North modernization program, that was being progressed almost in parallel, continue to help maintain and strengthen the international competitive position of the site in the future. The programs, which mainly include Runway Northwest, Pier A-Plus, the A380 modernization measures, the CD-Pier and the planned Terminal 3, secure airport capacities and quality in the long-term in order to give the Frankfurt site a successful, lasting competitive edge. The development of CargoCity North and South, which has also started, will significantly strengthen the competitive position in the cargo segment (air freight and air mail) over the long-term.

The competitive situation at the very tourist-centered airports in Antalya, Varna and Burgas differs from that of the Frankfurt site. The key driver for the development at these sites is the attractiveness of the tourist regions with regard to quality and price level, among other things. With 26.7 million passengers, the airport in Antalya was the second largest passenger airport in Turkey in the past fiscal year behind Atatürk Airport in Istanbul, and the largest tourist airport in the Mediterranean region, ahead of Palma de Mallorca. The airports in Burgas and Varna, with 2.5 million and 1.3 million passengers respectively, were the second and third largest passenger airports in Bulgaria and the largest airports in the country in the Black Sea region. With the opening of the terminal in Varna in August 2013 and in Burgas in December 2013, all three tourist sites have installed sufficient capacity since the end of the past fiscal year to be able to serve the growth that is expected in these regions in the medium-term.

The competitive situation in Lima Airport, Peru, also differs from the Frankfurt site. The aviation market in Lima continues to benefit from the economic prosperity of the country, the continually increasing tourist demand and the good geographical location in South America, which is particularly attractive for transfer traffic between South and North America. Following the high rates of growth in the last ten years (compound annual passenger growth of 12.6%), Lima Airport has now established itself as a continental hub airport. As the airport capacity will reach its limit in the foreseeable future due to passenger growth, capital expenditure on the airport's infrastructure (construction of a new terminal and new take-off and landing runway) is required in the medium-term to maintain and strengthen the competitive position.

Additional information about business development in the past fiscal year can be found in the chapter titled "Economic Report" beginning on page 44.

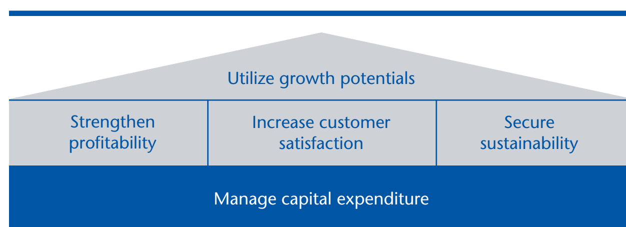
Strategy

Group strategy remains oriented toward long-term market development

Compared with the previous year, no changes were made to the Group strategy in the 2013 fiscal year. The Fraport Group strategy remains oriented toward the long-term forecasted development of the global aviation market and its market trends. Despite the now slightly improved – but still unfavorable – conditions, primarily as a result of the European debt crisis, the restrained supply behavior of the airlines and the aviation tax that was introduced in Germany in the 2011 fiscal year, which, for Fraport, has a particular impact on the Frankfurt site, the leading aviation associations and aircraft manufacturers continue to expect long-term stable growth rates in the aviation market. These growth expectations will also have a positive impact on the traffic development of the airports of the Fraport Group.

Due to the uncertain short-term conditions and the predicted long-term development of global air traffic, the Fraport Group faces strategic challenges. The Executive Board has summarized these challenges in the five areas of activity of Agenda 2015: "manage capital expenditure", "strengthen profitability", "increase customer satisfaction", "secure sustainability" and "utilize growth potentials". These challenges are described in the following.

Agenda 2015



Graphic 7

Manage capital expenditure

To maintain its international competitiveness and participate in the growth of air traffic over the long-term, the provision of airport infrastructure in a demand, safety and cost-oriented manner is at high priority for Fraport. The Executive Board therefore took substantial steps toward the sustainability of the Frankfurt site with the start of implementation of the expansion program in the 2009 fiscal year and the FRA North modernization program, which was progressed almost in parallel. With the inauguration of Runway Northwest in the 2011 fiscal year, the opening of Pier A-Plus in the 2012 fiscal year and the completion of the remodeling of Pier B (also in 2012) and of the CD-Pier in the 2008 fiscal year, four key parts of the capital expenditure program have already been completed as they were needed.

The focus for the coming years will continue to be on planning based on needs and the construction of Terminal 3 in the southern part of the airport. Due to the temporary weaker air traffic development, Fraport delayed the start of construction work on the terminal in the past fiscal year, from 2013 to a period of time from around 2015 onwards. With the submission of the building application, Fraport has at the same time laid the foundation for construction to begin on Terminal 3 from around 2015 onwards and for the first phase able to begin operation from around 2021 onwards in line with demand.

In harmony with the forecasted growth in air traffic, Fraport is also expanding the airport infrastructure at the Group sites outside Frankfurt. In this context, Fraport opened a new terminal at Varna Airport and a new terminal at Burgas Airport in the past fiscal year. On the one hand, the two terminals expand local passenger capacities and, on the other hand, provide additional retail space to strengthen the retail business. Opening these terminals means both sites are prepared for the anticipated future growth, so that no additional capacity-related capital expenditure is required in Varna or Burgas in the medium-term.

Forecasts for the long-term development of global air traffic

Source	Period	Reference	CAGR
Airports Council International (ACI)	until 2031	Passengers	4.1%
Airbus	until 2032	Passenger kilometers	4.7%
Boeing	until 2032	Passenger kilometers	5.0%
Embraer	until 2031	Passenger kilometers	5.0%
Rolls Royce	until 2031	Passenger kilometers	4.5%

Table 12

Fraport is also planning an increase in capacity at the Group company Lima, where in the medium-term the construction of a new terminal and a new runway will accommodate the dynamic growth in traffic of past years and the forecasted development.

The passenger development and capacity requirement are constantly analyzed at the Antalya site. The ground service processes are continuously optimized and the capacity of the terminal infrastructure is adjusted to meet operating requirements as necessary.

The key risks and opportunities associated with the expansion of airport infrastructures inside and outside of Frankfurt can be found in the "Risk and Opportunities Report" beginning on page 67. The report on the level of capital expenditure in the past fiscal year can be found in the chapter titled "Asset and Financial Position" beginning on page 53. The forecasted development for the 2014 fiscal year can be found in the "Business Outlook" beginning on page 84. The business outlook also contains the expected development in the medium-term.

Strengthen profitability

The extensive capital expenditure measures directly result in a significant financial burden for Fraport, primarily consisting of operating costs as well as depreciation, amortization and interest. The Executive Board therefore faces already in the short-term the challenge of further improving the profitability of the company in order to increase the operating result as well as the Group result. In this context, Fraport in past years has, e.g., driven the following areas forward:

> Sustained traffic growth at the Frankfurt site through the inauguration of Runway Northwest and Pier A-Plus
> Gradually raising airport charges at the Frankfurt site in the Aviation segment to cover capital costs
> Increasing retail revenue at the Frankfurt site in particular due to Pier A-Plus
> New ground handling services contract at the Frankfurt site with Deutsche Lufthansa until 2018
> Extending and modernizing terminal and retail areas at sites outside Frankfurt
> Optimizing internal processes and structures, including the restructuring of Corporate Infrastructure Management and merging comparable functions in Facility Management

Key performance indicators relating to the "strengthen profitability" area of activity can be found in the chapter titled "Control" beginning on page 32. A description of the development of performance indicators during the past fiscal year can be found in the chapters titled "Results of Operations" and "Segments" beginning on page 48. The associated forecasted figures for the 2014 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 84. In addition, the Executive Board is examining further measures to improve profitability; which are not part of the short- and medium-term business outlook and are shown by way of example in the chapter titled "Risk and Opportunities Report" beginning on page 67.

Increase customer satisfaction

Fraport sees the ongoing improvement of customer satisfaction as a challenge for all Group units. The Frankfurt site as well as the entire Fraport Group will benefit from passengers considering Group airports as their airports of choice. This applies to departing and arriving passengers, who for example use parking facilities, as well as transfer passengers, who are using food and beverage and retail areas during their visit. It is essential to have satisfied customers in order to fully realize the potentials of the business.

The results of customer surveys underscore that the quality improvements made at the Frankfurt site in past years have been positively received by customers. To continue this trend, Fraport is continuing to intensively pursue the "Great to have you here!" service initiative begun in 2010. The objective is to maintain a perceived service quality – determined using "Global satisfaction" – at Frankfurt Airport of at least 80% in the long-term and thus continue the positive trend of previous years. In the past, Fraport included the following measures in its approach to improve customer satisfaction:

> Expansion of so-called "fast lanes" at security controls for time-sensitive passengers
> Optimization of terminal labeling for better orientation
> New information desks with boarding card scanners for individual route, service and flight information

In the future, the focus for Fraport at the Frankfurt site is primarily the further optimization of the transfer process. In this context, the following areas can be cited as examples:

> Optimized transfer route structure
> Improvement of (advance) information for inexperienced passengers, for example, using better communication via social media
> Expansion of self-services for experienced passengers, for example, by increasing the use of easyPass and baggage drop-off systems or navigation via app
> Development of culture-specific services, such as personal shopper

Outside of Frankfurt, the Lima site in particular demonstrates its customer focus impressively with numerous awards (including "Skytrax Best Airport in South America" 2009–2013). At Antalya Airport, the focus is also on the quality of the ground service processes and customer satisfaction: in 2011, the airport won the ACI Europe award for the best European airport in the under 25 million passengers category. In the future, the two terminal inaugurations will, in particular, have a positive impact on customer satisfaction at the Varna and Burgas sites.

Key performance indicators relating to the "increase customer satisfaction" area of activity can be found in the chapter titled "Control" beginning on page 32. A description of the development during the past fiscal year can be found in the chapter titled "Non-financial Performance Indicators" beginning on page 60; the associated forecasted figures for the 2014 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 84.

Secure sustainability

Fraport understands sustainability as responsibly developing the concept for its future, where economic objectives are to be combined with environmental and social targets. For this purpose, Fraport has developed a materiality matrix and systematized its objectives in a sustainability program. The extent to which the objectives have been achieved and the effectiveness of the measures included are regularly checked and, if necessary, amended. The materiality matrix and the sustainability program were both updated in the past fiscal year. The key areas of activity include: air traffic safety, noise abatement, product quality and customer satisfaction, employment development, value creation, compliance/governance and attractiveness as an employer.

Key performance indicators relating to the "secure sustainability" area of activity can be found in the chapter titled "Control" beginning on page 32. A description of the development during the past fiscal year can be found in the chapter titled "Non-financial Performance Indicators" beginning on page 60; the associated forecasted figures for the 2014 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 84. An additional description of measures taken and a status report on the sustainability program can be found in the separate report "Connecting Sustainably", which is available on the Group homepage under www.sustainability-report.fraport.com. The separate sustainability report does not form part of the annual audit by the auditor.

Utilize growth potentials

Fraport's objective is to achieve Group-wide participation in the growth of the aviation market. With the completion of Runway Northwest, Pier A-Plus and the CD-Pier, Fraport has significantly increased its capacity at the Frankfurt site in past years. Using these growth potentials is preferably foreseen with most modern and low-noise aircraft possible. In this context, in 2013 the Executive Board adopted, among other things, an incentive program for airlines, which aims to generate passenger growth for new airlines or existing airlines on new international routes with low-noise aircraft. The Executive Board thus seeks to participate in the global growth in air traffic with a simultaneous reduction in noise emissions. In the long-term, the conditions for participation in further growth in air traffic will be created thanks to Terminal 3.

In the Group airports outside of Frankfurt, the focus is also on active site marketing. Thanks to more favorable conditions, it was possible to achieve significantly higher growth rates in the Group airports in the past fiscal year.

In addition, the Group-wide focus is on three further growth drivers:

Growth driver 1: Retail business

The expansion and modernization of the shopping and food and beverage areas in the terminals are essential elements of growth plans for retail business. Through the inauguration of in total about 12,000 m² of retail space in Pier A-Plus, in the 2012 fiscal year Fraport created the foundation for further retail growth at Frankfurt Airport. After the net retail revenue per passenger increased in Frankfurt in the past fiscal year in the direction of €4 (increase from an average of €3.32 in 2012 to an average of €3.60 in 2013), the objective remains to increase the net retail revenue per passenger to €4 in the medium-term. To achieve this objective, the focus is primarily on the ongoing improvement of the utilization of Pier A-Plus, accelerated handling of passengers at the security controls, a stronger concentration of Asian flight destinations in Pier A, the sustained modernization of existing spaces and the continued implementation of sales-promoting measures while taking market trends into account.

Retail revenue at Group airports outside of Frankfurt also developed positively with growth of more than 6% at the Antalya site and some 11% at the Lima site. At the airports in Varna and Burgas, the two new terminals created attractive retail space which will increase retail revenue in the long-term. By continuously modernizing existing spaces and implementing the expertise gained in Frankfurt with regard to market trends, the Executive Board aims to further improve retail revenue at the Group airports.

Growth driver 2: External business

In the previous fiscal year, the External Activities & Services segment generated around one third of the Group result. Besides the long-term expectations for positive development in the existing portfolio, the clear objective is to further expand the external business. Opportunities that are currently being examined include projects in South America, Europe and Asia.

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 particular project, Fraport decides if and to what extent the Group will participate in the development. Examples of the further development of Frankfurt Airport City are:

- Mönchhof site
- Gateway Gardens
- CargoCity South
- Ticona site

Fraport is also examining the development potential of available spaces at sites other than Frankfurt. However, specific projects with a fundamental impact on the course of business of the Group are not currently being implemented.

As a result of the short- and medium-term realizable opportunities for growth and taking account of the future development of industry-specific conditions, the Executive Board has drawn up the earnings forecast for the 2014 fiscal year as well as a medium-term outlook. The forecast and medium-term outlook can be found in the chapter titled “Business Outlook” beginning on page 84. In addition, the Executive Board is examining the implementation of further opportunities, which are not part of the short- and medium-term business outlook and are shown in the chapter titled “Risk and Opportunities Report” beginning on page 67.

Control

Changes compared with the previous year

Compared with the previous year, no fundamental changes were made to Group control in the 2013 fiscal year. However, due to the first-time application of GAS 20, the presentation has changed in a way, that the key financial and non-financial performance indicators which are derived from the Group strategy are now provided in the following.

Financial performance indicators

For Fraport, the growth-oriented development of financial performance indicators is critical for the long-term success of the company. The overriding importance of these indicators is reflected in the Group strategy as a set of criteria for the “manage capital expenditure”, “utilize growth potentials” and “strengthen profitability” areas of activity.

Fraport mainly uses key figures relating to the results of operations and to the asset and financial position, as well as key figures that link the results of operations with the asset and financial position, as key financial performance indicators. In accordance with the long-term oriented Group strategy, the Executive Board manages and evaluates the development of financial performance indicators while also taking account of long-term forecasted market trends. In this context, strategic measures taken – for example, the implementation of larger capital expenditure projects – can also lead to a short- to medium-term burden on the financial performance indicators, as long as it is assumed that the results of operations will develop in a clearly positive manner over the long-term and the measures do not pose significant risks to the company.

The key financial performance indicators and their significance for Fraport are described in the following. A description of the development of these indicators during the past fiscal year can be found in the chapters titled “Results of Operations” and “Segments” beginning on page 48. The associated forecasted figures for the 2014 fiscal year and a medium-term outlook can be found in the chapter titled “Business Outlook” beginning on page 84.

Results of operations key figures

As a fundamental component of the interim and consolidated annual financial statement reporting, the results of operations include the presentation and explanation of significant results components and key figures. While the results of operations in the context of regular reporting provide information about the past business development and are explained in the short- to medium-term in the business outlook, earnings forecasts are also regularly drawn up over long-term periods for internal planning purposes. The results obtained from this are essential for the Executive Board with regard to the long-term value management of the company.

The key financial performance indicators for Fraport are **revenue** as a key component of total revenue, **EBITDA**, **EBIT**, **EBT** and the **Group result**. Revenue reflects the Group’s operating activities. EBITDA is calculated from the total revenue less operating expenses (personnel, material and other operating expenses). EBITDA therefore reflects the success of the operating activities and is a key performance indicator both in terms of absolute development as well as in relation to the development of revenue and indirectly to traffic development.

Group EBIT, which plays a decisive role in Group value management, presents EBITDA in the context of depreciation and amortization. Less the financial result, which is essentially comprised of interest income and interest expenses, the EBIT results into the EBT.

The Group result is the result of the operating activities and measures taken to influence EBITDA, EBIT and EBT. It is calculated from EBT less taxes on income. The Group result alters the Group shareholders’ equity.

Asset and financial position key figures

The result of the strategically adopted measures and operating activities of Fraport are besides the results of operations reflected in the asset and financial position of the Group. For Fraport, the development of **shareholders’ equity**, the **equity ratio**, the **net financial debt**, the **gearing ratio**, the **operating cash flow** and the **free cash flow** are of particular importance.

The level of shareholders’ equity represents the basis for the current and future operating activities for Fraport. A solid base of shareholders’ equity is, for example, essential for the financing of large strategic projects. Also connected with this was the company’s listing in the 2001 fiscal year, which led to a significant increase in shareholders’ equity of around €900 million and formed the essential basis for the financing of the expansion of the Frankfurt site as well as the external business. On the 2013 balance sheet date, Fraport held shareholders’ equity of €3,098.8 million, corresponding to a shareholders’ equity ratio in relation to total assets of 30.8% (shareholders’ equity without non-controlling interests of €45.7 million and profit earmarked for distribution of €115.4 million).

Besides shareholders' equity, the net financial debt and gearing ratio in particular serve as key financial indicators to the Executive Board to assess the company's situation. To calculate the gearing ratio, the company calculates the shareholders' equity on the balance sheet date in relation to the net financial debt also on the balance sheet date, whereby the net financial debt is defined as the difference between the Group's liquidity and the non-current and current financial liabilities. To achieve a more accurate result, the shareholders' equity is also adjusted by the planned dividend distribution as well as non-controlling interests. The gearing ratio therefore measures the extent to which the level of shareholders' equity corresponds to the relevant net financial debt position and thus provides the Group's leverage ratio. In general, the level of the gearing ratio varies depending on Fraport's current phase in the capital expenditure cycle. The gearing ratio therefore usually increases in times of high capital expenditure and falls when the company's capital expenditure is lower. In the context of the capital expenditure program at the Frankfurt site, the Executive Board has defined that the gearing ratio should not exceed 140%. After a value of 104.9% was recorded for the gearing ratio at the end of the 2012 fiscal year, this figure was 101.3% at the 2013 balance sheet date.

In addition to the gearing ratio, the Executive Board uses the operating cash flow and the free cash flow as key performance indicators for the evaluation of the financial strength of the Group. While the operating cash flow shows the cash inflow and outflow from operating activities, the free cash flow is the result of the operating cash flow less the cash outflow for investments in airport operating projects, other intangible assets, property, plant and equipment, and investment property. The free cash flow thus provides information about the financial funds available to the Group from the operating activities of a period after deducting operating investing activities. These "free" liquid funds (free cash flow) can in turn be retained in order to be available to the company as a financial reserve for future capital expenditure or to reduce the leverage ratio (gearing ratio), or they can be distributed to shareholders as dividends. After Fraport opened Pier A-Plus at the Frankfurt site in 2012 – the last large investment project before Terminal 3 – positive free cash flow was achieved in 2013 for the first time since the start of the airport expansion and the FRA North capital expenditure program.

Links between the results of operations and the asset and financial position (value management)

In order to sustainably increasing the company's value the Executive Board, in addition to the key figures for the results of operations and asset and financial position, specifically draws parallels between the development of the results of operations and the asset and financial position. In this context, the Executive Board plans and manages the Group's development according to the principles of value management. At Fraport, the central figure used to measure and steer this approach is the "**Fraport value added**" figure, which is calculated as the difference between EBIT and the capital costs (= Fraport assets × cost of capital). The value added is consolidated and recorded at Group and at segment level.

While EBIT is one of the key figures of the results of operations, Fraport assets are derived from the consolidated financial position and are defined as the average of the Group's or segments' interest bearing capital required for operations. Fraport assets are comprised as follows:

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

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 recognized at carrying amount because it is not subject to regular depreciation and amortization.

Contrary to the calculation of the Fraport value added at Group level and in the Aviation, Retail & Real Estate and Ground Handling segments, the value added in the External Activities & Services segment is supplemented by the results from associated companies and other Group companies assigned to this segment as well as the corresponding assets of the Group companies. In this way, Fraport also takes account of the associated companies and other Group companies in value management.

Fraport calculates the weighted average cost of capital (WACC) using 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. In the 2013 fiscal year, this was, as in the previous year, at 9.5% before taxes and 6.6% after taxes.

To allow comparisons between segments of varying size, Fraport has expanded its value added by the measurement and steering figure to include **"return on Fraport assets"** (ROFRA). ROFRA is calculated from the ratio of EBIT to Fraport assets and shows whether the business units created value (ROFRA > WACC) or not (ROFRA < WACC).

Non-financial performance indicators

In addition to its financial development, Fraport also measures the development of "non-financial performance indicators", which are also essential for the long-term success of the company and result primarily from the "increase customer satisfaction" and "secure sustainability" areas of activity of Group strategy.

These performance indicators include, for example, service quality as perceived by passengers and employee satisfaction. To improve the company control, Fraport has assigned the key non-financial performance indicators to the "customer satisfaction and product quality" and "attractiveness as an employer" categories.

The significant non-financial performance indicators in the sense of GAS 20 and their significance for Fraport are shown in the following. The description of their development during the past fiscal year can be found in the chapter titled “Non-financial Performance Indicators” beginning on page 60; the associated forecasted figures for the 2014 fiscal year and a medium-term outlook can be found in the chapter titled “Business Outlook” beginning on page 84. An additional description of the non-financial performance indicators that are not essential for understanding business development in the sense of GAS 20, as well as a status report on the sustainability program can be found in the separate sustainability report “Connecting Sustainably”, which is available on the company website under www.sustainability-report.fraport.com. The audit of the sustainability report does not form part of the consolidated financial statement audit by the auditor.

Customer satisfaction and product quality

For Fraport, the quality of services performed and the associated customer satisfaction are decisive competitive factors and of key significance for the long-term success of the business. The clear objective is therefore to raise its own quality and customer satisfaction to a high level.

Fraport uses a number of performance indicators to measure and steer quality and customer satisfaction. The most important indicators at the Frankfurt site include the **global satisfaction** of the passengers, the **punctuality rate**, the **baggage connectivity** and the **equipment availability rate**. Beyond the Frankfurt site, the focus is primarily on passenger satisfaction at the Group airports, similar to global satisfaction.

For Fraport, global satisfaction covers a number of passenger-related processes and the associated quality. The processes that are assessed include, among others, waiting times at security controls and baggage claim as well as terminal cleanliness. Fraport aims to achieve a target of at least 80% for global satisfaction at Frankfurt Airport. Compared with the 2010 fiscal year, this increase is equivalent to a rise of ten percentage points. Outside of Frankfurt, passenger satisfaction is mainly recorded using surveys.

The punctuality rate indicates how many flights took off and landed on time in Frankfurt, whereby a flight is regarded as being late after 15 minutes in accordance with the International Air Transport Association (IATA). A high level of punctuality is an indicator of the reliability of the respective airport and improves the ability of airlines and airport service providers to plan. The assessment of the punctuality rate may particularly be distorted by bad weather conditions in Frankfurt or by already existing delays to incoming flights. With a comparable weather situation, Fraport aims for a continued high punctuality rate of around 80%.

Baggage connectivity provides information about the percentage of departure baggage at the Frankfurt site that is loaded on time and sent to the correct destination in relation to the total departure baggage. High connectivity, where passengers are transported with their baggage on the same flight, results in good baggage process quality. This is particularly important because Frankfurt has a high proportion of transfer baggage with a transfer share of around 55%. The objective is to achieve a sustainable baggage connectivity of more than 98.5%.

The availability of mobility equipment in terminals is particularly important for passengers with limited mobility. Fraport uses the equipment availability rate to track the availability of this equipment at the Frankfurt site; the rate measures the proper technical operation of elevators, escalators and aerobridges. Fraport aims for an availability rate of far above 90%.

Attractiveness as an employer

For Fraport, attractiveness as an employer is, like customer satisfaction and product quality, a key factor to ensure the long-term success of the business. Fraport understands attractiveness to mean the creation of good working conditions in order to gain and retain committed and qualified employees.

To make it possible to measure and manage its attractiveness as an employer, Fraport uses various performance indicators, such as **employee satisfaction**, as well as key figures relating to **employee safety** and **health management**.

Employee satisfaction, which is recorded annually or every two years at a minimum by means of a questionnaire to Fraport AG employees and 13 other Group companies including Lima and Twin Star, is a central instrument for the measurement of employee morale. Fraport is convinced that satisfied employees achieve better customer loyalty and improved performance. The employee satisfaction key figure is calculated from nine aspects of satisfaction and shows potential areas of improvement. Fraport aims to increase employee satisfaction to an average grade of better than 3.0 (whereby 1 = very good and 5 = inadequate). In 2013, it was at 3.02.

Furthermore, health and safety management is key in order to become more attractive. Fraport needs efficient and high-performing employees to withstand international competition. One measurement of employee occupational health and safety which Fraport uses is the number of work accidents per year. The objective is to continuously reduce the total number of work accidents and the resulting days missed due to accidents.

Finance Management

Fraport’s finance management encompasses the strategic goals of **securing liquidity**, **limiting financial risks**, **profitability** and **flexibility**. The highest priority is to secure liquidity. Based on the Group’s solid sharholders’ equity base, it is secured through both internal financing via operating cash flow and external financing in form of debt.

With regard to debt, Fraport AG’s financial management aims to achieve a balanced financing base composed of bilateral loans, bonds

(capital market), loan financing from public loan institutions and promissory note loans. To reduce interest rate risk from floating rate borrowing, some interest rate hedges have been entered into; these hedges predominantly fulfill the conditions set out under IAS 39 for the establishment of a unit of valuation (hedge accounting). For Group companies in which an interest of at least 50% is held, there are mainly bank liabilities and a corporate bond issue relating to project financing.

In the light of risk spreading and outflows at different times, the Group's liquidity is invested broadly. The medium- and long-term investment horizon corresponds to the greatest possible extent to the expected long-term cash outflows. For payments expected shortly within the framework of current outflows as a result of capital expenditure, Fraport AG has time deposits, securities with short remaining terms and commercial paper available. The established strategy for the broad diversification of investments in corporate bonds was extended in the past fiscal year with regard to the rating classification so that investments can also be made to a small extent in low-risk, non-rated bonds.

For the purposes of diversification, in addition to investments in industrial bonds, there is also a broad diversification of counterparties in the financial sector. Total limits are determined in various business sectors; these limits are continuously monitored with regard to, among other things, the changes in the banks' credit ratings. 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.

Within the context of securing liquidity, Fraport showed liquidity at December 31, 2013 composed of liquid funds and freely negotiable securities totaling €1,486.3 million (previous year: €1,663.1 million). In contrast, there were current and non-current financial liabilities in the amount of €4,461.7 million (previous year: €4,597.6 million). In addition, as at the balance sheet date, additional credit lines of €533.2 million were available to Fraport (previous year: €452.9 million).

The financing and liquidity analysis at the end of the past fiscal year can be found in the chapter titled "Asset and Financial Position" beginning on page 53.

Legal Disclosures

As a listed Group company headquartered in Germany, Fraport is subject to a number of statutory disclosure requirements. Important reporting obligations that apply to the Group management report as a result of these requirements are shown in the following.

Takeover-related disclosures

The capital stock of Fraport AG is €922,896,540 (as at December 31, 2013). It is divided into 92,289,654 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 as at December 31, 2013 was recognized at €922,122,890 (92,212,289 no-par-value shares) in the commercial balance sheet. There are no differing shares.

On the basis of the consortium agreement concluded between the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH dated April 18/23, 2001, the total voting rights in Fraport AG held by both shareholders, calculated in accordance with Section 22 (2) of the German Securities Trading Act (WpHG), amounted to 51.40% as at December 31, 2013. At that time, they were attributed as follows: State of Hesse 31.37% and Stadtwerke Frankfurt am Main Holding GmbH 20.03%. 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 last official report in accordance with the WpHG or disclosures by individual shareholders, the other voting rights in Fraport AG were attributable as follows (as at December 31, 2013): Deutsche Lufthansa AG 8.46%, 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 at the balance sheet date 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 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 seqq. of the AktG, the Executive Board was 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. It was possible to exclude the statutory subscription rights of the shareholders. In 2013, a total of €552,980 of authorized capital was used for issuing shares within the scope of the employee investment plan. At the AGM of May 31, 2013, by canceling the existing authorized capital, new authorized capital of €3.5 million was approved, which can be

used for issuing shares to employees of Fraport AG (see also Group note 31). The Executive Board is now entitled, with the approval of the Supervisory Board, to increase the capital stock once or several times by up to a total of €3.5 million until May 30, 2018, by issuing new shares in return for cash. The statutory subscription rights of the shareholders may be excluded.

A contingent capital increase of €13.9 million was approved under Sections 192 et seqq. 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 approved 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 which were issued to members of the Executive Board as part of performance-related remuneration until 2010 are subject to a vesting period of twelve or 24 months.

Contingent capital totaled €3.4 million as at December 31, 2013. In 2013, subscription rights in the amount of €226,000 (22,600 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 serve 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 2013 based on these authorizations.

The aforementioned 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

Due to the interest of 31.37% (previous year: 31.40%) held by the State of Hesse and 20.03% held by Stadtwerke Frankfurt am Main Holding GmbH (previous year: 20.05%) 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. 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."

Statement on Corporate Governance 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 for the Group. The Statement on Corporate Governance including the Corporate Governance Report is published in the chapter "To our Shareholders" and on the corporate website www.fraport.com under the section The Fraport Group.

Key features of the internal control and risk management system

The description of the key features of the internal control and risk management system with respect to the accounting process in accordance with Section 315 (2) no. 5 of the HGB can be found in the chapter titled "Risk and Opportunities Report" beginning on page 67 of this report.

Remuneration Report

The following remuneration report describes the main features of the remuneration system for the Executive Board and Supervisory Board of Fraport AG in accordance with the statutory regulations and the recommendations of the German Corporate Governance Code (GCGC) as amended on May 13, 2013. 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 remuneration of the Executive Board and Supervisory Board members.

Remuneration of the Executive Board members in fiscal year 2013

Remuneration system

Executive Board remuneration is set by the Supervisory Board upon the recommendation of its executive committee and is reviewed on a regular basis. The remuneration of the Executive Board members of Fraport AG shall 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 order to comply with the remuneration-related amendments of the GCGC in the version dated May 13, 2013, with effect starting in fiscal year 2014, a maximum limit was defined with each Executive Board member for the sum of the aforementioned respective remuneration components. For the Chairman of the Executive Board this amounts to €2.3 million and €1.65 million for the other members of the Executive Board. This maximum limit also applies in relation to the remuneration that was granted during the previous fiscal years 2010 to 2013, the components of which have not yet been fully paid out.

In addition to the aforementioned remuneration components, there are still stock options outstanding, issued in previous years, that have a long-term incentive effect as part of the stock options plan still running (see also Group note 45). The last time stock options were issued was in 2009. In addition, Executive Board members received contributions for pension benefit commitments. The pension commitments, including performance-related contributions, are in a fixed proportion to the respective fixed gross annual salary and are therefore subject to implicit maximum limits.

Non-performance-related components

During the term of their employment agreement (generally five 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 mandates related to Group companies").

If an Executive Board member has such other board mandates at Group companies, the compensation he or she receives from such companies is credited against the remuneration. The compensation received by Dr Zieschang for his activities performed as a member of the Supervisory Board of Flughafen Hannover-Langenhagen GmbH was credited against his remuneration of 2013 from Fraport AG.

In addition, the compensation for Executive Board members includes compensation in kind and other payments (ancillary benefits). 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 financial statements.

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 figure 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 2010 for the year 2013. 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 2016 a prospective sum of €120 thousand has been promised to the Chairman of the Executive Board, while a prospective sum of €90 thousand 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 annually or at least every two 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 an 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 (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 decides if and to what extent the Executive Board member is 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 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 2013, as in the previous year, 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. For the fiscal year 2013, 6,850 performance shares were allocated to Anke Giesen and 3,550 were allocated to Michael Müller.

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 the average EPS actually achieved during the performance period. For the evaluation to what extent the target has been met, the target EPS for 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 five, there will not be a further increase in the number of performance shares issued over fifth place.

The relevant share price used for calculating the LTIP payment shall correspond to the weighted average of the company's closing share prices 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. For the performance shares issued in 2013 and in previous fiscal years, the relevant share price for calculating the LTIP payment is limited to €60 per performance share. 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.

For all performance shares allocated from the fiscal year 2014 onwards, the LTIP payment is limited to 150% of the product from the performance shares of the actual tranche multiplied by the "relevant share price at the time of issuance". The "relevant share price at the time of issuance" corresponds to the weighted average of the company's closing share prices in XETRA or a similarly situated trading system at the Frankfurt Stock Exchange during the month of January of the fiscal year, in which the relevant performance period begins.

Furthermore, for all LTIP performance share tranches that have already been allocated and will be in future, maximum payment amounts have been defined, which amounts to a maximum of €810.0 thousand for Dr Schulte and for the other Executive Board members €616.5 thousand per performance share tranche.

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 twelve months at the time the employment contract was legally terminated. The LTIP fair value accrual allocation resulted in the following expenses for the fiscal year: Dr Stefan Schulte €648.8 thousand (previous year: €370.5 thousand), Anke Giesen €233.3 thousand, Michael Müller €128.7 thousand (previous year: €50.2 thousand), Peter Schmitz €532.6 thousand (previous year: €256.3 thousand), Dr Matthias Zieschang €532.6 thousand (previous year: €256.3 thousand), Herbert Mai €200.1 thousand (previous year: €112.8 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 widow or widower; 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 economic situation. 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 2.0% up to a limit of 75%, dependent on the duration of time an Executive Board member is appointed.

As at December 31, 2013, Dr Schulte is entitled to 58.0% of his fixed annual gross salary. Mr. Schmitz is entitled to 38.0% of his fixed annual gross salary as at December 31, 2013. 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 at December 31, 2013, Dr Zieschang is entitled to 42.0% of his fixed annual gross salary.

In the event of occupational disability, the pension rate for Dr Schulte, Mr. Schmitz and Dr Zieschang amounts 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 occupational disability are governed by a separate benefit agreement. This calls for a one-time pension capital or life-long retirement payments after the insured event 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 commercial balance sheet of Fraport AG at the end of the previous year pursuant to Section 253 (2) of the HGB, which is at least 3% and at most 6%. This is increased by 1% on January 1 of each year for life-long retirement payments. No further adjustment is made. If the pension capital reached is less than €600 thousand when retirement benefits fall due as a result of long-term occupational disability, Fraport AG will increase it to this amount. In the event of long-term occupational disability within the first five years of their activities performed as members of the Executive Board, it is foreseen that Executive Board members can postpone the receipt of a monthly pension of to a maximum of five years since the start of the employment contract. Until the postponed start of the pension benefit payments, they will receive a monthly benefit of €2.5 thousand. This risk of pension payments in the increase phase and of payments for the increase has been 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. If there is no eligible widow or widower, each half-orphan will receive 10% and each full-orphan will receive 25% of the pension capital generated so far as a one-time payment. If the pension capital reached is less than €600 thousand upon death, Fraport will increase it to this amount. The payment risk of this increase has been 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 granted. Each half-orphan receives 10% and each full-orphan receives 25% of the last retirement benefits granted. 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. Partly 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 2013 is shown in the following tables.

Remuneration of the Executive Board 2013

The following remuneration was paid to the members of the Executive Board:

Remuneration of the Executive Board 2013

in €´000	Remuneration paid out in cash				Total
	Non-performance-related components		Performance-related component without long-term incentive effect	Performance-related component with long-term incentive effect	
	Fixed salary	In kind and other	Bonus	LSA	
Dr Stefan Schulte	415.0	22.5	674.8	100.0	**1,212.3**
Anke Giesen	300.0	43.9	476.3	0.0	**820.2**
Michael Müller	300.0	47.0	296.4	0.0	**643.4**
Peter Schmitz	300.0	33.1	476.3	70.0	**879.4**
Dr Matthias Zieschang	320.0	43.9	523.9	70.0	**957.8**
Total	**1,635.0**	**190.4**	**2,447.7**	**240.0**	**4,513.1**

Table 13

Remuneration of the Executive Board 2013

in €´000	Share-related remuneration
	Performance-related component with long-term incentive effect
	LTIP
Dr Stefan Schulte	346.7
Anke Giesen from Jan. 1, 2013	263.9
Michael Müller	136.7
Peter Schmitz	263.9
Dr Matthias Zieschang	263.9
Total	**1,275.1**

Table 14

The bonus includes the payments on account for the fiscal year 2013 and the addition to the bonus provision in 2013.

The Supervisory Board will decide on the final bonus for 2013 in fiscal year 2014.

LTIP is carried at fair value as at the time of offer.

The following total remuneration was paid to the members of the Executive Board in 2012:

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 15

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 16

In accordance with IFRS 2, the stock option programs are recorded through profit and loss and lead to an expense in the fiscal year from the period-appropriate distribution of the option value: In fiscal year 2013, only Michael Müller owned 1,800 stock options from MSOP 2005, tranche 2009. These stock options were fully exercised by Michael Müller in 2013, which resulted in an expense of €12.6 thousand. In the previous year, the expense for the Executive Board members amounted to €42.2 thousand.

Provisions for pensions and similar obligations

Of the future pension obligations of €32,105 thousand, €24,035 thousand relates to pension obligations owed to former Executive Board members and their dependents. Current pension payments amounted to €1,740 thousand in 2013.

Pension obligations to currently active Executive Board members were as follows:

Pension obligations to currently active members of the Executive Board

in €´000	Obligation Dec. 31, 2012	Change 2013	Obligation Dec. 31, 2013
Dr Stefan Schulte	4,019	118	**4,137**
Michael Müller	33	128	**161**
Peter Schmitz	1,799	39	**1,838**
Dr Matthias Zieschang	1,654	143	**1,797**
Anke Giesen from Jan. 1, 2013	0	136	**136**
Total	**7,505**	**564**	**8,069**

Table 17

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 the respective 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.

Within the context of her additional expenses for maintaining two households, Anke Giesen was granted a monthly gross allowance of €2 thousand for twelve months after the start of the employment contract. Accordingly, she was granted a total of €24.0 thousand for 2013. In addition, relocation costs were covered by Fraport AG upon submission of relevant invoices in a total amount of €9.5 thousand.

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 was €150.0 thousand for 2013. 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. Furthermore, Mr. Mai received pension benefit payments of €135.0 thousand, a proportional bonus for the fiscal year 2012 of €350.6 thousand and a proportional payment of the LSA for the fiscal year 2010 of €64.2 thousand.

The former Chairman of the Executive Board, Prof Dr Wilhelm Bender, continued to render consulting services to Fraport AG even after his departure from the company. The consulting agreement, which ended in 2011, was extended for another two years and ended on August 31, 2013. For this and other tasks, Fraport AG supplied Prof Dr Bender with offices, office equipment and supplies and an assistant until August 31, 2013. Prof Dr Bender did 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 received pension payments of €252.4 thousand. Prof Dr Bender has agreed that the post-employment restrictive covenant, which applies for two years after the employment agreement ends, was extended for an additional two years up to August 31, 2013. Prof Dr Bender waived 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

Pursuant to Section 15a of the WpHG, members of the Fraport Executive Board and Supervisory Board are required to disclose transactions with shares of Fraport AG or any related financial instruments to the company and the German Federal Financial Supervisory Authority (BaFin) within five business days. This also applies to persons who are closely related to members of the Executive Board and Supervisory Board as defined in Section 15a (3) of the WpHG. These transactions have been published by Fraport in accordance with the deadlines under Section 15a of the WpHG.

Remuneration of the Supervisory Board in fiscal year 2013

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 on a committee, Supervisory Board members receive an additional, fixed compensation of €5 thousand 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 pro rata compensation. The same holds true in the case of any change in the membership of committees. Each Supervisory Board member receives €800 for every Supervisory Board meeting he or she attends and every committee meeting attended of which he or she is a member. Accrued expenses will also be reimbursed.

All active members of the Supervisory Board received an aggregate compensation of €889.5 thousand in 2013 (previous year: €853.4 thousand).

The following remuneration was paid to the members of the Supervisory Board for fiscal year 2013:

Remuneration of the Supervisory Board 2013

in € Supervisory Board Member		Fixed salary	Committee remuneration	Attendance fees	Total
Ismail	Aydin	9,375.00	2,083.33	2,400.00	**13,858.33**
Claudia	Amier	19,687.50	5,833.33	11,200.00	**36,720.83**
Devrim	Arslan	13,125.00	5,833.33	6,400.00	**25,358.33**
Mario A.	Bach	9,375.00	2,083.33	2,400.00	**13,858.33**
Uwe	Becker	13,125.00	5,597.23	7,200.00	**25,922.23**
Hakan	Cicek	13,125.00	2,916.67	6,400.00	**22,441.67**
Kathrin	Dahnke	13,125.00	2,916.67	5,600.00	**21,641.67**
Detlef	Draths	7,500.00	3,333.33	4,000.00	**14,833.33**
Peter	Feldmann	22,500.00	4,763.90	6,400.00	**33,663.90**
Dr Margarete	Haase	35,625.00	10,000.00	12,000.00	**57,625.00**
Jörg-Uwe	Hahn	33,750.00	10,000.00	13,600.00	**57,350.00**
Erdal	Kina	9,375.00	2,083.33	2,400,00	**13,858.33**
Lothar	Klemm	22,500.00	10,000.00	16,800.00	**49,300.00**
Dr Roland	Krieg	22,500.00	5,000.00	11,200.00	**38,700.00**
Stefan H.	Lauer	22,500.00	0.00	4,000.00	**26,500.00**
Michael	Odenwald	22,500.00	5,000.00	5,600.00	**33,100.00**
Mehmet	Özdemir	13,125.00	2,916.67	6,400.00	**22,441.67**
Arno	Prangenberg	22,500.00	5,000.00	11,200.00	**38,700.00**
Gabriele	Rieken	1,875.00	833.33	0.00	**2,708.33**
Dr h c Petra	Roth	9,375.00	4,166.67	2,400.00	**15,941.67**
Gerold	Schaub	33,750.00	10,000.00	12,800.00	**56,550.00**
Hans-Jürgen	Schmidt	22,500.00	5,000.00	11,200.00	**38,700.00**
Werner	Schmidt	22,500.00	6,666.67	10,400.00	**39,566.67**
Edgar	Stejskal	22,500.00	10,000.00	19,200.00	**51,700.00**
Christian	Strenger	18,750.00	4,166.67	5,600.00	**28,516.67**
Karlheinz	Weimar	45,000.00	10,000.00	9,600.00	**64,600.00**
Prof Dr-Ing Katja	Windt	22,500.00	10,000.00	12,800.00	**45,300.00**

Table 18

Compensation of the Economic Advisory Board in fiscal year 2013

For membership on 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 2013, aggregate compensation of the Economic Advisory Board amounted to €90.5 thousand (previous year: €93.0 thousand).

Economic Report

General Statement of the Executive Board

In a volatile economic environment, Fraport reached its forecasted goals in fiscal year 2013 (see also 2012 Group management report beginning on page 70). After a significant decline in passenger numbers at the Frankfurt site during the first months of 2013, a good booking situation during the summer months and capacity increases by the airlines during the last months of the fiscal year contributed to the slight positive passenger growth overall of 0.9%. In addition to this, the increase in the airport and infrastructure charges and rising retail revenue in connection with the operation of Pier A-Plus led to higher revenue at the Frankfurt site. At Group companies outside of the Frankfurt site in which Fraport holds an interest of at least 50%, the passenger and result figures continued to develop positively.

As a result of the operating activity, the Group EBITDA was within the forecasted range, at around €880 million. Lower depreciation and amortization than expected led to a Group EBIT of some €528 million, which was slightly above the forecast. In conjunction with the anticipated deterioration in the financial result, the Group result was lower than the value of the previous year, as expected in the forecast.

Due to a continued solid supply of liquidity, the medium- to long-term oriented repayment profile as well as the positive development of free cash flow, the Executive Board again characterizes the financial position of the Fraport Group as stable at the end of fiscal year 2013. The Executive Board therefore assesses the business development in 2013 as favorable overall.

Economic and industry-specific Conditions

Development of the economic conditions

With growth of around 3%, the development of the global economy in the past fiscal year was within the relatively wide range of forecasts by various banks and financial institutions of 2.4% to 3.5%. However, the development in the individual regions varied strongly. While the countries of the Euro zone as a whole suffered a drop in economic performance of approximately 0.4% due to the continuing effects of the European debt crisis, the Asian countries – essentially Japan, China and India – and the countries of Latin America and Africa developed significantly more strongly, but lagged behind expectations. Overall, during the course of 2013, increasing momentum in global economy could be seen.

Despite a slight cooling compared to the previous year, the German economy asserted itself well in a European comparison, at +0.4% in 2013. After a phase of weakness in winter 2012/2013 (calendar- and seasonally-adjusted –0.5% in the fourth quarter of 2012 and stagnation in the first quarter of 2013, each compared to the previous quarter), the economic situation improved during the course of 2013 and thus found its way back to moderate growth in a difficult international environment. The driver of this positive annual result was domestic consumption and particularly government and private consumer demand, which grew by a total of 0.9% on a price-adjusted basis. Exports fell by 0.2%, while imports fell by 1.2%.

In spite of the overall moderate economic development, the price levels remained high on the raw materials markets, particularly for crude oil (average global market price per barrel in 2013: US-$106, compared to around US-$107 in 2012 and 2011). The growth rate of global trade was again nearly 3%.

Gross domestic product (GDP)/world trade

Real changes compared to the previous year in %	2013	2012
Germany	0.4	0.7
Euro zone	–0.4	–0.7
Bulgaria	0.5	0.8
Turkey	3.7	2.2
Peru	5.4	6.3
USA	1.9	2.8
Japan	1.7	1.4
Great Britain	1.7	0.3
Russia	1.5	3.4
China	7.7	7.7
India	4.4	3.2
Brazil	2.3	1.0
World	**3.0**	**3.1**
World trade	**2.7**	**2.7**

2013 figures based on: International Monetary Fund (IMF, January 2014, partially October 2013), Organisation for Economic Co-operation and Development (OECD, November 2013), Deutsche Bank (February 2014), DekaBank (February 2014), German Federal Statistical Office (January/February 2014), www.tecson.de (oil prices, January 2014). 2012 figures: IMF (January 2014, partially October 2013) and German Federal Statistical Office for GDP of Germany (January 2014).

Table 19

Development of the legal environment

During the past fiscal year, there were no changes to the legal environment that had a significant influence on the business development of the Fraport Group.

Development of the global aviation market

For the full year of 2013, the ACI reported preliminary worldwide passenger growth of 3.9%. In the same period, faced with sustained low global economic momentum, air freight volume gained moderately by 1.0%. While the passenger figure at European airports grew by 2.6%, the European air freight volume was only 0.8% above the previous year's level, particularly due to the continuing effects of the debt crisis. Also influenced by weather and strike-related flight cancellations, German airports recorded a slight cumulative increase in passenger traffic of 0.5%. With respect to cargo tonnage handled (air freight and air mail), Germany was slightly above the previous year's level with growth of 0.2%. The leap year day from 2012 had a negative impact on traffic results during the 2013 reporting period by nearly 0.3 percentage points.

Passenger and cargo development by region

Changes compared to the previous year in %	Passengers 2013	Air freight 2013
Germany	0.5	0.2
Europe	2.6	0.8
North America	1.3	0.5
Latin America	4.8	–0.2
Middle East	10.1	5.4
Asia-Pacific	7.2	0.9
Africa	–0.6	–2.7
World	**3.9**	**1.0**

Source: ACI Passenger Flash and Freight Flash December 2013 (ACI, February 2014), ADV for Germany cargo in place of air freight (January 2014). Table 20

Significant Events

Zoning decision for the expansion of the airport in Frankfurt supplemented

The Hessian Ministry of Economics, Transport, Urban and Regional Development (HMWVL) supplemented the zoning decision of December 18, 2007, with the zoning supplement decision of April 30, 2013 containing more stringent protection requirements for commercial properties and by the zoning supplement decision of May 10, 2013 containing an additional protection requirement with respect to wake turbulences. An explanation of the effects on the consolidated financial statements can be found in the chapter titled "Asset and Financial Position" beginning on page 53 of this report.

Building application for Terminal 3 in Frankfurt submitted

After the HMWVL approved the necessary changes to the detailed planning of Terminal 3 with a notification dated September 6, 2013, Fraport submitted the building application to the competent construction regulatory authority of the City of Frankfurt for the terminal on the southern part of Frankfurt Airport on September 17, 2013. Construction of Terminal 3 is part of the airport expansion approved by the zoning decision and creates the required long-term terminal capacity needed to serve Frankfurt's projected growth in traffic. With the submission of the building application, construction can begin as of around 2015 and the first phase can begin operation from around 2021 onwards in line with demand.

Terminal openings in Varna and Burgas

The Group company Twin Star opened a new 20,000 m² terminal at Varna Airport in August 2013 and a 21,000 m² terminal at Burgas Airport in December 2013 with a similar design, which are customized to the respective passenger requirements. The new passenger facilities have, among other things, an arrival area that can have separate Schengen and non-Schengen areas and attractive shopping and food and beverage areas. The terminals make a significant contribution to the Group company Twin Star's further growth potential in the passenger and retail areas. The higher depreciation, amortization and interest expenses as a result of the terminal inaugurations will initially offset the positive EBITDA effect expected in 2014 from the expansion.

Terminal opened at St. Petersburg Airport

Together with its partners in the Northern Capital Gateway consortium, Fraport started operations at the new terminal at Pulkovo Airport in St. Petersburg in December 2013. As a result, the airport now has an annual capacity of more than 17 million passengers and offers its guests, in addition to a significantly improved passenger experience, more retail and food and beverage shops located in an area covering 13,500 m². The necessary conditions are now in place for future passenger and retail growth of the Group company. In addition to positive operating effects, the terminal inauguration will also lead to higher depreciation, amortization and interest expenses for the Group company. Overall, therefore, the Group company anticipates a temporary negative effect on earnings from the terminal opening. In addition to the construction of the new terminal, the Northern Capital Gateway consortium has, among other things, constructed additional apron areas, a hotel and a business center.

New Hesse coalition agreement presented

On December 18, 2013, the parties CDU and "Bündnis'90/Die Grünen" presented their coalition agreement for the Hesse parliamentary term from 2014 to 2019. The coalition agreement includes, among others, the following items that have an impact on Frankfurt Airport: needs-related examination of the Terminal 3 construction project, introduction of a noise emission ceiling and additional measures to restrict aircraft noise pollution. According to the coalition agreement, these measures shall primarily include restrictions from 10 p.m. to 11 p.m. and 5 a.m. to 6 a.m. with the objective of achieving regular seven-hour breaks from noise during the night. A description of regulatory and legal risks, as well as risks in relation to the airport expansion at the Frankfurt site, can be found in the "Risk and Opportunities Report" beginning on page 67 of this report.

Business Development

General development of the airport portfolio

The **Fraport Group's airports** (those in which an interest of 50% or more is held) handled some 103.5 million passengers in 2013 – an increase of 4.1%. The number of aircraft movements increased slightly by 0.7% to more than 825,000. The cargo volume grew by 1.3% to a good 2.39 million metric tons. In total, around 197.9 million passengers (+5.2%) used Fraport airports (including minority-owned airports and the management contract at Cairo Airport).

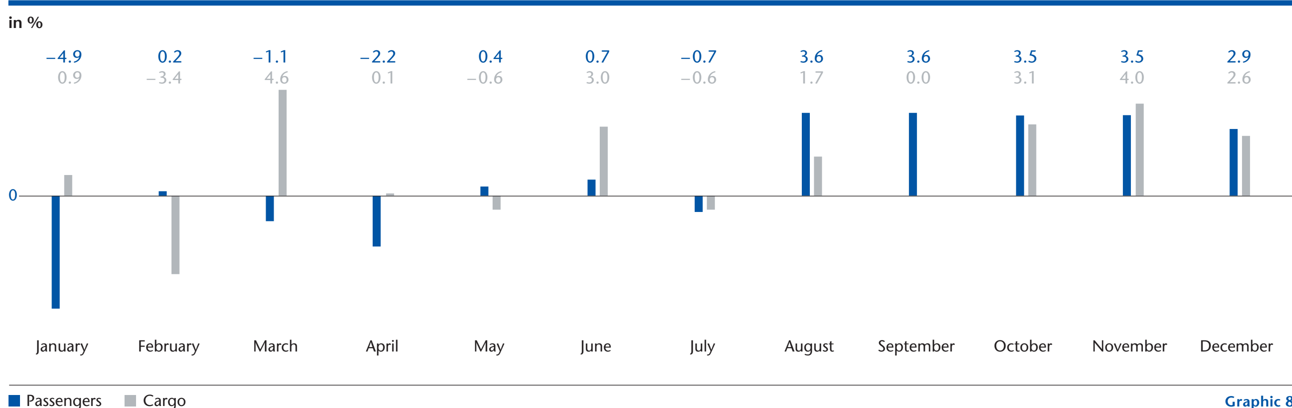
Development at Frankfurt Airport

With an increase of 0.9% to some 58.0 million **passengers**, Frankfurt Airport exceeded the volume of the previous year by around 515,000 passengers. After a significant decline in passenger numbers during the first months of the fiscal year, a solid bookings situation during the summer months and capacity increases by the airlines during the last months of 2013 contributed to the overall slight growth. There was a negative impact not only from the absence of the leap-year day, but also due to the fact that various airlines reduced services as a result of continuing consolidation measures. Moreover, the cumulative result was impacted by a large number of weather and strike-related flight cancellations, affecting more than 360,000 passengers.

The disruptive events and service reductions primarily influenced **domestic** and **European passenger traffic**. While both traffic markets still showed perceptible declines until the middle of the year, they gradually increased during the further course of the year and recorded a solid growth rate at the end of the year (domestic traffic: +0.9%; European traffic: +1.6%). Despite the negative base effect from the leap-year day in the previous year, **intercontinental passenger traffic** increased by 0.5% in the reporting period. Development was above average particularly to and from Central America (including the Caribbean) and Central Africa, but also to and from North America. Sub-markets in the Far East, particularly India, China, Taiwan and Malaysia, also grew perceptibly. In contrast, the political unrest in the Middle East and North Africa was reflected in the lower passenger volumes for these regions.

At nearly 2.1 million metric tons handled, **cargo tonnage** exceeded the previous year by 1.4%, or around 28,000 tons. In line with the passenger traffic, European volume showed the most dynamic growth with an increase of +4.4% (+9,300 metric tons). Intercontinental cargo throughput, which has significantly higher volume at nearly 88% of the total, gained by 1.3% (around +23,600 metric tons). Domestic tonnage declined by nearly 10%.

2013 passenger and cargo development at Frankfurt Airport (% change over 2012)



Graphic 8

With a rising average aircraft size, the number of **aircraft movements** and the cumulative **maximum take-off weights** were down by 2.0% and 1.7%, respectively, due to the consolidation measures of the airlines, the high number of flight cancellations and the missing leap-year day. The share of transfer passengers – as in the previous year – stood at about 55%.

Development outside of the Frankfurt site

At **Antalya** Airport, the number of passengers in fiscal year 2013 increased by 7.1% to around 26.7 million. Both international traffic (+6.4% to approximately 21.7 million passengers) and domestic traffic within Turkey (+10.2% to around 5.0 million passengers) contributed to the positive development. Additional passengers originated from Russia and Ukraine in particular.

Lima Airport again showed strong growth of 11.9% in 2013 to some 14.9 million passengers. The number of international passengers grew by 8.8% to around 7.0 million and the share of domestic passengers increased by 14.7% to around 7.9 million. Cargo throughput was slightly above the previous year's level at around 297 thousand metric tons (+1.0%).

With nearly 2.5 million passengers, **Burgas** Airport achieved growth of 4.2% compared to the previous year. The reason for the higher number of passengers was primarily more travelers from Russia. **Varna** Airport also benefited during the reporting period from the growth of Russian passengers, among other things, and showed an increase of 8.0% to some 1.3 million passengers.

Delhi Airport showed an increase in traffic of 7.3% in 2013 compared to the previous year, to around 36.7 million passengers. International traffic recorded particularly strong growth (+15.4%).

Xi'an Airport again achieved positive performance. Passenger volume at the end of the fiscal year stood at around 26.0 million. This represents an increase of 2.6 million passengers, or 11.2%, compared to the previous year.

With around 12.9 million passengers, **St. Petersburg** Airport saw a passenger increase of 15.2% for the full year of 2013 in comparison to the previous year. International traffic continued to develop positively with a growth rate of just under 15%.

With approximately 5.2 million passengers, the volume at **Hanover** Airport was slightly below the previous year's level (–1.0%). While the months of May, June and July recorded passenger growth, the remaining months showed declining passenger numbers. The main reason was declining passenger numbers at Air Berlin.

Airports with a Fraport share of at least 50% [1]

	Fraport share in %	Passengers [2]		Cargo (air freight and air mail in m. t.)		Movements	
		2013	Change in % over 2012	2013	Change in % over 2012	2013	Change in % over 2012
Frankfurt	100.00	58,036,948	0.9	2,094,607	1.4	472,692	–2.0
Antalya	51.00/50.00 [3]	26,715,971	7.1	n. a.	n. a.	169,488	6.4
Lima	70.01	14,913,314	11.9	296,517	1.0	153,122	3.2
Burgas	60.00	2,480,099	4.2	2,625	15.1	18,447	–2.2
Varna	60.00	1,319,240	8.0	35	5.5	11,516	7.2
Group		**103,465,572**	**4.1**	**2,393,784**	**1.3**	**825,265**	**0.7**

[1] In addition, Fraport holds a 100% share in the operating company of the new Dakar Airport, which is currently under construction.
[2] Commercial traffic only; in + out + transit.
[3] Proportionate consolidation, 51% voting rights and 50% equity share.

Table 21

Minority-owned airports or airports under management contracts [1]

	Fraport share in %	Passengers [2]		Cargo (air freight and air mail in m. t.)		Movements	
		2013	Change in % over 2012	2013	Change in % over 2012	2013	Change in % over 2012
Delhi	10.00	36,712,455	7.3	595,775	6.3	309,074	1.3
Xi'an	24.50	26,045,593	11.2	178,876	2.3	225,099	10.7
Cairo	0.00	13,577,713	–7.7	n. a.	n. a.	142,251	–0.3
St. Petersburg	35.50	12,854,366	15.2	n. a.	n. a.	137,480	9.4
Hanover	30.00	5,234,909	–1.0	14,666	–7.6	76,060	–5.1
Total		**94,425,036**	**6.4**	**789,317**	**5.1**	**889,964**	**3.8**

[1] Without traffic figures for the airports in Riyadh und Jeddah (management contracts). Those figures were not available until the editorial deadline.
[2] Commercial traffic only; in + out + transit.

Table 22

Comparison with the forecasted development

In comparison to the outlook for fiscal year 2013, the passenger traffic in particular at the Frankfurt site slightly exceeded expectations (outlook 2013: at approximately the level of 2012). The reasons for the deviation were essentially the good booking situation during the summer months and capacity increases by the airlines during the last months of the fiscal year. With a growth rate of 1.4%, cargo tonnage also moderately exceeded the forecast of stagnation or a slight rise. The Group airports in which Fraport holds an interest of at least 50% developed positively, in line with the outlook.

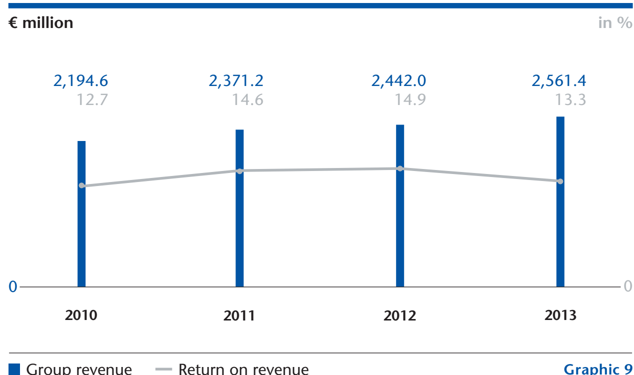
Results of Operations

Revenue and earnings development for 2013

In fiscal year 2013, the Fraport Group generated **revenue** of €2,561.4 million. Compared with the previous year, this corresponded to an increase of €119.4 million, or 4.9%. Adjusted for the recognition of capacitive capital expenditure, neutral on earnings, in the Group companies Twin Star and Lima in connection with the application of IFRIC 12, revenue of €2,495.7 million was above the corresponding value for the previous year by €82.4 million (+3.4%).

At the Frankfurt site, the increase in airport and infrastructure charges and a rise in retail revenue in connection with the operation of Pier A-Plus, in particular, led to higher revenue. Outside of Frankfurt, positive development was recorded particularly in the Group companies Lima, Antalya and Twin Star. In the previous year, high one-time proceeds from the realization of land sales at the Frankfurt site resulted in additional revenue.

Group revenue and return on revenue



Graphic 9

As a result of the decline in construction activity, **other internal work capitalized** declined from €44.0 million to €35.1 million (–20.2%). **Other operating income** fell mainly due to lower releases of provisions, from €55.8 million to €34.3 million (–38.5%).

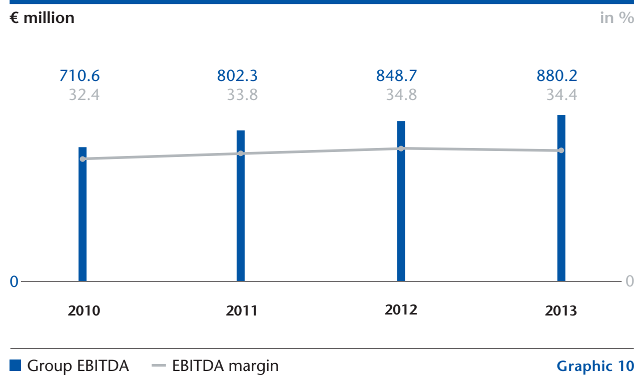
At €2,631.4 million **total revenue** achieved an increase of €89.1 million or 3.5%. When adjusted for the application of IFRIC 12, this was €52.1 million above the corresponding value of the previous year, at €2,565.7 million (+2.1%).

An increase in **cost of materials** mainly resulted at the Frankfurt site from higher energy supply services and utilities related to the first-time full-year operation of Pier A-Plus. Lower costs from land sales had the opposite effect. In external business, especially the recognition of capacitive capital expenditure in the Group companies, Twin Star and Lima, in connection with the application of IFRIC 12, as well as higher traffic-related concession fees in Lima, led to a rise in cost of materials. In total, cost of materials increased by €54.9million, to €613.0 million (+9.8%). When adjusted for the recognition of capacitive capital expenditure in the Group companies Twin Star and Lima this was at €547.3 million and therefore €17.9 million above the adjusted previous year's value (+3.4%).

Personnel expenses increased slightly by €3.9 million to €946.8 million (+0.4%) in the reporting period. Thus personnel expense per employee amounted to an average of €45.2 thousand (previous year: €45.0 thousand). The increase was mainly attributable to the collective wage agreement in the public sector.

Other operating expenses fell slightly from €192.6 million to €191.4 million (–0.6%) mainly due to the provision created in the previous year for noise abatement measures in the amount of €10.5 million. Higher assessment and consulting costs, among other things, had an opposite effect.

Group EBITDA and EBITDA margin



Graphic 10

Group result and earnings per share

Graphic 11

Because of the positive revenue development, **Group EBITDA** during the reporting period rose €31.5 million to €880.2 million (+3.7%). Compared to the previous year, the **EBITDA margin** remained at nearly the same level at 34.4% (–0.4 percentage points). When adjusted for income and expenses from the recognition of capacitive capital expenditure outside of the Frankfurt site in conjunction with IFRIC 12, this increased from 35.2% to 35.3%.

Depreciation and amortization in the amount of €352.1 million (previous year: €352.7 million) led to a **Group EBIT** of €528.1 million. When compared with the previous year, this corresponds to a growth of 6.5% (+€32.1 million).

The **financial result** in the amount of –€187.4 million deteriorated in 2013 by €55.5 million (previous year: –€131.9 million). With a slight declining interest result (interest income and interest expenses) of –€177.0 million (previous year: –€174.1 million), the change in the financial result resulted from the decline in the other financial result by €27.3 million (2013: €3.2 million compared with 2012: €30.5 million) and a decline in the result from associated companies by €25.3 million (2013: –€13.6 million compared with 2012: €11.7 million). While the negative development of the other financial result was primarily due to higher proceeds in the previous year from the disposal of assets in the course of financial asset management and associated foreign currency translation effects, the decline in the result from associated companies was, in particular, the result of negative foreign currency translation effects in the Group company Pulkovo in St. Petersburg which is accounted for using the equity method. Capitalized interest expenses related to construction work had a reducing effect on the reported interest expense in fiscal year 2013, with an amount of €18.1 million (previous year: €28.2 million).

Due to the significant deterioration of the financial result, the **Group EBT** in 2013 declined from €364.1 million to €340.7 million (–6.4%). With a tax rate of 30.8% (previous year: 30.9%), the **Group result** declined compared to the previous year by €15.8 million to €235.7 million (–6.3%). The **basic earnings per share** at €2.40 were €0.19 below the 2012 value (–7.3%).

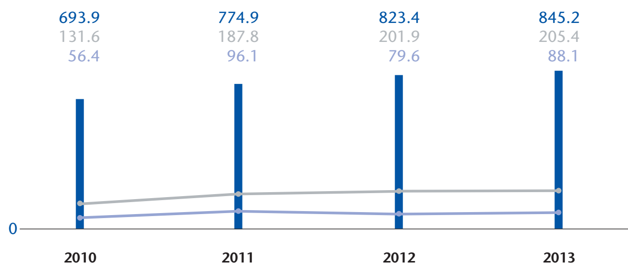
Comparison with the forecasted development

Compared to the forecasted development for 2013 (see also Group management report 2012 from page 72 onwards), revenue and expenses of the Fraport Group have developed within the scope of expectations. While the slightly better-than-forecasted passenger development at the Frankfurt site increased revenue, the development of revenue in the Retail & Real Estate segment remained slightly below expectations. Correspondingly, Group EBITDA increased within the forecasted range from €870 million to €890 million. Lower depreciation and amortization than expected, which resulted, among other things, from the reduced capital expenditure, led to Group EBIT of €528.1 million, which was above the expected range of up to around €520 million. In conjunction with the forecasted deterioration of the financial result, the Group result was below the level of fiscal year 2012, as anticipated.

Segments

Aviation

€ million

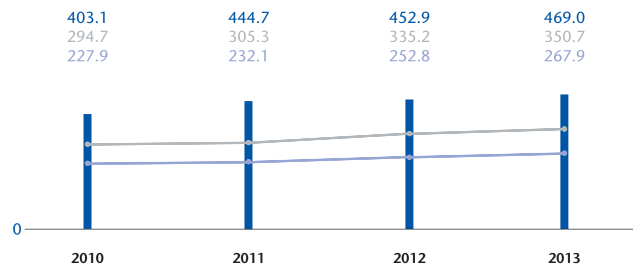


■ Revenue — EBITDA — EBIT

Graphic 12

Retail & Real Estate

€ million



■ Revenue — EBITDA — EBIT

Graphic 13

Revenue in the Aviation segment for the fiscal year 2013 was €845.2 million, which corresponds to an increase of €21.8 million (+2.6%) compared with the previous year. With a slight rise in the number of passengers, the increase in airport charges in Frankfurt by an average of 2.9% as of January 1, 2013 was the primary basis of the revenue growth. On the expense side, a provision for noise abatement measures in the amount of €10.5 million, formed in the second quarter of 2012, led to a positive base effect for the fiscal year 2013. Adjusted for this base effect, operating expenses increased during 2013 in particular as a result of having operated Pier A-Plus, which was opened in October 2012, for an entire year for the first time.

Despite a lower volume of internal work capitalized, segment EBITDA improved by €3.5 million to €205.4 million (+1.7%) as a result of the increase in revenue and the base effect resulting from the provision formed in the previous year. Lower depreciation and amortization in connection with lower capital expenditure led to a segment EBIT of €88.1 million. Compared with the previous year, this signified growth of €8.5 million (+10.7%).

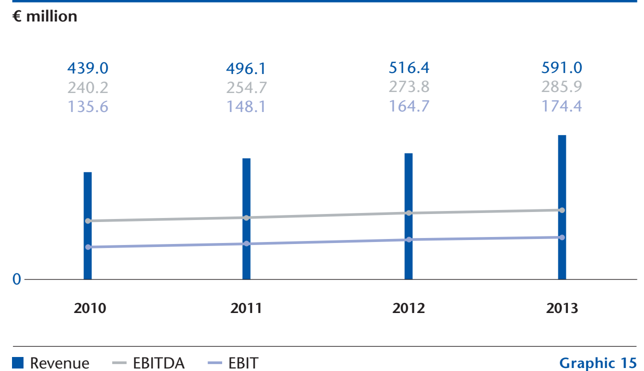
With revenue of €469.0 million, the Retail & Real Estate segment recorded an improvement of €16.1 million in 2013 compared with the previous year figure (+3.6%). The higher revenue was essentially caused by the positive developments in the areas of retail and real estate. Mainly thanks to the opening of Pier A-Plus, the key performance indicator "net retail revenue per passenger" improved from €3.32 to €3.60 (+8.4%). In the previous year, high one-time proceeds from the realization of land sales resulted in additional revenue. Non-staff costs fell, primarily as a result of reduced expenses in connection with land sales, while higher expenses for energy supply services and utilities acted in the opposite direction.

Segment EBITDA increased by €15.5 million to €350.7 million (+4.6%) as a result of the positive revenue development. Depreciation and amortization remained largely unchanged, leading to an equally considerable increase in segment EBIT of €15.1 million (+6.0%).

Ground Handling

Graphic 14

External Activities & Services



Graphic 15

Despite lower maximum take-off weights at the Frankfurt site, revenue in the Ground Handling segment in the past fiscal year rose slightly by €6.9 million to €656.2 million (+1.1%). With a slight passenger growth, this increase was primarily the result of price effects for infrastructure charges, as well as the positive revenue effects from the performance of winter services. The performance of winter services also brought a corresponding increase in non-staff costs and personnel expenses. Conversely, the movement of employees into the passive phase of their partial retirement, with a correspondingly higher number of claims on the provisions formed in previous years, as well as an optimized deployment of personnel led to a reduction in personnel expenses.

Despite lower other operating income as a result of the negative base effect from the release of a staff-related provision in 2012, segment EBITDA rose in comparison with the previous year from €37.8 million to €38.2 million (+1.1%). Higher depreciation and amortization due, among other things, to the utilization of Pier A-Plus led to a segment EBIT of –€2.3 million. Compared with the previous year, this represented a deterioration of €1.2 million.

The External Activities & Services segment realized an increase in revenue of €74.6 million to €591.0 million (+14.4%) in the fiscal year 2013. At €37.0 million, a major part of the additional revenue was attributable to increased capacitive capital expenditure in the Group companies Twin Star and Lima in connection with the application of IFRIC 12. Adjusted for the application of IFRIC 12, segment revenue improved from €487.7 million in the previous year to €525.3 million (+7.7%). The positive development of revenue was essentially due to passenger growth in the Lima, Antalya and Twin Star Group companies. Operating expenses increased in particular due to the recognition of capacitive capital expenditure in the Twin Star and Lima Group companies. Adjusted for the application of IFRIC 12, operating expenses increased primarily as a result of higher traffic-related concession fees in Lima.

Segment EBITDA improved by €12.1 million to €285.9 million (+4.4%), mainly due to positive contributions from the Antalya, Lima and Twin Star Group companies. At €174.4 million, segment EBIT exceeded the figure of the previous year by €9.7 million (+5.9%).

Development of the key Group companies

The following table shows the **pre-consolidation** business figures for the Group's key companies with an interest of at least 50% outside Frankfurt:

Development of the key Group companies

€ million	Fraport share	Revenue [1]				EBITDA				EBIT			
		2013	2012	2011	2010	2013	2012	2011	2010	2013	2012	2011	2010
Antalya [2]	51%/50%	320.7	301.1	293.9	266.9	276.2	259.6	254.2	216.9	177.9	161.7	158.0	122.8
Lima	70.01%	208.0	191.3	159.3	135.4	71.3	65.5	53.2	49.1	57.7	52.5	42.7	37.6
Twin Star	60%	101.1	63.3	62.8	40.2	28.2	25.9	23.8	21.1	20.2	18.8	17.2	13.9

[1] Revenue adjusted by IFRIC 12: Antalya 2013: €320.7 million, 2012: €301.1 million, 2011: €293.9 million, 2010: €258.3 million.
Lima 2013: €193.8 million, 2012: €180.0 million, 2011: €146.0 million, 2010: €130.7 million.
Twin Star 2013: €49.6 million, 2012: €45.9 million, 2011: €43.7 million, 2010: €38.0 million.
[2] Proportionate consolidation with 51% voting interests and 50% equity share. Values correspond to 100% figures before proportionate consolidation.

Table 23

Comparison with the forecasted development

Compared with the forecast for the fiscal year 2013 (see also Group management report 2012, beginning on page 72), the development of the Fraport segments over the past fiscal year was as follows:

In the Aviation segment, both revenue and segment EBIT were slightly higher than expected for the fiscal year 2013. This positive development was due to the slightly better passenger development on the one hand and lower depreciation and amortization expenses on the other hand.

With a growth of 3.6%, the increase in revenue in the Retail & Real Estate segment remained slightly below the expected "significant" increase that was forecasted for 2013. This more modest increase in revenue was due to lower income from energy supply services on the one hand and lower than expected revenue from the retail business on the other hand. Expenses resulting from land sales were also lower, meaning that both segment EBITDA and EBIT rose considerably, in line with the forecast.

The development of the Ground Handling segment was also in line with the forecast, as a slightly more negative development in maximum take-off weights was offset by a better passenger development.

Due primarily to the fact that earnings development of the Group company Antalya was stronger than expected, EBITDA and EBIT in the External Activities & Services segment were higher than the forecast for the fiscal year 2013, which anticipated segment EBITDA and EBIT remaining at approximately the same level as the previous year.

Segment contributions to Group revenue and EBITDA 2013

The significant increase in revenue in the External Activities & Services segment, which was among others also due to increased capacitive capital expenditure in the Twin Star and Lima Group companies in connection with the application of IFRIC 12, was also manifested in the fiscal year 2013 in the segment's higher contribution to Group revenue (share 2013: 23.1% compared to 2012: 21.2%). Due to the comparatively strong revenue development in the External Activities & Services segment, the contribution to Group revenue in 2013 of the Aviation, Retail & Real Estate and Ground Handling segments was slightly lower (–0.7, –0.2 and –1.0 percentage points, respectively).

Segment contribution to Group revenue 2013

in %

1	Aviation	33.0
2	Retail & Real Estate	18.3
3	Ground Handling	25.6
4	External Activities & Services	23.1

Graphic 16

Segment contribution to Group EBITDA 2013

in %

1	Aviation	23.3
2	Retail & Real Estate	39.9
3	Ground Handling	4.3
4	External Activities & Services	32.5

Graphic 17

With a share of 39.9%, the Retail & Real Estate segment remained the driver behind the Group-wide EBITDA development in the fiscal year 2013 (+0.3 percentage points). At 32.5%, the External Activities & Services segment also increased its contribution to Group EBITDA (+0.2 percentage points). Despite an absolute growth in EBITDA, the Aviation and Ground Handling segments recorded a slightly lower contribution to Group EBITDA (–0.5 and –0.1 percentage points, respectively).

Asset and Financial Position

Capital expenditure

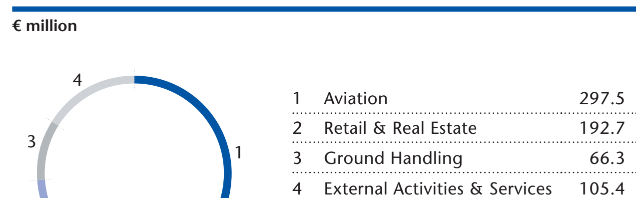
The Fraport Group recorded capital expenditure of €661.9 million during the fiscal year 2013 and thus €397.8 million less than in 2012 (previous year: €1,059.7 million). In the reporting period, €395.1 million was used for property, plant and equipment (previous year: €602.9 million), €186.6 million in financial assets (previous year: €400.1 million), €14.4 million in capital expenditure for investment property (previous year: €12.2 million) and €65.8 million in capital expenditure for intangible assets and airport operating projects (previous year: €44.5 million). Capitalized interest expenses related to construction work amounted to €18.1 million in 2013 (previous year: €28.2 million).

At €372.3 million, the greater part of capital expenditure for property, plant and equipment related to Fraport AG (previous year: €578.4 million). Capital expenditure for property, plant and equipment was focused on expanding Frankfurt Airport's capacity, settling the costs of Pier A-Plus and modernizing the terminals and taxiways. With regard to financial assets, investments were primarily made in securities.

The following graphic shows capital expenditure for the fiscal year 2013 broken down by segment:

Capital expenditure by segments

€ million



Graphic 18

Multi-year overview of capital expenditure

€ million	2013	2012	2011	2010
Airport operating projects	57.1	39.1	51.1	23.2
Intangible assets	8.7	5.4	10.0	6.0
Property, plant and equipment	395.1	602.9	876.1	781.5
Investment property	14.4	12.2	62.6	0.1
Financial assets	186.6	400.1	440.4	223.1
Total	**661.9**	**1,059.7**	**1,440.2**	**1,033.9**

Table 24

Statement of cash flows

At €574.8 million, **cash flow from operating activities (operating cash flow)** for the past fiscal year was up by €21.8 million compared with the previous year (+3.9%). This increase is primarily due to the fact that less income tax was paid.

Cash flow used in investing activities without investments in cash deposits and securities decreased from €736.2 million to €492.8 million, primarily due to significantly lower capital expenditure for property, plant and equipment.

The lower cash outflow led to a positive **free cash flow** of €73.1 million. Compared with the previous year, this represented an improvement of €235.5 million (previous year: –€162.4 million).

Including cash outflows for investments in cash deposits and securities, the **cash flow used in investing activities** in the past fiscal year was €280.0 million (previous year: €779.2 million).

The **cash flow used in financing activities** of €255.1 million (previous year: cash inflow of €218.2 million) was mainly attributable to the change in loans. Loans taken up in 2012 resulted in a cash inflow, whereas in the past fiscal year loans were repaid, which resulted in a cash outflow.

In connection with the financing for the portion of the Antalya concession attributable to Fraport, €105.3 million of bank deposits were subject to drawing restrictions as at December 31, 2013. **Cash and cash equivalents** as at the statement of cash flows therefore came to €167.4 million as at December 31, 2013 (previous year: €127.1 million). The following table shows a reconciliation to the cash and cash equivalents as shown on the consolidated statement of financial position:

Reconciliation to the cash and cash equivalents as at the consolidated statement of financial position

€ million	December 31, 2013	December 31, 2012
Cash and cash equivalents as at the consolidated statement of cash flows	167.4	127.1
Cash and cash equivalents with a duration of more than three months	332.4	584.0
Restricted cash	105.3	110.8
Cash and cash equivalents as at the consolidated statement of financial position	**605.1**	**821.9**

Table 25

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

€ million

Item	Value	Change
Cash and cash equivalents as at January 1, 2013	127.1	(–5.7)
Cash flow from operating activities	574.8	(+21.8)
Cash flow used in investing activities without investments in cash deposits and securities	–492.8	(+243.4)
Cash flow from/used in cash deposits and securities	212.8	(+255.8)
Cash flow used in/from financing activities	–255.1	(–473.3)
Foreign currency translation effects and change in restricted cash	0.6	(–1.7)
Cash and cash equivalents as at December 31, 2013	167.4 [1]	(+40.3)
Short-term realizable assets	1,318.9	(–217.1)
Group liquidity as at December 31, 2013	1,486.3	(–176.8)

[1] The difference to cash and cash equivalents as at the consolidated financial position is due to the cash and cash equivalents with a duration of more than three month and restricted cash.

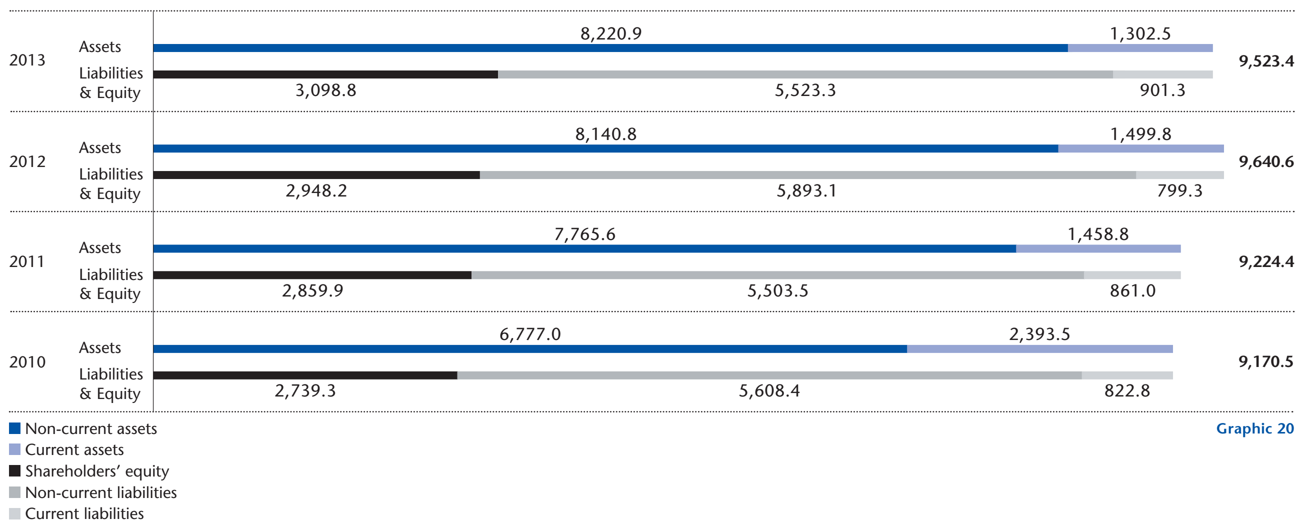
Graphic 19

Asset and capital structure

In comparison with December 31, 2012, **total assets** of the Fraport Group as at the 2013 balance sheet date decreased by €117.2 million to €9,523.4 million (–1.2%), mainly due to lower current assets and non-current liabilities.

Non-current assets rose from €8,140.8 million to €8,220.9 million (+1.0%) in particular as a result of the increase in the items "property, plant and equipment" and "other receivables and financial assets". The increase in the item "property, plant and equipment" was mainly due to capital expenditure activities at the Frankfurt site. The capital expenditure at the Frankfurt site also included expenses in the amount of €32.8 million, capitalized as production costs in connection with the capacity expansion that was conducted on the basis of the supplemental protection requirements resulting from the zoning supplement decisions concerning commercial properties and wake turbulences (see also the chapter titled "Significant Events" beginning on page 45). The increase in the item "other receivables and financial assets" was essentially the result of the capitalization of expenses in connection with the obligation to make compensatory payments for outdoor living areas in the amount of €48.3 million on the basis of the Act for Protection against Aircraft Noise (Gesetz zum Schutz gegen Fluglärm, FluLärmG). **Current assets** showed a significant decline of 13.2% to €1,302.5 million. While the cash outflows for capital expenditure, the dividend distribution and the payment of the annual Antalya concession lowered the cash and cash equivalents, an increase in the item "other receivables and financial assets", due mainly to the reporting date, caused an increase in current assets.

Structure of the consolidated financial position as at December 31



Graphic 20

Despite the dividend distribution, **shareholders' equity** increased by €150.6 million in comparison with the 2012 balance sheet date to €3,098.8 million (+5.1%). The primary reason for the increase was the positive Group result of €235.7 million. The **equity ratio** (shareholders' equity less non-controlling interests and profit earmarked for distribution) increased by 1.8 percentage points to 30.8% (December 31, 2012: 29.0%).

Non-current liabilities fell from €5,893.1 million to €5,523.3 million (–6.3%) in particular as a result of lower financial liabilities and other liabilities. While there was a drop in financial liabilities – despite a new private placement in the amount of €50.0 million – in connection with the repayment of loans, other liabilities fell, essentially as a result of lower concession liabilities and lower negative market valuations of derivatives. In connection with the obligations resulting from the zoning supplement decisions and the obligation for compensatory payments of outdoor living areas, provisions were formed in the total amount of €81.1 million. **Current liabilities** increased by €102.0 million to €901.3 million (+12.8%) mainly as a result of additional current financial liabilities.

As at December 31, 2013, **gross debt** stood at €4,461.7 million, a €135.9 million decrease from the level on December 31, 2012 (–3.0%). After deducting the **Group's liquidity** of €1,486.3 million (December 31, 2012: €1,663.1 million), the **net financial debt** of €2,975.4 million was 1.4% higher in comparison with the 2012 balance sheet date. The **gearing ratio** attained a value of 101.3% (December 31, 2012: 104.9%).

Neither company acquisitions and disposals nor increases and decreases in shareholdings had a material effect on the development of the asset and capital structure in the past fiscal year. Changes in inflation rates as well as the fair value of financial instruments also had no significant impact.

Financing analysis

Fraport's finance management can basically be separated into that of Fraport AG, the Group companies in Germany and the Group companies abroad in which Fraport holds an interest of at least 50%. In 2013, financial management for Fraport AG continued to pursue balanced funding via operating cash flow and a broad diversified debt financing base. At the end of the past fiscal year, the source of funds was split more or less equally across four financing sources: Bilateral loans (24.5%), bonds (23.3%), loan financing from public loan institutions (21.1%) and promissory note loans (31.1%). Overall, the financing instruments at year-end 2013 had an average remaining term of 5.6 years with an average fixed interest period of 3.9 years.

To reduce interest rate risks from borrowing with floating interest rates, interest rate hedges were concluded in some cases for the financial liabilities relating to Fraport AG. The nominal value of these hedges was around €1,260 million at the end of the year 2013. Taking into account the hedged floating rate borrowing, the floating rate portion of the gross debt of Fraport AG was nearly 40% and the fixed portion around 60% (floating portion in the previous year: nearly 40%, fixed portion: around 60%). The cost of debt after hedging measures was 3.6% (previous year: 3.6%).

The majority of the Group companies in Germany are integrated into the Fraport AG cash pool, so that acquiring funding comparable to Fraport AG financial management is not necessary. The majority of the foreign Group companies in which Fraport holds an interest of at least 50% mainly obtain standard market funding through project financing arrangements.

The key features of the Group financing instruments with regard to type, maturity, currency and interest rate structures are presented in the following table:

Financial debt structure

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-months-EURIBOR + margin
		257	2017	end of term	floating	6-months-EURIBOR + margin
	2009	86	2014	end of term	mainly floating	6-months-EURIBOR + margin
		14	2017	end of term	mainly floating	6-months-EURIBOR + margin
	2010	35	2020	end of term	floating	6-months-EURIBOR + margin
	2012	300	2020	end of term	mainly fixed	6-months-EURIBOR + margin
			2022			
			2030			
	2012	60	2020	end of term	fixed	2.74% p. a.
			2022			3.06% p. a.
	2013	50	2028	end of term	fixed	4.0% p. a.
Public loans EIB/ WIBank	2009	860	2013–2019	ongoing repayment during the term of the loans	floating	6-months-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	1,046 (mainly denominated in €)	2014–2028	mainly end of term	mainly floating	3/6/12-months-EURIBOR + margin
Group companies abroad in which an interest of at least 50% is held/project financing	2007	317 (mainly €, also US-$)	2019–2022	ongoing repayment during the term of the loans	mainly floating	6-months-EURIBOR + margin, 6.88% p. a.

Table 26

The contractual agreements for the financial liabilities of Fraport AG included two customary non-financial covenants consisting of a negative pledge and a pari passu clause. Only the loan financing from public institutions included 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.

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 clauses include inter alia regulations under which certain debt coverage ratios and indicators for debt ratio and loan 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. Compliance with these criteria is examined on an ongoing basis. As at the 2013 balance sheet date, these were complied with.

Liquidity analysis

As in the financing side, the liquidity analysis is to be separated into the liquidity of Fraport AG, the Group companies in Germany and the foreign Group companies in which Fraport holds an interest of at least 50%.

Fraport AG has continued to pursue its strategy of broad diversification of investments in corporate bonds in the fiscal year 2013. The key characteristics of Fraport AG's investment instruments in terms of type, maturity and interest structure are presented in the following table:

Asset structure of Fraport AG

Investment type	Market value [1] in € million	Maturity in years	Interest rate
Promissory note loans	27.5	2.9	floating
	37.8	1.6	fixed
Overnight deposits	137.4	–	fixed
Time deposits	195.0	0.4	fixed
Bonds	189.3	0.9	floating
	486.6	2.9	fixed
thereof government bonds	10.4	3.4	fixed
thereof financials	169.3	1.2	floating
thereof insurances	100.3	2.5	fixed
	21.0	1.8	fixed
thereof industrials	20.0	0.6	floating
	354.9	3.0	fixed
Commercial paper	139.9	0.2	fixed

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

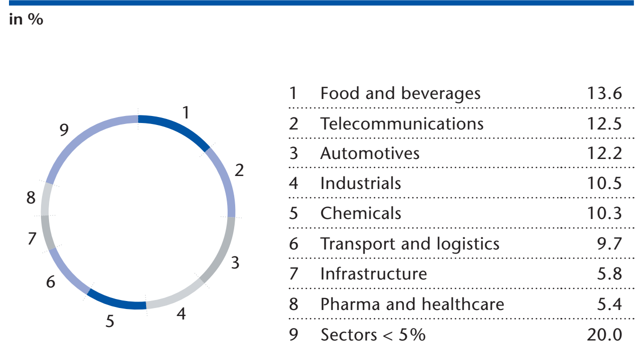
Table 27

As at December 31, 2013, industrial promissorry note loans, industrial bonds and industrial commercial paper were distributed across the following industry sectors (market value: €520.2 million):

The ratings of all investment types used in financial management are presented in the graphic. Commercial paper is assigned to the long-term rating equivalent of the issuers.

Allocation of industrial assets

in %

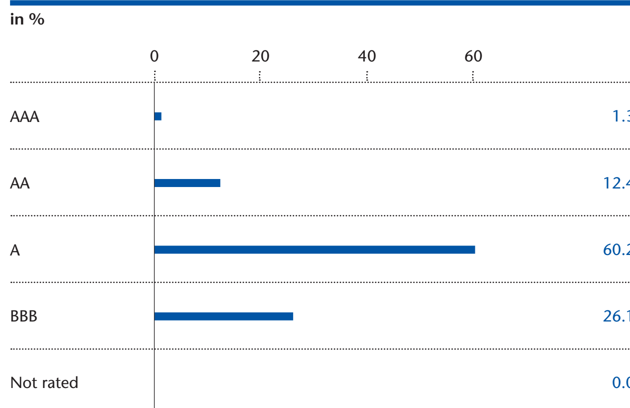


1	Food and beverages	13.6
2	Telecommunications	12.5
3	Automotives	12.2
4	Industrials	10.5
5	Chemicals	10.3
6	Transport and logistics	9.7
7	Infrastructure	5.8
8	Pharma and healthcare	5.4
9	Sectors < 5%	20.0

Graphic 21

Rating structure of assets

in %



Graphic 22

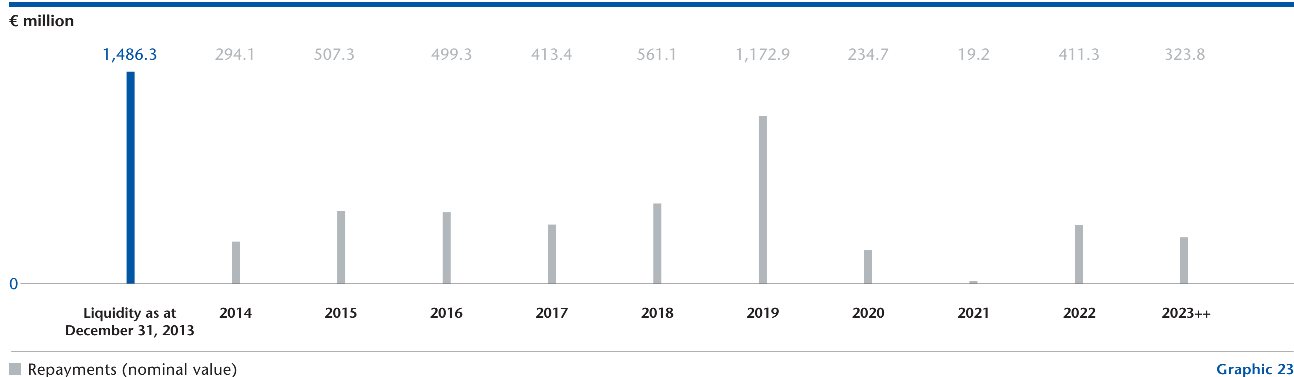
In 2013, no investments were made in non-rated bonds.

As part of asset management, a yield of over 1% was realized with the Fraport AG securities portfolio. The cost of carry, which is calculated using a (tiered-statement) maturity-matching principle, was 0.27% (€3.2 million) as at December 31, 2013. Those Group companies that are included in the cash pool of Fraport AG do not require their own asset management strategy because any available liquidity is transferred to Fraport AG and is therefore part of the asset management of Fraport AG. Liquidity in the foreign Group companies with an interest of at least 50% is €250.7 million (previous year: €218.7 million). As it is partly subject to drawing restrictions arising from the conditions stipulated in the project financing agreements, it is not a part of the asset management at Fraport AG.

Balanced finance structure at the balance sheet date

The maturity profile of the Fraport Group's financial debt showed a balanced medium-term repayment structure as at the balance sheet date (debt in foreign currencies translated with the balance sheet date price).

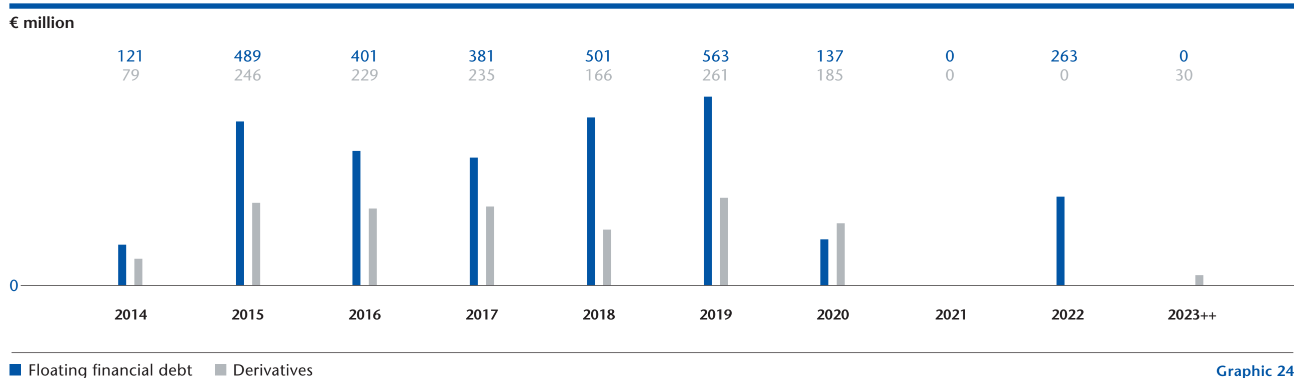
Repayment profile as at December 31, 2013



Graphic 23

The maturity profile of the floating financial debt taking into account derivatives (nominal volume: about €1,430 million) is listed below:

Maturity profile of the floating financial debt and derivatives



Graphic 24

Based on the expected cash outflows as part of planned capital expenditure, liquid funds in the Fraport Group are invested mainly on a short- to medium-term basis. Due to the delay in the start of construction work on Terminal 3, an ongoing high level of liquidity is expected. This liquidity will continue to be invested in accordance with conservative investment requirements. The rolling liquidity planning still provides for these financial assets to be kept until the end of their term. If a temporary requirement for liquidity arises, Fraport AG can rely on different sources, such as available free credit lines or time deposits, among other things. Alternatively, the loan maturity can also be settled from the free cash flow from economic activity.

Significance of off-balance-sheet financial instruments for the financial position

Fraport focuses on the products presented in the “Financing analysis” section for financing its activities. Off-balance-sheet financing instruments are of no significance in Fraport’s financing mix.

Rating

In light of Fraport’s always very healthy liquidity supply combined with its comfortable portfolio of free, approved credit lines, there has not been a need for an external rating so far.

Comparison with the forecasted development

Compared with the forecast for the fiscal year 2013 (see also Group Management Report 2012, beginning on page 72), the asset and financial position showed the following deviations: Capital expenditure in the fiscal year at the Frankfurt site was below €400 million and not, as forecasted, around €450 million. This was primarily due to the delay in the start of construction of Terminal 3. As a result of the lower capital expenditure at the Frankfurt site and the volume of investments in airport operating projects, which was at the lower end of the forecasted range of €100 million to €150 million, the free cash flow developed significantly better than expected (forecast 2013: improvement, but still negative; value 2013: €73.1 million).

Contrary to expectation, total assets also declined, mainly as a result of higher loan repayments than planned. In connection with this, the equity ratio was also above and not, as forecasted, below the value as at the end of the fiscal year 2012. As a result of the positive development of the free cash flow, net financial debt rose more slowly than shareholders’ equity and not, as expected, more quickly. This meant that the gearing ratio was also lower than forecasted at the end of the fiscal year (forecast 2013: approximately 110%; value 2013: 101.3%).

Value Management

Development of the value added 2013

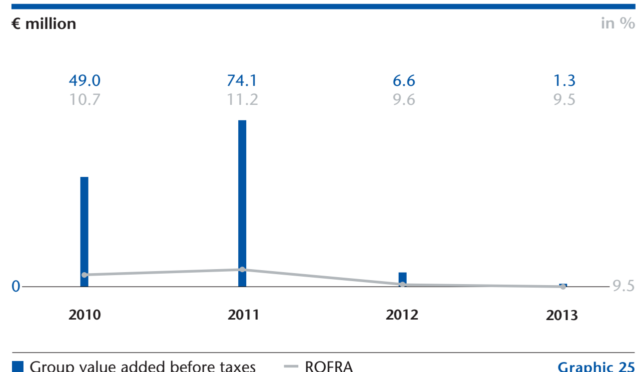
€ million	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		External Activities & Services [1]	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
EBIT	528.1	496.0	88.1	79.6	267.9	252.8	–2.3	–1.1	159.9	175.2
Fraport assets	5,545.3	5,152.3	2,208.0	2,045.4	1,787.8	1,636.2	584.1	549.0	1,143.2	1,118.6
Costs of capital before taxes	526.8	489.5	209.8	194.3	169.8	155.4	55.5	52.2	108.6	106.3
Value added before taxes	1.3	6.6	–121.7	–114.7	98.1	97.4	–57.8	–53.3	51.3	68.9
ROFRA	9.5%	9.6%	4.0%	3.9%	15.0%	15.5%	–0.4%	–0.2%	14.0%	15.7%

[1] EBIT and Fraport assets are adjusted by the results from associated and other investments allocated to the segment.
As a result of the adjustment on segment level, there can be discrepancies when summing-up to the Group level.

Table 28

In the fiscal year 2013, the Fraport Group generated positive value added of €1.3 million (previous year: €6.6 million). The value added of the Aviation segment declined from –€114.7 million to –€121.7 million. This was due mainly to the significant increase in Fraport assets, and a resulting increase in the cost of capital before taxes, which was mainly related to the utilization of Pier A-Plus for an entire year for the first time. The value added of the Ground Handling segment declined from –€53.3 million to –€57.8 million due to the decline in EBIT development. There was a decrease in the value added by the External Activities & Services segment from €68.9 million to €51.3 million. This was a result of negative foreign currency translation effects from the Group company Pulkovo, which is accounted for using the equity method. The Retail & Real Estate segment increased its value added from €97.4 million to €98.1 million. This increase was due to the segment’s disproportionately higher EBIT development compared with the cost of capital before taxes. At 9.5%, the Fraport Group’s ROFRA was equal to Fraport’s WACC of 9.5%.

Group value added before taxes and ROFRA



Graphic 25

Comparison with the forecasted development

There were no differences in the fiscal year 2013 compared with the forecasted development of Group and segment value added (see also Group Management Report 2012, beginning on page 72). As expected, Group value added in 2013 was lower than in the fiscal year 2012. While the Retail & Real Estate and External Activities & Services segments continued to make positive value added as forecasted, the Aviation and Ground Handling segments recorded negative value added.

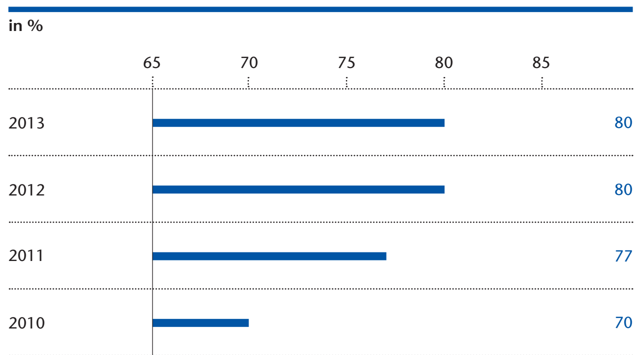
Non-financial Performance Indicators

Customer satisfaction and product quality

Global satisfaction

As a result of the measures of the "Great to have you here!" service initiative taken in the past fiscal year (see also chapter titled "Strategy" beginning on page 29) global satisfaction of passengers at the Frankfurt site matched the previous year's level of 80%, with rising passenger numbers. In this context, the perceived quality ratings for internet availability developed in particular positively, even if potential still exists for improvement. At the Antalya site, customer satisfaction was 0.7 percentage points above the previous year at 79.1% (previous year: 78.4%). The airport in Lima again achieved a high level of satisfied passengers of 98.5% (previous year: 95.0%). The level of satisfaction at the airports in Varna and Burgas improved from 83.7% to 86.5%.

Global satisfaction at Frankfurt Airport

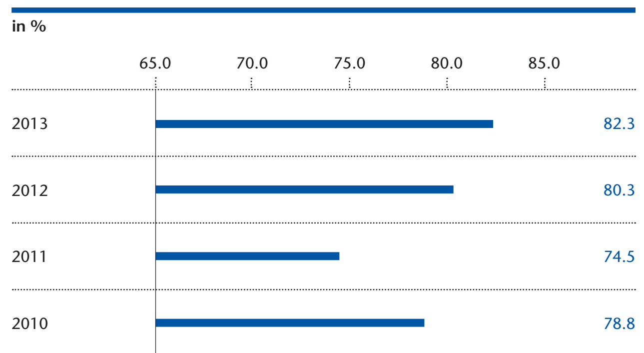


Graphic 26

Punctuality rate

In the past fiscal year, the additional capacity from Runway Northwest and terminal extension A-Plus continued to support the punctuality rate. With a punctuality rate of 82.3%, the strong performance of the previous year was exceeded by an additional 2.0 percentage points (previous year: 80.3%). Compared to fiscal year 2012, virtually all months showed a positive trend. Only the months of January and March 2013, strongly affected by the weather, recorded a significantly lower punctuality rate of 76.8% and 78.2% respectively (previous year: 84.0% and 85.8% respectively).

Punctuality rate at Frankfurt Airport [1)]



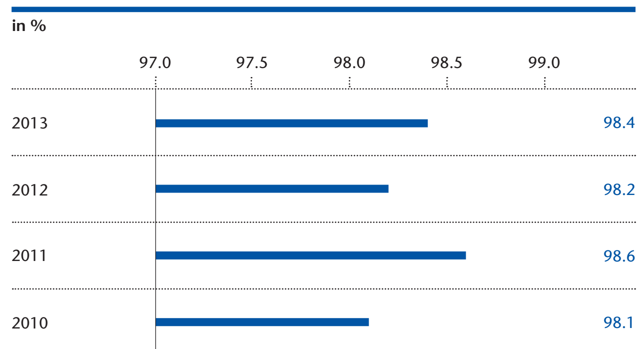
[1)] Figures according to IATA definition.

Graphic 27

Baggage connectivity

To ensure a high level of baggage connectivity, ongoing measures were carried out together with airlines in Frankfurt in the past fiscal year. As part of the dialog campaigns, in which operating departments of Deutsche Lufthansa, among others, were involved, ideas were collated in order to achieve a further improvement of the high level of connectivity. In the past fiscal year, connectivity at the Frankfurt site amounted to 98.4% and was therefore 0.2 percentage points above the previous year's figure.

Baggage connectivity at Frankfurt Airport

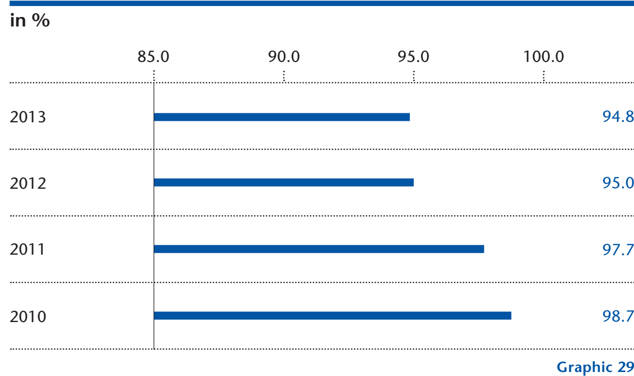


Graphic 28

Equipment availability rate

At 94.8%, the equipment availability rate in the past fiscal year was lower than the previous year level of 95.0%, primarily as a result of the lower availability of elevators (average annual availability of 95.0% compared to 95.8% in the previous year). In contrast, escalators availability improved considerably from 91.0% in 2012 to 92.2% in 2013.

Equipment availability rate at Frankfurt Airport



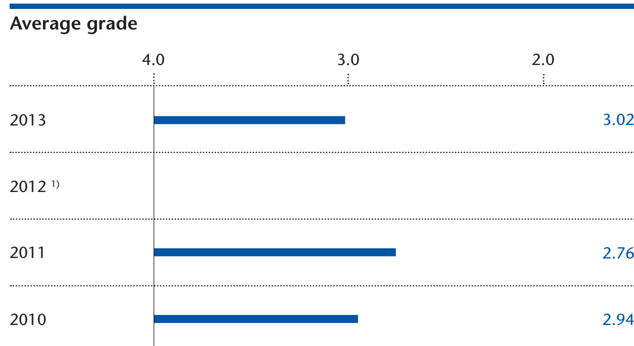
Graphic 29

Attractiveness as an employer

Employee satisfaction

The environment in which last year's employee survey took place was dominated by a high degree of uncertainty with regard to traffic development at Frankfurt Airport and amendments to internal processes, particularly at the Frankfurt site. Due to the unfavorable conditions, overall employee satisfaction declined from the average grade of 2.76 in the 2011 fiscal year to an average grade of 3.02 in 2013. The negative trend was magnified due to a statistical effect: in 2013, two additional Group companies participated in the survey, compared to 2011. Employee satisfaction at these companies received a comparably low rating. When adjusted for these, the index value would be at 2.93.

Employee satisfaction



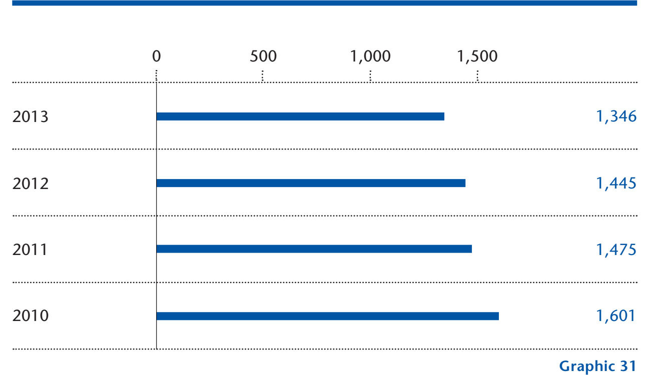
1) In connection with evaluating the results of the 2011 employee survey and implementing the resulting improvement proposals, no employee satisfaction survey was carried out in the 2012 fiscal year.

Graphic 30

Employee safety and health management

In connection with employee safety measures taken, the total number of work accidents in the 2013 fiscal year fell from 1,445 to 1,346 (–6.9%).

Total number of work accidents



Graphic 31

Comparison to the forecasted development

As Fraport has applied GAS 20 to the 2013 consolidated financial statements for the first time, a forecast is made for the non-financial performance indicators for the first time for fiscal year 2014.

Employees

Development of headcount

Compared with the previous year, the average number of employees (employees excluding apprentices and employees on leave) of the Fraport Group in 2013 remained largely constant at 20,947 (previous year: 20,963). In Germany, there was an increased demand for personnel at the Frankfurt site, in particular in the Group company APS Airport Personal Service (+223 employees). This was due to the performance of winter services and the positive traffic development in the second half of 2013. In addition, the number of employees in the Group company FraCareServices also increased by 42 employees due to an increase in client care as well as the fact that Pier A-Plus was operated for an entire year for the first time. The reduction in headcount at Fraport AG (–310 employees) was attributable, among other things, to the shifting of employees to the Group companies FRA - Vorfeldkontrolle and FRA - Vorfeldaufsicht. As of July 1, 2013, the employees of the Group company FRA - Vorfeldaufsicht were reintegrated into Fraport AG. Outside Germany, the headcount decreased, in particular at the Group companies Lima (–54 employees) and Twin Star (–42 employees).

With regard to permanent staff, the staff turnover rate of 9.9% was slightly higher than the rate of 9.7% in the previous fiscal year.

Average number of employees

	2013	2012	Change	Change in %
Fraport Group	**20,947**	**20,963**	**–16**	**–0.1**
thereof Fraport AG	10,992	11,302	–310	–2.7
thereof Group companies	9,955	9,661	294	3.0
thereof in Germany	19,009	18,939	70	0.4
thereof abroad	1,938	2,024	–86	–4.2
Employees as at the balance sheet date [1]	**21,986**	**22,276**	**–290**	**–1.3**

[1] Figures according to Global Reporting Initiative (GRI).

Table 29

Average number of employees per segment

	2013	2012	Change	Change in %
Aviation	6,194	6,298	–104	–1.7
Retail & Real Estate	648	629	19	3.0
Ground Handling	9,017	8,924	93	1.0
External Activities & Services	5,088	5,112	–24	–0.5

Table 30

Whereas the reduced number of employees in the Aviation segment was due primarily to falling employment within Fraport AG, the slight growth in the Retail & Real Estate segment was essentially the result of an increase in the number of employees in Fraport AG. In the Ground Handling segment, the number of employees increased in particular as a result of the previously mentioned demand for personnel in the Group companies APS Airport Personal Service and FraCareServices. In the External Activities & Services segment, the number of employees fell primarily because of decreased employment in the Group companies Lima and Twin Star.

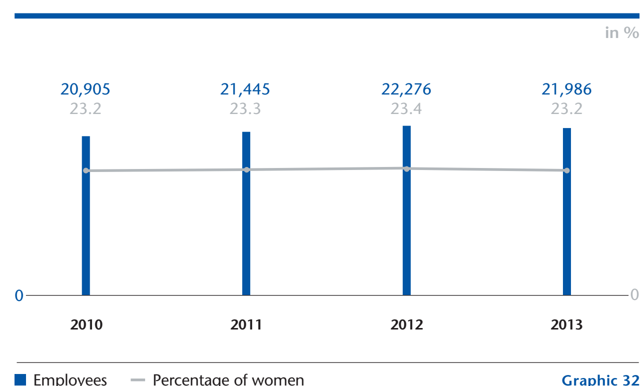
Development in personnel structure

Fraport values the diversity of its employees. This diversity helps the Group to better understand the concerns of its customers, develop innovative solutions and remain competitive in a global economy. Diversity management is therefore a central component of its personnel strategy. It is based on a Group agreement that includes among others the establishment of principles of anti-discrimination, advancement of women into management positions and diversity. These principles form part of recruitment decisions and training measures.

The percentage of women, one of the main key figures for diversity, was at 23.2% in fiscal year 2013 and was therefore virtually unchanged to the previous year's value of 23.4%. The reason for the slight decline in the percentage was, among other things, the lower number of employees Group-wide with a simultaneous increase in headcount for the physically work-intensive Ground Handling segment. At a level of 27.6% (previous year: 29.4%), the percentage of women in management positions exceeded the aforementioned Group-wide percentage of women again in 2013.

Additional key figures for diversity developed as follows in the fiscal year 2013: The average age of Group employees increased from 41.2 to 41.8 years, despite a high number of trainees which remained nearly constant at 359 (previous year: 381). 19.7% of employees had foreign citizenship (excluding German citizens with an immigration background) (previous year: 20.1%). The percentage of persons with major disabilities reached 7.5% on a Group-wide basis (previous year: 7.3%). The number of training days fell considerably in the fiscal year 2013 from an average of 5.7 days in the previous year to 3.8 days. The reason for the decline in training days was, among other things, lower turnover and thus fewer newly-hired employees in training-intensive positions, such as aviation security.

Employees and percentage of women as at December 31



Graphic 32

Research and Development

Fraport, as a service-sector group, does not engage in research and development in the strict sense, so further disclosures in accordance with IAS 38.8 does not apply. For Fraport, however, improvement proposals and innovations from employees serve as factors to improve the quality of the Group's own products and thus to increase customer satisfaction and retain competitiveness (see also chapter titled "Risk and Opportunities Report" beginning on page 67).

While Fraport consistently utilizes its own employees' potential within the framework of its Group-wide idea management, the Group specifically carries out networking within innovation management, among other things, in the sense 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. Product potential outside the airport site and the delivery of existing expertise to new customer groups is also examined.

In the 2013 fiscal year, innovation management focused, in particular, on passenger services and mobility. Here, especially, Fraport was able to set the tone by continuing the PASS project (Personalized Assistance System and Services for Mobility into Advanced Age) and awarding the Group innovation prize. The "idea day", which was hosted for the first time in 2012, took place again in the past fiscal year and thus became a core component of Group idea management. Overall, 1,125 ideas were submitted and 74 ideas implemented in the past fiscal year (previous year: 817 ideas, 85 implementations).

Share and Investor Relations

Share performance from January 1 to December 31, 2013

The stock exchange in 2013 was shaped by more positive economic development, compared to 2012, and a more optimistic assessment of the future economic situation. The continued expansive money market policy of the European and American central banks and the associated low level of interest rate for savings also increased the attractiveness of shares as financial investments. In this market environment, the German leading index DAX showed notable growth of 25.5%, ending the year at 9,552 points and thus at the highest closing level in its history. The MDAX, in which the Fraport share is included, also closed the fiscal year 2013 with a historical year-end level of 16,574 points, a rise of 39.1% compared to the fiscal year 2012.

The Fraport share ended the fiscal year 2013 with a price of €54.39 and an increase of 23.8% compared to the previous year's closing price of €43.94. Taking into account the dividend payment on June 3, 2013 of €1.25 per share, the annual performance of the share was at 26.6%. The Fraport share therefore developed at around the level of the DAX, but clearly underperformed the MDAX. While the share closed the first quarter almost unchanged at €43.73 (–0.5%), the price improved in the second quarter by 6.3% to €46.48 and by another 11.6% in the third quarter of 2013 to €51.88. The reasons for the positive development in the second and third quarter were mainly a more favorable market environment and the positive traffic development at the Frankfurt site during the summer season. In the final quarter, the Fraport share reached its highest price in 2013 on October 30 of €57.41. Its lowest price was recorded on January 16 at €42.33. However, due to profit-taking and uncertainties related to the coalition negotiations in Hesse, the Fraport share fell slightly as the fourth quarter continued and closed the fiscal year at €54.39.

The market capitalization of Fraport at the end of the year was €5.0 billion (previous year: €4.1 billion) and ranked 15th among the 50 MDAX shares (previous year: 12th place). Measured by traded stock exchange volume (XETRA trade), the Fraport share was ranked 42nd (previous year: 31st place). With an average daily trading volume of 118,554 shares, the trading volume of the Fraport share fell by 24.3% in 2013 compared to the previous year's level of 156,604 shares. The share was therefore less volatile than most of the MDAX securities and reflected the generally lower trading volume.

Development of the share 2013

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013	2012
Opening price in €	43.94	43.73	46.48	51.88	43.94	38.00
Closing in €	43.73	46.48	51.88	54.39	54.39	43.94
Change [1]	–0.21	2.75	5.40	2.51	10.45	5.94
Change in % [2]	–0.5	6.3	11.6	4.8	23.8	15.6
Highest price in € (daily closing price)	45.55	47.53	52.40	57.41	57.41	49.37
Lowest price in € (daily closing price)	42.33	43.00	46.19	52.50	42.33	38.41
Average price in € (daily closing prices)	44.13	45.11	49.43	54.60	48.38	44.70
Average trading volume per day (number)	132,650	155,378	96,421	89,318	118,554	156,604
Market capitalization in € million (Quarterly-/annual closing prices)	4,033	4,289	4,788	5,020	5,020	4,052

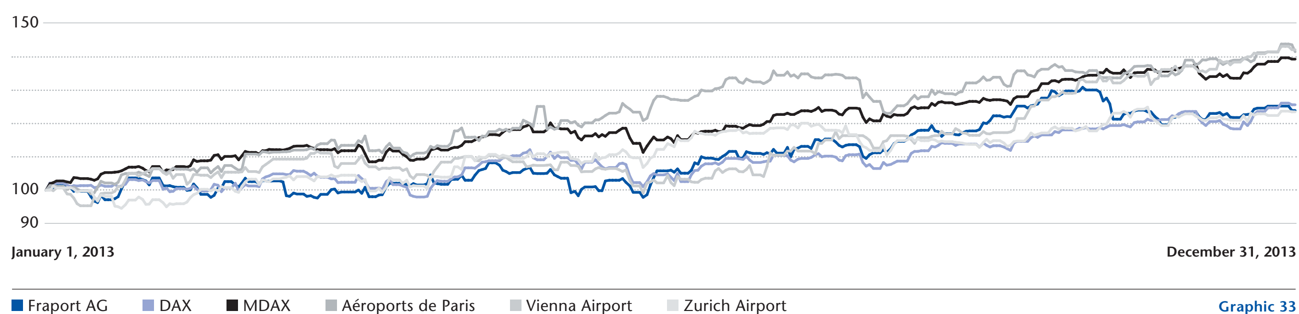
[1] Change including dividend payment: Q2 2013: +€4.00, FY 2013: +€11.70, FY 2012: +€7.19.
[2] Change including dividend payment: Q2 2013: +9.1%, FY 2013: +26.6%, FY 2012: +18.9%.

Table 31

The shares of the European competitors developed in 2013 as follows: Aéroports de Paris +41.3%, Vienna Airport +41.9% and Zurich Airport +23.4%.

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

in % (index base 100)



Fraport AG DAX MDAX Aéroports de Paris Vienna Airport Zurich Airport

Source: Bloomberg

Graphic 33

Multi-year overview of the Fraport share

The following table shows the key information about the Fraport share:

Fraport share key figures and data

		2013	2012	2011	2010
Fraport AG capital stock	€ million	922.9	922.1	919.6	919.2
Total number of shares as at December 31	number	92,289,654	92,211,756	91,955,867	91,915,588
Number of floating shares [1] as at December 31	number	92,212,289	92,134,391	91,878,502	91,838,223
Number of floating shares (weighted average of period under review)	number	92,173,637	92,012,909	91,858,474	91,808,388
Absolute share of capital stock	per share, €	10.00	10.00	10.00	10.00
Annual performance (including dividend)	%	26.6	18.9	–16.8	33.2
Beta relative to the MDAX		0.80	0.95	0.88	0.82
Earnings per share (basic)	€	2.40	2.59	2.62	2.86
Earnings per share (diluted)	€	2.39	2.58	2.60	2.85
Price-earnings ratio		22.7	17.0	14.5	16.5
Dividend per share [2]	€	1.25	1.25	1.25	1.25
Profit earmarked for distribution	€ million	115.4	115.5	115.4	115.6
Dividend yield as at December 31 [2]	%	2.3	2.8	3.3	2.7

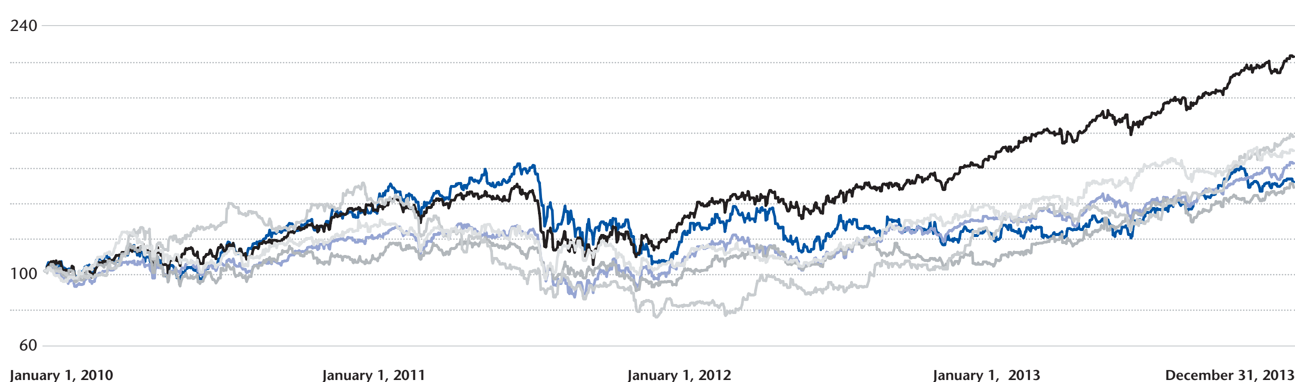
ISIN	DE 000 577 330 3
Security identification number (WKN)	577330
Reuters ticker code	FRAG.DE
Bloomberg ticker code	FRA GR

[1] Total numbers of shares as at the balance sheet date less treasury shares.
[2] Proposed dividend (2013).

Table 32

Development of the Fraport share compared to the market and European competitors as a multi-year overview

in % (index base 100)



Fraport AG DAX MDAX Aéroports de Paris Vienna Airport Zurich Airport

Source: Bloomberg

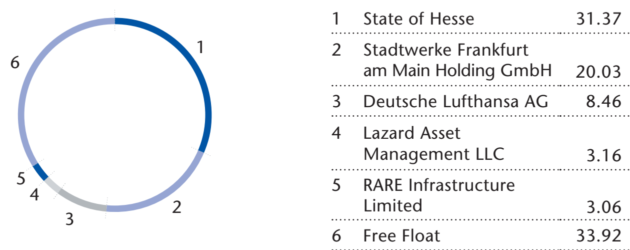
Graphic 34

Development in shareholder structure

There were no changes to Fraport AG's shareholder structure in the past fiscal year. As at December 31, 2013, the shareholder structure adjusted to the current total number of voting rights was as follows:

Shareholder structure as at December 31, 2013 [1)]

in %



1	State of Hesse	31.37
2	Stadtwerke Frankfurt am Main Holding GmbH	20.03
3	Deutsche Lufthansa AG	8.46
4	Lazard Asset Management LLC	3.16
5	RARE Infrastructure Limited	3.06
6	Free Float	33.92

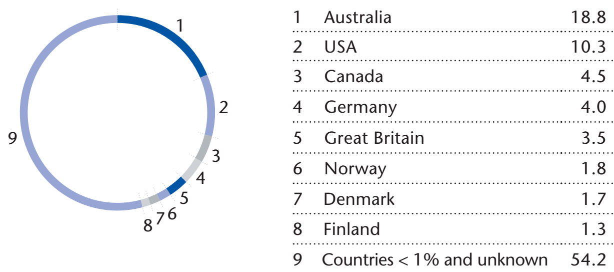
[1)] The relative ownership interests were adjusted to the current total number of shares as at December 31, 2013, and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Interests below 3% are classified under "Free Float".

Graphic 35

As far as was known as at December 31, 2013, the Fraport shares held in free float were distributed across the following countries:

Allocation of free float [1)]

in %



1	Australia	18.8
2	USA	10.3
3	Canada	4.5
4	Germany	4.0
5	Great Britain	3.5
6	Norway	1.8
7	Denmark	1.7
8	Finland	1.3
9	Countries < 1% and unknown	54.2

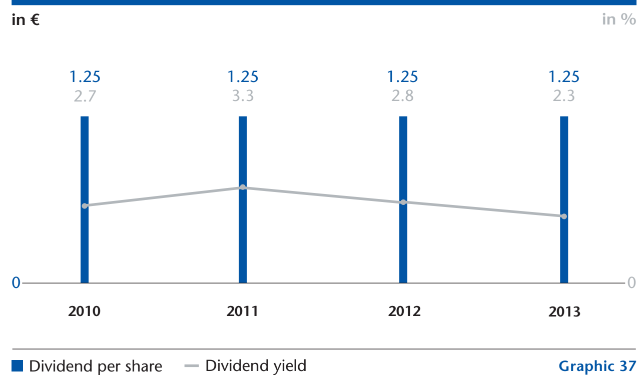
[1)] Free float without shares of State of Hesse, Stadtwerke Frankfurt am Main Holding GmbH and Deutsche Lufthansa AG. Source: own estimates Fraport AG.

Graphic 36

Dividend for the fiscal year 2013 (recommendation for the appropriation of profit)

The Executive Board intends to recommend the same dividend as the previous year of €1.25 per share to the 2014 AGM. Compared to the share closing price in 2013 of €54.39, this would correspond to a dividend yield of 2.3% (previous year: 2.8%). The profit earmarked for this purpose of €115.4 million (previous year: €115.5 million) would therefore – in relation to Fraport AG's result for the year 2013 of €173.8 million – correspond to a pay-out ratio of 66.4% (previous year: 65.6%) or – in relation to the Group result attributable to shareholders' of Fraport AG of €221.0 million – of 52.2% (previous year: 48.5%).

Dividend per share and dividend yield [1)]



Dividend per share — Dividend yield

Graphic 37

[1)] 2013: dividend proposal and thereof resulting yield.

Investor Relations (IR)

In the 2013 fiscal year, 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 forecasted business development of the Fraport Group were explained to interested parties. The focus remained on traffic developments at the Group sites as well as the planning of Terminal 3 at the Frankfurt site. Other focal points were Group capital expenditure, the development of free cash flow, the impact on earnings connected to the at equity accounting of the Group company Antalya from the 2014 fiscal year onwards and potential acquisition projects in the External Activities & Services segment.

The activities of the IR department in the past fiscal year were rounded off by the AGM, an analyst conference on the publication of preliminary full-year results, three 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.

Significant Events after the Balance Sheet Date

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

Outlook Report

General Statement of the Executive Board

The expected growth of the global economy will have a positive impact on Group-wide passenger development in the forecasted period. At the Frankfurt site, the increase in airport and infrastructure charges in particular, as well as additional revenue in the Retail and Real Estate divisions, will also have a revenue-increasing effect. Furthermore, due to higher contributions from the Group companies Lima and Twin Star, the Executive Board is expecting a rise in Group EBITDA and EBIT. Due to a changed accounting standard, among others, the Group company Antalya, which has until now been proportionately consolidated in the Group, will as of the start of fiscal year 2014 be accounted for using the equity method. Accordingly, this company's result will only be recognized in the Group financial result, which will lead to a significant change in the results for 2014.

For the Group result, the Executive Board anticipates sustainable improvement despite the difficulty in forecasting the financial result due to future changes in interest and currency exchange rates.

The Executive Board continues to examine opportunities for ongoing optimization of the asset and financial position of Fraport Group. No significant risks that might jeopardize the Group as a going concern are apparent. With regard to the external business, the objective of the Executive Board remains to expand this and to further improve the existing portfolio with a focus on earnings. As they are difficult to predict, material acquisitions and disposals of businesses are not included in the forecasted period. The Executive Board continues to assess the financial situation in the forecasted period as stable.

Risk and Opportunities Report

The Fraport Group has a comprehensive, Group-wide risk management and opportunities system, which makes it possible for Fraport to identify and analyze risks at an early stage, and to control and limit those risks using appropriate measures, as well as, take advantage of opportunities. This results in the early identification of potential material risks that could jeopardize the Fraport Group. Fraport regards risks as future developments or events that can have a negative impact on the achievement of operational planning and strategic targets. Opportunities are regarded as future developments or events that can lead to a positive forecast deviation or strategic target deviation.

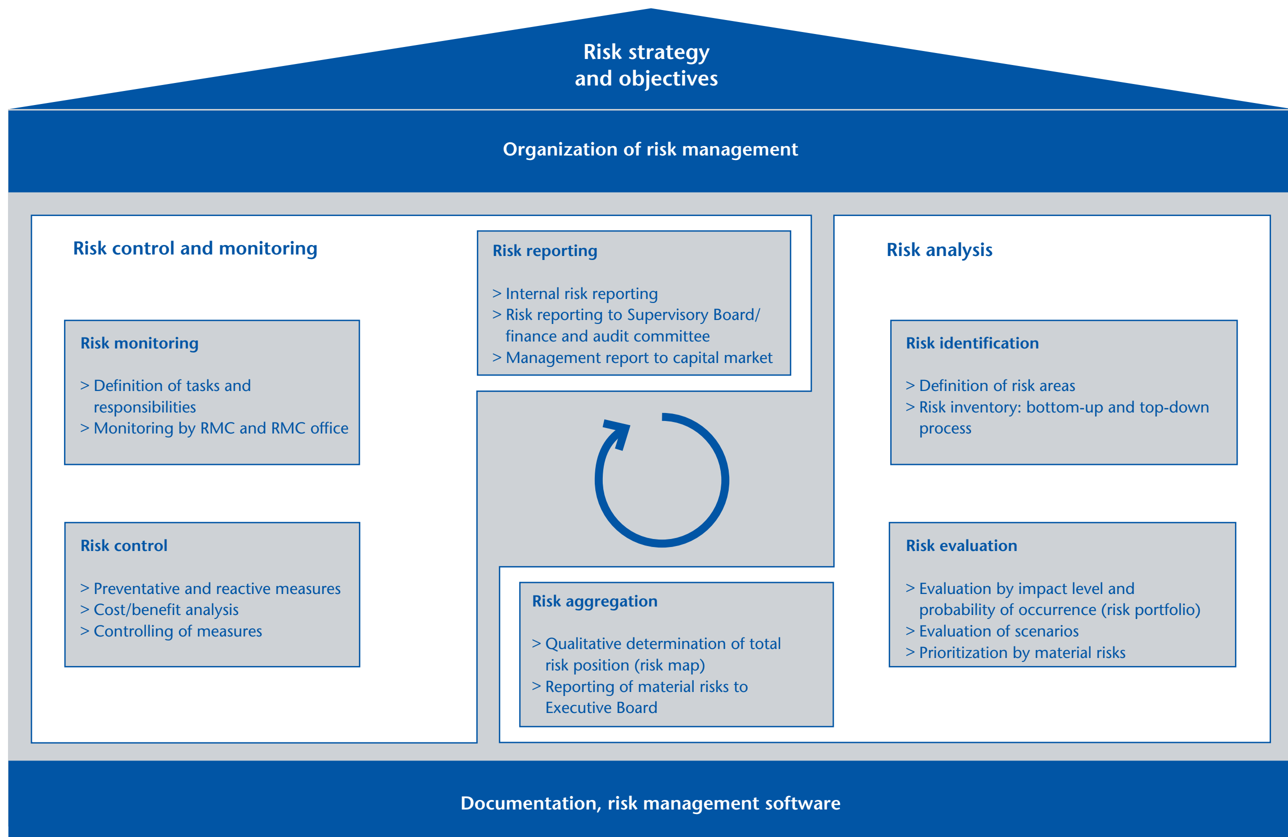
Risk strategy and targets

With the further development of Fraport, within the context of the integrated strategy and planning process, it is always ensured that the risks associated with the opportunities are in an appropriate relationship to each other. This is ensured through comprehensive risks and opportunities management, which guarantees that risks and opportunities are identified at an early stage, are evaluated, controlled and monitored in a standardized manner and are transparently communicated using systematic reporting.

The following principles are derived from this objective:

1. Even as part of the strategic planning processes, a comparison is made with the opportunities and risks strategy, which results from the anticipated business development. This way, Fraport avoids risks that are not directly related to the original business purpose.
2. The centralized Risk Management unit is responsible for the implementation and further development of the risk management system and links this with the opportunities management process.
3. Risks and opportunities management is a key function of the respective business, service and central units that are responsible for their business processes; this involves material risks being managed using appropriate measures and being reduced to an acceptable level, as well as actively utilizing opportunities.
4. Through standardized and comprehensive processes, early identification, standardized analysis, centralized control and monitoring, as well as systematic and transparent reporting take place regarding all material risks and opportunities.
5. All employees are encouraged to actively become involved in risks and opportunities management in their area of activity.

Risk managment system



Graphic 38

The Fraport Executive Board bears the overall responsibility for an effective risk management system, through which comprehensive and standardized management of all material risks is ensured. In this context, it has approved the risk strategy and risk objectives 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 and is made up of Senior Managers from the company's operating and supporting units. The management of the RMC has been transferred to the newly created Risk Management and Internal Control System department. The management of the RMC is responsible for the organization, maintenance and further development of the Group-wide risk management and internal control system (ICS), as well as the regular updating and implementation of the risk management and ICS policy in the Fraport Group. The RMC reports to the Executive Board on a quarterly basis immediately after its meetings.

The risk management system is documented in a policy and closely interlinked with the ICS. It follows the "COSO II" (Committee of the Sponsoring Organizations of the Treadway Commission) framework and covers risks in the areas of strategy, operational business, financial reporting and compliance.

Process-integrated and process-independent monitoring measures form the elements of the internal monitoring system. The central Group Internal Audit unit is integrated into the internal monitoring system of the Fraport Group with process-independent audit activities.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (PwC) has examined the risk early-warning system of Fraport AG within the context of the annual financial statement audit with regard to stock corporation law requirements. It fulfils all of the legal requirements that apply to such a system.

The Supervisory Board of Fraport AG has the function of supervising the effectiveness of the internal control and risk management system in accordance with Section 107 (3) of the AktG. This responsibility is executed by the finance and audit committee of the Supervisory Board.

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

So far, the Fraport risk management system has only covered risks, not opportunities. However, an opportunities consultation takes place quarterly within the context of the RMC meeting.

Risk management of Group companies

The policy for the Fraport risk management system also includes rules for Fraport Group companies, which are incorporated to a varying extent in the risk management system depending on their importance for the asset, financial and earnings position of Fraport. The separate policy used for investments specifies the organizational structure and process of the risk management system and commits the companies to the same risk reporting cycles and ad hoc reporting, as determined by Fraport AG.

Risk management process

The risk management process is comprised of the following steps. In order to support the entire process, Fraport has introduced an integrated risk management software solution.

1) Identification and reporting of risks
Material risks are identified using various instruments primarily by the operational business, service and central units of Fraport AG, as well as the Group companies. The risk identification methods used range from market and competition analysis, to the evaluation of customer surveys, information about suppliers and institutions, right through to monitoring risk indicators from the regulatory, economic and political environment. Division Managers are responsible for the accuracy of the information received from their units, which is processed in the risk management system. They are obligated to constantly monitor and manage risk areas and report on all risks in their divisions and their integrated investments to the Risk Management and Internal Control System department on a quarterly basis. Outside of regular quarterly reporting, newly identified material risks must be immediately reported on an ad hoc basis.

2) Evaluation of risks
The systematic evaluation of risks determines the extent of the identified risks and makes it possible to estimate the extent to which the individual risks could jeopardize the corporate objectives and strategy of the Fraport Group, or which risks will most likely, due to their nature, jeopardize the company's existence. For this purpose, the financial impact (impact level or – if possible – a quantitative evaluation) and its probability of occurrence is ascertained by the responsible business, service and central units (= risk officers). The reference basis is the rolling 24-month-period. However, this does not mean that the persons responsible for assessing risks only analyze from a short-term perspective; possible infrastructural risks are in particular monitored in accordance with their long-term impact. During the evaluation process, the potential impact (= impact level) is divided into three categories: "low", "medium" and "high". The impact level is evaluated according to how the risks impact the relevant detection variable (EBIT, financial result or liquidity). Furthermore, qualitative factors, which could be important for Fraport's reputation and which also determine the risks, are included in the analysis. The probability of occurrence for individual risks is also divided into three categories: "low", "possible" and "likely".

The risk evaluation is conservative, i.e., the greatest possible impact for Fraport is assessed. A distinction is made between a gross evaluation and net evaluation. The gross risk is the greatest possible negative (financial) impact prior to risk-minimizing measures. The net risk represents the expected residual (financial) impact after initiation or implementation of risk-minimizing measures.

Risks that jeopardize the company as an ongoing concern or risks that exceed defined thresholds in relation to the potential level of (financial) impact and the probability of their occurrence are considered to be "material" and these are reported to the finance and audit commitee, the Executive Board as well as the RMC (see also the reporting matrix on page 70 of this report).

3) Risk control
Risk officers are tasked with developing and implementing suitable measures to minimize and control risk. The risk officers must draft a strategy and/or measures to deal with the risks identified, which can also include the transfer of risk to a third party (through insurance policies, for example). The decision regarding the implementation of the relevant strategy and/or measures also considers the costs in relation to the effectiveness of potential risk-minimizing measures. The Risk Management and Internal Control System department works closely with the risk officers in order to monitor the progress of risk-minimizing measures and to evaluate their effectiveness from a Group perspective.

4) Risk aggregation and reporting
The risk management is intended to ensure a transparent presentation of the Fraport Group's risk situation. For this, the Risk Management and Internal Control System department aggregates the risk reports from the divisions and Group companies and provides these to the RMC for assessing the risk situation using a "Risk Map". Risks are reported to the Executive Board when they are classified from a net risk perspective as "material" according to systematic evaluation standards used Group-wide.

In the event of significant changes to previously reported risks or newly identified "material" risks, reporting also takes place outside of the regular quarterly reporting, as ad hoc reporting.

Twice a year, the Executive Board reports the "material" risks, including their changes, in the finance and audit committee of the Supervisory Board. The following graphic shows the addressees of the risk reporting depending on the net evaluation of the risks:

Reporting matrix

Probability of occurrence				
	Likely ≥ 50%	Strategic business, service and central units/ Group companies	Finance and audit committee/ Executive Board, Risk Management Committee	Finance and audit committee/ Executive Board, Risk Management Committee
	Possible ≥ 10% – 50%	Strategic business, service and central units/ Group companies	Risk Management Committee	Finance and audit committee/ Executive Board, Risk Management Committee
	Low up to 10%	Strategic business, service and central units/ Group companies	Risk Management Committee	Finance and audit committee/ Executive Board, Risk Management Committee
		Low ≥ €0.5 million	Medium ≥ €2.5 million	High ≥ €10.0 million
		Impact level		

Graphic 39

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

An integral component of Fraport's risk management system is monitoring financial risks, whereby the presentation of financial instruments overall and in particular hedging transactions in accounting, are monitored and controlled. 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.

Further development of the risk management system in 2013

At the beginning of 2013, the existing risk management system was linked to the internal control system (ICS) and combined with the compliance management system into an integrated system. Furthermore, a centralized ICS organization was established, the primary tasks of which include ensuring standardized methodology and reporting, as well as Group-wide standardization of the ICS. The central ICS organization provides support with the implementation of the ICS and determines annually, within the context of a scope procedure, which Group companies should be included in a documentation and self-assessment process (Control Self-Assessment) regarding the effectiveness of the main controls and the subsequent annual reporting to the Executive Board and Supervisory Board. The relevant Group companies are included on the basis of legal requirements, as well as on the basis of qualitative and quantitative risk assessment criteria.

Furthermore, an integrated risk management software has been introduced to record all event-related risks and material process risks. This creates more comprehensive transparency regarding the material risks existing in the Group, and establishes a closed "risk workflow".

For 2014, further developments are also planned in the risk management area, particularly the conception of a refined Group-wide risk catalog, the further development of the risk management and ICS policy and the further development of standardized Group evaluation methods.

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

With regard to the Group accounting process, Fraport regards the internal control and risk management system as a process that is embedded in the Group-wide internal control and risk management system. Fraport's Group accounting system 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/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.

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 (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 so doing, separation on an organizational and system level from the parent company Fraport AG is ensured. To ensure consistent Group-wide accounting policies, Fraport has developed a policy on IFRS Group-accounting principles, on the basis of which the companies included in the consolidated financial statements perform the reconciliation of trade balance sheet I to trade balance sheet II. The effectiveness and compliance of the Group accounting process with the relevant policies are 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, as well as at local companies included in the consolidated financial statements.

The consolidated financial statements are prepared by Fraport AG Group Accounting. The reporting process for the 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 good 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 statement of cash flows 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 policies, 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 prepared by the Group Accounting as part of the Group financial reporting process. Once the Group notes have been drawn up, the information given in them is verified by central or local departments, where required.

The central units Finance and Investor Relations, as well as, Corporate Compliance, Risk and Values Management are generally responsible for preparing the Group management report. They consolidate the information provided by the relevant departments. Consolidated information is 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 policy to ensure that its financial statements are prepared consistently and in accordance with the principles of compliant 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/Group 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 (including policies, process descriptions, manuals and guidelines). The effectiveness and compliance of the sub-ledger processes with the relevant policies 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 it is generally ensured, 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 policy.

A special 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. Group Accounting monitors the progress and schedule system-assisted.

The major steps in the reporting 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 impairment losses on property, plant and equipment. The Treasury department is responsible for the operational processes of its own sub-ledger (including cash pooling) for providing the information required for recognizing financial instruments in the general ledger.

After the closing of the sub-ledgers, the Accounting division/Group Accounting of Fraport AG carries out the necessary closing entries, which also includes carrying out subsequent manual monitoring 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 sub-processes of the accounting process, including accounting-related internal controls.

Business risks

The risks which could have a material effect on the business activities of Fraport are explained in the following description. In this description, they are aggregated more intensively than they are used for internal control; however, the risks are classified according to the same risk categories, which are also used in the internal risk management reporting system. Unless specified otherwise, the risks described relate to all segments, to varying extents (Aviation, Retail & Real Estate, Ground Handling and External Activities & Services).

Fraport AG is the parent company of the Fraport Group and is comprised of all of the segments described. Therefore, it is also subject to the risks described, directly or indirectly.

Strategic risks

General economic risks

The development of the global economy has yet to gather momentum, and the aftermath of the financial and debt crisis varies widely. Industrial nations have expanded their production since the start of 2013, but their economic activities remain burdened by structural problems. Economic momentum in emerging countries is still comparably high but has weakened significantly in recent years, which is particularly important due to the increasing significance of China and India in the global economy.

Despite positive economic forecasts overall for fiscal year 2014 (see also the “Business Outlook” chapter beginning on page 84), the risks that could arise from the economic and financial policy conditions remain unchanged. Another flare-up of the European debt crisis, for example as a result of insolvency in the banking sector, an escalation of political protests against reform measures and the Euro, the abandonment of deficit targets and reform measures introduced, turbulences in emerging countries or renewed general uncertainty among businesses or consumers could halt the slight upward trend in Europe and trigger another recession in Europe. The global economy would also be affected in this case, which would result in further weakened growth. The negative consequences for global and regional air traffic development, including Fraport, would also be considerable.

The budget debate regarding debt limits in the USA that surfaces again in early 2014 (political stalemate; threat of expenditure freezes), which led to uncertainty even outside of the USA in October 2013, represents a risk, albeit a comparably lower one. The risks in China as well as various emerging countries discussed in the media could have a dampening effect on the global economy and, as a result, Germany’s export-based economy, which would also affect Fraport’s airport business.

The economic risks may become more manifest, impairing development in air traffic, which would have a negative effect on the asset, financial and earnings position of Fraport. For this reason, Fraport closely monitors the development of supply and demand in air traffic so that reasonable countermeasures can be introduced if required. Particularly in the personnel area, Fraport has agreements with the employee representative body in order to be able to intervene with countermeasures.

An increasingly unstable geopolitical situation in the Middle East and North Africa in the form of new oil and kerosene price rises could also have an impact on the supply and demand development of air transport.

As an international air traffic hub, Frankfurt Airport benefited in the past from the fact that airlines tended 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. However, experiences with the most recent economic crises could indicate that it may take increasingly longer to return to a growth path. Furthermore, structural changes in business travel (e.g. reduction in the number of business trips) could 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 earnings of the Fraport Group, particularly in the retail business. The buildings and areas that Fraport 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.

Given the difficult situation described, Fraport estimates the potential impact level of the macroeconomic factors as still "high" overall. The probability that negative macroeconomic developments can have such an impact on Fraport's asset, financial and earnings position is assessed as being "possible".

Market, competitive and regulatory risks

In addition to an attractive infrastructure, the success of a world airport is dependent on its airline customer structure and the associated global and dense route network, the fleet structure and the fares offered by the airlines.

The dampened global economic development, high fuel costs and the increasing competitive pressure in all transport sectors, to which the European airlines are particularly exposed, have led to consolidations and also some insolvencies in the past, which also cannot be ruled out in future. Changes to the alliance systems repeatedly modify the customer and supply structure, also associated with the reorientation of the supply at other airport locations. Ticket price campaigns influence the flow of transfer passengers. If these special fares were to be limited, passenger traffic would suffer.

The amount of transfer traffic also varies depending on the availability and attractiveness of direct intercontinental flights offered.

Due to the increasing market and competitive pressure, the potential risk also exists that future capital costs from planned capital expenditure may only be capable of being priced into the achievable charges to a limited extent.

Frankfurt Airport is not only in competition with established European competitors. It is also faced increasingly with a continuous stream of new competitors. Political and regulatory decisions on regional, national and European level have an impact on the market and therefore competition in the form of taxes, fees and regulations, such as aviation tax, EU emissions trading, CO_2 regulations, noise protection requirements and bans on nighttime flights. There is therefore the risk of airlines using alternative sites and routes outside Frankfurt for the medium-term. Fraport sees more medium-term risks in the form of a weaker competitive advantage among European airlines and consequently among European airports.

Moreover, the creation of new or the development of existing hub systems in the Middle East may lead to a shift in the global flows of transfer passengers.

Fraport counters these risks through continuous market monitoring for prompt identification of potential changes with negative consequences for the business, the recruitment of appropriate compensation offers by Sales Management but also through a balanced, needs-based expansion planning. In view of the dynamic market environment, Fraport assesses the potential impact (impact level) of these risks as "high" and the probability of occurrence as "possible". The traffic assumptions underlying the 2014 Business Plan, with a growth assumption of only 1%, for example, for the passenger traffic, were thus conservative.

Fraport has reported continually in recent years that the European Commission plans to further liberalize ground handling services and the legislative process. On November 30, 2011, the European Commission presented the draft regulation. This was adopted by the European Parliament on April 16, 2013. The draft includes, inter alia, that with a maximum transition period of six years, an additional third-party ground handling company must be approved in the case of airports with more than 15 million passengers. The possibility of awarding sub-contracts for self-handlers is equivalent to unrestricted opening-up of the market and is assessed negatively. Stricter social

regulations, such as the requirement to transfer employees, are also included. The draft is currently with the European Council for voting.

For risk minimization, comprehensive lobbying and efficiency-increasing measures are being carried out. Possible losses of market share are being counteracted by Fraport through agreements concluded to safeguard competition. The potential impact (impact level) from this risk is assessed as being "high" and the adoption of the regulations continues to be "likely".

In relation to the operation of Take-off Runway West and the existing, parallel take-off and landing runway system, based on investigation results due to anticipated official orders, capital expenditure of up to €300 million (previous year: up to €130 million) may become necessary in qualified drainage systems. A notification regarding the Take-off Runway West area from the Darmstadt Regional Council has been available since November 19, 2013. Further conditions (for example, additional measuring points) were formulated in this, which make the drainage of the northern section of Take-off Runway West likely in the medium-term. The notification does not contain any conditions for the realization of qualified drainage for the parallel runway system. An evaluation of the probability of occurrence for the described risks is not possible due to the status of the process currently under way by the authorities.

Risks in connection with the airport expansion

With its appellate decision, issued on April 4, 2012, the German Federal Administrative High Court essentially confirmed that the zoning decision and thus the airport expansion complied with legal requirements in several test cases. Insofar as it objected to the night flight policy, the HMWVL, as the responsible 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. and 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.

There is the risk that the existing night flight ban will have a long-term impact on the conditions for the development of the site. It cannot be ruled out that the momentum of the traffic development, in particular in the cargo sector, will weaken, with the possibility of reductions in cargo traffic. On the other hand, Deutsche Lufthansa/Lufthansa Cargo, as the main cargo customer, has committed itself to the Frankfurt site and intends to expand its cargo center, according to the current state of affairs.

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 Frankfurt Airport could result, which would have a considerable impact on traffic volume, as well as traffic structure, at the Frankfurt site. However, it must be considered that these restrictions (for example, extended night flight ban, maximum noise limits) would have to overcome high legal hurdles.

The aforementioned rulings by the German Federal Administrative High Court mean that legal recourse in the test cases is now concluded. However, it is impossible to completely exclude the possibility of residual legal risks to the airport expansion, in light, inter alia, of the filed 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 non-test-case proceedings, which are now being continued. Fraport counters these risks through comprehensively following the proceedings, in legal and technical aspects. Furthermore, Fraport is committed to active noise protection and noise research.

The total volume of capital expenditure in the airport expansion so far has increased to approximately €2,270 million as at December 31, 2013 due to the advancing building and contract award activity, as well as the capital expenditure to be made due to the supplemental planning zoning decisions dated April 30, 2013 (noise protection for commercial property) and May 10, 2013 (protection requirements regarding wake turbulences).

In view of the initiated and upcoming measures (for example, comprehensive roof reinforcement program, particularly in the municipalities of Raunheim and Flörsheim) and the evaluation of the legal situation, Fraport estimates the probability of occurrence of the risk of a rescission of the zoning decision regarding the expansion of Frankfurt Airport as being "low". However, if the risk should be realized, the impact (impact level) of the risk would be "high".

Financial risks

"Risk 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 counters 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 stipulated in a binding internal policy. 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 is 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, in order to limit the interest rate risk for the majority of the debt financing, interest derivatives were concluded and financing was concluded with fixed-interest rate agreements. Following the commitment to these interest rate hedging positions, there is still 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. These changes can have an impact on the result, within the income statement, or also on the shareholders' equity, depending on the classification of the derivative. Fraport assesses the probability of occurrence of the risk as being "low" and the potential impact (impact level) as "high".

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. Due to the hedging that has taken place or is planned, Fraport assesses the probability of occurrence of foreign currency risks as "low" and their possible financial impact (impact level) as "medium".

Credit risks for Fraport 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. On the other hand, 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 assets and concluding derivatives only with issuers and counterparties who have an investment-grade rating. Since the beginning of 2013, investments without ratings have also been possible in individual cases, within narrowly defined limits. 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 credit default spreads (CDS) of the counterparties. Moreover, the upper limits are continually adjusted to the credit-rating development and where necessary reduced and financial assets are diversified further under risk considerations. In consideration of the previously described measures, Fraport classifies the potential financial impact (impact level) of credit risks as "low" and their probability of occurrence as "possible".

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.

Even without specific measures, Fraport assesses the probability of occurrence of other price risks as "low", and the impact level as "low".

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 Group notes 40 and 47.

Other financial risks

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

Legal risks and compliance risks

As a Group that operates internationally, Fraport is subject to numerous national and international laws and regulations, as well as their amendments, through which the future business success of Fraport could be negatively influenced. In addition to the industry-specific regulations of air traffic law, planning and environmental law and safety-related regulations, the general provisions of capital market law, cartel law and employment law are also of material importance. The Legal Affairs departments of Fraport and its Group companies keep abreast of the legal developments, including the relevant case law, inform the affected business units about changes and are actively involved in limiting any resulting risks.

Furthermore, the risk exists that bodies and/or employees may violate laws, internal guidelines or standards of good corporate governance that are recognized by Fraport, with the consequence that Fraport could suffer asset losses and/or reputational damage. Fraport is actively working to counter these potential risks, through the establishment of a Group-wide compliance organization, and the implementation of a compliance program, inter alia through the code of conduct that is binding for all employees, their training and constant further development of the ICS. In addition to this, Fraport has implemented various whistle-blower systems, which employees and external parties can turn to confidentially and anonymously. In consideration of the previously described, implemented measures, the probability of occurrence of a compliance violation having a "high" potential impact (impact level) is assessed as being "low".

Manila project (segment External Activities & Services)

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 ongoing material risks and legal disputes in relation to the project are described in the following.

As has already been reported in previous years, Fraport's arbitration proceedings are continuing against the Republic of the Philippines before the International Centre for Settlement of Investment Disputes (ICSID) based on the investment protection treaty between the Federal Republic of Germany and the Republic of the Philippines. In these arbitration proceedings, Fraport is claiming compensation for the expropriation of the investment project at Manila Airport in the amount of approximately US-$425 million plus interest. 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, 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. The oral proceedings of the first stage of the process took place in September 2013 in Washington D.C., which dealt with the jurisdiction of the arbitration court, Fraport's claims and counterclaims. The outcome of the proceedings remains to be seen. To protect its own interests, Fraport is represented by two renowned law firms experienced in investment disputes before the ICSID.

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 Court of Appeals rejected the appeal of all parties on October 29, 2013 and confirmed its decision from August 2013 that the full compensation due to PIATCO for the expropriation of Terminal 3 in Manila (including interest accrued by July 31, 2013) should amount to US-$371.4 million. This decision is not yet legally binding and was contested by all parties with appeals before the Supreme Court. Mediation proceedings carried out between the parties of the expropriation proceedings has not yet led to tangible results. Fraport is not a party in the expropriation proceedings nor a party in the related mediation proceedings. However, a conclusive decision in the expropriation proceedings regarding the payment of compensation also affects Fraport as a shareholder in PIATCO.

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 denies these allegations. Moreover, it is disputed whether these resolutions are legally valid. PIATCO has not further pursued the claims asserted.

As has already been reported in previous years, the Philippine Department of Justice ordered an arraignment in the suit against various persons associated with the Fraport Group in 2011 due to a suspected violation of the "Anti-Dummy Law". The corresponding arraignment took place in September 2013. Declarations of exemption were then provided to affected persons. 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, Fraport is still of the opinion that these allegations are false.

The probabilities of occurrence of the risks described so far regarding the Manila investment are currently not assessable. However, if the risks should be realized, their impact would be "material".

As reported, one Philippine law firm as well as one former Philippine minister filed claims for damages against Fraport, two former board members and two 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 seizures, Fraport, as reported earlier, deposited guarantees as collateral, whereupon the responsible courts revoked these. Furthermore, exemption declarations were issued to the Philippine lawyers. In order to cover the existing risk, a provision in the amount of €3.5 million was already formed in 2005. The main suits are still pending, but in the meantime the claim in one of the two 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 three proceedings. The court has already rejected the charges in all three proceedings, in two of the three cases in the court of appeal. 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. The probabilities of occurrence of the risk described is currently not assessable.

All of the legal risks described are counteracted by Fraport appointing experienced law firms with its representation.

Other legal risks

There is the risk of back tax payments in connection with tax audits that are still to be carried out. The probabilities of occurrence of such potential back tax payments are currently not assessable.

Operating risks

Risks from capital expenditure projects

Fraport AG's capital expenditure plan covers a period of ten years and is subject to various risks. Increases in construction costs, suppliers going out of business, changes in planning figures, or weather-related delays could all lead to extra costs. These risks are assessed by means of the clustering and weighting of the individual construction investments in three phases. In this respect, Fraport differentiates between projects in conception (requested), projects in planning and projects in implementation. A Fraport-specific percentage that represents the risk assessment is applied to the construction investments as divided in this manner. Project-specific monitoring measures are implemented so that these potential risks can be confronted appropriately, thus assuring that cost-reducing countermeasures can be introduced early on.

Fraport estimates the potential damage at around €300 million and, taking the project-related monitoring measures into account, the probability of the risk materializing as "possible".

Risks attributable to investments and projects

Investment companies and airport operating projects, like Fraport AG at the Frankfurt site itself, 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 principle, Fraport's investments outside of the Frankfurt site can be distinguished from one another as capital-intensive expenditure, such as the acquisition of long-term concessions or the acquisition of shares in airports, or in business models with no capital investment or only a small amount, such as the conclusion of service contracts (management contracts). Fraport is also active in countries, such as China and Russia, which can basically hold higher risks for investors than is the case for capital expenditure in Germany. These risks typically include country, market and foreign exchange risks, which can lead to a significant impairment of the future earnings outlook, right up to a total loss of the investment.

For reasons of bidding strategy, as well as risk minimization, Fraport often works in cooperation with a local partner who has experience with the relevant typical national regulations and customs. Within the context of major capital expenditure, Fraport aims for project financing that allows no recourse or only limited recourse to Fraport AG as the capital provider. This type of project financing, which are also referred to as non-recourse or limited-recourse, are used here for risk reduction.

Notwithstanding this, the subscribed equity capital of the relevant project company and shareholder loans granted by Fraport are exposed to a default risk. In order to minimize these risks, Fraport uses investment protection insurance, wherever possible and economically meaningful.

Particularly in emerging countries, political instability and/or economic fluctuations can occur at any time. Therefore, Fraport relies on long-term growth with these investments, in order to participate in continuing positive performance. Overall, the countries in which Fraport is active show a significantly stronger long-term growth forecast for their economy than is the case for Central Europe, even if this is currently subject to uncertainties, for example, with Russia and Turkey.

Risks in connection with the existing airport operating projects, which are generally long-term, arise primarily in connection with the estimation of future development of air traffic. A possible lack of growth and/or downturn in air traffic could have a significant negative effect on the earnings development of concessionary companies, which could also result in “material” risks to project financing. Unforeseen official interventions in the fare, tax and levy structure of the airports to the detriment of the airport operators can also cause risks. 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 implicitly occur from this.

For the Jorge Chávez Airport in Lima, Peru, operated by Lima Airport Partners (LAP), various risks currently exist regarding the planned expansion of the airport: the handover of land by the government and the ground quality holds possible risks. Furthermore, the timetable for relocating a main road is still uncertain. While the associated deviations regarding the expansion costs and/or the timetable can be classified as “likely”, if this occurs, this would result in a suspected “high” impact level. In order to adequately counter the risk, the management of LAP is establishing a cost optimization approach for the implementation of the expansion projects.

Fraport operates the airport in Antalya in Turkey, in cooperation with a Turkish partner. One of the main foundations of the Turkish economy is the tourism sector, which has continuously been expanded in recent years. This is particularly reflected in a relatively high share of high-quality hotel facilities at an attractive price-performance ratio. As a result, Turkey has already become a serious competitor to traditional holiday destinations in the Mediterranean or the Canary Islands.

In view of terrorist attacks against military and police establishments and political unrest 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. So far, neither the conflicts in the Middle East or in North Africa, nor the political unrest in Turkey have had a noticeable negative impact on the development of the country‘s tourism. Nevertheless, it appears “possible” that such an escalation could influence tourism, which would, in turn, imply “medium” negative consequences for the business performance of Antalya Airport.

On the basis of existing contracts between Fraport AG, Fraport Group companies and various principals, such as foreign airport operators and aviation authorities, guarantees exist from Fraport AG and respectively, guarantees for operated airports. In the event of poor performance or non-performance of contractually owed services, these guarantees can be claimed upon. For risk minimization, these potential payment obligations are reduced in proportion to the service provided on a regular basis, where possible. Nevertheless, depending on the circumstances of the respective project – the possibility exists that until the end of the relevant contractual term, a claim under such collateral by the contractor can be initiated to the detriment of Fraport AG.

Personnel 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 at the Frankfurt site. This relates to the acquisition of new professionals and managers, as well as retaining existing employees. In order to deal with this risk adequately, Fraport has taken measures in the fields of qualification, commitment and work satisfaction. In the qualification field, airport-specific and universal qualification programs for its employees and managers, trainee programs and short- and medium-term assignments at Fraport’s foreign sites are offered. In the commitment field, Fraport offers attractive company benefits, the material participation of employees in the company‘s success and concrete measures for good compatibility of work and family life. In the work satisfaction field, the training and sensitization of the managers to the reduction and minimization of work and health risks play an important role. Furthermore, in-depth employee surveys are conducted every one or two 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.

On the basis of the initiated measures, the potential impact (impact level) of the risk is assessed as "low" and the probability of occurrence as "possible".

As a result of the change to the German Temporary Employment Act as of December 1, 2011 and the case law that has been cited in the meantime, within the context of assigning employees through temporary employment, the risk now exists that the number of employees to be used in future must be reduced. Furthermore, the coalition agreement at the federal level includes the plan to limit temporary employment contracts to a maximum of 18 months in future, in relation to the function, as well as the person performing temporary employment. Therefore, the risk exists for Fraport that the use of personnel through temporary employment contracts may not be admissible in some cases in future, compared to the current situation. Without alternative solutions, the required scope of work would need to be covered with Fraport's own personnel, which would lead to additional costs estimated at €16 million to €18 million per annum on a Group-wide basis. In view of this situation, it is now already being investigated whether adequate options can be found for an alternative structure. The advantages and disadvantages of possible structuring options are currently being examined and considered. On the basis of the initiated measures, Fraport assesses the probability of occurrence of this risk as "possible".

Fraport AG has insured its employees for purposes of granting a company pension under the statutory insurance scheme based on a collective bargaining agreement with the Zusatzversorgungskasse (top-up provision insurance scheme) in Wiesbaden (ZVK). As with the statutory insurance scheme, this is currently structured as a solidarity model. In view of the demographic change, the ZVK has the problem that the current levies for financing the benefits are not sufficient. Therefore, a so-called "restructuring fee" is now already being collected in addition to the levies. Furthermore, the ZVK's solidarity model provides for personnel who leave to be replaced by new levy payers. If the requirement for work performance declines, in addition to the demographic development, the number of employees for whom levies and restructuring charges are paid will fall. Because of this, the coverage gap grows continuously in the company pension plan. Therefore, it cannot be ruled out that the ZVK could charge further compensation amounts in order to cover the compensation coverage gap. In order to counter this risk of financing capability of the company pension plan, alternative solutions are being sought – also in discussions with the ZVK – regarding how to switch the current structure of the company pension plan to a capital-covered model at an acceptable cost. In view of the high complexity of the issue and unclarified legal questions, a precise assessment of the potential financial impact (impact level) is not currently possible; the probability of occurrence is assessed as "possible".

Risks of unusual disruptions

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, armed conflicts and epidemics).

Fraport has taken a series of measures in order to minimize or counteract such negative effects. In order to protect the IT infrastructure and the critical operating systems from significant negative effects, Fraport and the other Group airports have developed plans for maintaining critical business and operating processes (business continuity and emergency teams), as well as the restoration of the IT services. Furthermore, a central crisis team is established in Frankfurt which coordinates all of the necessary processes airport-wide in the event of emergencies. In order to verify the adequacy of these plans and to continuously improve them, malfunction scenarios are set up and exercises are carried out on a regular basis.

In addition to these preventative measures, Fraport AG's insurance protection covers the risks that are usually insurable with airport companies. It particularly includes loss events that result from the loss of or damage to assets, including resulting business interruptions, as well as the statutory liability of Fraport AG from all business capacities, legal situations and activities in relation to operating Frankfurt Airport, as well as all additional risks that are conventional or necessary in the business or industry, as well as in the operation. Insurance protection regularly also covers the risks from terrorism regarding property and third-party liability. 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 statutory and public-law claims.

Foreign Group companies generally cover the aforementioned risks using separate local insurance policies.

In spite of possible insurance protection, if one of the described risks should occur, this can have a "high" financial impact (impact level), depending on the seriousness. This assessment takes account of the far-reaching consequences for the Fraport business, for example, from natural disasters or terrorist attacks. As unusual disruptions tend to be rare, Fraport assesses the probability of occurrence as "low".

IT risks

All of Fraport's important business and operating processes require IT systems and IT components. A serious system failure or material loss of data could lead to serious business disruptions and security risks. In addition to this, attacks by viruses and hackers could lead to system failure and ultimately to the loss of business-critical and/or confidential data. 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 cannot be completely ruled out due to their nature.

Due to the ongoing development of new technologies and the growing threat of cyber attacks, there is an underlying risk potential for IT systems. Fraport takes account of this situation with active and preventative IT security management, which particularly focuses on the business-critical IT systems and their availability. 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. Furthermore, compliance with data protection regulations is ensured. In addition to this, residual risks from failures that occur are additionally covered by specific IT insurance policies, where this is economically meaningful.

IT systems are highly important to all of Fraport's business and operational processes. Due to the preventative and proactive measures introduced, the potential effects (impact level) of an IT failure lasting several hours are assessed as "medium" and the probability of occurrence is "low".

Opportunities report

The opportunities management system

The opportunities management system of the Fraport Group has the aim of identifying and evaluating opportunities at the earliest possible stage and initiating appropriate measures so that opportunities are taken and lead to commercial success. Opportunities should be assessed for existing business, as well as from new business fields.

The identification and recording of opportunities takes place by the operating units/segments and the supporting Group units throughout the year, within the context of the company's operational management and the annual revolving medium-term planning process. While the short-term result monitoring is aimed at opportunities that mainly relate to the current fiscal year, in the medium-term planning process, opportunities which are of strategic importance for the Group are focused on.

Within the context of the planning process, Fraport assesses market and competitive analysis, as well as environmental scenarios and deals with the orientation of the product and service portfolio, the cost drivers and the critical success factors of the industry. Furthermore, Fraport monitors the identifiable trends at its competitors, customers – such as airlines, passengers and tenants – as well as in businesses outside of the industry, which have an impact on air transport in general and the operation of airports in particular. Fraport aims to further develop and expand the value-creating business fields that are already part of its operations. Furthermore, Fraport invests in business fields and business ideas in which the company can establish sufficient expertise in order to operate these to create value over the long-term.

In addition to the opportunities management by the business units and the Group's central units, Fraport also uses the expertise of the entire workforce. With a variety of instruments, Fraport aims to identify opportunities that the employees develop. In addition to the traditional Group ideas management program, these include the "FRAnk" innovation prize, which awards particularly innovative ideas at Frankfurt Airport and targeted creative workshops with employees, in which new business ideas are sought.

Fraport basically aims for a balanced relationship between opportunities and risks, where its aim is to increase the added value for customers and shareholders by analyzing and using new market potential and opportunities.

Where it is likely that the opportunities will occur, these have already been included in the 2014 forecast and respectively, in the medium-term outlook. Therefore, the following section concentrates on future developments or events that can lead to a positive deviation from the outlook and medium-term prospects for Fraport.

Unless specified otherwise, the opportunities described relate to all segments, to varying extents (Aviation, Retail & Real Estate, Ground Handling and External Activities & Services).

Fraport AG is the parent company of the Fraport Group and is comprised of all of the described segments. Therefore, it is also subject to the opportunities described, directly or indirectly.

Overall economic opportunities

Since early summer of 2011, the European debt crisis has led to the growth momentum of the global economy and particularly also worldwide air cargo transport declining and resulted in a recession in the Euro zone economy in the years 2012 and 2013. In contrast to this, the German economy remained comparatively robust and was able to achieve moderate growth in both years.

The debt crisis led to a considerable slow-down in demand for transport. The airlines, which were strongly impacted by this in some cases, reacted to the excess capacities and financial imbalance with consolidation measures, which led, inter alia, to a significant reduction of services and lower volumes at the airports in general, as well as in Frankfurt.

Experience with the growth cycles has shown that market turbulences can generally only interrupt the upward development of world air traffic temporarily. The possibility of a degree of dragging out of the volume expectations cannot be ruled out, however catch-up effects after times of crisis can also not be ruled out.

The forecasted, economic momentum, which is picking up again (see also the chapter “Business Outlook”, beginning on page 84) could – in conjunction with an improved financial situation of the established airlines – end the consolidation in the airline industry more quickly, stop route reductions, create new airline services and exceed the traffic forecasts that still tend to be conservative. The ACI forecast for 2014 from June 2013 is at 2.4% for all European airports and at 4.5% worldwide. Fraport has deliberately estimated the business planning conservatively with passenger growth of 1% for the Frankfurt site, but is currently assuming a volume increase in 2014 within a range of 2% to 3%.

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 development in various developing and emerging countries with lasting, favorable growth potential. The rise in the standard of living in these countries is key to the disproportionately high growth of air travel, not 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.

As an internationally operating airport operator that is represented in virtually all parts of the world, Fraport can take advantage of this regionally varied growth potentials through investments and management agreements. Also in future, Fraport will continue to expand selectively and on a success-orientated basis in international business. Certain signs of saturation in the demand for air transport in western countries, which also affect the Frankfurt site, can be compensated with this.

Opportunities in corporate strategy

Through the completion of Runway Northwest and Pier A-Plus, Fraport was able to significantly increase the airside as well as landside capacities at the Frankfurt site in the past two years and thus create the basis for a dynamic development of passenger volume. Fraport is therefore able to handle traffic volumes that go beyond the traffic forecasts used as the short-term planning basis. Frankfurt Airport is thus one of the few large European passenger airports that has sufficient infrastructure capacities over the longer term and can possibly make use of capacity bottlenecks of other airports to its advantage at appropriate good market development.

With the far-advanced planning for Terminal 3, Fraport also has the possibility of providing additional capacities for passenger traffic in the foreseeable future. On the basis of the zoning decision, a building application has already been submitted for the first construction level of Terminal 3. This will be realized on the basis of the traffic development, so that Fraport has the opportunity to provide sufficient capacity at the appropriate time. The inauguration of Terminal 3 is not presently planned within the medium-term planning period.

The discontinuation of the regulatory measures that distorted competition, such as the aviation tax and a competition-neutral approach, such as with the CO_2 regulation or emissions trading, can result in increased traffic.

On top of that, Fraport has identified the following significant growth engines for the future:

Airport retail

Extending and modernizing the retail, food and beverage and service areas in the terminals, in particular on the airside, continue to be central elements for increasing retail revenue. With the opening of 12,000m² of retail space in Pier A-Plus, Fraport created an essential foundation in 2012 for further retail growth at 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. In view of this, Fraport is intensively examining the buying behavior of passengers, in order to increase the revenue

per passenger over and above the planning estimates. Fraport is also monitoring general trends in the retail sector, in order to derive future new business opportunities for the company.

External business

Fraport's know-how is now represented on four continents. In addition to Frankfurt, four 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-owned airports 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 perform in the next years in the existing investment portfolio. In addition, Fraport's clear objective is to expand the external business. Opportunities for expanding the external business present themselves on a regular basis, through new airports and development projects placed on the market. Also in future, Fraport will submit bids in attractive tenders which meet the internal return requirements and offer adequate security for the investment.

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 considering for real estate development. For instance, Fraport is intensively developing and marketing attractive commercial space in direct proximity to Frankfurt Airport (such as the Mönchhof site or Gateway Gardens). Another project involves an expansion of CargoCity South to meet the high demand for additional logistics space at the Frankfurt site. Depending on the particular project, Fraport decides if and to what extent the Group will participate in the development of the real estate.

Through the complete acquisition of the Ticona site as at December 31, 2013, Fraport has an additional area, which can be developed within the context of the airport city and is available for airport-affiliated services.

Opportunities in conjunction with organizational and process-related improvements

A continuous optimization of key business processes and constant cost control are of essential importance for ensuring stable profitability and capital return. Fraport holds the view that the possibilities for further optimization of the cost structures within the Group are not yet fully utilized. The functions of good corporate management include continuously investigating the organization to determine how it can be structured more effectively and efficiently. In individual cases, projects are initiated to use the identified optimization potential. Through this continuous process, it should be possible to achieve additional earnings potential over and above the planning.

Opportunities for improving the processes not only result from within the Group, but also in cooperation with customers and suppliers. Therefore, Fraport also aims to review the processes at these junctures on a regular basis and leverage further potential, which will have a positive impact on the corporate result and the quality delivered.

Overall, Fraport regards the potential impact of the organizational and process-related improvements as being material for the company's future development. Therefore, Fraport has focused specifically on setting additional impulses here during the past fiscal year. The aim is to take account of the specific challenges of an integrated business model in the Group, as well as the importance of the Group in terms of social and regional policy.

Financial opportunities

Favorable changes on the financial markets

Favorable exchange rate and interest developments can have a positive impact on the Group's financial result. The Financing department is monitoring the development on the financial markets in order to identify and utilize opportunities. Exchange rate effects from the conversion of results that are not denominated in €, into the functional currency of the Group, the €, can have a positive impact on the Group's financial result. Overall, Fraport holds the view that advantageous changes on the financial markets could have a material impact and in view of the volatility of the financial markets and the exchange rate developments, Fraport regards it as "possible" to profit from it.

Overall assessment of the opportunities and risks by the company management

Fraport consolidates and aggregates all of the risks and opportunities reported by the various company units and Group companies, which are reported within the context of the quarterly risk analysis process. Furthermore, the risks and opportunities are discussed within the context of the regular planning processes. In the opinion of the Executive Board, the risks described before are not of a nature, individually or in their entirety, that might jeopardize the company as a going concern in consideration of their respective risks of occurrence and their financial impact, as well as in view of the stable balance sheet structure and anticipated business development. The Executive Board continues to be optimistic that the Group's financial strength forms a solid basis for future business development and provides the necessary resources to effectively pursue and utilize opportunities that present themselves to the Group.

In comparison to the previous year, the estimate of probability of occurrence and/or financial impact of individual risk classes has not changed significantly. This is also reflected in the negligible percentage change of the risks classified as being "material" or "moderate" in the risk matrix. In relation to the total number of all identified risks, the risks at the "material" risk level were at 20.7% at year-end (previous year: 23.8%), the risks of the "moderate" risk level were at 17.1% (previous year: 21.1%). The Executive Board is convinced that the change of the individual risks has no significant impact on the overall risk profile of Fraport, which essentially remains unchanged in comparison to the previous year.

Business Outlook

Information about reporting

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 turbulences on the financial markets.

Moreover, statements concerning the anticipated asset, financial and earnings position reflect the accounting standards to be applied in the EU at the start of the 2014 fiscal year. Deviations from the standards used in the 2013 fiscal year arise as a result of the first-time application of IFRS 11 "Joint arrangements", which stipulates that joint ventures that have until now been proportionately consolidated in the consolidated financial statements must be valued and consolidated using the equity method as of January 1, 2014. For Fraport, this has a particular impact on the Group companies Antalya as well as N*ICE Aircraft Services & Support GmbH, Medical Airport Service GmbH and AirIT Systems GmbH. An overview of all joint ventures that were proportionately included in the consolidated financial statements of the 2013 fiscal year can be found in the Group notes to this report in Group note 55.

To compare the 2014 forecasted asset, financial and earnings position with the figures in the 2013 financial statements, Fraport has prepared "pro forma" figures which adjust the 2013 financial statements to the new accounting standard. A reconciliation of the 2013 figures is provided before the respective chapters of the business outlook.

Risks and opportunities that do not form part of the business outlook and may lead to significant negative or positive changes to the forecasted development can be found in the chapter titled "Risk and Opportunities Report" starting on page 67.

Forecasted situation of the Group for 2014

Development of Group structure

Compared with the 2013 fiscal year, the Executive Board does not expect any fundamental changes to the legal and organizational Group structure in 2014. Furthermore, the Executive Board expects the competitive situation at the key Group sites to remain unchanged in comparison with 2013. Efforts will still be made to expand the external business with new airport investments. These will generally be acquired as part of a public tender procedure and cannot therefore be forecasted. Similarly, the disposals of companies are just as difficult to predict and thus do not form part of the forecast.

Development of Group control

Compared with the 2013 fiscal year, the Executive Board does not expect any fundamental changes in 2014 to the financial and non-financial performance indicators, which are used for Group control and derived from the Group strategy. Furthermore, the Executive Board does not expect any fundamental changes to the Group strategy and the strategic focus of finance management in 2014.

Forecasted economic and industry-specific conditions for 2014

Development of economic conditions

Based on the improved economic development during 2013, financial institutions and leading economic institutes expect the global economy to expand further in the 2014 fiscal year. With growth of 3.4% to 3.8%, the pace of the global economic development is forecasted to exceed the level of 2013 significantly (2013 figure: about 3%). Global trade will rise by around 4.5% in 2014, according to current forecasts. Overall, inflation is expected to be moderate. With regard to the € to US-$ exchange rate, it is presumed that the € in 2014 will on average remain broadly unchanged with a value of US-$1.34.

For 2014, relatively stable global oil prices at an average of US-$105 to 110 per barrel are expected, which is a forecast at the level of the last three years. On the one hand, the oil production boom in the USA will put pressure on prices. On the other hand, due to the economic momentum, a rise in demand for raw materials is also anticipated.

Regionally, due to a lower debt burden on private households and an improving real-estate sector, positive economic development (about 2.5% to 3%) is expected, among others, in the USA. In general, only a recovery and not an upturn is anticipated in the Euro zone, which will still be burdened with increased uncertainty regarding financial policy. Following –0.4% in the 2013 fiscal year, this figure is expected to be about 1% in 2014. Germany should continue to develop more positively. After achieving growth of 0.4% in the 2013 fiscal year, it is expected to achieve growth of 1.7% in 2014.

The good development should be supported primarily by domestic demand, the improving global economic environment and a higher volume of investments. Positive stimulus continues to be expected from private consumption. While a slight decline in economic momentum is anticipated in Japan due to lower economic policy stimulus and the consolidation of public finances, the growth rates for emerging countries are again expected to significantly exceed those for industrial countries. For countries with Group airports in which Fraport has an interest of at least 50%, the following growth rates are expected: Peru +5.5%, Turkey +3.5%, Bulgaria +1.7%.

Sources: Consensus of the leading German economic research institutions (October 2013), IMF (October 2013), OECD (November 2013), Deutsche Bank Research (January 2014), DekaBank (January 2014), World Bank (January 2014).

Development of the legal environment

The following changes to the legal environment will come into effect in the 2014 fiscal year:

In September 2009, the European Commission adopted a resolution expanding its influence on airports and aircraft movements/air traffic control. Based on this resolution, the competence to develop the legal foundation for the certification of airports was transferred to the European Aviation Safety Agency (EASA). From 2014, the EASA is responsible for the safety supervision of the licensing authorities for all European airports. In order to guarantee uniformly high safety 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 operation and licensing of airports, air traffic management and air traffic controlling services shall be supplemented or replaced in part 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 European Commission plans to create new principles for the harmonization and better meshing of the legislative projects with the SES II+ program. The resulting changes do not have a significant impact on the forecasted business development for the Fraport Group in the 2014 fiscal year.

Development of the global aviation market

On the basis of the expected development of economic conditions as well as taking into account the financial situation of the airlines, the ACI anticipates growth in passenger volume of 3.2% for European airports and 1.5% in freight tonnage for 2014. Conversely – based on passenger kilometers – IATA forecasts an increase in the global aviation market of 6% in 2014 under very different growth rates in the regions, with Europe seeing 4.7%. The unchanged high crude oil price that is forecasted will have neither a positive nor negative impact on the growth rate in comparison with the previous year.

Source: ACI Press Release February 6, 2014, IATA Industry Financial Forecast, December 2013.

Forecasted business development 2014

Taking the economic and industry-specific conditions into account, the Executive Board expects better development for fiscal year 2014 at the **Frankfurt site** than in the previous year. It forecasts a growth rate in passenger traffic of between 2% and 3%. While the generally more favorable economic environment will have a positive impact on passenger business, there will be further uncertainty from the airlines' short-term yield and capacity management. With regard to cargo tonnage handled, the Executive Board expects rather a moderate growth rate for the Frankfurt site within the context of market growth. Based on the still high proportion of cargo handled on North American and Asian connections and the volatile economic prospects of both regions, the cargo outlook is subject to increased uncertainty.

On the basis of positive economic assumptions and a sustained optimistic outlook for tourism, an increase in passenger numbers over the coming years is expected for the Group airports with a Fraport share of at least 50%: **Antalya**, **Lima**, **Varna** and **Burgas**. It is anticipated that growth rates will be around 5% on average. As in past fiscal years, the political situation in North Africa and the Gulf Region can affect Antalya, Varna and Burgas over and above 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.

Forecasted results of operations for 2014

Reconciliation of the 2013 business figures to IFRS 11:

Group

€ million	2013 reported figures	Figures adjusted to IFRS 11	Change	Change in %
Revenue	2,561.4	2,378.2	–183.2	–7.2
EBITDA	880.2	733.3	–146.9	–16.7
EBIT	528.1	439.0	–89.1	–16.9
EBT	340.7	331.6	–9.1	–2.7
Group result	235.7	235.7	0.0	–
Value added	1.3	–41.5	–42.8	–

Table 33

The expected positive business development will be reflected in an increase in **Group revenue** in 2014. At the Frankfurt site, the increase in airport and infrastructure charges in particular, as well as additional revenue in the Retail and Real Estate divisions, will also have a revenue-increasing effect over and above the traffic development. Conversely, particularly lower capacitive capital expenditure in the Group company Twin Star in connection with the application of IFRIC 12 will lead to a reduction in reported Group revenue. Due to a correspondingly lower cost of materials, however, this effect will not have any impact on Group EBITDA. In total, the Executive Board expects an increase in revenue up to a level of approximately €2.45 billion.

Adjusted for the effects of the application of IFRIC 12, the Executive Board expects growing expenses in fiscal year 2014, which will result from higher traffic-related concessions payments in the Group company Lima and an expected tariff increase in wages and salaries. In summary, the Executive Board expects the increase in revenue will be above the expense development, meaning that the **Group EBITDA** will lie between approximately €780 million and some €800 million. With slightly higher depreciation and amortization, growth of up to around €500 million is forecasted for the **Group EBIT**.

Primarily due to the difficulty in predicting interest and exchange rates effects, the forecast for the **Group EBT** and **result** for fiscal year 2014 is subject to uncertainty. The Executive Board currently assumes that the Group financial result will deteriorate in comparison with 2013, resulting in values forecasted for the Group EBT and Group result that are slightly above the previous year.

In view of the long-term positive outlook for earnings, the Executive Board intends to hold the **dividend** per share at least stable for the fiscal year 2014 at €1.25. The 2014 **Group value added** will be slightly above that of 2013, but remain negative.

Forecasted segment development for 2014

Reconciliation of 2013 segment figures to IFRS 11:

Aviation

€ million	2013 reported figures	Figures adjusted to IFRS 11	Change	Change in %
Revenue	845.2	845.6	0.4	0.0
EBITDA	205.4	205.4	0.0	–
EBIT	88.1	88.1	0.0	–
Value added	–121.7	–121.7	0.0	–

Table 34

Retail & Real Estate

€ million	2013 reported figures	Figures adjusted to IFRS 11	Change	Change in %
Revenue	469.0	467.9	–1.1	–0.2
EBITDA	350.7	350.6	–0.1	0.0
EBIT	267.9	267.8	–0.1	0.0
Value added	98.1	101.0	2.9	3.0

Table 35

Ground Handling

€ million	2013 reported figures	Figures adjusted to IFRS 11	Change	Change in %
Revenue	656.2	649.0	–7.2	–1.1
EBITDA	38.2	32.6	–5.6	–14.7
EBIT	–2.3	–6.0	–3.7	–
Value added	–57.8	–60.2	–2.4	–

Table 36

External Activities & Services

€ million	2013 reported figures	Figures adjusted to IFRS 11	Change	Change in %
Revenue	591.0	415.7	–175.3	–29.7
EBITDA	285.9	144.7	–141.2	–49.4
EBIT	174.4	89.1	–85.3	–48.9
Value added	51.3	30.1	–21.2	–41.3

Table 37

The positive passenger development at the Frankfurt site will be reflected in an increase of up to 5% in revenue in the **Aviation** segment in 2014. The increase in airport charges by an average of 2.9% on January 1, 2014 in particular will have a revenue-increasing effect over and above the traffic development. The higher revenue will impact the EBITDA and EBIT of the segment, for which growth of up to about €20 million is forecasted. In 2014, the value added of the segment will be slightly above the previous year's level, but remain negative.

The **Retail & Real Estate** segment will also benefit in 2014 from the higher passenger number, which will primarily impact the development of revenue in the Retail division. Over and above this, the higher parking revenue will have a revenue-increasing effect. Conversely, lower proceeds are planned from the realization of land sales. In total, a slight increase is expected in revenue, EBITDA and EBIT in 2014. In 2014, the value added of the segment will remain at approximately the same level as the previous year.

There will be a slight increase in revenue in 2014 in the **Ground Handling** segment as a result of the expected traffic development as well as price increases for infrastructure charges. The Executive Board anticipates that segment EBITDA and EBIT will remain at approximately the same level as the previous year. The value added of the segment will be on the previous year's level and thus remain once again negative.

In connection with the positive anticipated business developments at the Group sites outside Frankfurt, an organic growth in revenue is expected in 2014 for the segment **External Activities & Services**. Conversely, lower capacitive capital expenditure in the Group company Twin Star in connection with the application of IFRIC 12 will have a particular impact and lead to a decline in the reported segment revenue of up to 5%. Due to the corresponding lower cost of materials, however, this effect will not have any impact on segment EBITDA. As a result of the positive organic development of revenue, increases in the single digit million € range are expected for the segment's EBITDA and EBIT in 2014. The 2014 value added is anticipated to be slightly lower than the level of 2013.

Forecasted asset and financial position for 2014

Reconciliation of 2013 asset and financial position to IFRS 11:

Asset and financial position

€ million	2013 reported figures	Figures adjusted to IFRS 11	Change	Change in %
Cash flow used in airport operating projects, other intangible assets, property, plant and equipment and investment property	501.7	437.0	–64.7	–12.9
Operating cash flow	574.8	454.1	–120.7	–21.0
Free cash flow	73.1	17.1	–56.0	–76.6
Total assets	9,523.4	8,835.8	–687.6	–7.2
Shareholders' equity	3,098.8	3,116.7	17.9	0.6
Net financial debt	2,975.4	2,870.6	–104.8	–3.5
Gearing ratio	101.3%	97.1%	–	–

Table 38

The asset and financial position of the Fraport Group in the 2014 fiscal year will be characterized by a slight decline in **capital expenditure volume** as well as the repayment of long-term financial liabilities. The capital expenditure focus will continue to be on modernization and maintenance measures as well as preparations for Terminal 3. The Executive Board continues to examine opportunities for ongoing improvement of the asset and financial position of Fraport Group.

As a result of the expected positive business development and lower cash flow used in investing activities, a slightly improved **free cash flow** is expected in 2014 compared with 2013. Despite the positive development of the free cash flow, the **Group's liquidity** in 2014 – due to the dividend distribution for the 2013 fiscal year – is expected to decline slightly, which will lead to a slight increase in **net financial debt**. The **gearing ratio**, however, is forecasted to be slightly below the level of 2013. This will be due to the increase in **shareholders' equity** as a result of additions to revenue reserves. The **total assets** in 2014 are expected to be slightly lower than the 2013 figure primarily owing to the repayment of long-term financial liabilities.

If, in the course of its efforts, Fraport should expand external business in fiscal year 2014 and carry out relatively large acquisitions, the actual development of the asset, financial and earnings position could deviate significantly from the aforementioned forecast.

Forecasted non-financial performance indicators for 2014

In the 2014 fiscal year, Fraport will continue to focus on the development of non-financial performance indicators as well as financial development. In the area of **customer satisfaction and product quality**, the expectation of the Executive Board is still to achieve global satisfaction of at least 80% at the Frankfurt site. While the punctuality rate is forecasted at an unchanged, high level, the Executive Board projects baggage connectivity of above 98.5%. The goal is to achieve sustainable baggage connectivity of over 98.5%. A value significantly above 90% is expected for equipment availability.

In the 2014 fiscal year, the Executive Board again aims to enhance employee satisfaction in the **attractiveness as an employer** category. The objective is to achieve an average grade of better than 3.0. In addition, the Executive Board aims to further reduce the number of work accidents.

Medium-term outlook

Fraport expects a sustained recovery of the global economy in the medium-term as well as an improvement in the economic situation in the Euro zone in particular. Positive development is also anticipated in the aviation market, which will also be positive for the Fraport Group's airports. Correspondingly, the Executive Board forecasts positive operating performance in all segments in the medium-term. In the long-term, the situation in the Ground Handling segment must be closely monitored in connection with plans for the further liberalization of ground handling services (see also the chapter "Risk and Opportunities Report" beginning on page 67).

The Group interest expenses are expected to fall in connection with the planned decrease in long-term financial liabilities. In the medium-term, the Executive Board therefore anticipates an increase in the Group EBT, Group result and value added, in addition to the positive development of EBITDA and EBIT.

In connection with the forecasted business development, the Executive Board expects a positive development of the free cash flow at least until the start of the construction work on Terminal 3 from around 2015. The additional liquidity from the free cash flow will first be used to repay long-term financial liabilities. In connection with the Group result rising in the medium-term and the resulting additions to shareholders' equity, the Executive Board expects a reduction in the gearing ratio to a value between 80% and 100%.

The Executive Board aims on the one hand to achieve dividend continuity for the dividend payment, in the sense of a minimum dividend, and on the other hand a participation in Fraport AG's growing results for the years.

Furthermore, the focus remains on the development of non-financial performance indicators. The objective is still to achieve a high level of customer satisfaction and product quality as well as attractiveness as an employer.

The aforementioned medium-term outlook is subject to relatively large acquisition projects in external business.

Aggregation of key figures of the business outlook

	Value 2013 [1]	Outlook 2014	Medium-term outlook
Passengers	Frankfurt: 58.0 million	Increase between 2% and 3%	Positive development
	Antalya: 26.7 million, Lima: 14.9 million, Burgas: 2.5 million, Varna: 1.3 million	Growth in Antalya, Lima, Burgas and Varna	Growth in Antalya, Lima, Burgas and Varna compared with 2014
Group earnings	Revenue: €2.38 billion	Increase up to a level of approximately €2.45 billion	Growth compared with 2014
	EBITDA: €733.3 million	Between approximately €780 million and some €800 million	Growth compared with 2014
	EBIT: €439.0 million	Growth up to around €500 million	Growth compared with 2014
	Result: €235.7 million	Slightly above the previous year	Growth compared with 2014
	Value added: –€41.5 million	Slight increase, but still negative	Growth compared with 2014
Fraport segments	Aviation: Revenue: €845.6 million, EBITDA: €205.4 million, EBIT: €88.1 million	Increase in revenue of up to 5%, EBITDA and EBIT increase of up to approximately €20 million	Growth in revenue, EBITDA and EBIT in comparison with 2014
	Retail & Real Estate: Revenue: €467.9 million, EBITDA: €350.6 million, EBIT: €267.8 million	Revenue, EBITDA and EBIT each with slight increase compared with 2013	Growth in revenue, EBITDA and EBIT in comparison with 2014
	Ground handling: Revenue: €649.0 million, EBITDA: €32.6 million, EBIT: –€6.0 million	Slight increase in revenue, EBITDA and EBIT each approximately on previous year's level	Growth in revenue, EBITDA and EBIT in comparison with 2014
	External Activities & Services: Revenue: €415.7 million, EBITDA: €144.7 million, EBIT: €89.1 million	Organic growth in revenue and increase in EBITDA and EBIT in the single digit million € range	Organic growth in revenue, EBITDA and EBIT in comparison with 2014
Asset and financial position	Cash flow used in airport operating projects, other intangible assets, property, plant and equipment and investment property: €437.0 million	Decline in capital expenditure volume	Moderate development until the start of construction work on Terminal 3 from around 2015
	Free cash flow: €17.1 million	Slight improvement	Improvement until the start of construction work on Terminal 3 from around 2015
	Gearing ratio: 97.1%	Slight decline	Decline at least until the start of construction work on Terminal 3
Non-financial performance indicators	Global satisfaction of 80%	At least 80%	At least 80%
	Punctuality rate of 82.3%	Aim to remain at a high level	Remain at a high level
	Baggage connectivity of 98.4%	Over 98.5%	Over 98.5%
	Equipment availability of 94.8%	Significantly above 90%	Significantly above 90%
	Employee satisfaction of 3.02	Better than 3.0	Better than 3.0
	1,346 work accidents	Further reduction aimed for	Further reduction aimed for

[1] In connection with the first-time application of IFRS 11 from January 1, 2014 onwards, the values of the asset, financial and earnings position in 2013 were adjusted to the new accounting regulation on a pro forma basis.

Table 39

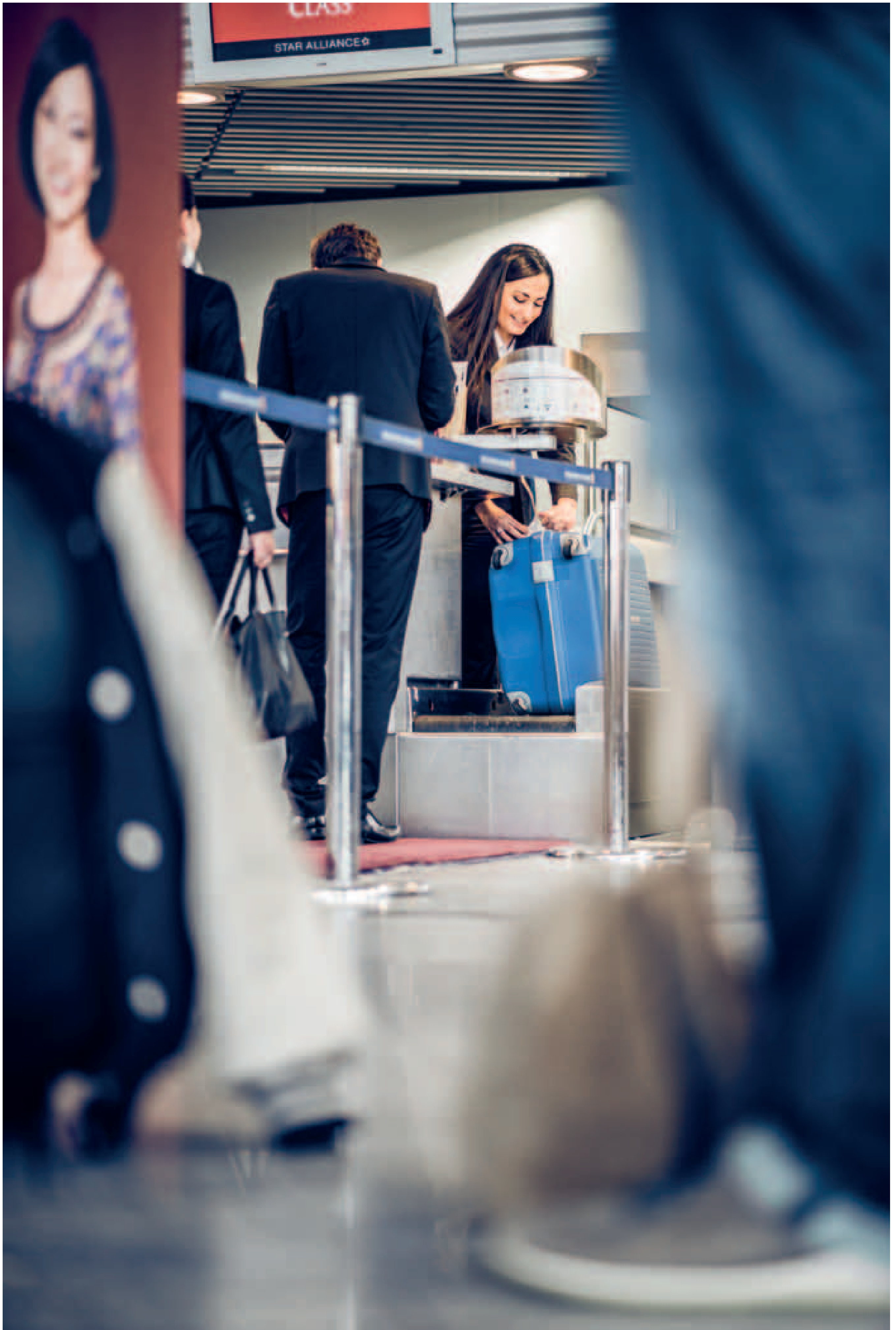
Frankfurt am Main, March 4, 2014

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, among others, 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.


STAR ALLIANCE

Ground Handling

About 27,500,000 baggage items…

Almost every passenger travels with a suitcase. If Fraport takes only departing and transferring passengers into consideration, this amounted to about 27,500,000 baggage items at Frankfurt in 2013. Once passengers have checked in their baggage at one of the some 420 check-in desks or baggage drop-off machines, or transfer baggage has been sent to the baggage conveyor system, the suitcases are screened completely automatically and transported to the departure loading point via the 81-kilometer baggage conveyor system. Baggage already checked in the evening before or belonging to passengers who do not have an immediate connecting flight is stored temporarily in the early bag storage area.

...loaded minute by minute

Once the suitcases and bags to be loaded have reached the departure loading point near the respective aircraft positions, they are removed from the baggage containers by Fraport employees. Thereby the employees sort first and priority class baggage, as well as transfer baggage and baggage of passengers, who have reached their destination after the flight, into separate loading units. Fraport loads about 75 baggage items a minute, calculated on the basis of an average day and the operating times of the airport. On busy days during the summer months, the figure increases to about 100.

Consolidated Financial Statements for the Fiscal Year 2013

Consolidated Income Statement

€ million	Notes	2013	2012 adjusted
Revenue	(5)	**2,561.4**	**2,442.0**
Change in work-in-process	(6)	0.6	0.5
Other internal work capitalized	(7)	35.1	44.0
Other operating income	(8)	34.3	55.8
Total revenue		**2,631.4**	**2,542.3**
Cost of materials	(9)	–613.0	–558.1
Personnel expenses	(10)	–946.8	–942.9
Depreciation and amortization	(11)	–352.1	–352.7
Other operating expenses	(12)	–191.4	–192.6
Operating result		**528.1**	**496.0**
Interest income	(13)	38.8	52.6
Interest expenses	(13)	–215.8	–226.7
Result from associated companies	(14)	–13.6	11.7
Other financial result	(15)	3.2	30.5
Financial result		**–187.4**	**–131.9**
Result from ordinary operations		**340.7**	**364.1**
Taxes on income	(16)	–105.0	–112.6
Group result		**235.7**	**251.5**
thereof profit attributable to non-controlling interests		14.7	13.3
thereof profit attributable to shareholders of Fraport AG		221.0	238.2
Earnings per €10 share in €	(17)		
basic		2.40	2.59
diluted		2.39	2.58
EBIT (= Operating result)		**528.1**	**496.0**
EBITDA (= EBIT + Depreciation and amortization)		**880.2**	**848.7**

Table 40

Consolidated Statement of Comprehensive Income

€ million	2013	2012 adjusted
Group result	**235.7**	**251.5**
Remeasurements of defined benefit pension plans	1.9	–7.1
(Deferred taxes related to those items	–1.2	0.8)
Items that will not be reclassified subsequently to profit or loss	**0.7**	**–6.3**
Fair value changes of derivatives		
Changes directly recognized in equity	17.0	–62.0
thereof realized gains (+)/losses (–)	–38.1	–29.7
	55.1	**–32.3**
(Deferred taxes related to those items	–16.2	9.6)
Fair value changes of financial instruments held for sale		
Changes directly recognized in equity	–6.8	14.8
thereof realized gains (+)/losses (–)	0.0	26.6
	–6.8	**–11.8**
(Deferred taxes related to those items	1.0	2.4)
Currency translation of foreign Group companies	**–4.1**	**–3.1**
Income and expenses from associated companies accounted for using the equity method directly recognized in equity	**1.7**	**–8.2**
(Deferred taxes related to those items	–0.6	1.5)
Items that will be reclassified subsequently to profit or loss	**30.1**	**–41.9**
Other result after deferred taxes	**30.8**	**–48.2**
Comprehensive income	**266.5**	**203.3**
thereof attributable to non-controlling interests	14.1	13.0
thereof attributable to shareholders of Fraport AG	252.4	190.3

Table 41

Consolidated Statement of Financial Position as at December 31, 2013

Assets

€ million	Notes	December 31, 2013	December 31, 2012 adjusted	January 1, 2012 adjusted
Non-current assets				
Goodwill	(18)	38.6	38.6	38.6
Investments in airport operating projects	(19)	1,006.1	1,031.2	1,067.1
Other intangible assets	(20)	57.8	44.2	43.6
Property, plant and equipment	(21)	5,988.1	5,927.3	5,643.8
Investment property	(22)	47.7	34.4	74.6
Investments in associated companies	(23)	121.2	136.6	138.0
Other financial assets	(24)	727.6	742.7	648.6
Other receivables and financial assets	(25)	169.8	117.1	33.5
Income tax receivables	(26)	20.3	19.5	29.6
Deferred tax assets	(27)	43.7	49.2	48.2
		8,220.9	**8,140.8**	**7,765.6**
Current assets				
Inventories	(28)	75.3	77.7	81.4
Trade accounts receivable	(29)	181.6	180.0	163.9
Other receivables and financial assets	(25)	438.4	385.2	280.2
Income tax receivables	(26)	2.1	35.0	6.2
Cash and cash equivalents	(30)	605.1	821.9	927.1
		1,302.5	**1,499.8**	**1,458.8**
Total		**9,523.4**	**9,640.6**	**9,224.4**

Liabilities and Equity

€ million	Notes	December 31, 2013	December 31, 2012 adjusted	January 1, 2012 adjusted
Shareholders' equity				
Issued capital	(31)	922.1	921.3	918.8
Capital reserve	(31)	590.2	588.0	584.7
Revenue reserves	(31)	1,540.8	1,403.2	1,327.0
Equity attributable to shareholders of Fraport AG	(31)	3,053.1	2,912.5	2,830.5
Non-controlling interests	(32)	45.7	35.7	29.4
		3,098.8	**2,948.2**	**2,859.9**
Non-current liabilities				
Financial liabilities	(33)	4,146.8	4,401.0	4,034.0
Trade accounts payable	(34)	50.8	64.4	64.9
Other liabilities	(35)	889.4	1,006.4	1,001.0
Deferred tax liabilities	(36)	120.4	102.5	110.8
Provisions for pensions and similar obligations	(37)	26.7	27.4	22.9
Provisions for income taxes	(38)	54.1	80.2	68.1
Other provisions	(39)	235.1	211.2	201.8
		5,523.3	**5,893.1**	**5,503.5**
Current liabilities				
Financial liabilities	(33)	314.9	196.6	219.9
Trade accounts payable	(34)	162.4	214.4	228.9
Other liabilities	(35)	178.4	163.2	187.4
Provisions for income taxes	(38)	8.1	5.3	2.4
Other provisions	(39)	237.5	219.8	222.4
		901.3	**799.3**	**861.0**
Total		**9,523.4**	**9,640.6**	**9,224.4**

Table 42

Consolidated Statement of Cash Flows

€ million	Notes	2013	2012 adjusted
Profit attributable to shareholders of Fraport AG		**221.0**	**238.2**
Profit attributable to non-controlling interests		14.7	13.3
Adjustments for			
Taxes on income	(16)	105.0	112.6
Depreciation and amortization	(11)	352.1	352.7
Interest result	(13)	177.0	174.1
Gains/losses from disposal of non-current assets		5.1	–33.2
Others		5.8	1.7
Fair value changes in associated companies	(14)	13.6	–11.7
Changes in inventories	(28)	2.4	3.7
Changes in receivables and financial assets	(25)	25.0	–20.6
Changes in liabilities	(34–35)	–87.3	–42.7
Changes in provisions	(37–39)	–27.3	21.7
Operating activities		**807.1**	**809.8**
Financial activities			
Interest paid		–167.3	–167.3
Interest received		21.0	31.8
Taxes on income paid		–86.0	–121.3
Cash flow from operating activities	(42)	**574.8**	**553.0**
Investments in airport operating projects	(19)	–107.4	–89.4
Capital expenditure for other intangible assets	(20)	–8.7	–5.4
Capital expenditure for property, plant, and equipment	(21)	–362.3	–598.6
Investment property	(22)	–23.3	–22.0
Dividends from associated companies	(23)	3.0	6.4
Loans to affiliated companies [1]	(23)	0.0	–31.2
Proceeds from disposal of non-current assets		5.9	4.0
Cash flow used in investing activities without investments in cash deposits and securities		**–492.8**	**–736.2**
Financial investments in securities and promissory note loans	(24)	–484.6	–563.0
Proceeds from disposal of securities and promissory note loans		445.8	424.0
Decrease of time deposits with a duration of more than three months	(30)	251.6	96.0
Cash flow used in investing activities	(42)	**–280.0**	**–779.2**
Dividends paid to shareholders of Fraport AG	(31)	–115.2	–114.8
Dividends paid to non-controlling interests		–4.1	–6.7
Capital increase	(31)	2.5	2.3
Cash inflow from long-term financial liabilities	(33)	55.1	652.7
Repayment of long-term financial liabilities		–189.4	–163.7
Changes in short-term financial liabilities		–4.0	–151.6
Cash flow used in/from financing activities	(42)	**–255.1**	**218.2**
Change in restricted cash	(30)	5.5	3.5
Change in cash and cash equivalents		**45.2**	**–4.5**
Cash and cash equivalents as at January 1		127.1	132.8
Foreign currency translation effects on cash and cash equivalents		–4.9	–1.2
Cash and cash equivalents as at December 31	(42)(30)	**167.4**	**127.1**

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

Table 43

Consolidated Statement of Changes in Equity

€ million	Notes	Issued capital	Capital reserve
Balance as at January 1, 2013 adjusted		**921.3**	**588.0**
Foreign currency translation effects		–	–
Income and expenses from associated companies directly recognized in equity		–	–
Remeasurements of defined benefit plans		–	–
Fair value changes of financial assets held for sale		–	–
Fair value changes of derivatives		–	–
Other result		**0.0**	**0.0**
Issue of shares for employee investment plan		0.6	1.9
Management Stock Options Plan			
Capital increase for exercise of subscription rights		0.2	0.3
Distributions		–	–
Group result		–	–
Consolidation activities/other changes		–	–
Balance as at December 31, 2013	(31), (32)	**922.1**	**590.2**
Balance as at December 31, 2011		**918.8**	**584.7**
Effects of retrospectively adopting IAS 19R		–	–
Balance as at January 1, 2012 adjusted		**918.8**	**584.7**
Foreign currency translation effects		–	–
Income and expenses from associated companies directly recognized in equity		–	–
Remeasurements of defined benefit plans		–	–
Fair value changes of financial assets held for sale		–	–
Fair value changes of derivatives		–	–
Other result		**0.0**	**0.0**
Issue of shares for employee investment plan		0.5	1.8
Management Stock Options Plan			
Capital increase for exercise of subscription rights		2.0	1.3
Value of performed services (fair value)		–	0.2
Distributions		–	–
Group result		–	–
Consolidation activities/other changes		–	–
Balance as at December 31, 2012	(31), (32)	**921.3**	**588.0**

Revenue reserves	Foreign currency reserve	Financial instruments	Revenue reserves (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Equity (total)
1,511.8	**8.4**	**–117.0**	**1,403.2**	**2,912.5**	**35.7**	**2,948.2**
–	–3.6	–	–3.6	–3.6	–0.5	**–4.1**
–0.4	–1.1	2.6	1.1	1.1	–	**1.1**
0.8	–	–	0.8	0.8	–0.1	**0.7**
–	–	–5.8	–5.8	–5.8	–	**–5.8**
–	–	38.9	38.9	38.9	–	**38.9**
0.4	**–4.7**	**35.7**	**31.4**	**31.4**	**–0.6**	**30.8**
–	–	–	–	2.5	–	**2.5**
–	–	–	–	0.5	–	**0.5**
–115.2	–	–	–115.2	–115.2	–4.1	**–119.3**
221.0	–	–	221.0	221.0	14.7	**235.7**
0.4	–	–	0.4	0.4	–	**0.4**
1,618.4	**3.7**	**–81.3**	**1,540.8**	**3,053.1**	**45.7**	**3,098.8**
1,384.9	**11.5**	**–78.5**	**1,317.9**	**2,821.4**	**29.4**	**2,850.8**
9.1	–	–	9.1	9.1	–	**9.1**
1,394.0	**11.5**	**–78.5**	**1,327.0**	**2,830.5**	**29.4**	**2,859.9**
–	–2.8	–	–2.8	–2.8	–0.3	**–3.1**
–	–0.3	–6.4	–6.7	–6.7	–	**–6.7**
–6.3	–	–	–6.3	–6.3	–	**–6.3**
–	–	–9.4	–9.4	–9.4	–	**–9.4**
–	–	–22.7	–22.7	–22.7	–	**–22.7**
–6.3	**–3.1**	**–38.5**	**–47.9**	**–47.9**	**–0.3**	**–48.2**
–	–	–	–	2.3	–	**2.3**
–	–	–	–	3.3	–	**3.3**
–	–	–	–	0.2	–	**0.2**
–114.8	–	–	–114.8	–114.8	–6.7	**–121.5**
238.2	–	–	238.2	238.2	13.3	**251.5**
0.7	–	–	0.7	0.7	–	**0.7**
1,511.8	**8.4**	**–117.0**	**1,403.2**	**2,912.5**	**35.7**	**2,948.2**

Table 44

Consolidated Statement of Changes in non-current Assets

(Notes 18 to 24)

€ million	Goodwill	Investments in aiport 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
Aquisition/production costs						
Balance as at January 1, 2013	**135.2**	**1,354.5**	**140.3**	**5,699.5**	**2,939.6**	**436.6**
Foreign currency translation effects		–15.0	–0.3			–0.6
Additions		57.1	8.7	113.9	103.4	27.3
Disposals			–20.3	–62.0	–131.8	–50.7
Reclassifications			16.0	106.0	98.3	3.8
Balance as at December 31, 2013	**135.2**	**1,396.6**	**144.4**	**5,857.4**	**3,009.5**	**416.4**
Accumulated depreciation and amortization						
Balance as at January 1, 2013	**96.6**	**323.3**	**96.1**	**2,132.8**	**1,416.1**	**274.1**
Foreign currency translation effects		–5.6	–0.3			–0.5
Impairment losses in accordance with IAS 36						
Additions		72.8	10.9	148.5	86.7	32.4
Disposals			–20.1	–52.9	–109.1	–46.6
Reclassifications						
Write-ups						
Balance as at December 31, 2013	**96.6**	**390.5**	**86.6**	**2,228.4**	**1,393.7**	**259.4**
Carrying amounts						
Balance as at December 31, 2013	**38.6**	**1,006.1**	**57.8**	**3,629.0**	**1,615.8**	**157.0**
Aquisition/production costs						
Balance as 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 as at December 31, 2012	**135.2**	**1,354.5**	**140.3**	**5,699.5**	**2,939.6**	**436.6**
Accumulated depreciation and amortization						
Balance as 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 as at December 31, 2012	**96.6**	**323.3**	**96.1**	**2,132.8**	**1,416.1**	**274.1**
Carrying amounts						
Balance as at December 31, 2012	**38.6**	**1,031.2**	**44.2**	**3,566.7**	**1,523.5**	**162.5**

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

Construc-tion 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)
675.7	9,751.4	40.5	207.3	52.4	486.1	0.9	189.9	71.8	801.1
	–0.6		–1.1						0.0
150.5	395.1	14.4	3.4		168.2			15.0	183.2
–15.0	–259.5		–17.7	–0.1			–5.2	–2.1	–7.4
–223.8	–15.7	–0.3			–149.0	–0.9		–40.2	–190.1
587.4	9,870.7	54.6	191.9	52.3	505.3	0.0	184.7	44.5	786.8
1.1	3,824.1	6.1	70.7	–10.6	–10.9	0.0	61.5	18.4	58.4
	–0.5								0.0
	0.0	0.5							0.0
	267.6	0.3							0.0
	–208.6								0.0
	0.0				0.8				0.8
	0.0			3.4	–1.9			–1.5	0.0
1.1	3,882.6	6.9	70.7	–7.2	–12.0	0.0	61.5	16.9	59.2
586.3	5,988.1	47.7	121.2	59.5	517.3	0.0	123.2	27.6	727.6
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

Table 45

Segment Reporting
(Note 41)

€ million		Aviation	Retail & Real Estate	Ground Handling	External Activities & Services	Adjust-ments	Group
Revenue	2013	845.2	469.0	656.2	591.0	–	**2,561.4**
	2012	823.4	452.9	649.3	516.4	–	**2,442.0**
Other income	2013	28.0	13.0	13.0	16.0	–	**70.0**
	2012 adjusted	40.4	14.4	18.0	27.5	–	**100.3**
Third-party revenue	**2013**	**873.2**	**482.0**	**669.2**	**607.0**	**–**	**2,631.4**
	2012 adjusted	**863.8**	**467.3**	**667.3**	**543.9**	**–**	**2,542.3**
Inter-segment revenue	2013	76.2	235.6	34.6	347.3	–693.7	**–**
	2012	73.1	217.3	31.4	338.6	–660.4	**–**
Total revenue	**2013**	**949.4**	**717.6**	**703.8**	**954.3**	**–693.7**	**2,631.4**
	2012 adjusted	**936.9**	**684.6**	**698.7**	**882.5**	**–660.4**	**2,542.3**
Segment result EBIT	**2013**	**88.1**	**267.9**	**–2.3**	**174.4**	**0.0**	**528.1**
	2012 adjusted	**79.6**	**252.8**	**–1.1**	**164.7**	**0.0**	**496.0**
Depreciation and amortization of segment assets	2013	117.3	82.8	40.5	111.5	–	**352.1**
	2012	122.3	82.4	38.9	109.1	–	**352.7**
EBITDA	**2013**	**205.4**	**350.7**	**38.2**	**285.9**	**–**	**880.2**
	2012 adjusted	**201.9**	**335.2**	**37.8**	**273.8**	**–**	**848.7**
Share of result from associated companies accounted for using the equity method	2013	0.0	0.0	0.9	–14.5	–	**–13.6**
	2012	0.0	0.0	1.2	10.5	–	**11.7**
Book value of segments assets	2013	4,083.5	2,678.5	744.0	1,951.3	66.1	**9,523.4**
	2012	4,142.0	2,670.9	777.6	1,946.4	103.7	**9,640.6**
Segment liabilities	2013	2,598.4	1,770.7	550.0	1,322.9	182.6	**6,424.6**
	2012 adjusted	2,678.9	1,857.2	566.9	1,401.4	188.0	**6,692.4**
Acquisition cost of additions to property, plant and equipment, investments in airport operating projects, goodwill, intangible assets and investment property	2013	207.3	127.2	45.4	95.4	–	**475.3**
	2012	290.6	199.4	86.5	83.1	–	**659.6**
Other significant non-cash effective expenses	2013	131.4	31.3	11.2	6.0	–	**179.9**
	2012	64.2	32.7	8.3	3.7	–	**108.9**
Share of associated companies accounted for using the equity method	2013	0.0	0.0	2.6	118.6	–	**121.2**
	2012	0.0	0.0	2.6	134.0	–	**136.6**

Table 46

Geographical information

€ million		Germany	Rest of Europe	Asia	Rest of World	Adjust-ments	Group
	2013	2,037.9	110.2	188.7	224.6	–	**2,561.4**
Revenue	2012	2,000.9	69.8	164.8	206.5	–	**2,442.0**
	2013	68.2	0.6	1.0	0.2	–	**70.0**
Other income	2012 adjusted	89.5	0.3	6.6	3.9	–	**100.3**
	2013	**2,106.1**	**110.8**	**189.7**	**224.8**	–	**2,631.4**
Third-party revenue	**2012 adjusted**	**2,090.4**	**70.1**	**171.4**	**210.4**	–	**2,542.3**
	2013	7,813.7	410.8	893.9	338.9	66.1	**9,523.4**
Book value of segment assets	2012	7,889.6	377.9	926.4	343.0	103.7	**9,640.6**
Acquisition cost of additions to property, plant and equipment, investments in airport operating projects, goodwill, intangible assets and investment property	2013	411.8	44.4	6.0	13.1	–	**475.3**
	2012	614.6	27.9	6.3	10.8	–	**659.6**

Table 47

Group Notes for the Fiscal Year 2013

Notes to the Consolidation and Accounting Policies

1 Basis for the preparation of the consolidated financial statements

Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main (hereinafter: Fraport AG), has prepared its consolidated financial statements as at December 31, 2013 in accordance with the standards issued by the International Accounting Standards Board (IASB).

Fraport AG 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 accounting, measurement and disclosure in the 2013 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 2013 fiscal year were approved for publication by the Executive Board on March 4, 2014.

2 Companies included in consolidation and balance sheet date

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. Associated companies are in the consolidated financial statements accounted for using the equity method.

Companies whose financial and business policies can be determined by Fraport AG are considered as 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 Group companies in which Fraport AG 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 2013:

Companies included in consolidation

	Germany	Other countries	Total
Fraport AG	**1**	**0**	**1**
Fully consolidated subsidiaries			
Dec. 31, 2012	24	13	**37**
Additions	0	2	**2**
Disposals	0	0	**0**
Dec. 31, 2013	**24**	**15**	**39**
Joint ventures using proportionate consolidation			
Dec. 31, 2012	7	6	**13**
Additions	0	0	**0**
Disposals	0	–1	**–1**
Dec. 31, 2013	**7**	**5**	**12**
Companies consolidated excluding associates on Dec. 31, 2012	32	19	**51**
Companies consolidated excluding associates on Dec. 31, 2013	**32**	**20**	**52**
Investments in associated companies accounted for using the equity method			
Dec. 31, 2012	3	3	**6**
Additions	0	0	**0**
Disposals	0	0	**0**
Dec. 31, 2013	**3**	**3**	**6**
Companies consolidated including associates on Dec. 31, 2012	**35**	**22**	**57**
Companies consolidated including associates on Dec. 31, 2013	**35**	**23**	**58**

Table 48

The additions to subsidiaries relate to the acquisition of an additional 90% of the shares in Afriport S.A. and its subsidiary, Daport S.A., which in future will operate Dakar Airport in Senegal. The acquisition and inclusion in the Group of the capital shares of the companies took place in two steps: as at January 8, 2013, 50% had been acquired and as at July 16, 2013, the remaining 40% had been acquired. The total purchase price of €90 thousand equated to the fair value of the shares. The inclusion of the companies that are still inactive into the Fraport Group has no material impact on the consolidated financial statements.

The disposal in the consolidation of the joint ventures relates to the merger, which took place in December 2013, of IC Ictas Uluslararasi Insaat Sanayi ve Ticaret Anonim Sirketi, Ankara/Turkey, into Fraport IC Ictas Havalimani Isletme Anonim Sirketi, Antalya/Turkey. The Group-internal process has no impact on the consolidated financial statements.

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 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	2013	2012
Non-current assets	551.7	599.8
Current assets	187.1	152.9
Shareholders' equity	34.6	–7.2
Non-current liabilities	612.8	667.1
Current liabilities	91.4	92.8
Income	237.4	191.0
Expenses	172.0	161.6

Table 49

3 Consolidation principles

Capital consolidation 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 costs for corporate acquisitions correspond 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 an equity that was previously held and revalued on the acquisition date is higher than the balance of the acquired and revalued identifiable assets and the revalued acquired 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 capital consolidation for subsidiaries and joint ventures. Subsequent changes in the shareholders' equity of the associated companies and the follow-up 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 asset and earnings position 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 material exchange rates were used for the currency translation:

Exchange rates

Unit/Currency in €	Exchange rate Dec. 31, 2013	Average exchange rate 2013	Exchange rate Dec. 31, 2012	Average exchange rate 2012
1 US Dollar (US-$)	0.7264	0.7530	0.7579	0.7783
1 Turkish New Lira (TRY)	0.3395	0.3947	0.4246	0.4322
1 Renminbi Yuan (CNY)	0.1198	0.1225	0.1216	0.1234
1 Hong Kong Dollar (HKD)	0.0937	0.0971	0.0978	0.1003
1 New Sol (PEN)	0.2597	0.2785	0.2971	0.2948
100 Russian Roubels (RUB)	2.2093	2.3620	2.4796	2.5046

Table 50

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 measurement policies

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

The consolidated financial statements are drafted on the basis of historic acquisition and production costs, with the exception of the fair value of financial assets available for sale and the recognition through profit and loss of the fair value of original and derivative financial instruments.

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 opportunities and risks 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 (1) 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 regulation, such as ground handling services and ground handling infrastructure.

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

In the context of the airport operating projects in other countries (see also 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 order costs are expensed as incurred according to IAS 11.32, since the result of production orders cannot be estimated reliably. Proceeds from production are recorded in the amount of the incurred order costs expected to be recovered.

Judgment and uncertainty of estimates

The presentation of the asset, 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 risks of financial reporting as well as the impacts these estimates, assumptions and uncertainties may have on the consolidated financial statements.

These assumptions and estimates relate, among other things, to accounting policies and the measurement of provisions. Material valuation parameters for the measurement of provisions for pensions and similar obligations are the discount factor as well as trend factors (see also note 37).

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 (in the amount of €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 amounts of these assets.

Deferred tax assets are recognized if it is probable that future tax benefits can be realized. The actual tax earnings situation 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 merger (see also note 3), it is measured at acquisition costs less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in the course of a business merger 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 amount 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.

Investments 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 the airports in Varna and Burgas (Bulgaria), Lima (Peru) and Antalya (Turkey) acquired within the scope of service concession agreements (see also 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 charge 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 productions for 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 and amortization. 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 loss 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 amortization and any impairment losses according to 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. Borrowing costs of property, plant and equipment that constitute qualifying assets are recognized (see "borrowing costs").

Each part of an item of property, plant and equipment with an 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 amortization and impairment losses according to IAS 36, where applicable. Borrowing costs of investment properties that constitute qualifying assets are recognized (see "borrowing costs").

Borrowing costs

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. Due to the scope of Fraport's capital expenditure, 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 one year, all assets produced as part of the measure are recognized as qualifying assets. Fraport includes interest, financing charges in respect to finance leases and currency differences in borrowing costs to the extent that they are regarded as an adjustment to interest costs.

Regular depreciation and amortization

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

Regular depreciation and amortization

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

Table 51

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 losses 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 inflows 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 seperate cash inflows and outflows.

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 as to whether economic ownership is assigned to the lessor (operate lease) or the lessee (finance lease) is made based on which party bears the opportunities and risks associated with the respective leased asset.

Finance lease

If economic ownership can be attributed to the Fraport Group as lessee, the lease is capitalized 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 capitalized 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 rata share of equity, including goodwill.

Other financial assets

Other financial assets include securities, loans with a remaining maturity of more than one year 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 plus transaction costs. Non-current low interest or interest-free loans are recognized at their present value. The securities virtually exclusively constitute debt instruments.

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

Loans are assigned to the “loans and receivables” category. These financial instruments are measured at amortized costs 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 changes in value are included directly in equity without affecting profit or loss.

Inventories

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

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

Where the inventories constitute qualifying assets (see "borrowing costs"), the 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 short-term securities. These assets are initially recognized at aqcuistion 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 financial 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. The financial debt instruments are measured at fair value, according to the effective interest method. Changes of value are included directly in equity without affecting profit or loss.

Impairment losses 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 directly reducing the carrying amount of the receivable or the financial asset.

The impairment loss 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 three months or less. Cash and cash equivalents with a maturity of more than three 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 according to 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 and tax financial positions of the single entities and differences arising from unused loss carry-forwards and consolidation transactions. 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. According to the IFRS deferred tax assets are recognized for financial position differences and for unused tax loss carry-forwards, 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 financial position generally lead to deferred tax income or expense. When transactions resulting in a change to deferred taxes are recorded directly in equity without affecting profit or loss, the change to deferred taxes is also included directly in equity without affecting profit or loss.

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 3.60% (previous year: 3.17%). For the calculation of the interest expense from the defined benefit plans and the income from plan assets, the same interest rate is used as a basis. In comparison to the previous year, changes occurred to the standard due to IAS 19 (revised 2011). Net interest expense/income was introduced, which prescribes the use of the same interest rate for the interest expense and for income from plan assets. At Fraport, the same interest rate was already used for calculating the interest expense and income from plan assets in previous years.

Remeasurements, which result from the change of the discount factor or from the difference between actual and computed income from plan assets, for example, are recognized in other comprehensive income (OCI) as non-reclassifiable.

The present value of the defined benefit obligation (DBO) is calculated annually by an independent actuary using the projected unit credit method. The calculation takes place by discounting the future estimated cash outflows with the interest rate from industry bonds of the highest creditworthiness. The industry bonds are denominated in the currency of the distribution amounts and show the relevant maturities of the pension liabilities. If benefit claims from the defined benefit plans are covered by plan assets in the form of reinsurance, the fair value of the plan assets is netted with the DBO. Benefit claims that are not covered by plan assets are recognized as a pension obligation.

As in the previous year, the calculations did not include salary increases for the active members of the Executive Board. For former members of the Executive Board pensions are valued in accordance of the "Gesetz über die Anpassung von Dienst- und Versorgungsbezügen in Bund und Ländern 2003/2004" (BBVAnpG). The calculation of provisions for pensions was based on the 2005G mortality tables of Professor Heubeck.

The service cost and net interest are recognized in personnel expense.

With regard to the description of the various plans, reference is made to note 37 and note 52.

Provisions for taxes

Provisions for current taxes 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 cash outflow and more likely than not be needed to settle the obligation (IAS 37).

Refund claims towards third parties are capitalized separately from the provisions as "other receivables", provided that their realization is virtually certain.

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

The provision for partial retirement is recognized according to IAS 19R. The recognition of the liability from step-ups starts at the time when Fraport can legally and factually no longer withdraw from the liability. The step-up amounts are added to the obligation in installments until the end of the active phase. The utilization begins with the passive phase.

Liabilities

Liabilities are recognized in the amount of the consideration received and the received consideration, respectively. 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 value of the present value of the minimum lease payments and the fair value of the leased asset.

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

Derivative financial instruments, hedging transactions

The Fraport Group basically uses derivative financial instruments to hedge existing and future interest and exchange rate risks. Derivative financial instruments with positive or negative market values are measured at fair value in accordance with IAS 39. Changes of value 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 values of cash flow hedges are also included in shareholders' equity without affecting profit or loss. The effectiveness of the cash flow hedges is assessed on a regular basis. Ineffective cash flow hedges are recorded in the income statement through profit or loss.

If the criteria for a cash flow hedge are not met, the derivative financial instruments are allocated to the “held for trading” category. In this case, the changes in the fair value and the related deferred taxes are recognized through profit or loss in the income statement.

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 expense over the period during which employees have an unrestricted claim to the instruments.

Virtual stock options

Virtual stock options are being issued since January 1, 2010 as part of compensation for the Executive Board and Senior Managers. This virtual stock options program (“Long-term Incentive Program”) 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 four years. The measurement of virtual shares is at fair value according to 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 expense on a pro rata basis.

New standards, interpretations and changes

Of the new standards, interpretations and changes, Fraport generally applies those for which application was mandatory; i.e. those applicable to fiscal years beginning on or before January 1, 2013.

On June 16, 2011, the IASB published changes to IAS 1 “Presentation of Financial Statements”. Therefore, the way other result is presented in the statement of comprehensive income is to be changed. Going forward, the other result items that will be subsequently reclassified to profit and loss (recycling) should be kept separate from the other result items that will not be reclassified. If the items are shown gross i.e., without netting with an effect on deferred taxes, the deferred taxes 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”. The amendments were adopted under EU law on June 6, 2012 and are applicable for the first time for fiscal years starting on or after January 1, 2013. The previous option of recognizing actuarial gains and losses between immediate recognition in the profit and loss statement, in other income or delayed recognition according to the corridor approach, was abolished. With the revision of IAS 19, the actuarial gains and losses must be reported directly under other comprehensive income (OCI) as remeasurements.

According to the amended standard, return on plan assets is recognized on the basis of standardized interest on the plan assets at the level of the current discount rate of the pension obligations and recognized together as net interest expense/net interest income. The calculation of the interest expense and interest income from the plan assets with the same interest rate was already applied at Fraport AG.

Furthermore, on the basis of the amendments to IAS 19, the step-up payments of the partial retirement provisions may no longer be recognized as "Termination Benefits", but as "Long-Term Employee Benefits". The recognition of the liability from step-ups starts at the time when Fraport can legally and factually no longer withdraw from the liability. The step-up amounts are added to the liability in installments until the end of the active phase.

With regard to the comprehensive additional disclosure duties of the new IAS 19, see note 37.

The adjustments to the opening financial position and the previous year's financial statement resulting from the retro-active initial application of IAS 19 are shown in the table below. The initial application of the revised version of IAS 19 takes place in compliance with the transition regulations.

Effects of the retrospective application of IAS 19R

€ million	Dec. 31, 2012 reported	Dec. 31, 2012 adjusted	Adjustment	Jan. 1, 2012 reported	Jan. 1, 2012 adjusted	Adjustment
Adjustments in consolidated financial position						
Other provisions						
non-current	215.1	211.2	–3.9	214.8	201.8	–13.0
Deferred tax liabilities	101.3	102.5	1.2	106.9	110.8	3.9
Revenue reserves	1,400.5	1,403.2	2.7	1,317.9	1,327.0	9.1
Equity attributable to shareholders of Fraport AG	2,909.8	2,912.5	2.7	2,821.4	2,830.5	9.1
Adjustments in consolidated income statement						
Other operating income	62.7	55.8	–6.9			
Personnel expenses	–947.8	–942.9	4.9			
Taxes on income	–114.5	–112.6	1.9			
Group result	251.6	251.5	–0.1			
thereof profit attributable to shareholders of Fraport AG	238.3	238.2	–0.1			
Earnings per €10 share in €						
basic	2.59	2.59	0.0			
diluted	2.58	2.58	0.0			
Adjustments in consolidated statement of comprehensive income						
Remeasurements of defined benefit plans	0.0	–7.1	–7.1			
thereof deferred taxes	0.0	0.8	0.8			
Items that will not be reclassified subsequently to profit or loss	0.0	–6.3	–6.3			
Comprehensive income	209.7	203.3	–6.4			
thereof attributable to shareholders of Fraport AG	196.7	190.3	–6.4			

Table 52

For fiscal year 2013, the differences between IAS 19R and the old version of IAS 19, which is no longer used, are of subordinated significance. The remeasurements of performance-based pension plans that are presented in the statement of comprehensive income would have continued to be recognized in the profit and loss statement according to the old version.

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 explained 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 notes have also been expanded in IFRS 7. The amendments to IAS 32 are to be first applied to fiscal years starting on or after January 1, 2014. The amendment to IAS 32 will not have a material impact on the reporting of the asset, financial and earnings position of the Fraport Group. The amendments to IFRS 7 are to be first applied to fiscal years starting on or after January 1, 2013. The adoption of both amendments under EU law took place on December 29, 2012. The application of the amendments to IFRS 7 did not have an impact on the reporting of the asset, financial and earnings position of the Fraport Group.

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 hierarchy of IFRS 7, a three-tiered hierarchy system will be introduced, that will be ranked according to observable 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. The application of IFRS 13 did not have a material impact on the reporting of the asset, financial and earnings position of the Fraport Group.

On May 17, 2012, the IASB published the “Improvements to IFRS 2009–2011” (Annual Improvements), which amended five 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 spare parts and 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 within the interim financial reporting. The amendments came into force for the reporting year that begins on or after January 1, 2013. The Improvements to IFRS 2009–2011 did not have a material impact on the reporting of the asset, financial and earnings position of the Fraport Group.

On December 20, 2010, the IASB published amendments to IAS 12 “Income Taxes”. This is an amendment in regard to calculating deferred taxes on investment property recognized at fair value (IAS 40.33). The amendments are to be first applied in fiscal years starting on or after January 1, 2013. In the Fraport Group, investment property is recognized according to the acquisition cost model (IAS 40.56). The amendments to IAS 12 do not impact the asset, financial and earning position of the Fraport Group.

On May 29, 2013, the IASB published “Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)”. With the amendments, on the one hand, with IFRS 13, fair value measurement, recently introduced disclosure requirements in IAS 36 will be corrected, while on the other hand, minor adjustments will take place to the disclosures required when an impairment loss or write-up exists and the recoverable amount has been determined on the basis of the fair value less disposal costs. The amendments to IAS 36 are to be first applied on a mandatory basis in fiscal years starting on or after January 1, 2014, however earlier application is permitted. The application must take place retrospectively, however, only for reporting periods in which IFRS 13 already applies. The amendment was first adopted into EU law on December 20, 2013. The amendments will not have a material impact on the reporting of the net asset, financial and earnings position of the Fraport Group. The change was voluntarily applied in the Fraport Group as at January 1, 2013. The amendments have not had an impact on the reporting of the asset, financial and earnings position 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 May 12, 2011, the IASB published five new and revised standards that amend the regulations on the consolidation and accounting of associated companies and joint venture investments and the associated disclosures. These are as follows: 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).

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 would be permitted for these new consolidation standards after EU endorsement. The mandatory initial application for EU IFRS adopters therefore deviates from the IASB effective date of January 1, 2013.

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 participates from positive or negative variable returns from the subsidiary and can influence these returns with its decision-making powers. From this standard, effects on the extent of the scope of consolidation including, among other things, special purpose entities can arise. In the Fraport Group, no changes to the scope of consolidation will result from the future application of IFRS 10. While adopting IFRS 11 "Joint Arrangements", adjustments were also made to IAS 28. Like before, IAS 28 continues to regulate the application of the equity method. However, the adoption of IFRS 11 will significantly 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. There are specific transition rules for the transition from proportionate consolidation to the equity method. 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 the asset, financial and earnings position. The effects of the future application of IFRS 11 are covered in the report "influence of joint ventures on the consolidated financial statements" (see note 2) as well as in the business outlook in the management report's Outlook Report.

IFRS 12 "Disclosure of Interests in Other Entities" summarizes the disclosure regulations for subsidiaries, joint ventures and associated companies as well as unconsolidated structured entities. The required disclosures 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 asset, financial and earnings position.

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 consolidated are released from the obligation to disclose comparative information for periods prior to the first application of IFRS 12. The amendments are to be applied in fiscal years starting on or after January 1, 2014. The amendments were first adopted into EU law on April 5, 2013.

On October 31, 2012, the IASB published the standard "Investment Entities" as a further amendment to IFRS 10, IFRS 12 and IAS 27. The amendments 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 entities. Investment companies are exempted 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. The new regulations are to be first applied in fiscal years starting on or after January 1, 2014. Earlier application is permitted. The amendments were first adopted into EU law on November 21, 2013. The amendments will not have an impact on the reporting of the asset, financial and earnings position of the Fraport Group.

On June 27, 2013, the IASB published amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting". The new regulations envisage that a change of the contracting party of a hedging instrument to a central counterparty or a member of a central counterparty does not lead to a termination of the hedge accounting under certain circumstances. Therefore, the hedging relationship can now also be maintained in the event of novation as a result of the introduction of laws. The application of the new regulations is mandatory for fiscal years beginning on or after January 1, 2014, retrospectively. Earlier application is permitted. The amendment was first adopted into EU law on December 20, 2013. The amendments will not have an impact on the reporting of the 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 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 categorized and measured in two 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 that will, in addition, 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 first category 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. 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, to be 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 designated 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. The simplification leads to additional disclosures having to be made in the notes to the annual financial statements in accordance with IFRS 7 at the time of transition. 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 November 19, 2013, the IASB published changes to IFRS 9 “Financial Instruments”. The amendments in IFRS 9 contain new regulations regarding hedge accounting in the form of a new general model for accounting for hedging relationships. Furthermore, IASB has revoked the point in time previously contained in IFRS 9 for its initial application starting on or after January 1, 2015. A new time for initial application will only be defined once the full standard is available. An endorsement by the EU is also only anticipated at that time.

The effects of the new IFRS 9 regulation on the consolidated financial statements of Fraport AG are currently still being assessed.

On May 20, 2013, the IASB published an interpretation on accounting for public levies, IFRIC 21. The interpretation regulates accounting for payment liabilities for public levies, which are not levies in the sense of IAS 12 “Income Taxes”. According to IFRIC 21, a liability is recognized in the annual financial statements as soon as the event occurs, which gives rise to the payment liability. Subject to its adoption into EU law, IFRIC 21 is to be first applied to fiscal years starting on or after January 1, 2014. The amendments will not have an impact on the reporting of the asset, financial and earnings position of the Fraport Group.

On November 21, 2013, the IASB published changes to IFRS 19 “Defined Benefit Plans: Employee Contributions”. This clarifies how contributions that are paid by the employees (or third parties) themselves for the service components are recorded in the accounting by the company issuing the commitment. In the past, with the application of IAS 19 (old version), the nominal amount of employee contributions was frequently deducted in the period from the service cost that was rendered in the respective period of service. This accounting practice can be maintained if the amount of the contributions is independent from the number of years of service. For example, these include amounts that are defined as a fixed percentage rate of annual salary. The amendments are to be applied to fiscal years starting on or after July 1, 2014. Earlier application is permitted. The amendments will not have a material impact on the reporting of the asset, financial and earnings position of the Fraport Group.

On December 12, 2013, the IASB published the “Improvements to IFRS 2010–2012” and “Improvements to IFRS 2011–2013” (Annual Improvements), which will amend a total of eleven IFRSs. The amendments to the “Improvement of the IFRS 2010–2012” relate to the following in detail: IFRS 1 regarding the definition of “vesting conditions”, IFRS 3 regarding the accounting of conditional purchase price payments for company acquisitions, IFRS 8 regarding notes disclosures in relation to the merger of business segments and regarding the reconciliation of segment assets to Group assets, IFRS 13 regarding the omission of discounting current receivables and liabilities, IAS 16 regarding the proportional adjustment of cumulative depreciation when using the remeasurement method, IAS 24 regarding the definition of “related companies” and its influence on the interpretation of the term “members of management in key positions” and IAS 38 regarding the proportional adjustment of cumulative depreciation when using the remeasurement method. The amendments to the “Improvement of the IFRS 2011–2013” relate to the following in detail: IFRS 1 regarding the definition in IFRS 1.7 of “all IFRS that are valid at the end of the reporting period”, IFRS 3 in respect of the exception from the application scope for joint ventures, IFRS 13 in relation to the application scope of what is known as the portfolio exception, and IFRS 40 regarding answering the question of whether the acquisition of investment property constitutes a merger combination, with the regulations of IFRS 3 being relevant. The amendments come into force for the reporting years that begin on or after January 1, 2014. The impact of the new regulations on the consolidated financial statements of Fraport AG are currently being assessed.

Notes to the Consolidated Income Statement

5 Revenue

Revenue

€ million	2013	2012
Aviation		
Aiport charges	697.2	673.6
Security services	97.9	98.3
Other revenue	50.1	51.5
Total	**845.2**	**823.4**
Retail & Real Estate		
Real Estate	180.2	175.2
Retail	198.5	179.8
Parking	75.1	73.5
Other revenue	15.2	24.4
Total	**469.0**	**452.9**
Ground Handling		
Ground handling services	393.7	393.3
Infrastructure charges	262.5	256.0
Total	**656.2**	**649.3**
External Activities & Services	**591.0**	**516.4**
Total	**2,561.4**	**2,442.0**

Table 53

Information on revenue can be found in the management report under chapter "Results of Operations" as well as the segment reporting (see also note 41).

The segment Retail & Real Estate includes revenue from operate leases. The revenue-related surface rentals recognized in the fiscal year amount to €167.6 million (previous year: €175.5 million).

The operate 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. As in the previous year, the residual term of hereditary building rights contracts was 46 years on average. No purchase options exist for these, either.

The acquisition and production costs of the leased buildings and land amount to €418.7 million (previous year: €423.2 million). Accumulated depreciation and amortization total €285.1 million (previous year: €275.7 million) and the depreciation and amortization for the 2013 fiscal year amount to €9.4 million (previous year: €6.8 million).

Revenue in the External Activities & Services segment includes contract revenue from construction and expansion services related to airport operating projects abroad in the amount of €65.7 million (previous year: €28.7 million).

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

Minimum lease payments

€ million	Residual term			Total
	< 1 year	1–5 years	> 5 years	2013
Minimum lease payments	85.6	186.3	856.4	1,128.3

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

Table 54

6 Change in work-in-process

Change in work-in-process

€ million	2013	2012
Change in work-in-process	0.6	0.5

Table 55

7 Other internal work capitalized

Other internal work capitalized

€ million	2013	2012
Other internal work capitalized	35.1	44.0

Table 56

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 performance work. 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	2013	2012 adjusted
Release of provisions	8.5	23.4
Gains from disposal of non-current assets	3.6	1.1
Income from compensation payments	2.6	1.7
Release of allowances	2.3	0.8
Release of special items for investment grants	1.3	2.2
Passive noise abatement	0.0	8.1
Other items	16.0	18.5
Total	**34.3**	**55.8**

Table 57

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.

9 Cost of materials

Cost of materials

€ million	2013	2012
Cost of raw materials, consumables, supplies and properties held as inventories	–100.4	–103.4
Cost of purchased services	–512.6	–454.7
Total	**–613.0**	**–558.1**

Table 58

Among other things, the cost of raw materials, consumables and supplies and properties held as inventories includes production costs for finished property. The already realized proceeds are included under the real estate revenue.

In connection with the airport operating projects abroad (see also note 49), the expenses of purchased services includes revenue-related concession fees incurred of €96.1 million (previous year: €87.7 million), as well as order costs for construction and expansion services in the amount of €65.7 million (previous year: €28.7 million).

10 Personnel expenses and average number of employees

Personnel expenses and average number of employees

€ million	2013	2012 adjusted
Wages and salaries	–766.7	–764.2
Social security and welfare expenses	–137.3	–137.1
Pension expenses	–42.8	–41.6
Total	**–946.8**	**–942.9**

Average number of employees	2013	2012
Permanent staff	19,766	19,793
Temporary staff (interns, students and scholars)	1,181	1,170
Total	**20,947**	**20,963**

Table 59

The average number of staff employed during the 2013 fiscal year (excluding apprentices and employees on leave) was 20,481 in the fully consolidated companies (previous year: 20,535) and 466 in the companies accounted for using proportionate consolidation (previous year: 428).

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

11 Depreciation and amortization

Depreciation and amortization

€ million	2013	2012
Composition of depreciation and amortization		
Investments in airport operating projects	–72.8	–71.0
Other intangible assets	–10.9	–8.6
Property, plant and equipment	–267.6	–272.6
Investment property		
regular	–0.3	–0.2
non-regular	–0.5	–0.3
Total	**–352.1**	**–352.7**

Table 60

Regular depreciation and amortization

The useful lives of some assets were remeasured in the year under review, resulting in net reduced depreciation and amortization of €0.4 million (previous year: increased depreciation and amortization of €15.5 million).

Impairment losses according to IAS 36

Impairment tests according to IAS 36 conducted during the year under review resulted in an impairment loss of €0.5 million (previous year: €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 current planning figures for the years between 2014 to 2019 as approved by the Executive Board and in effect 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 2025 or over the respective contractual periods in the case of investments in airport operating projects. These forecasts are based on past experiences and the expected market performance. 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 6.43% and 11.33% (previous year: between 6.2% and 10.18%).

12 Other operating expenses

Other operating expenses

€ million	2013	2012
Insurances	–25.5	–26.1
Consulting, legal and auditing expenses	–23.7	–18.9
Rental and lease expenses	–21.4	–24.7
Costs for advertising and representation	–17.0	–18.5
Write-downs of trade accounts receivable	–12.3	–2.0
Losses from disposal of non-current assets	–7.0	–5.5
Other taxes	–9.7	–5.8
Expenses from obligations to environmental and local areas	–3.8	–21.0
Other items	–71.0	–70.1
Total	**–191.4**	**–192.6**

Table 61

Rental and lease expenses include minimum lease payments in the amount of €14.9 million (previous year: €14.6 million). There were no conditional lease payments in the 2013 fiscal year (previous year: €3.0 million).

The obligations to environmental and local areas during the previous year included, in particular, provisions for the financial involvement of Fraport AG in the regional fund launched as part of the Alliance for Noise Abatement 2012, as well as provisions for promoting environmental projects.

The remaining 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 auditing expenses include for the respective Group auditor’s (disclosed in accordance with Section 314 (1) no. 9 of the HGB) fees amounting to €2.3 million (previous year: €1.9 million). They are comprised as follows:

Group auditor fees

€ million	2013		2012	
	Fraport AG	Consolidated companies	Fraport AG	Consolidated companies
Audit services	1.1	0.4	1.1	0.4
Other certification services	0.4	0.0	0.2	0.0
Tax audit services	0.0	0.0	0.1	0.0
Other services	0.4	0.0	0.1	0.0
Total	**1.9**	**0.4**	**1.5**	**0.4**

Table 62

13 Interest income and interest expenses

Interest income and interest expenses

€ million	2013	2012
Other interest and similar income	38.8	52.6
Other interest and similar expenses	–215.8	–226.7

Table 63

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

Interest from financial instruments measured at fair value directly recognized in equity

€ million	2013	2012
Interest income from financial instruments	35.9	49.7
Interest expenses from financial instruments	–207.6	–218.5

Table 64

14 Result from associated companies

The result from associated companies breaks down as follows:

Result from associated companies

€ million	2013	2012
Thalita Trading Ltd./Northern Capital Gateway LLC	–16.4	8.1
Xi'an Xianyang International Airport Co., Ltd.	2.5	2.8
Airmail Center Frankfurt GmbH	0.6	0.7
ASG Airport Service Gesellschaft mbH	0.3	0.5
Flughafen Hannover-Langenhagen GmbH	–0.6	–0.4
Total	**–13.6**	**11.7**

Table 65

15 Other financial result

The other financial result breaks down as follows:

Other financial result

€ million	2013	2012
Income		
Foreign currency rate gains, unrealized	2.6	1.1
Foreign currency rate gains, realized	0.8	15.1
Valuation of derivatives	11.7	0.4
Gains from disposal of financial assets	0.0	23.2
Others	0.5	4.9
Total	**15.6**	**44.7**
Expenses		
Foreign currency rate losses, unrealized	–8.4	–2.8
Foreign currency rate losses, realized	–2.4	–1.1
Valuation of derivatives	0.0	–10.0
Others	–1.6	–0.3
Total	**–12.4**	**–14.2**
Total other financial result	**3.2**	**30.5**

Table 66

16 Taxes on income

Income tax expense breaks down as follows:

Taxes on income

€ million	2013	2012 adjusted
Current taxes on income	–98.9	–109.6
Deferred taxes on income	–6.1	–3.0
Total	**–105.0**	**–112.6**

Table 67

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 expense for Fraport AG for the 2013 fiscal year amounts to €70.6 million (previous year: €80.4 million). This includes the item "taxes relating to previous years" in the amount of €0.1 million (previous year: gain of €6.8 million).

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 foreign companies. The actual taxes result from the taxable results 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 tax and IFRS financial statements and for the carry-forwards of unused tax losses.

The Fraport Group had unused tax losses carried forward in the amount of some €7.9 million as at December 31, 2013, based on current information, cannot be used (previous year: €4.8 million). Loss carry-forwards that are not expected to be utilizable are mainly due to Fraport Immobilienservice und -entwicklungs GmbH & Co. KG and Fraport Cargo Services GmbH and can be carried forward indefinitely. Essentially for the evaluation of the recoverability of deferred tax assets is the probability of the future use of the losses carried forward. This depends on whether future taxable profits 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 €145.2 million (previous year: €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 measures. Pursuant to IAS 12, no deferred tax is recognized with respect to goodwill capitalized or any impairment loss of goodwill.

Deferred tax assets and liabilities are netted insofar as these tax claims and liabilities 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 accounted according to IFRS are assigned to the following financial position items:

Allocation of deferred taxes

€ million	2013		2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities (adjusted)
Property, plant and equipment including investments in airport operating projects	2.0	–280.5	2.4	–282.0
Financial assets	0.2	–0.8	0.0	0.0
Receivables and other assets	34.0	–29.3	22.8	–18.9
Accruals	31.1	–2.1	31.3	–0.7
Provisions for pensions and similar obligations	4.6	0.0	3.9	0.0
Other provisions	58.3	–53.9	49.1	–41.7
Liabilities	156.9	–15.1	165.6	–14.1
Derivatives	36.7	–2.9	51.5	–4.2
Losses carried forward	1.1	0.0	1.3	0.0
Total individual financial statements	**324.9**	**–384.6**	**327.9**	**–361.6**
Offsetting	–281.4	281.4	–278.7	278.7
Consolidation measures	0.2	–17.2	0.0	–19.6
Consolidated statement of financial position	**43.7**	**–120.4**	**49.2**	**–102.5**

Table 68

In the fiscal year, deferred taxes decreasing equity in the amount of €15.2 million (previous year: deferred taxes increasing equity in the amount of €12.0 million) from the change in the fair values of derivatives and securities were recognized directly in equity without affecting profit or loss. Further equity-decreasing deferred taxes amounting to €1.2 million (previous year: equity-increasing deferred taxes amounting to €0.8 million) resulted from the remeasurement of defined benefit plans.

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

Tax reconciliation

€ million	2013	2012 adjusted
Earnings before taxes on income	340.7	364.1
Expected tax income/expense [1)]	–105.6	–112.9
Tax effects from differences in foreign tax rates	12.7	11.0
Taxes on non-deductible operating expenses	–1.5	–2.4
Taxes relating to previous years	0.0	–6.8
Permanent differences including non-deductible tax provisions	–6.0	–12.2
Tax effects on tax-free and taxable income from other periods	–1.7	15.2
First-time application of deferred taxes on losses carried forward	0.0	–0.1
Trade tax and other effects from local taxes	–5.3	–5.2
Others	2.4	0.8
Taxes on income according to the income statement	**–105.0**	**–112.6**

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

Table 69

The consolidated tax rate for the 2013 fiscal year is 30.8% (previous year: 30.9%).

17 Earnings per share

Earnings per share

	2013		2012 adjusted		2012 reported	
	Basic	**Diluted**	**Basic**	**Diluted**	**Basic**	**Diluted**
Group result attributable to shareholders of Fraport AG (€ million)	221.0	221.0	238.2	238.2	238.3	238.3
Weighted average number of shares	92,173,637	92,532,887	92,012,909	92,443,382	92,012,909	92,443,382
Earnings per €10 share in €	2.40	2.39	2.59	2.58	2.59	2.58

Table 70

The basic earnings per share for the 2013 fiscal year were calculated using the weighted average number of floating shares corresponding to a €10 share of the capital stock each. Due to the capital increase, the number of floating shares during the period rose from 92,134,391 to 92,212,289 as at December 31, 2013. With a weighted average number of 92,173,637 shares, the basic earnings per €10 share amounted to €2.40.

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 92,532,887 (weighted average) and the diluted earnings per €10 share are therefore €2.39.

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 from consolidation developed as follows:

Goodwill

€ million	**Carrying amount Dec. 31, 2013**	**Carrying amount Dec. 31, 2012**
Antalya Group	15.9	15.9
FraSec	22.4	22.4
Media	0.3	0.3
Total	**38.6**	**38.6**

Table 71

19 Investments in airport operating projects

Investments in airport operating projects

€ million	Dec. 31, 2013	Dec. 31, 2012
Investments in airport operating projects	1,006.1	1,031.2

Table 72

Investments in airport operating projects comprise concession payments capitalized due to the application of IFRIC 12 (see also note 4 and note 49) of €807.0 million (previous year: €785.0 million) and incurred capital expenditure of €199.1 million (previous year: €246.2 million). They relate to the terminal operation at Antalya Airport at €548.0 million (previous year: €597.8 million) and the concession airports in Lima at €262.8 million (previous year: €274.7 million) and in Varna and Burgas at €195.3 million (previous year: €158.7 million).

20 Other intangible assets

Other intangible assets

€ million	Dec. 31, 2013	Dec. 31, 2012
Other intangible assets	57.8	44.2

Table 73

Other intangible assets essentially relate to software.

21 Property, plant and equipment

Property, plant and equipment

€ million	Dec. 31, 2013	Dec. 31, 2012
Land, land rights and buildings, including buildings on leased lands	3,629.0	3,566.7
Technical equipment and machinery	1,615.8	1,523.5
Other equipment, operating and office equipment	157.0	162.5
Construction in progress	586.3	674.6
Total	**5,988.1**	**5,927.3**

Table 74

Additions to property, plant and equipment in the 2013 fiscal year amounted to €395.1 million, of which €179.5 million was from projects related to the capacitive expansion of Frankfurt Airport and €56.9 million related to Pier A-Plus, which opened in October 2012, and its associated infrastructure.

Borrowing costs totaling €17.5 million were capitalized (previous year: €27.4 million). Of this amount, €15.6 million was used for capital expenditure whose financing could not be clearly classified for the purpose of creating a specific qualifying asset (previous year: €18.2 million). The cost of debt for general project financing was approximately 4.3% on average (previous year: approximately 4.7%). Borrowing costs were mainly incurred for projects relating to the capacitive expansion of Frankfurt Airport.

Borrowing costs of €1.9 million were recognized for the specific financing of the New Passenger Terminals and the runways in Varna and Burgas (previous year: €1.0 million). The average cost of debt for this project was around 4.2% (previous year: 3.8%).

As at the balance sheet date, property, plant and equipment with a carrying amount totaling €18.7 million carry mortgages (previous year: €22.9 million).

Assets from finance lease contracts amounting to €57.0 million were recognized in property, plant and equipment, as well as other intangible assets, in the year under review (previous year: €69.5 million):

Finance lease contracts (2013)

€ million	Carrying amount Jan. 1, 2013	Additions	Disposals	Depreciation and amortization	Carrying amount Dec. 31, 2013
Other intangible assets	0.1	0.0	0.0	0.1	0.0
Land, land rights and buildings, including buildings on leased lands	24.9	0.3	0.0	2.6	22.6
Technical equipment and machinery	44.2	0.0	6.4	7.1	30.7
Other equipment, operating and office equipment	0.3	3.6	0.0	0.2	3.7
Total	**69.5**	**3.9**	**6.4**	**10.0**	**57.0**

Table 75

Finance lease contracts (2012)

€ million	Carrying amount Jan. 1, 2012	Additions	Disposals	Depreciation and amortization	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 lands	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**

Table 76

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

Land, land rights and buildings, including buildings on leased lands, 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 expires in 2020.

This item also includes a cargo handling and office building leased by Fraport Cargo Services GmbH to the end of the year 2023. The contract includes two options to extend the term of the lease for five 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 with the operational services GmbH & Co. KG for the provision of an IT structure on the Frankfurt Airport site and 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 contracts run until 2018. After an inventory taken at the lessor in the 2013 fiscal year, the quantity of infrastructure supplied during the year under review declined, so the leases were adjusted accordingly.

Most of the remaining lease contracts relate to special vehicles. They expire between 2014 and 2015. In the fiscal year, outstanding liabilities of some special vehicles were repaid early, which led to a disposal of €2.8 million, as it was contractually agreed that the transfer of the property would take place on full settlement.

The additions of €3.6 million in other equipment, operating and office equipment result from a sale and lease back transaction with nine special vehicles with SüdLeasing GmbH, Stuttgart, in the fiscal year. Upon the sale of the special vehicles acquired in 2012 to SüdLeasing GmbH, they are leased back until April 30, 2023. As the minimum lease term covers the most of the remaining useful life, the agreement has been classified as a finance lease.

22 Investment property

Investment property includes land and buildings situated in direct vicinity to the airport, which are classified as follows:

Investment property

€ million	Carrying amount Dec. 31, 2013	Carrying amount Dec. 31, 2012	Fair value Dec. 31, 2013	Fair value Dec. 31, 2012
Undeveloped land – Level 2	3.0	3.0	3.0	3.0
Undeveloped land – Level 3	8.1	8.1	9.3	9.0
Developed land – Level 3	36.6	23.3	43.0	29.7
Total	**47.7**	**34.4**	**55.3**	**41.7**

Table 77

Undeveloped land – level 2 is agricultural land in the Kelsterbach district which is partly located in a bird sanctuary. The fair value of the land is calculated internally using the comparative value procedure pursuant to the Real Estate Valuation Regulation of May 19, 2010 (ImmoWertV) applicable in Germany based on the standard ground values published by a committee of experts.

The fair value of the undeveloped land – level 3 is also calculated internally using the comparative value procedure. The square meter prices of real estate transactions currently being carried out in the same land-use area are, however, not observable on the market. The land is in the immediate vicinity of Frankfurt Airport.

The developed land – level 3 comprises real estate leased for residential purposes from the voluntary purchase program for real estate in Flörsheim in the flight zone of Runway Northwest and commercially leased real estate with low flight altitude in Kelsterbach. In addition, this class includes commercially used real estate with third-party hereditary building rights.

The fair values are calculated by independent assessors partly using the capitalization of earnings method pursuant to ImmoWertV and partly using the discounted cash flow method. As key input parameters in the capitalization of earnings method can be mentioned the multiplier, depending on the useful life and property yields, and the underlying annual rent. The fair value of two buildings was below their carrying amount in the fiscal year, meaning that impairment losses totaling €0.5 million were recognized (previous year: €0.3 million).

With regard to the valuation of the purchase program for real estate, the discounted cash flow method is used based on a perpetual annuity. The key input parameters here are the discount rate, the sustainable market rent, the assumed remaining useful life, predicted maintenance costs and the anticipated development in rents.

The additions for the year under review were primarily from the voluntary purchase program for real estate in Flörsheim at €14.4 million.

Foreseeable restrictions on the disposal of major parts of the investment property arise from the fact that these areas are located in the immediate vicinity of Runway Northwest.

Lease revenue from investment property during the 2013 fiscal year amounted to €2.1 million (previous year: €1.2 million). The total costs incurred for the maintenance of investment property totaled €0.9 million (previous year: €0.6 million), of which €0.2 million (previous year: €0.2 million) was incurred for property for which no lease revenue was earned during the fiscal year.

Obligations for the acquisition of investment property amounted to €1.4 million at the balance sheet date (previous year: €1.5 million).

23 Investments in associated companies

Investments in associated companies

€ million	Dec. 31, 2013	Dec. 31, 2012
Xi'an Xianyang International Airport Co., Ltd.	104.2	104.8
Flughafen Hannover-Langenhagen GmbH	14.4	15.2
Airmail Center Frankfurt GmbH (ACF)	1.8	1.7
ASG Airport Service Gesellschaft mbH	0.8	0.9
Thalita Trading Ltd./Northern Capital Gateway LLC	0.0	14.0
Tradeport Hong Kong Ltd.	0.0	0.0
Total	**121.2**	**136.6**

Table 78

The additions in the consolidated statement of changes in non-current assets include not only shareholdings acquired, but also positive results of Group companies; the disposals include dividend distributions (in 2013: Xi'an with €2.0 million, ASG with €0.5 million and ACF with €0.5 million) and negative results.

For Tradeport Hong Kong Ltd., Hong Kong, the cumulative amount of unrecorded pro-rata losses was –€1.8 million as at December 31, 2013 (previous year: –€2.4 million). The proportionate result in the reporting period total +€0.5 million (previous year: +€0.5 million). At Northern Capital Gateway LLC, further proportionate losses of €0.6 million were no longer recognized in the reporting year.

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.

Financial information regarding associated companies

€ million	Dec. 31, 2013	Dec. 31, 2012
Assets	2,389.8	2,163.3
Shareholders' equity	552.2	596.5
Liabilities	1,837.6	1,566.8
Total income	938.1	910.5
Result of the period	–35.0	37.8

Table 79

24 Other financial assets

Other financial assets

€ million	Dec. 31, 2013	Dec. 31, 2012
Available for sale financial assets		
Securities of non-current assets	517.3	497.0
Other investments	59.5	63.0
Fair value option		
Securities	0.0	0.9
Loans		
Loans to affiliated companies	123.2	128.4
Other loans	27.6	53.4
Total	**727.6**	**742.7**

Table 80

Financial investments of €168.2 million in securities which were classified as available for sale were made in the year under review. Other changes resulted from reclassifications to current other financial assets due to securities of €149.1 million maturing in 2014 and changes arising from measurement of –€1.9 million.

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 in particular of employees of Fraport AG. In fiscal year 2013, fund units were decreased by €7.1 million (previous year: increase of €5.7 million), bringing the total acquisition cost to €57.6 million (previous year: €64.0 million). These securities are measured at fair value and credited against the corresponding provisions in the amount of €54.2 million (previous year: €65.9 million) (see also note 39). At year end, there was an overfunding from fund units of €4.6 million (previous year: €2.5 million).

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

Changes in other loans mainly relate in the amount of €15.0 million to additions resulting from financial investments in promissory note loans. Maturing promissory note loans in the amount of €40.2 million were reclassified under current other financial assets.

As in the previous year, loans to affiliated companies of €120.3 million relate to a shareholder loan to Northern Capital Gateway LLC (NCG), St. Petersburg, Russia. The Federal Republic of Germany has assumed a guarantee for direct investments abroad for this shareholder loan. Should the loan be canceled 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		Total	Residual term		Total
	up to 1 year	over 1 year	Dec. 31, 2013	up to 1 year	over 1 year	Dec. 31, 2012
Receivables from joint ventures	0.3	4.7	**5.0**	3.6	–	**3.6**
Receivables from associated companies	0.7	29.6	**30.3**	0.8	18.1	**18.9**
Receivables from other investments	0.6	–	**0.6**	2.2	–	**2.2**
Financial assets available for sale	304.0	–	**304.0**	265.4	–	**265.4**
Refunds from “Passive noise abatement”	12.7	109.5	**122.2**	12.0	73.5	**85.5**
Other assets	107.0	1.7	**108.7**	90.7	–	**90.7**
Accruals	13.1	24.3	**37.4**	10.5	25.5	**36.0**
Total	**438.4**	**169.8**	**608.2**	**385.2**	**117.1**	**502.3**
thereof financial assets	376.4	36.0	412.4	328.7	18.1	346.8

Table 81

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

The financial assets in the available for sale category include securities with a remaining maturity of up to one year. The change resulted both from reclassification from other financial assets based on maturity and from additions amounting to around €448.0 million as well as disposals of the securities which matured in the reporting year amounting to around €390.0 million.

Other assets include promissory note loans with a remaining maturity of up to one year amounting to around €40.1 million (previous year: €28.1 million).

No effects arose from changes in credit ratings as the credit ratings of the issuers and issues did not change.

The item refunds from “Passive noise abatement” includes the expected full reimbursement amount from noise abatement charges from the airlines, which was recognized as other assets in compliance with IAS 37.53 in connection with the provisions created for the obligation of Fraport AG to reimburse costs for noise abatement construction measures. The value was determined based on the estimated expenses for reimbursing the costs of noise abatement construction measures. In fiscal year 2013, due to the adoption of the draft of the third regulation for the execution of the Act for Protection against Aircraft Noise (Außenwohnbereichsentschädigungs-Verordnung), there was a present value increase in the refund claim of €48.3 million. More information about the corresponding present value increase in other provisions can be found in note 39.

Where applicable, the appropriate allowance was recognized for other receivables and financial assets as at the reporting date. The allowance made in this fiscal year was €5.7 million (previous year: €0.1 million). There are no other material past due items.

26 Income tax receivables

Income tax receivables

€ million	Residual term		Total	Residual term		Total
	up to 1 year	over 1 year	Dec. 31, 2013	up to 1 year	over 1 year	Dec. 31, 2012
Income tax receivables	2.1	20.3	**22.4**	35.0	19.5	**54.5**

Table 82

The major item in income tax receivables relates to the corporation tax credit capitalized 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 amendments to the law 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 ten equal annual installments during a payout period from 2008 to 2017. The refund claim 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 30 of each year.

The corporation tax credit totaled €24.4 million as at December 31, 2013 (previous year: €30.5 million), which was discounted at a rate of 3.75% due to its long-term nature. The present value of this claim to a tax refund amounts to €20.3 million as at the balance sheet date (previous year: €24.9 million). Economically, this refund claim is an overpayment within the meaning of IAS 12.12.

27 Deferred tax assets

Deferred tax assets

€ million	Dec. 31, 2013	Dec. 31, 2012
Deferred tax assets	43.7	49.2

Table 83

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, 2013	Dec. 31, 2012
Land and buildings for sale	55.1	57.4
Raw materials, consumables and supplies	17.0	17.3
Work-in-process	2.6	2.0
Other	0.6	1.0
Total	**75.3**	**77.7**

Table 84

Land and buildings includes properties at the Gateway Gardens site in the immediate vicinity of Frankfurt Airport, which are intended for sale, amounting to €31.0 million (previous year: €30.3 million) and at the Mönchhof site amounting to €24.1 million (previous year: €27.1 million).

Based on the ongoing development of the property held for sale, €2.3 million was capitalized in the year under review (previous year: €3.6 million). Carrying amount reductions of €4.6 million (previous year: €7.6 million) were the result of property sale transactions. Borrowing costs totaling €0.6 million were recognized (previous year: €0.7 million). The cost of debt was between around 1.3% and 2.8% (previous year: between around 1.7% and 3.1%).

The net realizable value of the property held for sale was calculated using the discounted cash flow method over the remaining planned selling period, with a discount rate adequate for the risk and related to the term. This ranged from 4.5% (Gateway Gardens site) to 5.3% for the Mönchhof site after tax (previous year: 5% in each case). When calculating the discount rate, further discounts were applied in addition to the general sector risk premium, particularly for as yet unknown environmental and selling risks. When calculating the net realizable value, the selling prices of sales which have already taken place and expenses planned for further development and selling are taken into account. As was the case last year, the net realizable values were higher than the carrying amounts.

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

Sales of property with a carrying amount of around €7.3 million are planned for 2014 (previous year: around €8.1 million). The sale of other land and buildings for sale (€47.8 million) shall be realized in 2015 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 Fraport 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, 2013	Dec. 31, 2012
From third parties	181.6	180.0

Table 85

For 2013, the maximum default risk without taking guarantees into account equaled the carrying amount of €181.6 million as at 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, 2013	**181.6**	**91.4**	**36.7**	**19.2**	**34.3**
Dec. 31, 2012	180.0	95.4	44.9	9.7	30.0

Table 86

With regard to trade accounts receivable which are neither impaired nor in default, there is no indication as at the reporting date for 2013 that the debtors will not meet their payment obligations. There are no risk concentrations of open trade accounts receivable.

Cash security in the amount of €6.5 million (previous year: €8.8 million) and non-cash guarantee (mainly loan guarantees) in the nominal amount of €24.8 million (previous year: €22.7 million) were accepted as guarantee for unsettled trade accounts receivable. The guarantee received until 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 guarantee received will be used only in the event of the debtor’s default.

As at the balance sheet date, trade accounts receivable of €1.6 million were pledged as securities for financial liabilities (previous year: €6.8 million).

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

Allowances

€ million	2013	2012
Balance as at January 1	**35.1**	**31.9**
Expenses from allowances	12.3	9.3
Releases	–2.3	–0.7
Availments	–10.1	–5.4
Exchange rate differences	0.0	0.0
Balance as at December 31	**35.0**	**35.1**

Table 87

Net additions include expenses from allowances amounting to €12.3 million (previous year: €2.0 million) shown 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, 2013	Dec. 31, 2012
Cash in hand, bank balances and checks	605.1	821.9

Table 88

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

Cash and cash equivalents include time deposits of €332.4 million (previous year: €584.0 million) with a term of more than three 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, €105.3 million of bank balances are subject to a drawing restriction (previous year: €110.8 million).

31 Equity attributable to shareholders of Fraport AG

Equity attributable to shareholders of Fraport AG

€ million	Dec. 31, 2013	Dec. 31, 2012 adjusted
Issued capital	922.1	921.3
Capital reserve	590.2	588.0
Revenue reserves	1,540.8	1,403.2
Total	**3,053.1**	**2,912.5**

Table 89

Issued capital

Issued capital (less treasury shares) increased by €0.8 million in fiscal year 2013 and is fully paid up as at the balance sheet date. At €0.6 million, this increase relates to the partial use of the authorized capital – following the capital increase in exchange for cash contributions – to issue shares in connection with the employee investment plan.

Furthermore, contingent capital was used to acquire additional shares totaling €0.2 million during the fiscal year to serve stock options from the Fraport Management Stock Options Plan 2005 (MSOP 2005).

Number of floating shares and treasury shares

The issued capital consisted of 92,289,654 (previous year: 92,211,756) bearer shares with no par value, each of which accounts for €10.00 of the capital stock.

Development of the floating and treasury shares according to Section 160 of the AktG

			Treasury shares		
	Issued capital Number	Floating shares Number	Number	Amount of capital stock in €	Share in capital stock in %
Balance as at Jan. 1, 2013	**92,211,756**	**92,134,391**	**77,365**	**773,650**	**0.0839**
Management Stock Options Plan 2005					
Capital increases 2013	22,600	22,600			
Employee investment plan					
Capital increase (June 27, 2013)	55,298	55,298			
Balance as at Dec. 31, 2013	**92,289,654**	**92,212,289**	**77,365**	**773,650**	**0.0838**

			Treasury shares		
	Issued capital Number	Floating shares Number	Number	Amount of capital stock in €	Share in capital stock in %
Balance as at Jan. 1, 2012	**91,955,867**	**91,878,502**	**77,365**	**773,650**	**0.0841**
Management Stock Options Plan 2005					
Capital increases in 2012	201,650	201,650			
Employee investment plan					
Capital increase (June 28, 2012)	54,239	54,239			
Balance as at Dec. 31, 2012	**92,211,756**	**92,134,391**	**77,365**	**773,650**	**0.0839**

Table 90

The new shares created under the employee investment plan were issued to the employees at a price of €45.00 each on June 27, 2013.

Authorized capital

Pursuant to Sections 202 et seqq. of the AktG, the Executive Board was 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. It was possible to exclude the statutory subscription rights of the shareholders. In 2013, a total of €552,980 of authorized capital was used for issuing shares within the scope of the employee investment plan. At the AGM of May 31, 2013, the existing authorized capital was canceled and new authorized capital of €3.5 million was approved, which can be used for issuing shares to employees of Fraport AG and companies controlled by Fraport AG. The Executive Board is now entitled, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by up to a total of €3.5 million until May 30, 2018, by issuing new shares in return for cash. The statutory subscription rights of the shareholders may be excluded.

Therefore, €3.5 million of authorized capital remained as at December 31, 2013, which can be used for issuing shares to employees of Fraport AG and companies controlled by the Fraport AG. The subscription rights of the shareholders may be excluded.

Contingent capital

A contingent capital increase of €13.9 million was approved according to the Sections 192 et seqq. 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 approved Fraport MSOP 2005. The Executive Board and Supervisory Board were authorized to issue up to a total of 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 which were issued to members of the Executive Board as part of performance-related remuneration until 2010 are subject to a vesting period of twelve or 24 months.

Contingent capital total €3.4 million as at December 31, 2013. In 2013, €0.2 million (22,600 options) of the options granted in the fifth tranche of the MSOP 2005 were exercised.

The capital increase within the framework of the MSOP 2005 is only carried out to the extent that the holders of subscription rights exercise their subscription rights granted under the MSOP 2005 on the basis of the authorization referred to above and the company does not serve the stock options using treasury shares, the transfer of shares by a third party, or a cash payment.

A total of 2,016,150 subscription rights had been issued under the MSOP 2001 and 2005 until the balance sheet date.

Capital reserve

The capital reserve contains the premium from the issuing of Fraport AG shares. Of the €2.2 million increase in the capital reserve, €1.9 million results from the excess in the issue amount (€35.00 per share) of new shares issued under the employee investment plan (55,298 shares in total) and €0.3 million resulted from the excess in the issue amount (€13.59) of new shares issued from contingent capital to serve stock options (22,600 shares).

Revenue reserves

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

Currency translation differences total €3.7 million (previous year: €8.4 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 the Group result until the companies are disposed of in accordance with IAS 21.

The derivative valuation reserve was –€103.2 million as at the balance sheet date (previous year: –€144.7 million). The reserve for the fair value valuation of financial assets available for sale total €21.9 million (previous year: €27.7 million).

The Executive Board and the Supervisory Board of Fraport AG will propose the distribution of €115.4 million out of the profit earmarked for distribution of Fraport AG to the AGM. This equates to €1.25 per share.

In the 2013 fiscal year, the AGM of May 31, 2013 decided to pay a dividend of €1.25 per no-par value share entitled to dividend. The distributed amount thus came to €115.2 million (previous year: €114.8 million).

32 Non-controlling interests

Non-controlling interests

€ million	Dec. 31, 2013	Dec. 31, 2012
Non-controlling interests (excluding the attributable Group result)	31.0	22.4
Group result attributable to non-controlling interests	14.7	13.3
Total	**45.7**	**35.7**

Table 91

The non-controlling interests comprise 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		Total	Residual term		Total
	up to 1 year	over 1 year	Dec. 31, 2013	up to 1 year	over 1 year	Dec. 31, 2012
Financial liabilities	314.9	4,146.8	**4,461.7**	196.6	4,401.0	**4,597.6**

Table 92

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 asset and financial position in the Group management report for additional explanations regarding the financial liabilities.

34 Trade accounts payable

Trade accounts payable

€ million	Residual term		Total	Residual term		Total
	up to 1 year	over 1 year	Dec. 31, 2013	up to 1 year	over 1 year	Dec. 31, 2012
To third parties	162.4	50.8	**213.2**	214.4	64.4	**278.8**

Table 93

Trade accounts payable include liabilities in connection with compensation measures according to the nature protection law in the amount of €30.6 million (previous year: €32.5 million). The liabilities relate to the contractual obligations to carry out environmental compensation measures based on the finished work to clear the forrest south of the airport and near the Northwest Runway as was necessary for the airport expansion.

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, 2013	Residual term up to 1 year	Residual term over 1 year	Total Dec. 31, 2012
Prepayment for orders	2.1	–	**2.1**	2.1	–	**2.1**
To joint ventures	4.3	–	**4.3**	2.4	–	**2.4**
To associated companies	0.9	–	**0.9**	0.8	–	**0.8**
To investments	2.1	–	**2.1**	1.7	–	**1.7**
Investment grants for non-current assets	1.3	13.4	**14.7**	2.2	13.4	**15.6**
Other accruals	7.6	60.4	**68.0**	7.3	65.0	**72.3**
Liabilities in connection with concession obligations	72.4	570.0	**642.4**	76.5	598.3	**674.8**
Negative fair values of derivative financial instruments	–	176.5	**176.5**	–	244.2	**244.2**
Other liabilities	87.7	69.1	**156.8**	70.2	85.5	**155.7**
Total	**178.4**	**889.4**	**1,067.8**	**163.2**	**1,006.4**	**1,169.6**
thereof primary financial liabilities	109.2	578.2	687.4	104.5	614.1	718.6

Table 94

Investment grants to the non-current assets include, in particular, investments grants for additional services provided by Fraport AG, which are billed to the users. Investment grants include government grants of €8.7 million (previous year: €9.2 million) and other grantors of €6.0 million (previous year: €6.4 million). The government grants relate, in particular, to capital expenditure incurred for baggage controls at Frankfurt Airport. The special items are linearly released according to the useful life of the granted assets.

Other accruals are income received and relating to future periods.

The liabilities in connection with concession obligations relate to obligations to pay fixed and variable airport operation concession fees for the airport operating projects in Antalya, Lima, Varna and Burgas.

The remaining other liabilities consist essentially of lease liabilities, wage and church taxes, outstanding social security contributions, liabilities from accrued interest and liabilities to company employees.

The following lease payments are due from the lease contracts:

Maturity of lease payments

€ million	Residual term up to 1 year	Residual term 1–5 years	Residual term over 5 years	Total Dec. 31, 2013
Lease payments	12.4	45.3	18.9	**76.6**
Discount amounts	3.2	7.3	4.1	**14.6**
Present value	**9.1**	**38.0**	**14.9**	**62.0**

€ million	Residual term up to 1 year	Residual term 1–5 years	Residual term over 5 years	Total 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**

Table 95

Discount rates are between 3.0% and 8.6% (previous year: between 5.0% and 8.6%).

36 Deferred tax liabilities

Deferred tax liabilities

€ million	Dec. 31, 2013	Dec. 31, 2012 adjusted
Deferred tax liabilities	120.4	102.5

Table 96

Deferred tax liabilities were 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

Defined benefit plans

Within the Fraport Group, there are pension obligations for the members of the Executive Board of Fraport AG and their surviving dependents as well as obligations for Senior Managers and employees not covered by collective bargaining agreements.

The pension obligations essentially include 20 (previous year: 20) vested pension benefits promised in individual contractual pension commitments to the members of the Fraport AG Executive Board and their surviving dependents. A reinsurance policy was already obtained in 2005 to reduce actuarial risks and to protect pension obligations for the former and current (in some cases still active) members of the Executive Board against insolvency. This is a group insurance policy with an annual, constant minimum insurance amount for the entire group. The pension benefits from the reinsurance policy correspond to the total achievable retirement, disability and widow’s benefits in accordance with the pension commitments. The reinsurance benefits are recognized at the active value reported by the insurance company in the amount of €19.3 million (previous year: €18.3 million). The reinsurance is not traded on an active market (see also note 52). Reinsurance installments of €1.2 million have been paid for 2013 (previous year: €1.2 million) and €1.2 million is expected for the next year. The average weighted duration of the members of the Executive Board’s defined benefit plans is 15.7 years for pensions with reinsurance and 8.7 years for pensions without reinsurance.

Offsetting

€ million	2013	2012
Reconciliation to assets and liabilities recognized in the financial position		
Present value of obligations funded through a reinsurance policy	18.5	18.9
Fair value of plan assets	–19.3	–18.3
Overfunding (not included in the net liability)/underfunding	**–0.8**	**0.6**
Present value of obligations not funded through a reinsurance policy	26.7	26.8
(Net) liabilities recognized in the financial position	**26.7**	**27.4**

Table 97

For Senior Managers and employees not covered by collective bargaining agreements who joined the company as Senior Managers or employees not covered by collective bargaining agreements after December 31, 1997 or who will join in future, the pension benefits and provision for surviving dependents on the monthly compensation liable to top-up pension payments, for which contributions are payable, are restricted to the upper limit defined in Section 38 of the ATV-K in the amount of 1.133 times of the payment group 15 level 6 of the collective bargaining agreement for civil servants (TVöD). In addition to the said limited pension benefits and provision for surviving dependents, there exists a supplementary operational pension for these persons. Hereafter, Fraport AG makes an annual contribution in the amount of 13% of the eligible income as capital components into an individually managed pension account.

The period of contribution began on January 1, 1998 for employees who entered into an employment relationship not covered by a collective bargaining agreement before January 1, 2000. Furthermore, this applies for employees who changed from an employment relationship covered by collective bargaining agreements to one not covered by collective bargaining agreements after December 31, 1997 or who entered into a relationship not covered by collective bargaining agreements after December 31, 1997, effective as of the time of the change in status. There were 366 benefits (of which 196 vested) as at the end of the year. The present value of the non-vested benefits amounts to €0.7 million (previous year: €0.8 million); the present value of the vested benefits amounted to €5.6 million in the 2013 annual financial statements. Future obligations amount to €5.3 million for active employees and €1.0 million for former and retired employees. No significant provision amounts were paid this fiscal year due to the young age structure. The obligations for Senior Managers and employees not covered by collective bargaining agreements had an average weighted duration of 10.2 years.

Furthermore, Senior Managers have had the opportunity to participate in an employee-financed company pension scheme ("deferred compensation") since 1996. The employee portion is generated through converting a portion that can be chosen freely each year. This portion is converted into an insured sum and is accumulated by Fraport AG and accrues interest. At the end of the fiscal year, there were 15 vested pension commitments totaling €4.0 million (previous year: €4.0 million). Obligations amount to €3.5 million for active employees and €0.5 million for former and retired employees. The average weighted duration of the employee-financed company pension scheme was 6.6 years in fiscal year 2013.

The valuation of pension obligations is based on the provisions according to IAS 19. The pension obligations as at December 31, 2013, were calculated on the basis of actuarial opinions of December 17 and 23, 2013. Changes in obligations were as follows:

Pension obligations (2013)

€ million	Present value of the obligation	Plan assets	Total
As at January 1, 2013	**45.8**	**–18.3**	**27.4**
Service cost			
Current service cost	2.2	0.0	**2.2**
Past service cost	0.0	0.0	**0.0**
Gains and losses on settlement	0.0	0.0	**0.0**
Total service cost	**2.2**	**0.0**	**2.2**
Net interest income/expense			
Interest income and interest expenses	**1.4**	**–0.6**	**0.8**
Remeasurements			
Return on plan assets, excluding interest	0.0	0.2	**0.2**
Actuarial gains and losses from changes in demographic assumptions	0.0	0.0	**0.0**
Actuarial gains and losses from the adjustment of the obligation based on experience	0.1	0.0	**0.1**
Actuarial gains and losses from changes in financial assumptions	–2.2	0.0	**–2.2**
Total remeasurements	**–2.1**	**0.2**	**–1.9**
Impacts of exchange rate differences	0.0	0.0	**0.0**
Contributions of the employer to the plan	0.0	–1.2	**–1.2**
Contributions of the employee to the plan	0.0	0.0	**0.0**
Payments from the plan	–2.0	0.6	**–1.4**
Overfunding	0.0	0.0	**0.8**
As at December 31, 2013	**45.3**	**–19.3**	**26.7**

Table 98

Pension obligations (2012)

€ million	Present value of the obligation	Plan assets	Total
As at January 1, 2012	**37.6**	**–16.9**	**20.7**
Service cost			
Current service cost	1.7	0.0	**1.7**
Past service cost	0.0	0.0	**0.0**
Gains and losses on settlement	0.0	0.0	**0.0**
Total service cost	**1.7**	**0.0**	**1.7**
Net interest income/expense			
Interest income and interest expenses	**1.7**	**–0.4**	**1.3**
Remeasurements			
Return on plan assets excluding interest	0.0	0.1	**0.1**
Actuarial gains and losses from changes in demographic assumptions	0.0	0.0	**0.0**
Actuarial gains and losses from the adjustment of the obligation based on experience	0.7	0.0	**0.7**
Actuarial gains and losses from changes in financial assumptions	6.3	0.0	**6.3**
Total remeasurements	**7.0**	**0.1**	**7.1**
Impacts of exchange rate differences	0.0	0.0	**0.0**
Contributions of the employer to the plan	0.0	–1.1	**–1.1**
Contributions of the employee to the plan	0.0	0.0	**0.0**
Payments from the plan	–2.2	0.0	**–2.2**
Overfunding	0.0	0.0	**0.0**
As at December 31, 2012	**45.8**	**–18.3**	**27.4**

Table 99

Significant actuarial assumptions

	2013	2012
Interest rate	3.60%	3.17%
Adjustment of pensions	2.50%	2.50%
Retirement age	Termination of contract period, earliest pensionable age in pension commitments	Termination of contract period, earliest pensionable age in pension commitments

Table 100

The significant actuarial assumptions refer to the pension obligations of the members of the Executive Board, because these are the major obligations. All other pension obligations largely have the same assumptions.

Sensitivity analysis

The sensitivity analysis is based on changes in the assumptions while the other factors remained constant. In practice, it is unlikely that only one actuarial assumption would change. Changes in actuarial assumptions may correlate with other actuarial assumptions. The pension provision would vary by the following amounts in the event of a change in assumptions:

Sensitivity analysis as at December 31, 2013

€ million		
	Decrease of interest rate by 0.5%	Increase of interest rate by 0.5%
Interest rate	2.6	–2.4
	Decrease of inflation by 0.25%	Increase of inflation by 0.25%
Inflation	–0.8	0.8
	Reduction by one year	
Mortality	1.3	
	Increase by one year	
Retirement age	0.1	

Table 101

The analysis of inflation includes both the change in amounts and pension trends. The retirement age has no influence on the pensions received by members of the Executive Board and was only calculated for other pensions.

In connection with defined benefit plans, the Group is exposed to general actuarial risks as well as the interest rate risk. Some pension benefits are tied to inflation and higher inflation will lead to higher obligations. Due to the liquidity available in the Group, there is no risk with regard to fulfillment for non-reinsured obligations.

Multi-employer plans

Fraport AG has insured its employees for purposes of granting a defined-benefit company pension under the statutory insurance scheme based on a collective bargaining agreement (Altersvorsorge-TV-Kommunal [ATV-K]) with the Zusatzversorgungskasse for local authority and municipal employers in Wiesbaden (ZVK). The contributions are collected based on a pay-as-you-go model. As in the previous year, the contribution rate of the ZVK is 6.2% on compensation liable to top-up pension payments; 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 the compensation liable to top-up pension payments 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 not covered by collective bargaining agreements 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.

This plan is a multi-employer plan (IAS 19.8), since the companies involved share the risk of the investment and also the biometric risk.

The ZVK insurance is generally to be classified as a defined benefit plan (IAS 19.30). 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 according to IAS 19.32. If there is not sufficient information on the plan and a company also covers the risks of other insuring companies with its contributions (IAS 19.34b), only the current contributions are accounted for as if it was a defined contribution plan. Due to its structure, the ZVK does not provide any information to participating companies that would allow the allocation of obligations, plan assets, service costs and, if applicable, over- or underfunding or the extent of Fraport's participation in the plan. In the consolidated financial statements of Fraport, the consideration of contributions corresponds to defined-contribution pension commitments. Along with the remaining member companies, Fraport AG is obliged to finance accrued obligations not

covered by assets as well as future obligations. The precise share of the remaining extent of the obligation cannot be determined. In the event of Fraport AG withdrawing from the multi-employer plan (for example through terminating the agreement), compensation in the amount of the present value of the obligation at the point of the membership being terminated is to be paid to the ZVK. This amount cannot be determined due to only insufficient information being available. Should the multi-employer plan be dissolved by a resolution of the administrative committee, no share in any possible remaining overfunding will be due to Fraport.

In the fiscal year, €28.1 million (previous year: €26.8 million) was recorded as contributions to defined contribution plans. Contributions of €29.4 million are expected for the next fiscal year.

Furthermore, due to statutory provisions, contributions are also made to state-administered pension funds in Germany. The current contributions are shown as expense for the respective year. Employer contributions made by the Fraport Group to state-administered pension funds totaled €66.0 million (previous year: €71.7 million).

38 Non-current and current income tax provisions

Non-current and current income tax provisions

€ million	Residual term		Total	Residual term		Total
	up to 1 year	over 1 year	Dec. 31, 2013	up to 1 year	over 1 year	Dec. 31, 2012
Income tax provisions	8.1	54.1	**62.2**	5.3	80.2	**85.5**

Table 102

Tax provisions amounting to €62.2 million (previous year: €85.5 million) were accrued for unassessed corporation tax and trade tax, as well as for tax audit risks. The decline in income tax provisions is the result of the cessation of the 2003–2005 audit at Fraport AG in 2013.

39 Non-current and current other provisions

The development in the non-current and current provisions are shown in the following tables:

Non-current and current personnel-related provisions

€ million	Jan. 1, 2013 adjusted	Use	Release	Additions	Dec. 31, 2013
Personnel	**75.8**	**–49.7**	**–3.2**	**62.2**	**85.1**
thereof non-current	12.1				8.9
thereof current	63.7				76.2

Table 103

A large part of the personnel-related provisions were recognized for partial retirement, incentive schemes for the employees of Fraport AG, as well as for time account credits. The partial retirement provisions have been recognized according to IAS 19R since January 1, 2013. Retroactive application was implemented in accordance with IAS 8 (see note 4). The credit for partial retirement and claims from time account credits are offset against the fund units (see also note 24).

Other provisions

€ million	Jan. 1, 2013	Use	Release	Additions	Interest effect	Dec. 31, 2013
Environment	37.6	–5.1	0.0	3.3	–0.7	**35.1**
Passive noise abatement	91.0	–4.3	0.0	57.6	–1.2	**143.1**
Nature protection law compensation	57.9	–0.3	–23.8	0.0	–0.6	**33.2**
Other	168.7	–43.5	–5.3	56.8	–0.6	**176.1**
Total	**355.2**	**–53.2**	**–29.1**	**117.7**	**–3.1**	**387.5**
thereof non-current	199.1					226.2
thereof current	156.1					161.3

Table 104

The environmental provisions have been formed largely for probable restructuring 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.

The present value of the provision formed in 2011 for the obligation to compensate passive noise abatement expenses for privately used properties was increased by €57.6 million in fiscal year 2013. Of this, €48.3 million was accounted for by the adoption of the draft of the third regulation for the execution of the Act for Protection against Aircraft Noise (Fluglärm-Außenwohnbereichsentschädigungs-Verordnung). The obligation results from the zoning decision of December 18, 2007 and was made specific through the enactment of the regulation above in the fiscal year. There is a refund claim for this amount indicated under other receivables (see also note 25). The remaining €9.3 million is due to the HMWVL zoning supplement decision of April 30, 2013, according to which Fraport AG is obliged to refund passive noise abatement expenses for commercially used properties. This amount was recognized as production costs in connection with the capacity expansion accounted for under property, plant and equipment.

A provision for environmental protection compensating measures was created in the previous years due to the long-term obligation to implement ecological compensating measures resulting from the work performed to clear the land in the southern part of the airport and in the area of Runway Northwest required for the airport expansion.

Other provisions include the provision of €9.6 million (previous year: €19.4 million) for the purchase and compensation program for residential properties (Fraport Casa) as well as additions for obligations from the zoning supplement decision of May 10, 2013 regarding wake turbulences in the amount of €23.5 million, which was recognized in the same amount as production costs in connection with the capacity expansion accounted for under property, plant and equipment.

In addition, other provisions include provisions established mainly for rebates and refunds, legal disputes and claim events.

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 at December 31, 2013 and December 31, 2012, respectively:

Financial instruments as at December 31, 2013

€ million		Measured at amortized cost		Measured at fair value				Dec. 31, 2013
				Recognized in profit or loss				
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	605.1							**605.1**
Trade accounts receivable		181.6	181.6					**181.6**
Other financial receivables and assets		108.4	108.4			304.0		**412.4**
Other financial assets								
Securities						517.3		**517.3**
Other investments						59.5		**59.5**
Loans to investments		123.2	123.2					**123.2**
Other loans		27.6	27.6					**27.6**
Derivative financial assets								
Hedging derivative								**0.0**
Other derivatives								**0.0**
Total assets	**605.1**	**440.8**	**440.8**	**0.0**	**0.0**	**880.8**	**0.0**	**1,926.7**

	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]	
Liabilities and equity								
Trade accounts payable	213.2	217.0						**217.0**
Other financial liabilities	687.4	764.4						**764.4**
Financial liabilities	4,461.7	4,541.1						**4,541.1**
Liabilities from finance leases					62.0	67.5		**67.5**
Derivative financial liabilities								
Hedging derivative							143.0	**143.0**
Other derivatives				33.5				**33.5**
Total liabilities and equity	**5,362.3**	**5,522.5**	**0.0**	**33.5**	**62.0**	**67.5**	**143.0**	**5,766.5**

[1] The carrying amount equals the fair value of the financial instruments.

Table 105

Financial instruments as at December 31, 2012

€ million		Measured at amortized cost		Measured at fair value				Dec. 31, 2012
				Recognized in profit or loss				
Measurment 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		81.4	81.4			265.4		**346.8**
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**	**443.2**	**443.2**	**0.9**	**0.0**	**825.4**	**0.0**	**2,091.4**

	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]	
Liabilities and equity								
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 financial leases					73.6	85.1		**85.1**
Derivative financial liabilities								
Hedging derivative							199.0	**199.0**
Other derivatives				45.2				**45.2**
Total liabilities and equity	**5,595.0**	**5,828.8**	**0.0**	**45.2**	**73.6**	**85.1**	**199.0**	**6,158.1**

[1] The carrying amount equals the fair value of the financial instruments.

Table 106

Given the short maturities for cash and cash equivalents, trade accounts receivable and other financial receivables and assets, the carrying amounts as at the reporting date correspond to the fair value.

The valuation of unlisted securities was 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 expected 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 at the 2013 balance sheet date.

The carrying amounts of other loans and loans to affiliated companies 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 four 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 value for their fair values. These are not intended for sale as at the 2013 balance sheet date.

Non-current liabilities 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 and with the Fraport credit risk on the reporting date. The carrying amounts of current liabilities are equal to the fair value.

The fair values of financial instruments belong to the measurement categories of the hierarchy within the meaning of IFRS 7.27A:

Measurement categories according to IFRS 7.27A (2013)

€ million	Dec. 31, 2013	Level 1	Level 2	Level 3
		Quoted prices	Derived prices	Prices that cannot be derived
Assets				
Other financial receivables and financial assets				
Available for sale	**304.0**	304.0	0.0	0.0
Loans and receivables	**108.4**	0.0	108.4	0.0
Other financial assets				
Securities available for sale	**517.3**	517.3	0.0	0.0
Other investments	**59.5**	0.0	59.5	0.0
Loans to investments	**123.2**	0.0	123.2	0.0
Other loans	**27.6**	0.0	27.6	0.0
Total assets	**1,140.0**	**821.3**	**318.7**	**0.0**
Liabilities and equity				
Trade accounts payable	**217.0**	0.0	217.0	0.0
Other financial liabilities	**764.4**	0.0	764.4	0.0
Financial liabilities	**4,541.1**	0.0	4,541.1	0.0
Liabilities from finance leases	**67.5**	0.0	67.5	0.0
Derivative financial liabilities				
Derivatives without hedging relationships	**33.5**	0.0	33.5	0.0
Derivatives with hedging relationships	**143.0**	0.0	143.0	0.0
Total liabilities and equity	**5,766.5**	**0.0**	**5,766.5**	**0.0**

Table 107

As at December 31, 2012, the financial instruments recognized at fair value in the statement of financial position belonged to the following measurement categories of the hierarchy within the meaning of IFRS 7.27A:

Measurement categories according to IFRS 7.27A (2012)

€ million	Dec. 31, 2012	Level 1	Level 2	Level 3
		Quoted prices	Derived prices	Prices that cannot be derived
Assets				
Other financial receivables and financial assets				
Available for sale	**265.4**	265.4	0.0	0.0
Loans and receivables	**81.4**	0.0	81.4	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	**63.0**	0.0	63.0	0.0
Loans to investments	**128.4**	0.0	128.4	0.0
Other loans	**53.4**	0.0	53.4	0.0
Total assets	**1,089.5**	**762.4**	**327.1**	**0.0**
Liabilities and equity				
Trade accounts payable	**284.8**	0.0	284.8	0.0
Other financial liabilities	**752.7**	0.0	752.7	0.0
Financial liabilities	**4,791.3**	0.0	4,791.3	0.0
Liabilities from finance lease	**85.1**	0.0	85.1	0.0
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	**6,158.1**	**0.0**	**6,158.1**	**0.0**

Table 108

Net results of the measurement categories

€ million	2013	2012
Financial assets		
Loans and receivables	–7.1	1.1
Fair value option	0.0	0.0
Held for trading	0.0	0.0
Available for sale	4.0	49.3
Financial liabilities		
At amortized cost	–9.3	–2.8
Held for trading	11.7	–10.0

Table 109

The net result consists of changes in fair values, impairment losses and write-ups recognized through profit or loss, foreign currency translation changes and gains and losses of 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 the net result. Interest and dividend income of the other categories are not included in the net result disclosed. Gains from the valuation at fair value of financial instruments in the “available for sale” category in the amount of –€6.8 million (previous year: €14.8 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 two interest rate swaps for which there were no hedged items in the course of the 2013 fiscal year.

Derivative financial instruments

With regard to the items in its statement of financial position 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 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 arising from financial instruments with floating interest rates and assure planning security.

Within the Group, foreign currency risks mainly arise from revenue 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.

As was the case in the previous year, the Group holds 50 interest rate swaps as at the reporting date. Furthermore, as was the case in the previous year, options were sold on five interest rate swaps in order to optimize financing costs. The value of the options was taken into account in the fair value of the interest rate swaps. Furthermore, there are four (previous year: nine) currency forwards.

Derivative financial instruments

€ million	Nominal volume		Fair value		Credit risk	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Interest rate swaps	1,430.2	1,447.5	–176.2	–243.9	0.0	0.0
thereof hedge accounting	1,205.2	1,222.5	–142.7	–198.7	0.0	0.0
thereof trading	225.0	225.0	–33.5	–45.2	0.0	0.0
Interest rate/ currency swap	0.0	15.0	0.0	–0.3	0.0	0.0
Currency forwards	1.5	3.9	–0.3	0.0	0.0	0.0

Table 110

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 is also simultaneously equal 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 rating in order to minimize the default and credit risks.

The fair values of the derivative financial instruments are recorded as follows in the statement of financial position:

Fair values of derivative financial instruments

€ million	Other assets		Other liabilities	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Interest rate swaps – cash flow hedges	0.0	0.0	142.7	198.7
Interest rate swaps – trading	0.0	0.0	33.5	45.2
Interest rate/currency swap – cash flow hedges	0.0	0.0	0.0	0.3
Currency forwards – cash flow hedges	0.0	0.0	0.3	0.0

Table 111

43 of the interest rate swaps are still assigned to existing floating-interest-rate liabilities.

As was the case in the previous year, a total of 43 interest rate swaps and the currency forwards are accounted for as cash flow hedges in accordance with 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. As was the case in the previous year, seven interest rate swaps were 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 (hedge accounting)

€ million Beginning of term	End of term	Nominal volume	Fair value
2005	2014	60.0	–0.1
2006	2016	70.0	–6.1
2007	2014	18.8	–2.5
2007	2015	16.1	–2.2
2007	2016	28.6	–3.9
2007	2017	89.9	–11.5
2007	2018	36.0	–4.9
2007	2019	40.8	–5.5
2008	2018	115.0	–16.3
2009	2015	45.0	–2.7
2009	2016	100.0	–8.8
2009	2017	25.0	–3.1
2009	2019	220.0	–36.6
2010	2015	85.0	–5.2
2010	2017	100.0	–12.9
2010	2020	85.0	–16.6
2011	2015	70.0	–3.8
Total		**1,205.2**	**–142.7**

Table 112

Currency forwards

€ million Maturity	Nominal volume	Fair value
2014	1.5	–0.3

Table 113

Unrealized gains of €17.0 million were recorded in equity from the change in fair value of derivatives in the 2013 fiscal year (previous year: losses of €62.0 million). During the year under review, losses of €38.1 million were transferred from equity to the financial result. In the previous year, losses of €30.7 million were transferred to the financial result and €1.0 million of gains were transferred to the operating result. 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 interest rate and currency swap, included in the previous year, expired and came off in December 2013.

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 as the primary decision-maker.

The same accounting principles as those used in the consolidated financial statements underlie segment reporting.

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 Group companies integrated in the business processes at the Frankfurt site.

The Aviation segment incorporates the strategic business units “Airside and Terminal Management, Corporate Safety and Security” and “Airport Security Management” at the Frankfurt site. Furthermore, FraSec Fraport Security Services GmbH and FRA - Vorfeldkontrolle GmbH are assigned to this segment.

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. In addition, the Group companies integrated into these activities on the Frankfurt site are allocated to the segment.

The Ground Handling segment combines the “Ground Services” strategic business unit and the Group companies 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 “Information and Telecommunications” and their Group companies. Group companies that are not integrated in the processes at the Frankfurt site and Group companies 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 Group companies that are not integrated in the processes at the Frankfurt site and Group companies that carry out their business operations outside the Frankfurt site are allocated to the External Activities & Services segment during reporting. The Group companies that are integrated in the processes at the Frankfurt site are allocated to the relevant segment according to their business operations.

Inter-segment revenue 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 revenue also reflects revenue that has been generated between the companies included from different segments.

Goodwill from business mergers and the appropriate impairment losses, where applicable, have been allocated clearly to a segment according to the segment structure.

The “adjustment” column of the segment assets/segment liabilities 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 according to IAS 36 in the amount of €0.5 million (previous year: €0.3 million). Impairment losses are charged to the Aviation segment (previous year: Retail & Real Estate segment).

Segment assets of the Retail & Real Estate segment include real estate inventories of €55.1 million (previous year: €57.4 million).

During the fiscal year 2013, revenue of €871.4 million was generated in all four segments from one customer (previous year: €861.0 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 €574.8 million (previous year: €553.0 million) resulted with €807.1 million (previous year: €809.8 million) from operating activities, with €146.3 million (previous year: €135.5 million) from financial activities and with €86.0 million (previous year: €121.3 million) from cash outflows for income taxes.

Cash flow used in investing activities

Cash flow used in investing activities without investments in cash deposits and securities amounted to €492.8 million in the reporting period, a decrease of €243.4 million year-on-year. Major capital expenditure on property, plant and equipment was made as part of the airport expansion program and the extension projects at Frankfurt Airport.

The proceeds from the disposal of non-current and current securities and promissory note loans, investment of the free liquid funds in new financial assets and changes to cash and cash equivalents with a duration of more than three months resulted in cash flow used in investing activities of €280.0 million, which was considerably below the previous year (€779.2 million).

Cash flow used in (from) financing activities

Cash outflow from financing activities of €255.1 million mainly resulted from the repayment of non-current financial liabilities (previous year: cash inflow in the amount of €218.2 million).

Reconciliation to the cash and cash equivalents as at the consolidated statement of financial position

€ million	Dec. 31, 2013	Dec. 31, 2012
Cash and cash equivalents as at the consolidated statement of cash flows	167.4	127.1
Cash and cash equivalents with a duration of more than three months	332.4	584.0
Restricted cash	105.3	110.8
Cash and cash equivalents as at the consolidated statement of financial position	**605.1**	**821.9**

Table 114

Other Disclosures

43 Guarantees and other commitments

Guarantees and other commitments

€ million	Dec. 31, 2013	Dec. 31, 2012
Guarantees	26.4	4.7
Warranty contracts	175.0	186.0
thereof performance guarantees	113.3	127.3
Others	12.2	13.4
Total	**213.6**	**204.1**

Table 115

The primary warranties and performance guarantees are explained below.

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 €35.1 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, Fraport AG's liability may not be excluded given the fact that Fraport AG is party to the contract.

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.

In the context of operating the airports in Varna and Burgas (Bulgaria), Fraport AG guaranteed the contractual performance of its Group company Fraport Twin Star Airport Management AD, established in 2006, to the amount of €9.0 million.

The existing performance guarantee related to the concession agreement for the operation of the airport in Lima, Peru, amounts to €8.2 million (US-$11.3 million) as at the 2013 balance sheet date.

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 €3.8 million (US-$5.2 million).

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 other commitments to the amount of €29.5 million.

The other commitments include that Fraport AG is held liable to the amount of €12.2 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 obligations and contingent liabilities

Order commitments

€ million	Dec. 31, 2013	Dec. 31, 2012
Orders for capital expenditure in property, plant and equipment, intangible assets and investment property/others	222.2	359.3
Orders for energy supply	65.4	83.0
Total	**287.6**	**442.3**

Table 116

Operate leases

€ million	Dec. 31, 2013	Dec. 31, 2012
Rental and leasing contracts		
up to 1 year	9.4	10.4
more than 1 up to 5 years	8.7	10.6
more than 5 years	28.9	26.3
Total	**47.0**	**47.3**

Table 117

Other financial obligations 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 showed an average remaining term of one year on the 2013 reporting date. The building rental agreements can generally be terminated at short notice.

In view of their economical content, the relevant leases qualify as operate leases, i.e. the leased asset is attributable to the lessor.

In addition, there are other financial obligations in the amount of €159.1 million (previous year: €181.7 million). In addition to obligations from a long-term supply contract for the provision of cooling and heating (€84.8 million), these mainly consist of other financial obligations from a loan commitment to Northern Capital Gateway LCC to finance the development and modernization of Pulkovo Airport in St. Petersburg to the amount of €45.4 million, as well as capital contribution obligations to finance capital expenditure for Delhi Indira Gandhi International Airport in India to the amount of €17.6 million.

As at the balance sheet date, there were contingent liabilities at Lima from tax risks in the amount of €11.0 million (previous year: €10.7 million) as well as at Twin Star from penalties for obligations for capital expenditure in arrears in the amount of €10.1 million (previous year: €10.3 million).

Revenue-related concession fees 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 also note 49).

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 AGM of Fraport AG for a new stock options plan (“Fraport Management Stock Options Plan 2005”, “MSOP 2005”).

On June 1, 2005, the AGM of Fraport AG passed a resolution to adopt the main points of this 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 until August 31, 2009 within the scope of the MSOP 2005.

The stock options could be granted to eligible beneficiaries once a year in up to five 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 three years within a further period of two 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 first 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 second 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. 148,300 options therefore expired in fiscal year 2011. Another 68,100 options expired in the exercise period due to job terminations.

The vesting period for the third 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. 187,150 options therefore expired in fiscal year 2012. Another 32,800 options expired in the exercise period due to job terminations.

The vesting period for the fourth tranche of the MSOP 2005 ended on June 3, 2011. The requirements for exercising this tranche were not met, also as a result of the exercise limit. 188,350 options therefore expired in fiscal year 2013. Another 61,600 options already expired in the exercise period in the previous year due to job terminations.

The vesting period for the fifth tranche of the MSOP 2005 ended on April 10, 2012. The requirements for exercising this tranche were met. 224,250 options have been exercised so far, of which 22,600 in fiscal year 2013. 25,000 options have already expired in previous years due to job terminations and so there are currently 9,250 options left. This is approximately 3.6% of the options originally issued.

As the authorization to issue subscription rights expired in 2009, no further stock options were issued in the years 2010 to 2013.

For more information on contingent capital, see note 31.

Development of the subscription rights issued

	Total number	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 as at January 1, 2013	**220,200**	**30.87**	**54,000**	**29,350**	**136,850**
Exercised in 2013	–22,600	23.59	–1,800	–5,000	–15,800
Expired in 2013	–188,350	40.81	–52,200	–23,100	–113,050
Rights issued as at December 31, 2013	**9,250**	**24.35**	**0**	**1,250**	**8,000**

Table 118

Since the exercise period of the fourth tranche from MSOP 2005 ended in 2013, the remaining 188,350 subscription rights that have not been exercised have expired. Of these, 52,200 subscription rights relate to the Executive Board, 113,050 to Senior Managers and 23,100 to Directors of affiliated companies.

9,250 of the outstanding options can be exercised in the fifth tranche (previous year: 31,850). The weighted average share price for fiscal year 2013 was €48.38 (previous year: €44.67). The key conditions for the MSOP tranches issued in the years 2005 to 2009 are shown in the table below:

Conditions of 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 target.
[2] At the grant date.

Table 119

Personnel expenses in the amount of €0.2 million were ultimately incurred through the MSOP 2005 in 2012. 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 targets, 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% versus 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 taking into account, an early exercise, taking into account the blocked periods and the early exercise procedure for those entitled.

The fair value of all options to be measured in fiscal year 2013 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 ten years.

Dividends

Discrete dividends are used in the Monte Carlo simulation. The computation basis for future dividend payments is public estimates made by ten 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 prices of the Fraport share and the daily prices 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 prices 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 120

The following volatilities and correlations were used for the computation as at 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 121

The computation for measuring the first tranche of the MSOP 2005 was made using a continuous zero interest rate of 2.57% as at the issue date. Dividends were estimated to be €0.86 in 2006 and €0.94 in 2007.

The computation for measuring the second tranche of the MSOP 2005 was made using a continuous zero interest rate of 3.65% as at the issue date. Dividend estimates were €1.00 for 2007 and €1.10 for 2008.

The computation for measuring the third tranche of the MSOP 2005 was made using a continuous zero interest rate of 4.06% as at the issue date. Dividend estimates were €1.16 for 2008 and €1.17 for 2009.

The computation for measuring the fourth tranche of the MSOP 2005 was made using a continuous zero interest rate of 4.25% as at the issue date. Dividend estimates were €1.14 for 2009 and €1.15 for 2010.

The computation for measuring the fifth tranche of the MSOP 2005 was made using a continuous zero interest rate of 2.51% as at 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 four years (performance period); payment in cash takes place immediately at the end of the four year performance period.

The number of virtual shares actually allocated depends on the extent to which the 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 plan EPS at the time of awarding.
> Rank 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 82,850 virtual shares were issued in the 2013 fiscal year. A provision for the LTIP in the amount of €12.0 million (previous year: €5.9 million) is reported as at December 31, 2013.

Expense reported in fiscal year 2013 amount to €6.1 million (previous year: €3.0 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, 2013	Fair value Dec. 31, 2013
Fiscal year 2010	94,185	29,550	51,585	13,050	14,216	4,250	**84,219**	**73.01**
Fiscal year 2011	77,825	29,550	37,650	10,625	14,451	12,051	**75,425**	**56.51**
Fiscal year 2012	79,225	29,550	38,800	10,875	14,792	13,547	**77,980**	**45.07**
Fiscal year 2013	82,850	33,100	38,250	11,500	3,450	3,164	**82,564**	**50.12**
Amount of issued virtual shares as at Dec. 31, 2013	334,085	121,750	166,285	46,050	46,909	33,012	**320,188**	

Table 122

Virtual share conditions

The virtual shares in the 2013 tranche were issued on January 1, 2013. Their term is four years up to December 31, 2016.

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.

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. 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 targets.

The fair value of virtual shares to be measured in the 2010 to 2013 fiscal years was calculated based on the following assumptions:

The basis of the computations on the respective 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 ten years.

The computation basis for future dividend payments is public estimates made by ten 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.

Measurement parameters (LTIP)

	Tranche 2013		Tranche 2012		Tranche 2011		Tranche 2010	
	Jan. 1, 2013	Dec. 31, 2013	Jan. 1, 2012	Dec. 31, 2013	Jan.1, 2011	Dec. 31, 2013	Jan. 1, 2010	Dec. 31, 2013
Fair value	€38.52	€50.12	€32.42	€45.07	€42.34	€56.51	€31.68	€73.01
Target achievement earnings per share	100.00%	99.65%	100.00%	91.75%	100.00%	105.54%	100.00%	200.59%
Rank total shareholder return MDAX	25.0	25.0	25.0	27.0	25.0	26.5	25.0	26.0
Interest rate end of period share price	0.19%	0.44%	0.59%	0.23%	1.60%	0.14%	2.23%	0.03%
Interest rate at time of payment	0.21%	0.47%	0.63%	0.25%	1.65%	0.15%	2.28%	0.07%
Dividend 2011					€1.15		€1.15	
Dividend 2012			€1.27		€1.18		€1.17	
Dividend 2013	€1.26	€1.26	€1.31	€1.26	€1.23	€1.26	€1.18	€1.26
Dividend 2014	€1.31	€1.25	€1.49	€1.25	€1.24	€1.25		€1.25
Dividend 2015	€1.41	€1.33	€1.56	€1.33		€1.33		€1.33
Dividend 2016		€1.43	€1.56	€1.43		€1.43		€1.43
Dividend 2017		€1.50	€1.56	€1.50		€1.50		€1.50
Volatility Fraport	31.55%	25.43%	37.66%	22.00%	37.83%	17.89%	38.55%	13.84%

Table 123

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. Derivative financial instruments are used as hedging instruments; i.e. they are not used for trading purposes.

Reporting to the Executive Board of 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 (CFO) and in the monthly Treasury Committee Meeting held between the Treasury, Financial Risk Controlling and the 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 controlling 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 Fraport'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 financial position. The credit risk on securities and promissory note loans in non-current and current assets is equal to the amount of debt instruments. As at the 2013 balance sheet date, the breakdown of the securities was as follows:

Classification of securities

€ million	Dec. 31, 2013	Dec. 31, 2012
Equity instruments	0.0	0.0
Debt instruments	883.9	841.1

Table 124

Securities and promissory note loans have the following long-term issuer ratings:

Issuer ratings of securities (2013)

€ million	Dec. 31, 2013
AAA	15.6
AA+	22.2
AA	30.1
AA–	70.0
A+	192.4
A	141.3
A–	191.3
BBB+	62.0
BBB	92.9
BBB–	66.1
Total	**883.9**

Table 125

In 2012, the securities and promissory note loans had the following issuer ratings:

Issuer ratings of 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 126

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 long-term issuer ratings:

Issuer ratings liquid funds (2013)

€ million	Dec. 31, 2013
AAA	0.0
AA+	0.0
AA	0.0
AA–	55.2
A+	5.5
A	141.2
A–	135.9
BBB+	100.6
BBB	18.7
BBB–	4.9
BB+	138.8
Not rated	4.3
Total	**605.1**

Table 127

In 2012, the banks where liquid funds were deposited had the following issuer ratings (based on 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
Not rated	25.8
Total	**821.9**

Table 128

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 the liquidity.

The operating liquidity management comprises a cash concentration process, which, on a daily basis, combines the liquid funds of most of the Group companies headquartered in Germany. This allows optimum control of liquidity surpluses and requirements in line with the needs of individual Group 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 at December 31, 2013 influence the Group's future liquidity.

Liquidity profile as at December 31, 2013

€ million	Total [1]	2014		2015		2016–2020		2021–2025		2026 et seqq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment
Primary financial instruments											
Financial liabilities	**5,294.8**	117.3	294.1	111.9	507.3	465.7	2,879.0	103.0	438.5	62.1	315.9
Finance leases	**76.6**	3.3	9.1	2.7	9.7	5.8	35.2	1.7	3.2	1.1	4.8
Concessions payable	**1,159.0**	42.8	29.7	41.0	27.5	172.4	173.8	103.1	199.9	154.4	214.4
Trade accounts payable	**223.4**	0.9	184.1	0.9	5.4	4.2	12.3	2.4	7.5	0.6	5.1
Derivative financial instruments											
Interest rate swaps	**185.1**	55.7		47.4		80.9		1.1		0.0	
thereof trading	**33.9**	8.4		7.6		16.8		1.1		0.0	
thereof hedge accounting	**151.2**	47.3		39.8		64.1		0.0		0.0	
Currency forwards											
Incoming payments	**1.9**		1.9		0.0		0.0		0.0		0.0
Outgoing payments	**1.5**		1.5		0.0		0.0		0.0		0.0

[1] Total of interest and repayments.

Table 129

The liquidity profile as at December 31, 2012 was as follows:

Liquidity profile as at December 31, 2012

€ million	Total [1]	2013		2014		2015–2019		2020–2024		2025 et seqq.	
		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		0.0		0.0		0.0
Derivative financial instruments											
Interest rate swaps	**253.1**	58.3		56.4		133.6		4.6		0.2	
thereof trading	**45.3**	8.5		8.5		24.9		3.2		0.2	
thereof hedge accounting	**207.8**	49.8		47.9		108.7		1.4		0.0	
Currency forwards											
Incoming payments	**3.9**		3.9		0.0		0.0		0.0		0.0
Outgoing payments	**3.8**		3.8		0.0		0.0		0.0		0.0

[1] Total of interest and repayments.

Table 130

All financial instruments that are subject to contractual agreements as at the 2013 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 was taken into account. The respective forward interest rates derived from the interest rate as at 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. Interest and redemption payments in foreign currency are converted into the respective forward rate valid as at the balance sheet date. For payments in connection with currency forwards, the corresponding fixed reference prices as at the balance sheet date were used.

Financial liabilities of certain Group companies abroad arising from independent project financing with a nominal value of €317.3 million include numerous of credit clauses that are typical for this type of financing. These clauses include inter alia regulations under which certain debt service coverage ratios and key figures for debt ratios 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 €1,110.0 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 New Sol (PEN). Transaction risks primarily originate from business operations when cash receipts from revenue are not offset by expenditure 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 analysis. The calculation rates on which the analysis 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. Taking these assumptions as a basis, the profit for the period would have been affected in the year under review as follows:

Currency rate sensitivity

€ million	Dec. 31, 2013		Dec. 31, 2012	
	Gain	Loss	Gain	Loss
€/TRY	0.50	0.57	0.15	0.16
US-$/PEN	0.55	0.59	0.27	0.28
€/SAR	0.07	0.07	0.07	0.07

Table 131

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 translational risks are met as far as possible by applying natural hedging.

Interest rate risk

The Fraport Group is exposed to interest rate risks 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 twelve months is relevant for control. Therefore, 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 shareholders' 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 ten 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 swaptions, are used.

The sensitivity analyses are based on the following assumptions:

Changes in market interest 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 over a period of twelve months.

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 interest rate changes of primary floating-rate financial instruments, which are not designated hedged items in a cash flow hedge of interest rate exposures, affect the interest result and are therefore included in the calculation of 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; 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 interest 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 curve by 169 basis points over a period of twelve months.

Changes in market interest rates of interest rate derivatives, which are not part of a hedging relationship according to 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 curve by 169 basis points over a period of twelve months.

Based on the portfolios and the structure of the consolidated financial position as at December 31, 2013 and the assumptions made, the profit or loss related sensitivity is €0.4 million in the event of an increase (decrease) in the market interest rate (previous year: €8.1 million). This means that the financial result could hypothetically have increased (decreased) by €0.4 million. This hypothetical effect on profit or loss would have resulted from the potential effects of interest rate derivatives of €20.2 million (previous year: €25.3 million) and an increase (decrease) in the interest result from primary floating-rate net financial positions of –€19.8 million (previous year: –€17.2 million).

Interest sensitivity

€ million	Dec. 31, 2013	Dec. 31, 2012
Interest sensitivity	0.4	8.1
thereof derivative financial instruments	20.2	25.3
thereof primary financial instruments	–19.8	–17.2

Table 132

The equity-related sensitivity is €46.2 million (previous year: €73.3 million). By applying the assumptions made, an increase (decrease) in interest rates would have resulted in an increase (decrease) in equity of €46.2 million.

Capital management

The Group's objectives with a view to capital management are ensuring the company's continued existence and a sustained increase in the company's value. As a capital market-oriented company with continuing capital expenditure requirements, Fraport monitors the development of its financial debt using ratios, which relate EBITDA to net financial debt and/or interest expense. As long as the company remains within the following margins, Fraport's present view is that there is sufficient access to debt capital sources at reasonable costs.

The components of the control indicators are defined as follows:

Components of the control indicators

Net financial debt	Current financial liabilities + Non-current financial 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 133

The financial ratios developed as follows in the period under review:

Financial debt ratios

	Corridor	Dec. 31, 2013	Dec. 31, 2012
Net financial debt/EBITDA	max. 4–6 x	3.4	3.4
EBITDA/interest expense	min. 3–4 x	4.1	3.8

Table 134

48 Related party disclosures

According to IAS 24 (related party disclosures), Fraport must disclose relationships with related parties, unless they are already included as consolidated companies in the consolidated financial statements of Fraport AG.

Relationships with related parties and the State of Hesse

Alongside the Group companies included in the consolidated financial statements, in the context of the course of ordinary business operations, the Group is also related to parties that are not included as well as associated companies and joint ventures, which are parties related to the Group according to IAS 24. Thus, 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 relationships are maintained include Landesbetrieb Hessen-Forst, Mainova AG and Messe Frankfurt Venue GmbH & Co. KG.

All transactions with 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. The following table shows the scope of the respective business relationships:

Relationships with related parties and the State of Hesse

€ million		Majority shareholders				
		State of Hesse	Stadtwerke Frankfurt am Main Holding GmbH	Joint ventures	Associated companies	Companies controlled and significantly influenced by majority shareholders
Revenue	**2013**	**1.6**	**0.2**	**3.6**	**5.9**	**14.7**
	2012	1.6	0.2	3.1	6.1	13.3
Purchased goods and services	**2013**	**14.6**	**9.3**	**8.3**	**13.2**	**102.8**
	2012	2.4	8.2	7.9	13.5	92.5
Interest	**2013**	**–0.9**	–	**0.2**	**11.5**	–
	2012	–0.9	–	0.3	10.4	–
Accounts receivable	**2013**	**0.4**	–	**0.3**	**30.3**	**0.1**
	2012	–	–	0.2	19.0	0.5
Loans	**2013**	–	–	**2.8**	**120.3**	–
	2012	–	–	8.0	120.3	–
Accounts payable	**2013**	**24.9**	–	**4.3**	**9.1**	**40.1**
	2012	26.3	–	2.5	0.8	26.6

Table 135

Relationships with related persons

In accordance with IAS 24, Fraport AG also reports business transactions with persons related to it and their family members. The Executive Board, Supervisory Board and their family members are defined as related persons pursuant to IAS 24.

Remuneration for management in key positions in accordance with IAS 24 comprises the remuneration of the active Executive Board and Supervisory Board.

These were compensated as follows:

Remuneration of management

€ million	2013	2012
Salaries and other short-term employee benefits	5.1	4.4
Termination benefits	0.0	0.0
Post-employment benefits	1.0	1.1
Other long-term benefits	0.2	0.2
Share-based remuneration	2.3	1.0
Total	**8.6**	**6.7**

Table 136

Information regarding salaries and other short-term employee benefits for employee representatives on the Supervisory Board exclusively includes remuneration for their Supervisory Board activities.

Services following the end of the employment include service costs from pension provisions for the active members of the Executive Board.

The expense for the Long-Term Strategy Award (LSA, see also note 52) is accounted for as other long-term employee benefits in fiscal year 2013.

The statement of share-based remuneration includes the expense for the Long-Term Incentive Program (LTIP, see also note 52) realized in the fiscal year.

49 Operating permit and service concession agreements

The following Group 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 am Main Airport in accordance with Section 7 as amended on August 21, 1936, of the German Air Traffic Act on December 20, 1957. This permit does not expire at any specific time and was last amended by the decision of October 29, 2012 based on the outcome of the zoning decision 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 the International Civil Aviation Organization (ICAO) noise protection regulations have been further tightened. Furthermore, there are statutory requirements for passive noise abatement and outdoor living area compensation as a result of the construction work for the airport expansion and the Northwest Landing Runway.

The company charges airlines that fly to Frankfurt Main Airport what are known as "traffic charges" for provision of the transport infrastructure. These traffic charges are broken down into airport charges that require approval and other charges that do not require approval.

> The airport charges that require approval according to 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 charge table.

  Already on February 19, 2010, an agreement was reached on airport charges for 2012 to 2015 by Fraport AG and airline representatives. The contract stipulates an annual charge increase by 2.9% for each year until 2015. If passenger development exceeds or falls below the forecasted figures, the contract calls for a bonus/malus approach to be used.

  The charge table effective January 1, 2013 was approved by the 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 (see also note 25). Airport charges accounted for 35.67% (previous year: 35.48%) of Fraport AG's revenue in the year under review.

  Furthermore, Fraport proposed an incentive program for the years 2014 and 2015, which was approved by the HMWVL on December 4, 2013. It provides for retroactive discounts per departing passenger when the airlines have reached a minimum passenger quantity as well as a minimum level of growth and when the passenger travels via low-noise aircraft.

> 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 2013, 16.52% (previous year: 17.18%) was generated by ground handling services and 13.51% (previous year: 13.53%) by infrastructure charges.

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 34.30% (previous year: 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 second international terminal previously operated by IC Holding and Celebi Holding. The concession for the operation of all three 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 €243.3 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 fee of 19.2% of total revenue, at least 19.2% of BGN 57 million (€29.1 million), adjusted for the development of the

national inflation rate, to the franchisor. The franchisee paid an additional non-recurring concession fee 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 is obligated to furnish the franchisor with a performance bond issued by a bank rated BB– or higher, in the annual amount of €15.0 million in the first ten 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 Chávez International Airport for the operation, expansion, maintenance and use of the Jorge Chávez International Airport in Lima (Peru).

The term of the concession agreement is 30 years. The contract may be renewed for another ten 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, in particular, the terminal and to build a second landing runway. The contractual amount of US-$100 million has been invested already. Construction work on the second landing runway has not yet begun.

The franchisee is also obligated to pay concession fees. The concession fee is the higher of two 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 German Securities Trading Act (WpHG)

Fraport AG did not receive any notifications pursuant to Section 21 (1) of the WpHG in fiscal year 2013.

As at December 31, 2013, the shareholder structure of Fraport AG was as follows:

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 WpHG amounted to 51.40% as at December 31, 2013. At that time, they were attributed as follows: State of Hesse 31.37% and Stadtwerke Frankfurt am Main Holding GmbH 20.03%.

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 last official report in accordance with the WpHG or individual disclosures by the shareholders, the other voting rights in Fraport AG were attributable as follows (as at December 31, 2013): Deutsche Lufthansa AG 8.46% 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 at the balance sheet date and may therefore differ from the figures given at the time of reporting or from the respective shareholders' own disclosures.

There are no reports for the remaining 33.92% (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 17, 2013, 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 Group's website www.fraport.com in the The Fraport Group/Corporate Compliance section.

52 Information concerning the Executive Board, Supervisory Board and Economic Advisory Board

Remuneration Report

The following remuneration report describes the main features of the remuneration system for the Executive Board and Supervisory Board of Fraport AG in accordance with the statutory regulations and the recommendations of the German Corporate Governance Code (GCGC) as amended on May 13, 2013. 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 remuneration of the Executive Board and Supervisory Board members.

Remuneration of the Executive Board members in fiscal year 2013

Remuneration system

Executive Board remuneration is set by the Supervisory Board upon the recommendation of its executive committee and is reviewed on a regular basis. The remuneration of the Executive Board members of Fraport AG shall 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 order to comply with the remuneration-related amendments of the GCGC in the version dated May 13, 2013, with effect starting in fiscal year 2014, a maximum limit was defined with each Executive Board member for the sum of the aforementioned respective remuneration components. For the Chairman of the Executive Board this amounts to €2.3 million and €1.65 million for the other members of the Executive Board. This maximum limit also applies in relation

to the remuneration that was granted during the previous fiscal years 2010 to 2013, the components of which have not yet been fully paid out.

In addition to the aforementioned remuneration components, there are still stock options outstanding, issued in previous years, that have a long-term incentive effect as part of the stock options plan still running (see also note 45). The last time stock options were issued was in 2009. In addition, Executive Board members received contributions for pension benefit commitments. The pension commitments, including performance-related contributions, are in a fixed proportion to the respective fixed gross annual salary and are therefore subject to implicit maximum limits.

Non-performance-related components

During the term of their employment agreement (generally five 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 mandates related to Group companies”).

If an Executive Board member has such other board mandates at Group companies, the compensation he or she receives from such companies is credited against the remuneration. The compensation received by Dr Zieschang for his activities performed as a member of the Supervisory Board of Flughafen Hannover-Langenhagen GmbH was credited against his remuneration of 2013 from Fraport AG.

In addition, the compensation for Executive Board members includes compensation in kind and other payments (ancillary benefits). 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 financial statements.

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 figure 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 2010 for the year 2013. 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 2016 a prospective sum of €120 thousand has been promised to the Chairman of the Executive Board, while a prospective sum of €90 thousand 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 annually or at least every two 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 an 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 (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 decides if and to what extent the Executive Board member is 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 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 2013, as in the previous year, 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. For the fiscal year 2013, 6,850 performance shares were allocated to Anke Giesen and 3,550 were allocated to Michael Müller.

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 the average EPS actually achieved during the performance period. For the evaluation to what extent the target has been met, the target EPS for 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 five, there will not be a further increase in the number of performance shares issued over fifth place.

The relevant share price used for calculating the LTIP payment shall correspond to the weighted average of the company's closing share prices 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. For the performance shares issued in 2013 and in previous fiscal years, the relevant share price for calculating the LTIP payment is limited to €60 per performance share. 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.

For all performance shares allocated from the fiscal year 2014 onwards, the LTIP payment is limited to 150% of the product from the performance shares of the actual tranche multiplied by the “relevant share price at the time of issuance”. The “relevant share price at the time of issuance” corresponds to the weighted average of the company’s closing share prices in XETRA or a similarly situated trading system at the Frankfurt Stock Exchange during the month of January of the fiscal year, in which the relevant performance period begins.

Furthermore, for all LTIP performance share tranches that have already been allocated and will be in future, maximum payment amounts have been defined, which amounts to a maximum of €810.0 thousand for Dr Schulte and for the other Executive Board members €616.5 thousand per performance share tranche.

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 twelve months at the time the employment contract was legally terminated. The LTIP fair value accrual allocation resulted in the following expenses for the fiscal year: Dr Stefan Schulte €648.8 thousand (previous year: €370.5 thousand), Anke Giesen €233.3 thousand, Michael Müller €128.7 thousand (previous year: €50.2 thousand), Peter Schmitz €532.6 thousand (previous year: €256.3 thousand), Dr Matthias Zieschang €532.6 thousand (previous year: €256.3 thousand), Herbert Mai €200.1 thousand (previous year: €112.8 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 widow or widower; 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 economic situation. 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 2.0% up to a limit of 75%, dependent on the duration of time an Executive Board member is appointed.

As at December 31, 2013, Dr Schulte is entitled to 58.0% of his fixed annual gross salary. Mr. Schmitz is entitled to 38.0% of his fixed annual gross salary as at December 31, 2013. 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 at December 31, 2013, Dr Zieschang is entitled to 42.0% of his fixed annual gross salary.

In the event of occupational disability, the pension rate for Dr Schulte, Mr. Schmitz and Dr Zieschang amounts 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 occupational disability are governed by a separate benefit agreement. This calls for a one-time pension capital or life-long retirement payments after the insured event 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 commercial balance sheet of Fraport AG at the end of the previous year pursuant to Section 253 (2) of the HGB, which is at least 3% and at most 6%. This is increased by 1% on January 1 of each year for life-long retirement payments. No further adjustment is made. If the pension capital reached is less than €600 thousand when retirement benefits fall due as a result of long-term occupational disability, Fraport AG will increase it to this amount. In the event of long-term occupational disability within the first five years of their activities performed as members of the Executive Board, it is foreseen that Executive Board members can postpone the receipt of a monthly pension of to a maximum of five years since the start of the employment contract. Until the postponed start of the pension benefit payments, they will receive a monthly benefit of €2.5 thousand. This risk of pension payments in the increase phase and of payments for the increase has been 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. If there is no eligible widow or widower, each half-orphan will receive 10% and each full-orphan will receive 25% of the pension capital generated so far as a one-time payment. If the pension capital reached is less than €600 thousand upon death, Fraport will increase it to this amount. The payment risk of this increase has been 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 granted. Each half-orphan receives 10% and each full-orphan receives 25% of the last retirement benefits granted. 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. Partly 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 2013 is shown in the following tables.

Remuneration of the Executive Board 2013

The following remuneration was paid to the members of the Executive Board:

Remuneration of the Executive Board 2013

in €´000	Remuneration paid out in cash				Total
	Non-performance-related components		Performance-related component without long-term incentive effect	Performance-related component with long-term incentive effect	
	Fixed salary	In kind and other	Bonus	LSA	
Dr Stefan Schulte	415.0	22.5	674.8	100.0	**1,212.3**
Anke Giesen	300.0	43.9	476.3	0.0	**820.2**
Michael Müller	300.0	47.0	296.4	0.0	**643.4**
Peter Schmitz	300.0	33.1	476.3	70.0	**879.4**
Dr Matthias Zieschang	320.0	43.9	523.9	70.0	**957.8**
Total	**1,635.0**	**190.4**	**2,447.7**	**240.0**	**4,513.1**

Table 137

Remuneration of the Executive Board 2013

in €´000	Share-related remuneration
	Performance-related component with long-term incentive effect
	LTIP
Dr Stefan Schulte	346.7
Anke Giesen from Jan. 1, 2013	263.9
Michael Müller	136.7
Peter Schmitz	263.9
Dr Matthias Zieschang	263.9
Total	**1,275.1**

Table 138

The bonus includes the payments on account for the fiscal year 2013 and the addition to the bonus provision in 2013.

The Supervisory Board will decide on the final bonus for 2013 in fiscal year 2014.

LTIP is carried at fair value as at the time of offer.

The following total remuneration was paid to the members of the Executive Board in 2012:

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 139

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 140

In accordance with IFRS 2, the stock option programs are recorded through profit and loss and lead to an expense in the fiscal year from the period-appropriate distribution of the option value: In fiscal year 2013, only Michael Müller owned 1,800 stock options from MSOP 2005, tranche 2009. These stock options were fully exercised by Michael Müller in 2013, which resulted in an expense of €12.6 thousand. In the previous year, the expense for the Executive Board members amounted to €42.2 thousand.

Provisions for pensions and similar obligations

Of the future pension obligations of €32,105 thousand, €24,035 thousand relates to pension obligations owed to former Executive Board members and their dependents. Current pension payments amounted to €1,740 thousand in 2013.

Pension obligations to currently active Executive Board members were as follows:

Pension obligations to currently active members of the Executive Board

in €´000	Obligation Dec. 31, 2012	Change 2013	Obligation Dec. 31, 2013
Dr Stefan Schulte	4,019	118	**4,137**
Michael Müller	33	128	**161**
Peter Schmitz	1,799	39	**1,838**
Dr Matthias Zieschang	1,654	143	**1,797**
Anke Giesen from Jan. 1, 2013	0	136	**136**
Total	**7,505**	**564**	**8,069**

Table 141

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 the respective 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.

Within the context of her additional expenses for maintaining two households, Anke Giesen was granted a monthly gross allowance of €2 thousand for twelve months after the start of the employment contract. Accordingly, she was granted a total of €24.0 thousand for 2013. In addition, relocation costs were covered by Fraport AG upon submission of relevant invoices in a total amount of €9.5 thousand.

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 was €150.0 thousand for 2013. 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. Furthermore, Mr. Mai received pension benefit payments of €135.0 thousand, a proportional bonus for the fiscal year 2012 of €350.6 thousand and a proportional payment of the LSA for the fiscal year 2010 of €64.2 thousand.

The former Chairman of the Executive Board, Prof Dr Wilhelm Bender, continued to render consulting services to Fraport AG even after his departure from the company. The consulting agreement, which ended in 2011, was extended for another two years and ended on August 31, 2013. For this and other tasks, Fraport AG supplied Prof Dr Bender with offices, office equipment and supplies and an assistant until August 31, 2013. Prof Dr Bender did 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 received pension payments of €252.4 thousand. Prof Dr Bender has agreed that the post-employment restrictive covenant, which applies for two years after the employment agreement ends, was extended for an additional two years up to August 31, 2013. Prof Dr Bender waived 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

Pursuant to Section 15a of the WpHG, members of the Fraport Executive Board and Supervisory Board are required to disclose transactions with shares of Fraport AG or any related financial instruments to the company and the German Federal Financial Supervisory Authority (BaFin) within five business days. This also applies to persons who are closely related to members of the Executive Board and Supervisory Board as defined in Section 15a (3) of the WpHG. These transactions have been published by Fraport in accordance with the deadlines under Section 15a of the WpHG.

Remuneration of the Supervisory Board in fiscal year 2013

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 on a committee, Supervisory Board members receive an additional, fixed compensation of €5 thousand 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 pro rata compensation. The same holds true in the case of any change in the membership of committees. Each Supervisory Board member receives €800 for every Supervisory Board meeting he or she attends and every committee meeting attended of which he or she is a member. Accrued expenses will also be reimbursed.

All active members of the Supervisory Board received an aggregate compensation of €889.5 thousand in 2013 (previous year: €853.4 thousand).

The following remuneration was paid to the members of the Supervisory Board for fiscal year 2013:

Remuneration of the Supervisory Board 2013

in € Supervisory Board Member		Fixed salary	Committee remuneration	Attendance fees	Total
Ismail	Aydin	9,375.00	2,083.33	2,400.00	**13,858.33**
Claudia	Amier	19,687.50	5,833.33	11,200.00	**36,720.83**
Devrim	Arslan	13,125.00	5,833.33	6,400.00	**25,358.33**
Mario A.	Bach	9,375.00	2,083.33	2,400.00	**13,858.33**
Uwe	Becker	13,125.00	5,597.23	7,200.00	**25,922.23**
Hakan	Cicek	13,125.00	2,916.67	6,400.00	**22,441.67**
Kathrin	Dahnke	13,125.00	2,916.67	5,600.00	**21,641.67**
Detlef	Draths	7,500.00	3,333.33	4,000.00	**14,833.33**
Peter	Feldmann	22,500.00	4,763.90	6,400.00	**33,663.90**
Dr Margarete	Haase	35,625.00	10,000.00	12,000.00	**57,625.00**
Jörg-Uwe	Hahn	33,750.00	10,000.00	13,600.00	**57,350.00**
Erdal	Kina	9,375.00	2,083.33	2,400,00	**13,858.33**
Lothar	Klemm	22,500.00	10,000.00	16,800.00	**49,300.00**
Dr Roland	Krieg	22,500.00	5,000.00	11,200.00	**38,700.00**
Stefan H.	Lauer	22,500.00	0.00	4,000.00	**26,500.00**
Michael	Odenwald	22,500.00	5,000.00	5,600.00	**33,100.00**
Mehmet	Özdemir	13,125.00	2,916.67	6,400.00	**22,441.67**
Arno	Prangenberg	22,500.00	5,000.00	11,200.00	**38,700.00**
Gabriele	Rieken	1,875.00	833.33	0.00	**2,708.33**
Dr h c Petra	Roth	9,375.00	4,166.67	2,400.00	**15,941.67**
Gerold	Schaub	33,750.00	10,000.00	12,800.00	**56,550.00**
Hans-Jürgen	Schmidt	22,500.00	5,000.00	11,200.00	**38,700.00**
Werner	Schmidt	22,500.00	6,666.67	10,400.00	**39,566.67**
Edgar	Stejskal	22,500.00	10,000.00	19,200.00	**51,700.00**
Christian	Strenger	18,750.00	4,166.67	5,600.00	**28,516.67**
Karlheinz	Weimar	45,000.00	10,000.00	9,600.00	**64,600.00**
Prof Dr-Ing Katja	Windt	22,500.00	10,000.00	12,800.00	**45,300.00**

Table 142

Compensation of the Economic Advisory Board in fiscal year 2013

For membership on 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 2013, aggregate compensation of the Economic Advisory Board amounted to €90.5 thousand (previous year: €93.0 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**	
Executive Director Labor Relations **Michael Müller**	**Chairman of the Supervisory Board:** > APS Airport Personal Service GmbH (until March 19, 2013) > FraSec Fraport Security Services GmbH **Member of the Shareholders' Meeting:** > Airport Cater Service GmbH > Medical Airport Service GmbH > Terminal for Kids gGmbH (from May 6, 2013)
Executive Director Operations **Peter Schmitz**	
Executive Director Controlling & Finance **Dr Matthias Zieschang**	**Chairman of the Supervisory Board:** > Flughafen Hannover-Langenhagen GmbH **Vice Chairman of the Supervisory Board:** > Shanghai Frankfurt Airport Consulting Services Co., Ltd. **Member of the Supervisory Board:** > Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi Anonim Sirketi **Member of the Shareholders' Meeting:** > Flughafen Hannover-Langenhagen GmbH **Member of the Administrative Board:** > Frankfurter Sparkasse

Table 143

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 Head of the Bundesanstalt für Finanzmarktstabilisierung (Compensation 2013: €64,600; 2012: €64,600)	**Member of the Advisory Board:** > Höchster Porzellan-Manufaktur GmbH **Member of the University Council:** > University Frankfurt am Main
Vice Chairman **Gerold Schaub** Regional Director Traffic ver.di Hessen (Compensation 2013: €56,550; 2012: €54,950)	**Vice Chairman of the Supervisory Board:** > LSG Lufthansa Service Holding AG > APS Airport Personal Service GmbH > LSG Sky Chefs Frankfurt ZD GmbH
Claudia Amier Chairperson of the Works Council (from May 31, 2013) (Compensation 2013: €36,720.83)	
Devrim Arslan Chairman of the Works Council APS Airport Personal Service GmbH (from May 31, 2013) (Compensation 2013: €25,358.33)	**Member of the Supervisory Board:** > APS Airport Personal Service GmbH
Ismail Aydin Vice Chairman of the Works Council (until May 31, 2013) (Compensation 2013: €13,858.33; 2012: €35,500)	

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Uwe Becker City Treasurer of the City of Frankfurt am Main (from May 31, 2013) (Compensation 2013: €25,922.23)	**Membership in mandatory control bodies:** > Stadtwerke Verkehrsgesellschaft Frankfurt am Main mbH (Chairman) > ABG FRANKFURT HOLDING Wohnungsbau- und Beteiligungsgesellschaft mbH > Frankfurter Aufbau-Aktiengesellschaft > Mainova AG (Chairman) > Messe Frankfurt GmbH > Stadtwerke Frankfurt am Main Holding GmbH > Süwag Energie AG **Membership in comparable control bodies:** > AVA Abfallverbrennungsanlage Nordweststadt Gesellschaft mit beschränkter Haftung > Hafenbetriebe der Stadt Frankfurt am Main > Kommunale Kinder-, Jugend- und Familienhilfe Frankfurt am Main > Marktbetriebe der Stadt Frankfurt am Main > Stadtentwässerung Frankfurt am Main > Kita Frankfurt > Städtische Kliniken Frankfurt am Main-Höchst > Volkshochschule Frankfurt am Main > Dom Römer GmbH > Erdgas Westthüringen Beteiligungsgesellschaft mbH > Gas-Union GmbH (Chairman) > Gateway Gardens Projektentwicklungs-GmbH > Gemeinnützige Kulturfonds Frankfurt RheinMain GmbH > Nassauische Sparkasse > Klinikum Frankfurt Höchst GmbH > Sparkassenzweckverband Nassau > Sportpark Stadion Frankfurt am Main Gesellschaft für Projektentwicklungen mbH > Tourismus- und Congress GmbH Frankfurt am Main > Wirtschaftsförderung Frankfurt – Frankfurt Economic Development – GmbH > Zentrale Errichtungsgesellschaft mit beschränkter Haftung
Mario A. Bach Team Leader of Group Idea Management Fraport AG (until May 31, 2013) (Compensation 2013: €13,858.33; 2012: €7,225)	**Member of the Works Commission:** > Kommunale Wohnungsgesellschaft Ginsheim-Gustavsburg
Hakan Cicek Member of the Works Council (from May 31, 2013) (Compensation 2013: €22,441.67)	
Kathrin Dahnke Member of the Executive Board Wilh. Werhahn KG (from May 31, 2013) (Compensation 2013: €21,641.67)	**Member of the Supervisory Board:** > Younicos AG
Detlev Draths Member of the Works Council relieved of duty (from February 1, 2013 until May 31, 2013) (Compensation 2013: €14,833.33)	
Peter Feldmann Lord Mayor of the City of Frankfurt am Main (Compensation 2013: €33,663.90; 2012: €9,900)	**Chairman of the Supervisory Board:** > ABG FRANKFURT HOLDING Wohnungsbau- und Beteiligungsgesellschaft mbH > Messe Frankfurt GmbH > Stadtwerke Frankfurt am Main Holding GmbH **Membership in Supervisory Boards and comparable control bodies of business enterprises:** > Alte Oper Frankfurt Konzert- und Kongresszentrum GmbH > FrankfurtRheinMain GmbH International Marketing of the Region > Gas Union GmbH (from November 6, 2013) > Nassauische Heimstätte Wohnungsbau- und Entwicklungsgesellschaft mbH > Rhein-Main-Verkehrsverbund GmbH (from April 30, 2013) > Schirn Kunsthalle Frankfurt am Main GmbH > Tourismus- und Congress GmbH Frankfurt am Main (from November 1, 2013) > Wirtschaftsförderung Frankfurt – Frankfurt Economic Development – GmbH > Landesbank Hessen Thüringen (Helaba) (from March 13, 2013) **Member of the Executive Board:** > Sparkassenzweckverband Nassau **Member of the Advisory Board:** > Thüga AG

Table 144

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Karl Ulrich Garnadt Chairman of the Executive Board Lufthansa Cargo AG (from February 13, 2014)	**Vice Chairman of the Supervisory Board:** > Österreichische Luftverkehrs-Holding GmbH **Member of the Supervisory Board:** > Austrian Airlines AG
Dr Margarete Haase Member of the Executive Board DEUTZ AG (Compensation 2013: €57,625; 2012: €42,698.91)	**Membership in comparable control bodies within the meaning of Section 125 of the AktG:** > DEUTZ (Dalian) Engine Co. Ltd. > Deutz Engines (Shandong) Co. Ltd. (Chairperson) > Deutz Engines (China) Ltd. Co. (Chairperson) (from November 21, 2013) **Member of the Supervisory Board:** > ElringKlinger AG > ZF Friedrichshafen AG
Jörg-Uwe Hahn Former Hessian Minister of Justice, for Integration and Europe (Compensation 2013: €57,350; 2012: €54,150)	**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 **Member of the Advisory Board:** > ÖD-Beirat DBV-Winterthur
Erdal Kina Member of the Works Council (until May 31, 2013) (Compensation 2013: €13,858.33; 2012: 35,500)	
Lothar Klemm Former Hessian State Minister (Compensation 2013: €49,300; 2012: €49,300)	**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 (Compensation 2013: €38,700; 2012: €15,758.35)	**Chairman of the Supervisory Board:** > AirIT Services AG > operational services GmbH & Co. KG **Member of the Supervisory Board:** > FraSec Fraport Security Services GmbH (from September 1, 2013) **Member of the Shareholders' Meeting:** > AirITSystems GmbH > operational services GmbH & Co. KG **Chairman of the Board (BoD):** > Air-Transport IT Services, Inc. (USA) (until August 31, 2013)
Stefan H. Lauer (until December 31, 2013) (Compensation 2013: €26,500; 2012: €25,700)	**Chairman of the Supervisory Board:** > Austrian Airlines AG (until June 27, 2013) > Lufthansa Flight Training GmbH (until June 30, 2013) **Member of the Supervisory Board:** > LSG Lufthansa Service Holding AG (until June 30, 2013) > Lufthansa Cargo AG > Pensions-Sicherungs-Verein VVaG (until June 30, 2013) > ESMT European School of Management and Technology GmbH (until May 28, 2013) **Member of the Administrative Board:** > Landesbank Hessen-Thüringen Girozentrale **Vice Chairman of the Administrative Board:** > Swiss International Air Lines AG (until September 30, 2013) **Member of the Board of Directors:** > Aircraft Maintenance and Engineering Corp. (Vice Chairman) > SN Airholding SA/NV (until July 1, 2013) > Günes Ekspres Havacilik A.S. (Sun Express) (Vice Chairman)
Michael Odenwald State Secretary of the German Federal Ministry for Transport and Digital Infrastructure (Compensation 2013: €33,100; 2012: €2,312.10)	**Chairman of the Supervisory Board:** > DFS Deutsche Flugsicherung GmbH **Member of the Supervisory Board:** > Deutsche Bahn AG > DB Mobility Logistics AG

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Mehmet Özdemir Member of the Works Council (from May 31, 2013) (Compensation 2013: €22,441.67)	
Arno Prangenberg Auditor, Tax Consultant (Compensation 2013: €38,700; 2012: €37,900)	
Gabriele Rieken Member of the Works Council (until January 31, 2013) (Compensation 2013: €2,708.33; 2012: €43,700)	
Dr h c Petra Roth Former Lord Mayor of the City of Frankfurt am Main (until May 31, 2013) (Compensation 2013: €15,941.67; 2012: €42,900)	**Chairperson of the Supervisory Board:** > Mainova AG (Group mandate) (until May 30, 2013) **Member of the Supervisory Board:** > Thüga Holding GmbH & Co. KGaA > AXA Konzern AG, Köln **Membership in comparable control bodies of business enterprises:** > Gas-Union GmbH > Grontmij A & T GmbH > Eurex Zürich AG (from February 5, 2013) **Member of the Advisory Board:** > Deutsche Vermögensberatung AG > Thüga AG
Hans-Jürgen Schmidt 1. State Vice Chairman komba gewerkschaft Hessen Chairman komba gewerkschaft Kreisverband Flughafen Frankfurt/Main (Compensation 2013: €38,700; 2012: €37,900)	
Werner Schmidt Member of the Works Council (Compensation 2013: €39,566.67; 2012: €35,500)	**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 2013: €51,700; 2012: €48,500)	**Member of the Supervisory Board:** > Airmail Center Frankfurt GmbH
Christian Strenger (until May 31, 2013) (Compensation 2013: €28,516.67; 2012: €67,800)	**Chairman of the Supervisory Board:** > The Germany Funds (USA) **Member of the Supervisory Board:** > DWS Investment GmbH > Evonik Industries AG (until March 11, 2013) > TUI AG
Prof Dr-Ing Katja Windt Professor of Global Production Logistics Jacobs University Bremen gGmbH (Compensation 2013: €45,300; 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 **Member of the Scientific Board:** > Bundesvereinigung Logistik (BVL) e. V.

Table 144

55 Disclosure of shareholding according to Section 313 (2) of the HGB

Subsidiaries

Name and registered office		Shareholding in %	Equity (according to IFRS) in €'000	Result (according to IFRS) in €'000
Afriport S.A., Luxemburg/Luxemburg	**2013**	**100**	**1,436**	**–40**
	2012	3.24	1,476	–39
AirIT Services AG, Lautzenhausen	**2013**	**100**	**2,233**	**355**
	2012	100	2,019	326
Airport Assekuranz Vermittlungs-GmbH, Frankfurt am Main	**2013**	**100**	**144,015**	**8,301**
	2012	100	135,703	8,461
Airport Cater Service GmbH, Frankfurt am Main	**2013**	**100**	**26**	**0**
	2012	100	26	0
Air-Transport IT Services, Inc., Orlando/USA	**2013**	**100**	**5,873**	**438**
	2012	100	5,673	744
Antalya Havalimani Uluslararasi Terminal Isletmeciligi Anonim Sirketi, Istanbul/Turkey	**2013**	**100**	**40,478**	**3,339**
	2012	100	47,028	–226
APS Airport Personal Service GmbH, Frankfurt am Main	**2013**	**100**	**1,401**	**851**
	2012	100	1,276	726
Daport S.A., Dakar/Senegal	**2013**	**100**	**591**	**–103** [1]
	2012	3.24	1,010	–265 [1]
Energy Air GmbH, Frankfurt am Main	**2013**	**100**	**2,060**	**1,961**
	2012	100	3,485	3,387
Flughafen Frankfurt Main (Greece) Monoprosopi EPE, Athens/Greece	**2013**	**100**	**54**	**–11** [1]
	2012	100	66	–12 [1]
FraCareServices GmbH, Frankfurt am Main	**2013**	**51**	**1,262**	**119**
	2012	51	1,343	116
Fraport Asia Ltd., Hong Kong/China	**2013**	**100**	**87,503**	**1,696**
	2012	100	89,017	4,394
Fraport Cargo Services GmbH, Frankfurt am Main	**2013**	**100**	**17,265**	**–3,542**
	2012	100	31,753	3,963
Fraport Casa GmbH, Neu-Isenburg	**2013**	**100**	**40,531**	**300**
	2012	100	20,824	–155
Fraport Casa Commercial GmbH, Neu-Isenburg	**2013**	**100**	**1,251**	**–1** [11]
	2012	100	28	0
Fraport Immobilienservice und -entwicklungs GmbH & Co. KG, Flörsheim am Main	**2013**	**100**	**11,535**	**4,030** [2] [3]
	2012	100	11,863	5,718 [2] [3]
Fraport Malta Business Services Ltd., St. Julians/Malta	**2013**	**100**	**100,757**	**1,875**
	2012	100	77,243	1,745
Fraport Malta Ltd., St. Julians/Malta	**2013**	**100**	**103,569**	**3,080**
	2012	100	80,450	3,489
Fraport Objekte 162 163 GmbH, Flörsheim am Main	**2013**	**100**	**25**	**1**
	2012	100	24	1
Fraport (Philippines) Services, Inc., Manila/Philippines	**2013**	**99.99**	**–3,180**	**0** [1]
	2012	99.99	–3,494	0 [1]
Fraport Peru S.A.C., Lima/Peru	**2013**	**99.99**	**368**	**212**
	2012	99.99	424	165
FPS Frankfurt Passenger Services GmbH, Frankfurt am Main	**2013**	**51**	**657**	**307**
	2012	51	443	210

Subsidiaries

Name and registered office		Shareholding in %	Equity (according to IFRS) in €'000	Result (according to IFRS) in €'000
Fraport Objekt Mönchhof GmbH, Flörsheim am Main	**2013**	**100**	**25**	**1**
	2012	100	24	1
Fraport Real Estate Mönchhof GmbH & Co. KG, Flörsheim am Main	**2013**	**100**	**4,389**	**2,116** [2) 3)]
	2012	100	4,698	4,115 [2) 3)]
Fraport Real Estate Verwaltungs GmbH, Flörsheim am Main	**2013**	**100**	**29**	**2**
	2012	100	27	2
Fraport Real Estate 162 163 GmbH & Co. KG, Flörsheim am Main	**2013**	**100**	**5,094**	**2,020** [2) 3)]
	2012	100	4,903	1,715 [2) 3)]
Fraport Saudi Arabia for Airport Management and Development Services Company Ltd., Riyadh/Saudi Arabia	**2013**	**100**	**9,059**	**4,775**
	2012	100	8,419	4,148
FraSec Fraport Security Services GmbH, Frankfurt am Main	**2013**	**100**	**6,718**	**133**
	2012	100	6,584	1,203
FRA - Verkehrszentrale GmbH, Neu-Isenburg	**2013**	**100**	**28**	**0** [1)]
	2012	100	28	0 [1)]
FRA - Vorfeldaufsicht GmbH, Neu-Isenburg	**2013**	**100**	**89**	**47**
	2012	100	42	15
FRA - Vorfeldkontrolle GmbH, Neu-Isenburg	**2013**	**100**	**350**	**97**
	2012	100	13	–15
Fraport Twin Star Airport Management AD, Varna/Bulgaria	**2013**	**60**	**68,278**	**13,668**
	2012	60	54,623	12,424
FSG Flughafen-Service GmbH, Frankfurt am Main	**2013**	**33.33**	**148**	**73**
	2012	33.33	155	80
GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG, Frankfurt am Main	**2013**	**40**	**3,597**	**2,469** [3)]
	2012	40	3,231	2,083 [3)]
International Aviation Security (UK) Ltd., London/Great Britain	**2013**	**100**	**0**	**0** [1)]
	2012	100	0	0 [1)]
International Aviation Security, Lda., Lisbon/Portugal	**2013**	**100**	**0**	**0** [1)]
	2012	100	0	0 [1)]
Lima Airport Partners S.R.L., Lima/Peru	**2013**	**70.01**	**46,131**	**26,378**
	2012	70.01	32,277	24,523
Media Frankfurt GmbH, Frankfurt am Main	**2013**	**51**	**7,249**	**2,195**
	2012	51	6,603	1,544
VCS Verwaltungsgesellschaft für Cleaning Service mbH, Frankfurt am Main	**2013**	**100**	**39**	**1**
	2012	100	38	0

Table 145

Joint ventures

Name and registered office		Shareholding in %	Equity (according to IFRS) in €'000	Result (according to IFRS) in €'000
AirITSystems GmbH, Hanover	**2013**	**50**	**2,995**	**794**
	2012	50	3,214	999
Fraport IC Ictas Havalimani Isletme Anonim Sirketi, Antalya/Turkey	**2013**	**50**	**78,998**	**55,627**
	2012	50	23,050	–39
Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi Anonim Sirketi, Antalya/Turkey	**2013**	**50**	**–51,699**	**66,338**
	2012	50	–74,400	54,436
Fraport IC Ictas Havalimani Yer Hizmetleri Anonim Sirketi, Antalya/Turkey	**2013**	**50**	**231**	**–40** [1]
	2012	50	275	–89 [1]
Gateway Gardens Projektentwicklungs-GmbH, Frankfurt am Main	**2013**	**16.66**	**262**	**51**
	2012	16.66	211	–19
Grundstücksgesellschaft Gateway Gardens GmbH, Frankfurt am Main	**2013**	**33.33**	**4,119**	**801**
	2012	33.33	3,312	–256
Medical Airport Service GmbH, Kelsterbach	**2013**	**50**	**6,090**	**1,169**
	2012	50	5,381	1,054
Multi Park II Mönchhof GmbH, Walldorf (Baden)	**2013**	**50**	**80**	**599**
	2012	50	761	–34
N*ICE Aircraft Services & Support GmbH, Frankfurt am Main	**2013**	**52**	**19,937**	**4,311**
	2012	52	17,031	1,404
Pantares Tradeport Asia Ltd., Hong Kong/China	**2013**	**50**	**6,438**	**962**
	2012	50	5,713	964
Shanghai Frankfurt Airport Consulting Services Co., Ltd., Shanghai/China	**2013**	**50**	**310**	**15**
	2012	50	299	13
Terminal for Kids gGmbH, Frankfurt am Main	**2013**	**50**	**1,951**	**491**
	2012	50	1,460	322

Table 146

Associated companies

Name and registered office		Shareholding in %	Equity (according to IFRS) in €'000	Result (according to IFRS) in €'000
Airmail Center Frankfurt GmbH, Frankfurt am Main	**2013**	**40**	**4,535**	**1,402**
	2012	40	4,274	1,683
ASG Airport Service Gesellschaft mbH, Frankfurt am Main	**2013**	**49**	**1,573**	**700**
	2012	49	1,946	1,073
Flughafen Hannover-Langenhagen GmbH, Hanover	**2013**	**30**	**133,306**	**–2,084**
	2012	30	136,166	–1,344
Xi'an Xianyang International Airport Co., Ltd., Xianyang City/China	**2013**	**24.5**	**425,437**	**10,273**
	2012	24.5	427,634	11,417
Thalita Trading Ltd., Lakatamia/Cyprus; Northern Capital Gateway LLC, St. Petersburg/Russia	**2013**	**35.5**	**–2,912**	**–47,893**
	2012	35.5	39,391	22,293
Tradeport Hong Kong Ltd., Hong Kong/China	**2013**	**18.75**	**–9,725**	**2,592** [10]
	2012	18.75	–12,781	2,606 [10]

Table 147

Other investments

Name and registered office		Shareholding in %	Equity (according to local regulation) in €'000	Result (according to local regulation) in €'000
Compañía de Economia Mixta de Valor y Seguridad CIVAS EQUADOR, Quito/Ecuador	**2013**	**35**	**–**	**–** [1) 4) 5)]
	2012	35	–	– [1) 4) 5)]
Delhi International Airport Private Ltd., New Delhi/India	**2013**	**10**	**153,498**	**1,037** [6)]
	2012	10	144,130	–156,948 [6)]
Gateways for India Airports Private Ltd., Bangalore/India	**2013**	**13.51**	**2**	**–** [1)]
	2012	13.51	2	– [1)]
Ineuropa Handling Alicante, U.T.E., Madrid/Spain	**2013**	**20**	**–**	**–** [1) 7)]
	2007	20	–575	–786 [1) 4) 5)]
Ineuropa Handling Madrid, U.T.E., Madrid/Spain	**2013**	**20**	**–**	**–** [1) 5) 7)]
	2007	20	–1,282	–2,604 [1) 4) 5)]
Ineuropa Handling Mallorca, U.T.E., Madrid/Spain	**2013**	**20**	**–**	**–** [1) 5) 7)]
	2007	20	871	270 [1) 4) 5)]
Ineuropa Handling Teneriffa, U.T.E., Madrid/Spain	**2013**	**20**	**–**	**–** [1) 5) 7)]
	2007	20	1,642	–762 [1) 4) 5)]
operational services GmbH & Co. KG, Frankfurt am Main	**2013**	**50**	**12,941**	**3,577** [8)]
	2012	50	9,364	2,668 [8)]
Perishable-Center Frankfurt GbR, Frankfurt am Main	**2013**	**0**	**–**	**–** [4) 9)]
	2012	0	1,510	1,382
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt, Frankfurt am Main	**2013**	**10**	**–**	**–** [4)]
	2012	10	1,186	214 [4)]
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt GmbH & Co. Betriebs-KG, Frankfurt am Main	**2013**	**4**	**–**	**–** [4)]
	2012	4	1,341	456 [4)]
Philippine Airport and Ground Services Terminals Holdings, Inc., Pasay City/Philippines (PTH)	**2013**	**40**	**–**	**–** [1) 4) 5)]
	2005	40	–1,590	833
Philippine Airport and Ground Services Terminals, Inc., Manila/Philippines (PTI)	**2013**	**40**	**–**	**–** [1) 4) 5)]
	2005	40	–2,937	1,390
Philippine Airport and Ground Services, Inc., Manila/Philippines (PAGS)	**2013**	**40**	**–**	**–** [1) 4) 5)]
	2005	40	4,533	9
Philippine International Air Terminals Co., Inc., Pasay City/Philippines (PIATCO)	**2013**	**30**	**–**	**–** [1) 4) 5)]
	2005	30	98,747	4,761
THE SQUAIRE GmbH & Co. KG, Frankfurt am Main	**2013**	**2.2**	**–**	**–** [3) 4)]
	2012	2.4	–565,131	–67,812 [3)]

Table 148

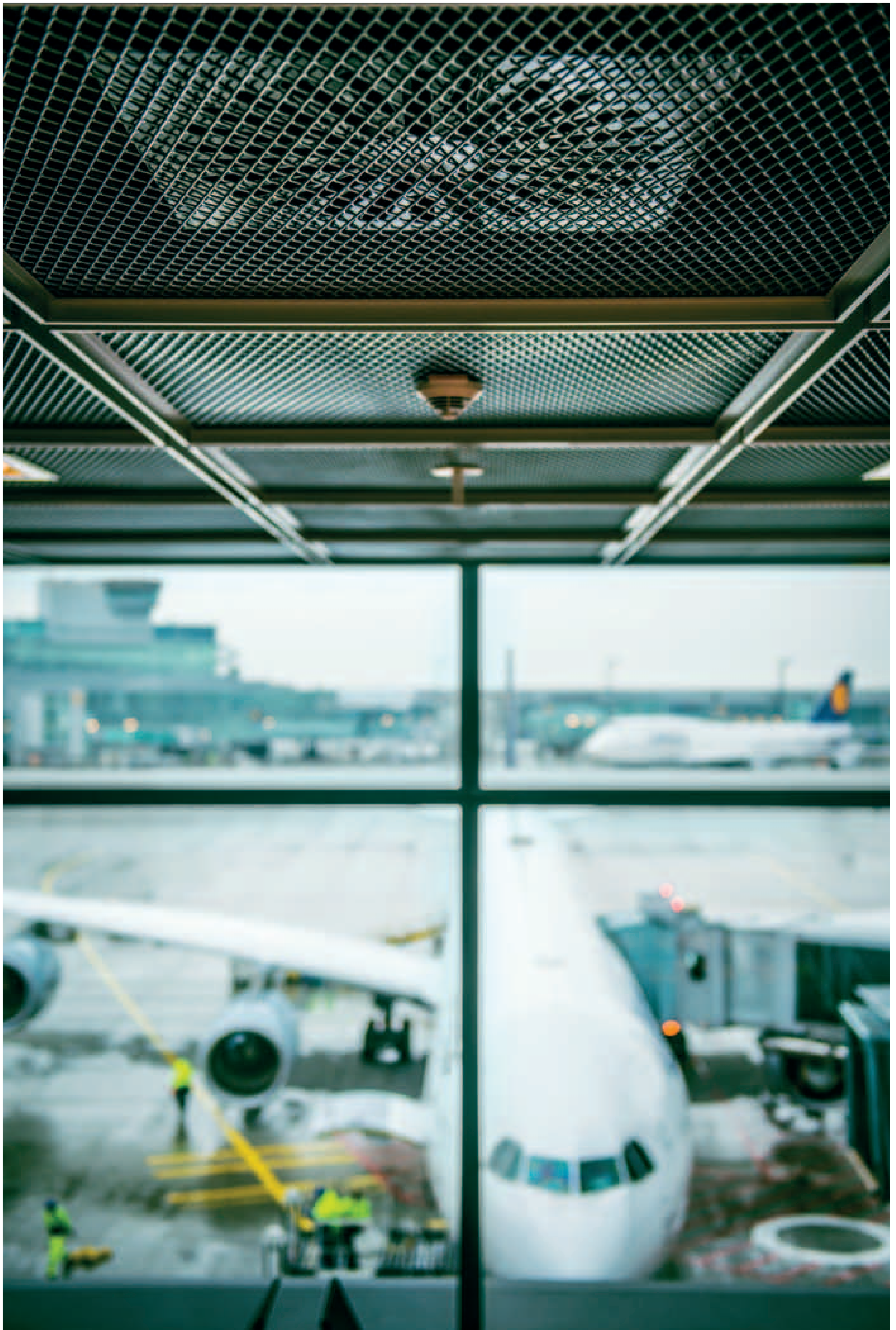
1) Company inactive or in liquidation.
2) IFRS result before consolidation.
3) In the equity of commercial partnerships, capital shares as well as shares in profit and loss of the limited partners are recognized (according to IAS 32, these represent debt).
4) Current financial statements not yet available.
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.
10) Pantares Tradeport Asia Ltd. holds in total 37.5% of capital shares of Tradeport Hong Kong Ltd.
11) Former FRA - Positionsaufsicht GmbH.

Frankfurt am Main, March 4, 2014

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr Schulte Giesen Müller Schmitz Dr Zieschang



External Activities & Services

More than 1,300,000 square meters...

570,000 passengers started their vacation on just one weekend at the beginning of the 2013 summer vacation. Added to this are those collecting passengers, employees and visitors to the airport. As the owner, Fraport operates Frankfurt Airport around the clock, 365 days a year. A good indoor climate is essential for ensuring that the passengers' stay at the airport is of the highest quality. Spread out over a gross surface area of more than 1,300,000 square meters – an area bigger than the Frankfurt city center – some 3,000 fans provide a pleasant air quality. To achieve this, the air-conditioning systems circulate around 5,400,000 cubic meters of air every hour.

...with fresh air

To operate the air-conditioning system Fraport requires a softer water hardness level than regular mains water. For this reason, Fraport filters about 25,000 liters an hour into a special water-softening osmosis plant. The absence of this processing would result in the air-conditioning system becoming blocked and the average temperature in the terminals would rise. After about three days, the pollution of the air-conditioning technology would be so far advanced that the system would fail and individual sections of the terminals would have to be shut down. Regular maintenance and testing of the osmosis plant are therefore essential for Fraport.

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 4, 2014

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 statement of financial position, 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, 2013. 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 Section 315a (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 Section 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 Section 315a (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 4, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Klaus-Dieter Ruske	Klaus Jäcker
German Public Auditor	German Public Auditor

Seven-Year-Overview [1)]

Consolidated income statement

€ million	2013	2012	2011	2010	2009	2008	2007
Revenue	**2,561.4**	**2,442.0**	**2,371.2**	**2,194.6**	**2,010.3**	**2,101.6**	**2,329.0**
Change in work-in-process	0.6	0.5	0.4	0.4	0.9	0.4	0.5
Other internal work capitalized	35.1	44.0	40.3	36.9	39.1	33.8	24.6
Other operating income	34.3	55.8	40.9	52.1	45.3	66.1	71.7
Total revenue	**2,631.4**	**2,542.3**	**2,452.8**	**2,284.0**	**2,095.6**	**2,201.9**	**2,425.8**
Cost of materials	–613.0	–558.1	–541.1	–491.1	–471.6	–471.1	–461.4
Personnel expenses	–946.8	–942.9	–906.3	–880.4	–866.9	–925.6	–1,143.3
Other operating expenses	–191.4	–192.6	–203.1	–201.9	–187.4	–204.5	–240.6
EBITDA	**880.2**	**848.7**	**802.3**	**710.6**	**569.7**	**600.7**	**580.5**
Depreciation and amortization	–352.1	–352.7	–305.7	–279.7	–268.8	–241.5	–245.2
Operating result/EBIT	**528.1**	**496.0**	**496.6**	**430.9**	**300.9**	**359.2**	**335.3**
Interest result	–177.0	–174.1	–144.4	–137.7	–99.7	–71.0	–25.3
Result from associated companies	–13.6	11.7	11.5	7.0	4.3	–15.1	2.5
Income from investments	0.0	0.0	0.0	0.0	0.1	0.1	5.3
Write-down on financial assets	0.0	0.0	0.0	0.0	–7.2	0.0	0.0
Other financial result	3.2	30.5	–16.4	–21.5	–3.9	24.2	0.9
Financial result	**–187.4**	**–131.9**	**–149.3**	**–152.2**	**–106.4**	**–61.8**	**–16.6**
Result from ordinary operations/EBT	**340.7**	**364.1**	**347.3**	**278.7**	**194.5**	**297.4**	**318.7**
Taxes on income	–105.0	–112.6	–96.5	–7.2	–42.5	–100.5	–90.5
Group result	**235.7**	**251.5**	**250.8**	**271.5**	**152.0**	**196.9**	**228.2**
thereof profit attributable to non-controlling interests	14.7	13.3	10.4	8.6	5.6	7.2	5.0
thereof profit attributable to shareholders of Fraport AG	**221.0**	**238.2**	**240.4**	**262.9**	**146.4**	**189.7**	**223.2**
Earnings per €10 share in € (basic)	**2.40**	**2.59**	**2.62**	**2.86**	**1.60**	**2.07**	**2.44**
Earnings per €10 share in € (diluted)	**2.39**	**2.58**	**2.60**	**2.85**	**1.59**	**2.05**	**2.42**

Key figures	2013	2012	2011	2010	2009	2008	2007
EBITDA margin in %	34.4	34.8	33.8	32.4	28.3	28.6	24.9
EBIT margin in %	20.6	20.3	20.9	19.6	15.0	17.1	14.4
Return on revenue in %	13.3	14.9	14.6	12.7	9.7	14.2	13.7
Fraport assets in € million	5,545.3	5,152.3	4,447.3	4,019.7	3,820.2	3,419.1	3,075.0
ROFRA in %	9.5	9.6	11.2	10.7	7.9	10.5	10.9
Year-end closing price of the Fraport share in €	54.39	43.94	38.00	47.16	36.28	30.91	53.87
Dividend per share in €	1.25 [2)]	1.25	1.25	1.25	1.15	1.15	1.15

Financial position key figures	Balance at Dec. 31, 2013	Balance at Dec. 31, 2012	Balance at Dec. 31, 2011	Balance at Dec. 31, 2010	Balance at Dec. 31, 2009	Balance at Dec. 31, 2008	Balance at Dec. 31, 2007
Profit earmarked for distribution in € million	115.4	115.5	115.4	115.6	106.2	105.6	105.3
Net financial debt in € million	2,975.4	2,934.5	2,647.0	2,024.4	1,614.5	925.6	338.0
Capital employed in € million	5,913.1	5,731.5	5,362.1	4,626.9	4,043.5	3,328.0	2,734.5
Gearing ratio in %	101.3	104.9	97.5	77.8	66.5	38.5	14.1
Debt-to-equity ratio in %	31.2	30.4	28.7	22.1	18.2	14.1	5.9
Dynamic debt ratio in %	517.6	530.7	427.8	356.7	378.5	187.9	67.6
Working capital in € million	910.9	1,057.8	977.6	1,878.4	2,030.0	919.7	218.0

[1)] Due to new accounting policies or shifts in Group definitions figures reported in previous years may differ.
[2)] Proposed dividend.

Consolidated statement of financial position

€ million	Balance at Dec. 31, 2013	Balance at Dec. 31, 2012	Balance at Dec. 31, 2011	Balance at Dec. 31, 2010	Balance at Dec. 31, 2009	Balance at Dec. 31, 2008	Balance at Dec. 31, 2007
Goodwill	38.6	38.6	38.6	38.6	40.0	22.7	22.7
Investments in airport operating projects	1,006.1	1,031.2	1,067.1	1,073.4	1,098.4	597.6	570.3
Other intangible assets	57.8	44.2	43.6	32.4	34.0	33.3	43.9
Property, plant and equipment	5,988.1	5,927.3	5,643.8	5,013.3	4,486.4	3,968.6	3,628.6
Investment property	47.7	34.4	74.6	34.0	34.7	9.0	10.1
Investments in associated companies	121.2	136.6	138.0	97.1	72.9	72.4	37.1
Other financial assets	727.6	742.7	648.6	394.6	474.7	205.4	252.2
Other receivables and financial assets	169.8	117.1	33.5	20.9	20.0	42.4	58.5
Income tax receivables	20.3	19.5	29.6	29.6	23.6	26.6	33.5
Deferred tax assets	43.7	49.2	48.2	43.1	68.3	30.4	7.2
Non-current assets	**8,220.9**	**8,140.8**	**7,765.6**	**6,777.0**	**6,353.0**	**5,008.4**	**4,664.1**
Inventories	75.3	77.7	81.4	77.9	54.0	47.4	39.5
Trade accounts receivable	181.6	180.0	163.9	178.3	158.4	154.9	154.6
Other receivables and financial assets	438.4	385.2	280.2	319.2	492.2	205.1	76.6
Income tax receivables	2.1	35.0	6.2	5.5	5.3	7.8	13.2
Cash and cash equivalents	605.1	821.9	927.1	1,812.6	1,802.3	1,154.8	651.3
Non-current assets held for sale	–	–	–	–	–	–	165.6
Current assets	**1,302.5**	**1,499.8**	**1,458.8**	**2,393.5**	**2,512.2**	**1,570.0**	**1,100.8**
Issued capital	922.1	921.3	918.8	918.4	917.7	916.1	914.6
Capital reserve	590.2	588.0	584.7	582.0	578.3	573.1	565.2
Revenue reserves	1,540.8	1,403.2	1,327.0	1,217.7	1,039.2	1,018.8	1,022.0
Equity attributable to shareholders of Fraport AG	3,053.1	2,912.5	2,830.5	2,718.1	2,535.2	2,508.0	2,501.8
Non-controlling interests	45.7	35.7	29.4	21.2	22.6	60.2	33.0
Shareholders' equity	**3,098.8**	**2,948.2**	**2,859.9**	**2,739.3**	**2,557.8**	**2,568.2**	**2,534.8**
Financial liabilities	4,146.8	4,401.0	4,034.0	4,256.6	4,126.9	1,685.3	830.6
Trade accounts payable	50.8	64.4	64.9	60.0	114.7	192.9	365.6
Other liabilities	889.4	1,006.4	1,001.0	949.2	904.7	514.8	451.7
Deferred tax liabilities	120.4	102.5	110.8	105.5	143.9	123.5	108.3
Provisions for pensions and similar obligations	26.7	27.4	22.9	22.1	20.3	19.0	19.4
Provisions for income taxes	54.1	80.2	68.1	68.0	135.0	170.0	163.0
Other provisions	235.1	211.2	201.8	147.0	129.9	101.0	136.2
Non-current liabilities	**5,523.3**	**5,893.1**	**5,503.5**	**5,608.4**	**5,575.4**	**2,806.5**	**2,074.8**
Financial liabilities	314.9	196.6	219.9	151.8	118.9	555.5	367.8
Trade accounts payable	162.4	214.4	228.9	274.6	219.8	393.8	441.5
Other liabilities	178.4	163.2	187.4	180.5	147.7	63.6	75.7
Provisions for income taxes	8.1	5.3	2.4	12.9	6.7	1.9	14.2
Other provisions	237.5	219.8	222.4	203.0	238.9	188.9	185.3
Liabilities in the context of assets held for sale	–	–	–	–	–	–	70.8
Current liabilities	**901.3**	**799.3**	**861.0**	**822.8**	**732.0**	**1,203.7**	**1,155.3**
Total assets	**9,523.4**	**9,640.6**	**9,224.4**	**9,170.5**	**8,865.2**	**6,578.4**	**5,764.9**

Change over the previous year in %	Balance at Dec. 31, 2013	Balance at Dec. 31, 2012	Balance at Dec. 31, 2011	Balance at Dec. 31, 2010	Balance at Dec. 31, 2009	Balance at Dec. 31, 2008	Balance at Dec. 31, 2007
Non-current assets	1.0	4.8	14.6	6.7	26.8	7.4	36.4
Shareholders' equity (less non-controlling interests and profit earmarked for distribution)	5.0	3.0	4.3	7.1	1.1	0.2	6.7
Share of total assets in %							
Non-current assets	86.3	84.4	84.2	73.9	71.7	76.1	80.9
Shareholders' equity ratio	30.8	29.0	29.4	28.4	27.4	36.5	41.6

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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 debt 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 operations = 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

Free cash flow
Cash flow from operating activities – investments 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 at financial position) + short-term realizable items in "other financial assets" and "other receivables and financial assets"

Market capitalization
Year-end closing price of the Fraport share × number of shares

Net financial debt
Non-current financial liabilities + current financial liabilities – liquidity

Personnel expense per employee
Personnel expense/average number of employees

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-end closing price

[1] Shareholders' equity less non-controlling interests and profit earmarked for distribution.

Financial Calendar 2014

Thursday, May 8, 2014
Group Interim Report
January 1 to March 31, 2014
Online publication, conference call with analysts and investors

Friday, May 30, 2014
Annual General Meeting 2014
Frankfurt am Main, Jahrhunderthalle

Monday, June 2, 2014
Dividend payment

Thursday, August 7, 2014
Group Interim Report
January 1 to June 30, 2014
Online publication, conference call with analysts and investors

Thursday, November 6, 2014
Group Interim Report
January 1 to September 30, 2014
Online publication, press conference and conference call with analysts and investors

Traffic Calendar 2014

(Online publication)

Thursday, April 10, 2014
March 2014/3M 2014

Tuesday, May 13, 2014
April 2014

Thursday, June 12, 2014
May 2014

Thursday, July 10, 2014
June 2014/6M 2014

Tuesday, August 12, 2014
July 2014

Wednesday, September 10, 2014
August 2014

Monday, October 13, 2014
September 2014/9M 2014

Wednesday, November 12, 2014
October 2014

Wednesday, December 10, 2014
November 2014

Thursday, January 15, 2015
December 2014/FY 2014

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